

BAR HARBOR BANKSHARES
Form S-4
July 19, 2016
Table of Contents

As filed with the Securities and Exchange Commission on July 19, 2016

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Bar Harbor Bankshares
(Exact name of registrant as specified in its charter)

Maine
(State or other jurisdiction of
incorporation or organization)

6022
(Primary Standard Industrial
Classification Code Number)

01-0393663
(I.R.S. Employer
Identification Number)

82 Main Street

Bar Harbor, Maine 04609

(207) 288-3314

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Curtis C. Simard

President and Chief Executive Officer

Bar Harbor Bankshares

82 Main Street

Bar Harbor, Maine 04609

(207) 288-3314

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Stanley V. Ragalevsky, Esq.

K&L Gates LLP

State Street Financial Center

One Lincoln Street

Boston, Massachusetts 02111

(617) 261-3100

Richard A. Schaberg, Esq.

Hogan Lovells US LLP

555 Thirteenth Street, NW

Columbia Square

Washington, D.C. 20004

(202) 637-5910

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and upon completion of the merger described in the enclosed joint proxy statement/ prospectus.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer "	Accelerated filer	x
Non-accelerated filer " (Do not check if a smaller reporting company)	Smaller reporting company "	
Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "		
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "		

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered ⁽¹⁾	Proposed maximum aggregate offering price ⁽²⁾	Amount of registration fee ⁽³⁾
Common Stock, par value \$ 2.00 per share	4,177,285	\$151,121,900	\$15,217.98

(1) Represents the estimated maximum number of shares of Bar Harbor Bankshares common stock that may be issued upon the completion of the merger described herein. This registration statement also relates to an indeterminate

number of shares of Bar Harbor Bankshares common stock that may be issued upon stock splits, stock dividends or similar transactions in accordance with Rule 416 under the Securities Act.

- (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and computed pursuant to Rules 457(c) and 457(f) of the Securities Act, the proposed maximum aggregate offering price of the registrant's common stock was computed by multiplying (a) \$17.98, the average of the high and low prices per share of Lake Sunapee Bank Group common stock on the NASDAQ Global Market on July 12, 2016, by (b) 8,405,000, the maximum possible number of shares of Lake Sunapee Bank Group common stock that may be cancelled and exchanged in the merger.
- (3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to \$100.70 per \$1,000,000 of the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this joint proxy statement/prospectus is not complete and may be changed. We may not sell the securities offered by this joint proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where an offer or solicitation is not permitted.

PRELIMINARY SUBJECT TO COMPLETION DATED July 19, 2016

Joint Proxy Statement/Prospectus

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On May 5, 2016, the boards of directors of Bar Harbor Bankshares, or BHB, and Lake Sunapee Bank Group, or LSBG, each unanimously approved a merger agreement between BHB and LSBG, pursuant to which LSBG will merge with and into BHB, with BHB surviving the merger. Immediately following the merger, Lake Sunapee Bank, fsb, will merge with and into Bar Harbor Bank & Trust, or BHB Bank, with BHB Bank surviving the merger.

Each of BHB and LSBG is holding a special meeting for its shareholders to vote on the proposals necessary to complete the merger. The merger cannot be completed unless the holders of at least a majority of the shares of BHB common stock outstanding and entitled to vote and the holders of at least a majority of the shares of LSBG common stock outstanding and entitled to vote at each company's special meeting vote to adopt and approve the merger agreement.

The special meeting of BHB shareholders will be held at the _____ on _____, at _____, local time. The special meeting of LSBG stockholders will be held at the _____ on _____, at _____, local time.

If the merger is completed, LSBG stockholders will receive 0.4970 shares of BHB common stock for each share of LSBG common stock they own on the effective date of the merger. LSBG stockholders will also receive cash in lieu of any fractional shares they would have otherwise received in the merger. BHB has registered 4,177,285 shares of its common stock for issuance to the LSBG stockholders, which represents the estimated maximum number of shares of BHB common stock that may be issued upon the completion of the merger described herein. Although the number of shares of BHB common stock that LSBG stockholders will be entitled to receive is fixed, the market value of the stock consideration will fluctuate with the market price of BHB common stock and will not be known at the time LSBG stockholders vote on the merger. However, as described in more detail elsewhere in this joint proxy statement/prospectus, under the terms of the merger agreement, if the average price of BHB common stock over a specified period of time decreases below certain specified thresholds, LSBG would have a right to terminate the merger agreement, unless BHB elects to increase the exchange ratio, which would result in additional shares of BHB common stock being issued.

BHB common stock is listed on the NYSE MKT, under the symbol **BHB** and LSBG common stock is listed on the NASDAQ Global Market under the symbol **LSBG**. On May 4, 2016, which was the last trading day preceding the

public announcement of the proposed merger, the closing price of BHB common stock was \$34.55 per share, which after giving effect to the exchange ratio has an implied value of \$17.17 per share. On _____, 2016, which was the most recent practicable trading day before the printing of this joint proxy statement/prospectus, the closing price of LSBG common stock was \$ _____ per share, which after giving effect to the exchange ratio, has an implied value of approximately \$ _____ per share. The market prices of BHB and LSBG will fluctuate between now and the closing of the merger. We urge you to obtain current market quotations for both BHB and LSBG common stock.

Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing your company's enclosed proxy card or by submitting a proxy through the Internet or by telephone as described in the instructions on the enclosed proxy card as soon as possible to make sure your shares are represented at the special meeting. If you hold shares through a bank or broker, please use the voting instructions you have received from your bank or broker. If you submit a properly signed proxy card without indicating how you want to vote, your proxy will be counted as a vote **FOR** each of the proposals being voted on at your company's special meeting. The failure to vote by submitting your proxy or attending your company's special meeting and voting in person will have the same effect as a vote **AGAINST** adoption and approval of the merger agreement.

The accompanying document serves as the joint proxy statement for the special meetings of BHB and LSBG, and as the prospectus for the shares of BHB common stock to be issued in connection with the merger. This joint proxy statement/prospectus describes the special meetings, the merger, the documents related to the merger and other related matters. BHB and LSBG have sent you this joint proxy statement/prospectus and the proxy card because their respective board of directors is soliciting your proxy to vote at the respective special meeting. Please carefully review and consider this joint proxy statement/prospectus. **Please give particular attention to the discussion under the heading Risk Factors beginning on page 24 for risk factors relating to the merger which you should consider.**

We look forward to the successful completion of the merger.

Sincerely,

Curtis C. Simard

Stephen R. Theroux

Bar Harbor Bankshares

Lake Sunapee Bank Group

President and Chief Executive Officer

President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved of the securities to be issued in the merger or determined if the attached joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The shares of BHB common stock to be issued in the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by any federal or state governmental agency.

This joint proxy statement/prospectus is dated _____, 2016, and is first being mailed to BHB shareholders and LSBG stockholders on or about _____, 2016.

Table of Contents

9 Main Street

P.O. Box 9

Newport, New Hampshire 03773

(603) 863-0886

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON

A special meeting of stockholders of Lake Sunapee Bank Group, or LSBG, will be held at the _____ on _____, at _____, local time, for the following purposes:

1. to consider and vote on a proposal to adopt the Agreement and Plan of Merger, or the merger agreement, by and between Bar Harbor Bankshares, or BHB, and LSBG, dated as of May 5, 2016, pursuant to which LSBG will merge with and into BHB with BHB surviving;
2. to consider and vote on an advisory (non-binding) proposal to approve the compensation payable to the named executive officers of LSBG in connection with the merger; and
3. to consider and vote on a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are insufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to adopt the merger agreement.

The merger agreement and proposed merger of LSBG with and into BHB is more fully described in the attached joint proxy statement/prospectus, which you should read carefully and in its entirety before voting. A copy of the merger agreement is included as Annex A to the attached joint proxy statement/prospectus.

The board of directors of LSBG has established the close of business on _____, 2016 as the record date for the special meeting. Only record holders of LSBG common stock as of the close of business on that date will be entitled to notice of and vote at the special meeting or any adjournment or postponement of that meeting. A list of stockholders entitled to vote at the special meeting will be available for inspection by any LSBG stockholder at the offices of LSBG for a period of 10 days prior to the special meeting until the close of such meeting. The affirmative vote of holders of at least a majority of the shares of LSBG common stock outstanding and entitled to vote at the special meeting is required to adopt the merger agreement.

Your vote is important, regardless of the number of shares that you own. **Please complete, sign and return the enclosed LSBG proxy card promptly in the enclosed postage-paid envelope or submit a proxy through the Internet or by telephone as described in the instructions on the enclosed proxy card.** Voting by proxy will not prevent you from voting in person at the special meeting, but will assure that your vote is counted if you are unable to attend. You may revoke your proxy at any time before the meeting. If your shares are held in the name of a bank,

broker or other nominee, please follow the instructions furnished to you by such record holder with these materials. If you do not vote in person or by proxy, the effect will be a vote **AGAINST** adoption of the merger agreement.

The LSBG board of directors unanimously recommends that you vote FOR adoption of the merger agreement, FOR approval, on an advisory (non-binding) basis, of the compensation payable to the named executive officers of LSBG in connection with the merger, and FOR the adjournment proposal as described above.

By Order of the Board of Directors,

Kimberly Pruett-Ilg
Corporate Secretary

Newport, New Hampshire

, 2016

Table of Contents

82 Main Street

Bar Harbor, Maine 04609

(207) 288-3314

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

A special meeting of shareholders of Bar Harbor Bankshares, or BHB, will be held at the on _____, at _____, local time, for the following purposes:

1. to consider and vote on a proposal to approve the Agreement and Plan of Merger, or the merger agreement, by and between BHB and Lake Sunapee Bank Group, or LSBG, dated as of May 5, 2016, pursuant to which LSBG will merge with and into BHB with BHB surviving; and
2. to consider and vote on a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are insufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to approve the merger agreement.

The merger agreement and proposed merger of LSBG with and into BHB is more fully described in the attached joint proxy statement/prospectus, which you should read carefully and in its entirety before voting. A copy of the merger agreement is included as Annex A to the attached joint proxy statement/prospectus.

The board of directors of BHB has established the close of business on _____, 2016 as the record date for the special meeting. Only record holders of BHB common stock as of the close of business on that date will be entitled to notice of and vote at the special meeting or any adjournment or postponement of that meeting. A list of shareholders entitled to vote at the special meeting will be available for inspection by any BHB shareholder at any time prior to or during the special meeting or any adjournment thereof. The affirmative vote of holders of at least a majority of the shares of BHB common stock outstanding and entitled to vote at the special meeting is required to adopt and approve the merger agreement.

Your vote is important, regardless of the number of shares that you own. **Please complete, sign and return the enclosed BHB proxy card promptly in the enclosed postage-paid envelope or submit a proxy through the Internet or by telephone as described in the instructions on the enclosed proxy.** Voting by proxy will not prevent you from voting in person at the special meeting, but will assure that your vote is counted if you are unable to attend. You may revoke your proxy at any time before the meeting. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions furnished to you by such record holder with these materials. If you do not vote in person or by proxy, the effect will be a vote **AGAINST** adoption and approval of the merger agreement.

The BHB board of directors unanimously recommends that you vote FOR adoption and approval of the merger agreement and FOR the adjournment proposal as described above.

By Order of the Board of Directors,

Marsha C. Sawyer

Clerk

Bar Harbor, Maine

, 2016

Table of Contents

ADDITIONAL INFORMATION

The accompanying joint proxy statement/prospectus incorporates by reference important business and financial information about BHB and LSBG from documents that are not included in or delivered with the joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Bar Harbor Bankshares	Lake Sunapee Bank Group
82 Main Street	9 Main Street
Bar Harbor, Maine 04609	P.O. Box 9
Attention: Marsha C. Sawyer, Clerk	Newport, New Hampshire 03773
(207) 288-2639	Attention: Laura Jacobi
www.bhbt.com	(603) 863-0886
(<i>Shareholder Relations</i> tab)	www.lakesunbank.com
	(<i>Investor Relations</i> tab)

To obtain timely delivery, you must request the information no later than five business days before the applicable special meeting. In the case of LSBG stockholders, this means that you must make your request no later than , 2016, and in the case of BHB shareholders, this means that you must make your request no later than , 2016.

For a more detailed description of the information incorporated by reference into the accompanying joint proxy statement/prospectus and how you may obtain it, see *Where You Can Find More Information* beginning on page 118.

The accompanying joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement. We urge you to read the joint proxy statement/prospectus, including any documents incorporated by reference into the joint proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the merger, the other meeting matters or the joint proxy statement/prospectus, or need assistance voting your shares, please contact Alliance Advisors, the proxy solicitor for BHB and LSBG, at the address or telephone number listed below:

Alliance Advisors LLC
200 Broadacres Drive, 3rd Floor
Bloomfield, NJ 07003
(855)928-4494

Please do not send your stock certificates at this time. LSBG stockholders will be sent separate instructions regarding the surrender of their stock certificates.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS</u>	1
<u>SUMMARY</u>	8
<u>The Companies</u>	8
<u>The Special Meeting of Stockholders of LSBG</u>	9
<u>The Special Meeting of Shareholders of BHB</u>	10
<u>The Merger and the Merger Agreement</u>	11
<u>Selected Consolidated Historical Financial Data of Bar Harbor Bankshares</u>	17
<u>Selected Consolidated Historical Financial Data of Lake Sunapee Bank Group</u>	18
<u>Selected Unaudited Pro Forma Combined Financial Data for Bar Harbor Bankshares</u>	19
<u>Unaudited Comparative Per Share Data</u>	21
<u>Comparative Market Price Data and Dividend Information</u>	22
<u>RISK FACTORS</u>	24
<u>INFORMATION REGARDING FORWARD-LOOKING STATEMENTS</u>	29
<u>INFORMATION ABOUT THE COMPANIES</u>	31
<u>Bar Harbor Bankshares</u>	31
<u>Lake Sunapee Bank Group</u>	31
<u>THE SPECIAL MEETING OF LSBG STOCKHOLDERS</u>	33
<u>Date, Time and Place of the Special Meeting</u>	33
<u>Purpose of the Special Meeting</u>	33
<u>Recommendation of the LSBG Board of Directors</u>	33
<u>Record Date; Outstanding Shares; Shares Entitled to Vote</u>	33
<u>Quorum; Vote Required</u>	33
<u>Share Ownership of Management; Voting Agreement</u>	34
<u>Voting of Proxies</u>	34
<u>How to Revoke Your Proxy</u>	35
<u>Voting in Person</u>	35
<u>Abstentions and Broker Non-Votes</u>	35
<u>Proxy Solicitation</u>	36
<u>Stock Certificates</u>	36
<u>Proposal to Approve Adjournment of the Special Meeting</u>	36
<u>THE SPECIAL MEETING OF BHB SHAREHOLDERS</u>	38
<u>Date, Time and Place of the Special Meeting</u>	38
<u>Purpose of the Special Meeting</u>	38
<u>Recommendation of the BHB Board of Directors</u>	38
<u>Record Date; Outstanding Shares; Shares Entitled to Vote</u>	38
<u>Quorum; Vote Required</u>	38
<u>Share Ownership of Management</u>	39
<u>Voting of Proxies</u>	39
<u>How to Revoke Your Proxy</u>	40
<u>Voting in Person</u>	40

<u>Abstentions and Broker Non-Votes</u>	40
<u>Proxy Solicitation</u>	41
<u>Proposal to Approve Adjournment of the Special Meeting</u>	41
<u>PROPOSAL I THE MERGER</u>	42
<u>General</u>	42
<u>Consideration to be Received in the Merger</u>	42
<u>Background of the Merger</u>	42
<u>LSBG's Reasons for the Merger</u>	47

Table of Contents

	Page
<u>Recommendation of the LSBG Board of Directors</u>	50
<u>Opinion of Griffin Financial Group LLC, Financial Advisor to LSBG</u>	50
<u>Interests of LSBG's Directors and Executive Officers in the Merger</u>	59
<u>Merger-Related Compensation for LSBG's Named Executive Officers</u>	64
<u>BHB's Reasons for the Merger</u>	65
<u>Recommendation of the BHB Board of Directors</u>	66
<u>Opinion of Sandler O'Neill & Partners, L.P., Financial Advisor to BHB</u>	66
<u>BHB and BHB Bank's Boards of Directors After the Merger</u>	78
<u>Bank Merger</u>	78
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	79
<u>Regulatory Approvals Required for the Merger</u>	80
<u>Accounting Treatment of the Merger</u>	82
<u>Appraisal Rights</u>	82
<u>Restrictions on Sales of Shares by Certain Affiliates</u>	82
<u>Stock Exchange Listing</u>	83
<u>Delisting and Deregistration of LSBG Common Stock After the Merger</u>	83
<u>PROPOSAL II ADVISORY (NON-BINDING) VOTE ON COMPENSATION</u>	84
<u>THE MERGER AGREEMENT</u>	85
<u>Structure</u>	85
<u>Effective Time and Timing of Closing</u>	85
<u>BHB and BHB Bank's Boards of Directors After the Merger</u>	86
<u>Bank Merger</u>	86
<u>Consideration to be Received in the Merger</u>	86
<u>LSBG's Equity Awards</u>	86
<u>Exchange of Certificates; Dividends</u>	86
<u>Representations and Warranties</u>	87
<u>Conduct of Business Pending the Merger</u>	88
<u>BHB and LSBG Shareholder Meetings</u>	91
<u>No Solicitation</u>	91
<u>Employee Benefits</u>	93
<u>Indemnification and Insurance</u>	94
<u>The Voting Agreement</u>	94
<u>Additional Agreements</u>	95
<u>Conditions to Complete the Merger</u>	95
<u>Termination</u>	97
<u>Termination Fee</u>	98
<u>Waiver and Amendment</u>	99
<u>Expenses</u>	99
<u>Specific Performance</u>	99
<u>COMPARISON OF SHAREHOLDER RIGHTS</u>	100
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	111
<u>FOOTNOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	115
<u>LEGAL MATTERS</u>	117

<u>EXPERTS</u>	117
<u>FUTURE SHAREHOLDER PROPOSALS</u>	117
<u>LSBG</u>	117
<u>BHB</u>	117
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	118
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	118
<u>ANNEX A AGREEMENT AND PLAN OF MERGER</u>	A-1
<u>ANNEX B OPINION OF GRIFFIN FINANCIAL GROUP LLC</u>	B-1
<u>ANNEX C OPINION OF SANDLER O NEILL & PARTNERS, L.P.</u>	C-1

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger and the special meetings. These questions and answers may not address all questions that may be important to you as a shareholder. To better understand these matters, and for a description of the legal terms governing the merger, you should carefully read this entire joint proxy statement/prospectus, including the annexes, as well as the documents that have been incorporated by reference into this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

A: BHB and LSBG have agreed to the acquisition of LSBG by BHB under the terms of the merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A. In order to complete the merger, BHB and LSBG shareholders must adopt and approve the merger agreement. BHB will hold a special meeting of shareholders and LSBG will hold a special meeting of stockholders to obtain this approval. This joint proxy statement/prospectus contains important information about the merger, the merger agreement, the special meetings of BHB and LSBG and other related matters, and you should read it carefully. The enclosed voting materials for each special meeting allow you to vote your shares of common stock without attending your company's special meeting in person.

We are delivering this joint proxy statement/prospectus to you as both a joint proxy statement of BHB and LSBG and a prospectus of BHB. It is a joint proxy statement because the boards of directors of both BHB and LSBG are soliciting proxies from their respective shareholders. Your proxy will be used at your respective special meeting or at any adjournment or postponement of that special meeting. It is also a prospectus because BHB will issue BHB common stock to LSBG stockholders as consideration in the merger, and this prospectus contains information about that common stock.

Q: What will happen in the merger?

A: In the proposed merger, LSBG will merge with and into BHB, with BHB being the surviving entity. Following the merger, Lake Sunapee Bank, fsb, or LSBG Bank, will be merged with and into Bar Harbor Bank & Trust, or BHB Bank, with BHB Bank being the surviving entity.

Q: What will I receive in the merger?

A: *LSBG Stockholders.* If the merger is completed, LSBG stockholders will be entitled to receive 0.4970 shares of BHB common stock for each outstanding share of LSBG common stock held at the time of the merger (other than shares held directly or indirectly by BHB and shares held by LSBG as treasury shares).

The value of the stock consideration is dependent upon the value of BHB common stock and therefore will fluctuate with the market price of BHB common stock. Accordingly, any change in the price of BHB common stock prior to the merger will affect the market value of the stock consideration that LSBG stockholders will receive as a result of the merger.

BHB Shareholders. BHB shareholders will continue to hold their existing shares. Following the merger, BHB common stock will continue to trade on the NYSE MKT, or NYSE, under the symbol BHB .

Q: Will I receive any fractional shares of BHB common stock as part of the merger consideration?

A: No. BHB will not issue any fractional shares of BHB common stock in the merger. Instead, BHB will pay you the cash value of a fractional share (without interest) in an amount determined by multiplying the fractional share interest to which you would otherwise be entitled by the average of the closing sales prices of one share of BHB common stock on the NYSE for the 10 trading days immediately preceding the effective time of the merger, as reported by *Bloomberg*.

Table of Contents

Q: What will happen to shares of BHB common stock in the merger?

A: BHB shareholders will not receive any merger consideration for their BHB common stock. Each share of BHB common stock outstanding will remain outstanding as a share of BHB common stock.

Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of shares of LSBG common stock?

A: The merger is intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. Accordingly, LSBG stockholders generally will not recognize any gain or loss on the conversion of shares of LSBG common stock solely into shares of BHB common stock. However, a LSBG stockholder generally will be subject to tax on cash received in lieu of any fractional share of BHB common stock that a LSBG stockholder would otherwise be entitled to receive. See *The Merger* Material U.S. Federal Income Tax Consequences of the Merger beginning on page 79.

Q: Will I be able to trade the shares of BHB common stock that I receive in the merger?

A: You may freely trade the shares of BHB common stock issued in the merger, unless you are an affiliate of BHB as defined by Rule 144 under the Securities Act of 1933, as amended. Affiliates consist of individuals or entities that control, are controlled by or are under the common control with BHB, and include the executive officers and directors of BHB after the merger and may include significant shareholders of BHB.

Q: What are the conditions to completion of the merger?

A: The obligations of BHB and LSBG to complete the merger are subject to the satisfaction or waiver of certain closing conditions contained in the merger agreement, including the receipt of required regulatory approvals and tax opinions, and the adoption and approval of the merger agreement by the shareholders of both BHB and LSBG.

Q: When do you expect the merger to be completed?

A: We will complete the merger when all of the conditions to completion contained in the merger agreement are satisfied or waived, including obtaining required regulatory approvals and the adoption and approval of the merger agreement by BHB and LSBG shareholders at their respective special meetings. While we expect the merger to be completed in the fourth quarter of 2016 or the first quarter of 2017, because fulfillment of some of the conditions to completion of the merger is not entirely within our control, we cannot assure you of the actual timing.

Q: What shareholder approvals are required to complete the merger?

A: The merger cannot be completed unless the holders of at least a majority of the shares of BHB common stock outstanding and entitled to vote and the holders of at least a majority of the shares of LSBG common stock outstanding and entitled to vote at each company's special meeting vote to adopt and approve the merger agreement.

Q: Are there any shareholders already committed to voting in favor of the merger agreement?

A: Yes. Each of the directors and executive officers of LSBG have entered into a voting agreement with BHB, requiring each of them to vote all shares of LSBG common stock owned by such person in favor of approval of the merger agreement. As of the record date, these directors and executive officers held _____ shares of LSBG common stock, which represented approximately _____ % of the outstanding shares of LSBG common stock.

Table of Contents

Q: When and where are the special meetings?

A: The special meeting of stockholders of LSBG will be held at the _____ on _____, at _____, local time. The special meeting of shareholders of BHB will be held at the _____ on _____, at _____, local time.

Q: What will happen at the special meetings?

A: At the special meetings, BHB and LSBG shareholders will consider and vote on the proposal to adopt and approve the merger agreement. Additionally, LSBG stockholders will consider and vote on an advisory (non-binding) proposal to approve the compensation payable to the named executive officers of LSBG in connection with the merger. If, at the time of the BHB or LSBG special meeting, there are insufficient votes for the shareholders to adopt and approve the merger agreement, you may be asked to consider and vote on a proposal to adjourn such special meeting, so that additional proxies may be collected.

Q: Who is entitled to vote at the LSBG special meeting?

A: All holders of LSBG common stock who held shares at the close of business on _____, 2016, which is the record date for the special meeting of LSBG stockholders, are entitled to receive notice of and to vote at the LSBG special meeting. Each holder of LSBG common stock is entitled to one vote for each share of LSBG common stock owned as of the record date.

Q: Who is entitled to vote at the BHB special meeting?

A: All holders of BHB common stock who held shares at the close of business on _____, 2016, which is the record date for the special meeting of BHB shareholders, are entitled to receive notice of and to vote at the BHB special meeting. Each holder of BHB common stock is entitled to one vote for each share of BHB common stock owned as of the record date.

Q: What constitutes a quorum for a special meeting?

A: The quorum requirement for BHB's special meeting is the presence in person or by proxy of a majority of the total number of outstanding shares of common stock entitled to vote.
The quorum requirement for LSBG's special meeting is the presence in person or by proxy of one third of the total number of outstanding shares of common stock entitled to vote.

Q: How do the boards of directors of BHB and LSBG recommend I vote?

A: After careful consideration, each of the BHB and LSBG boards of directors unanimously recommends that all of their respective shareholders vote **FOR** adoption and approval of the merger agreement, and **FOR** the adjournment proposal, if necessary. The LSBG board of directors also unanimously recommends that shareholders vote **FOR** approval, on an advisory (non-binding) basis, of the compensation payable to LSBG's named executive officers in connection with the merger.

Q: Are there any risks that I should consider in deciding whether to vote for adoption and approval of the merger agreement?

A: Yes. You should read and carefully consider the risk factors set forth in the section in this joint proxy statement/prospectus entitled Risk Factors, beginning on page 24, as well as the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section of this joint proxy statement/prospectus entitled Information Regarding Forward-Looking Statements on page 29.

Table of Contents

Q: Why am I being asked to cast an advisory (non-binding) vote to approve the compensation payable to certain LSBG officers in connection with the merger?

A: The Securities and Exchange Commission, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, adopted rules that require LSBG to seek an advisory (non-binding) vote with respect to certain payments that will or may be made to LSBG's named executive officers in connection with the merger. See "The Merger: Interests of LSBG's Directors and Executive Officers in the Merger" beginning on page 59.

Q: What will happen if LSBG stockholders do not approve the compensation at the special meeting?

A: Approval of the compensation payable in connection with the merger is not a condition to completion of the merger. The vote with respect to the compensation is an advisory vote and will not be binding on LSBG regardless of whether the merger agreement is adopted and approved. Accordingly, as the compensation to be paid to the LSBG executives in connection with the merger is contractual, such compensation will be payable if the merger is completed regardless of the outcome of the advisory vote.

Q: What do I need to do now?

A: You should carefully read and consider the information contained in or incorporated by reference into this joint proxy statement/prospectus, including its annexes. It contains important information about the merger, the merger agreement, BHB and LSBG. After you have read and considered this information, you should complete and sign your proxy card and return it in the enclosed postage-paid envelope or submit a proxy through the Internet or by telephone as soon as possible so that your shares will be represented and voted at your company's special meeting.

Q: How may I vote my shares for the special meeting proposals presented in this joint proxy statement/prospectus?

A: You may vote by accessing the Internet website or calling the telephone number specified on the proxy card or by completing, signing, dating and returning the proxy card in the enclosed postage-paid envelope as soon as possible. This will enable your shares to be represented and voted at your company's special meeting. If you attend the meeting, you may deliver your completed proxy card in person or may vote by completing a ballot that will be available at the meeting. If your shares are registered in street name in the name of a broker or other nominee and you wish to vote at the meeting, you will need to obtain a legal proxy from your bank or brokerage firm. Please consult the voting form sent to you by your bank or broker to determine how to obtain a legal proxy in order to vote in person at the meeting.

Q: If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote my shares for me?

A: No. Your broker, bank or other nominee **will not** vote your shares unless you provide instructions to your broker, bank or other nominee on how to vote. You should instruct your broker, bank or other nominee to vote your shares by following the instructions provided by the broker, bank or nominee with this joint proxy statement/prospectus.

Q: How will my shares be represented at the special meeting?

A: At the special meetings for each of BHB and LSBG, individuals named in your proxy card will vote your shares in the manner you requested if you properly signed and submitted your proxy. If you sign your proxy card and return it without indicating how you would like to vote your shares, your proxy will be voted, (1) **FOR** the approval and adoption of the merger agreement; and (2) **FOR** the approval of the adjournment

Table of Contents

of the special meeting, if necessary, to solicit additional proxies if there are insufficient votes to adopt and approve the merger agreement at the time of the special meeting. Additionally, if you are an LSBG stockholder and you sign and return your proxy card without indicating how you would like to vote, your shares of LSBG common stock will be voted **FOR** the approval, on an advisory (non-binding) basis, of the compensation payable to LSBG's named executive officers in connection with the merger.

Q: What if I fail to submit my proxy card or to instruct my broker, bank or other nominee?

A: If you fail to properly submit your proxy card or fail to instruct your broker, bank or other nominee to vote your shares of BHB or LSBG common stock, and you do not attend your company's special meeting and vote your shares in person, your shares will not be voted. This will have the same effect as a vote **AGAINST** adoption and approval of the merger agreement, but will have no impact on the outcome of the other proposals.

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. Although the BHB and LSBG boards of directors request that you return the proxy card accompanying this joint proxy statement/prospectus, all shareholders are invited to attend their company's special meeting. Shareholders of record on _____, 2016 can vote in person at the LSBG special meeting, and shareholders of record on _____, 2016 can vote in person at the BHB special meeting. If your shares are held by a broker, bank or other nominee, then you are not the shareholder of record and you must bring to the special meeting appropriate documentation from your broker, bank or other nominee to enable you to vote at the special meeting.

Q: Can I change my vote after I have submitted my proxy?

A: Yes. If you do not hold your shares in street name, there are three ways you can change your vote at any time after you have submitted your proxy and before your proxy is voted at the special meeting:

you may deliver a written notice bearing a date later than the date of your proxy card to the company's Secretary at the address listed below, stating that you revoke your proxy;

you may submit a new signed proxy card bearing a later date or vote again by telephone or Internet (any earlier proxies will be revoked automatically); or

you may attend the special meeting and vote in person, although attendance at the special meeting will not, by itself, revoke a proxy.

If you decide to revoke your proxy by mail, you should send your notice of revocation to the appropriate company at:

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Bar Harbor Bankshares

82 Main Street

Bar Harbor, Maine 04609

Attention: Marsha C. Sawyer, Clerk

Lake Sunapee Bank Group

9 Main Street

P.O. Box 9

Newport, New Hampshire 03773

Attention: Kimberly Pruett-Ilg, Corporate Secretary

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee to change your voting instructions.

Q: What if I hold stock of both BHB and LSBG?

A: If you hold shares of both BHB and LSBG, you will receive two separate packages of proxy materials. A vote as an LSBG stockholder for the merger proposal or any other proposals to be considered at the LSBG

Table of Contents

special meeting will not constitute a vote as a BHB shareholder for the merger proposal or any other proposals to be considered at the BHB annual meeting, and vice versa. Therefore, please sign, date and return all proxy cards that you receive (or vote via the Internet or by telephone), whether from BHB or LSBG.

Q: What happens if I sell my shares after the record date but before the special meeting?

A: The record dates of the special meetings are earlier than the dates of the special meetings and the date that the merger is expected to be completed. If you sell or otherwise transfer your shares after the record date for the special meeting of the company in which you own such shares, but before the date of such company's special meeting, you will retain your right to vote at such company's special meeting, but if you are a LSBG stockholder, you will not have the right to receive the merger consideration to be received by LSBG stockholders in the merger. In order to receive the merger consideration, a LSBG stockholder must hold his or her shares through completion of the merger.

Q: What do I do if I receive more than one joint proxy statement/prospectus or set of voting instructions?

A: If you hold shares directly as a record holder and also in street name or otherwise through a nominee, you may receive more than one joint proxy statement/prospectus and/or set of voting instructions relating to the special meeting. These should each be voted and/or returned separately in order to ensure that all of your shares are voted.

Q: Are LSBG stockholders entitled to seek appraisal or dissenters' rights if they do not vote in favor of the adoption of the merger agreement?

A: No. Under the General Corporation Law of the State of Delaware or the DGCL, LSBG stockholders will not have appraisal rights in connection with the merger.

Q: Should LSBG stockholders send in their stock certificates now?

A: No. LSBG stockholders will receive a letter of transmittal and instructions for surrendering their stock certificates. In the meantime, you should retain your stock certificates because they are still valid. Please do not send in your stock certificates with your proxy card.

Q: Will a proxy solicitor be used?

A: Yes. BHB and LSBG have each engaged Alliance Advisors to assist in the solicitation of proxies for their respective special meetings. BHB and LSBG will pay a joint fee of approximately \$16,500, split equally, plus reasonable out-of-pocket expenses to Alliance Advisors. Each of BHB and LSBG will bear the cost of preparing,

assembling, printing and mailing these proxy materials for their respective meeting. The solicitation of proxies or votes for the meetings may also be made in person, by telephone, or by electronic communication by each of BHB's and LSBG's directors, officers, and employees, none of whom will receive any additional compensation for such solicitation activities. In addition, each of BHB and LSBG may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners.

Q: Where can I find more information about the companies?

A: You can find more information about BHB and LSBG from the various sources described under [Where You Can Find More Information](#) beginning on page 118.

Table of Contents

Q: Whom should I call with questions?

A: If you have any questions concerning the merger, the other meeting matters or the joint proxy statement/prospectus, or need assistance voting your shares, please contact Alliance Advisors, the proxy solicitor for BHB and LSBG, at the address or telephone number listed below:

Alliance Advisors LLC

200 Broadacres Drive, 3rd Floor

Bloomfield, NJ 07003

(855)928-4494

Table of Contents

SUMMARY

*This summary highlights selected information from this joint proxy statement/prospectus. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the other documents to which this joint proxy statement/prospectus refers in order to fully understand the merger and the related transactions. See *Where You Can Find More Information* beginning on page 118. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.*

The Companies (Page 31)

Bar Harbor Bankshares

BHB, a Maine corporation, was formed on January 19, 1984 and is a bank holding company registered under the Bank Holding Act of 1956, as amended, and is subject to supervision, regulation and examination by the Board of Governors of the Federal Reserve System, or FRB. BHB is also a Maine Financial Institution Holding Company for the purposes of the laws of the state of Maine, and as such is subject to the jurisdiction of the Superintendent of the Maine Bureau of Financial Institutions, or BFI. BHB offers trust and investment management services through its second tier subsidiary, Bar Harbor Trust Services, a Maine chartered non-depository trust company. These products and services are offered to individuals, businesses, not-for-profit organizations and municipalities.

BHB Bank is a community bank and a wholly-owned first tier operating subsidiary of BHB. BHB Bank offers a wide range of deposit, loan and related banking products, as well as brokerage services provided through a third-party brokerage arrangement. BHB Bank, originally founded in 1887, is a Maine financial institution, and its deposits are insured by the Federal Deposit Insurance Corporation, or FDIC, up to the maximum extent permitted by law. The Bank has fourteen branch offices located throughout downeast, midcoast and central Maine, including its principal office located at 82 Main Street, Bar Harbor.

BHB Bank's branch offices are located in Hancock, Washington, Knox, Kennebec and Sagadahoc Counties, representing BHB Bank's principal market areas. The Hancock County offices, in addition to Bar Harbor, are located in Blue Hill, Deer Isle, Ellsworth, Northeast Harbor, Somesville, Southwest Harbor, and Winter Harbor. The Washington County offices are located in Milbridge, Machias, and Lubec. The Knox, Kennebec and Sagadahoc County offices are located in Rockland, South China, and Topsham. BHB Bank delivers its operations and technology support services from its operations center located in Ellsworth, Maine.

BHB Bank is a retail bank serving individual and business customers, retail establishments and restaurants, seasonal lodging, biological research laboratories, and a large contingent of retirees. As a predominately coastal bank, it serves the tourism, hospitality, lobstering, fishing, boat building and marine services industries. It also serves Maine's wild blueberry industry through its Hancock and Washington County offices. BHB Bank operates in a competitive market that includes other community banks, savings institutions, credit unions, and branch offices of statewide and interstate bank holding companies located in the BHB Bank's market area.

At March 31, 2016, BHB had \$1.62 billion in assets, \$963 million in deposits and \$161 million of shareholders' equity.

BHB's principal executive offices are located at 82 Main Street, Bar Harbor, Maine 04609, its phone number is (207) 288-3314 and its website is www.bhbt.com. Information that is included in this website does not constitute part of this joint proxy statement/prospectus.

Table of Contents***Lake Sunapee Bank Group***

LSBG, formerly New Hampshire Thrift Bancshares, Inc., is a Delaware holding company organized on July 5, 1989 and is the parent company of LSBG Bank, a federally chartered savings association. LSBG Bank was originally chartered by the State of New Hampshire in 1868 as the Newport Savings Bank. LSBG became a member of the FDIC in 1959 and a member of the Federal Home Loan Bank of Boston in 1978. On December 1, 1980, LSBG Bank was the first bank in the United States to convert from a state-chartered mutual savings bank to a federally chartered mutual savings bank. In 1981, LSBG Bank changed its name to Lake Sunapee Savings Bank, fsb and in 1994, changed its name to Lake Sunapee Bank, fsb. LSBG Bank's deposits are insured by the Deposit Insurance Fund of the FDIC.

LSBG Bank is a thrift institution established for the purposes of providing the public with a convenient and safe place to invest funds, for the financing of housing, consumer-oriented products and commercial loans, and for providing a variety of other consumer-oriented financial services. LSBG Bank is a full-service community institution promoting the ideals of thrift, security, home ownership and financial independence for its customers. LSBG Bank's operations are conducted from its home office located in Newport, New Hampshire and its branch offices located in Andover, Bradford, Claremont, Concord, Enfield, Grantham, Guild, Hanover, Hillsboro, Lebanon, Milford, Nashua, Newbury, New London, Peterborough, Sunapee and West Lebanon, New Hampshire, and Brandon, Pittsford, Quechee, Randolph, Rochester, Bethel, Rutland, South Royalton, West Rutland, Williamstown and Woodstock, Vermont.

LSBG Bank has four wholly owned subsidiaries: Charter Holding Corp.; McCrillis & Eldredge Insurance, Inc.; Lake Sunapee Group, Inc.; and Lake Sunapee Financial Services Corporation.

At March 31, 2016, LSBG had \$1.56 billion in assets, \$1.14 billion in deposits and \$140 million of stockholders equity.

LSBG's principal executive offices are located at 9 Main Street, P.O. Box 9, Newport, New Hampshire 03773, its phone number is (603) 863-0886 and its website is www.lakesunbank.com. Information that is included in this website does not constitute part of this joint proxy statement/prospectus.

The Special Meeting of Stockholders of LSBG***Date, Time and Place of the Special Meeting*** (Page 33)

LSBG will hold its special meeting of stockholders at the _____ on _____, at _____, local time.

Purpose of the Special Meeting (Page 33)

At the special meeting, you will be asked to vote on proposals to:

1. adopt the merger agreement;
2. approve, on an advisory (non-binding) basis, the compensation payable to the named executive officers of LSBG in connection with the merger; and

3. approve one or more adjournments of the special meeting, if necessary;
Recommendation of LSBG Board of Directors (Page 33)

The LSBG board of directors unanimously recommends that you vote **FOR** adoption of the merger agreement, **FOR** approval, on an advisory (non-binding) basis, of the compensation payable to the named executive officers of LSBG in connection with the merger, and **FOR** approval of the proposal to adjourn the special meeting.

Table of Contents

Record Date; Outstanding Shares; Shares Entitled to Vote (Page 33)

Only holders of record of LSBG common stock at the close of business on the record date of _____, 2016 are entitled to notice of and to vote at the special meeting. As of the record date, there were _____ shares of LSBG common stock outstanding, held of record by approximately _____ stockholders.

Quorum; Vote Required (Page 33)

A quorum of LSBG stockholders is necessary to hold a valid meeting. If the holders of at least one-third of the total number of outstanding shares of LSBG common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. LSBG will include proxies marked as abstentions and broker non-votes in determining the presence of a quorum at the special meeting.

The affirmative vote of holders of at least a majority of the shares of LSBG common stock outstanding and entitled to vote at the special meeting is required to adopt the merger agreement. The affirmative vote of holders of at least a majority of votes cast at the special meeting is required to approve, on an advisory (non-binding) basis, the compensation payable to the named executive officers of LSBG in connection with the merger, and the proposal to adjourn the special meeting.

Share Ownership of Management; Voting Agreement (Page 34)

As of the record date, the directors and executive officers of LSBG and their affiliates collectively owned _____ shares of LSBG common stock, or approximately _____ % of LSBG's outstanding shares.

Each of the directors and executive officers of LSBG has entered into a voting agreement with BHB, requiring each of them to vote all shares of LSBG common stock beneficially owned by such person in favor of adoption of the merger agreement.

The Special Meeting of Shareholders of BHB

Date, Time and Place of the Special Meeting (Page 38)

BHB will hold its special meeting of shareholders at _____, on _____, at _____, local time.

Purpose of the Special Meeting (Page 38)

At the special meeting, you will be asked to vote on proposals to:

1. approve the merger agreement; and
2. approve one or more adjournments of the special meeting, if necessary.

Recommendation of BHB Board of Directors (Page 38)

The BHB board of directors unanimously recommends that you vote **FOR** adoption and approval of the merger agreement, and **FOR** approval of the proposal to adjourn the special meeting.

Record Date; Outstanding Shares; Shares Entitled to Vote (Page 38)

Only holders of record of BHB common stock at the close of business on the record date of _____, 2016 are entitled to notice of and to vote at the special meeting. As of the record date, there were _____ shares of BHB common stock outstanding, held of record by approximately _____ shareholders.

Table of Contents

Quorum; Vote Required (Page 38)

A quorum of BHB shareholders is necessary to hold a valid meeting. If the holders of at least a majority of the total number of outstanding shares of BHB common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. BHB will include proxies marked as abstentions and broker non-votes in determining the presence of a quorum at the special meeting.

The affirmative vote of holders of at least a majority of the shares of BHB common stock outstanding and entitled to vote at the special meeting is required to approve the merger agreement. At least a majority of votes cast at the special meeting by the holders of shares present in person or represented by proxy and entitled to vote is required to approve the proposal to adjourn the special meeting.

Share Ownership of Management (Page 39)

As of the record date, the directors and executive officers of BHB and their affiliates collectively owned _____ shares of BHB common stock, or approximately _____ % of BHB's outstanding shares. In addition, LSBG holds _____ shares of BHB common stock, which represented approximately _____ % of the outstanding shares of BHB common stock as of the record date.

The Merger and the Merger Agreement

The proposed merger is of LSBG with and into BHB, with BHB as the surviving corporation in the merger. The merger agreement is attached to this joint proxy statement/prospectus as Annex A. Please carefully read the merger agreement as it is the legal document that governs the merger.

Structure of the Merger (Page 85)

Subject to the terms and conditions of the merger agreement, and in accordance with the DGCL and the Maine Business Corporation Act, or MBCA, and the regulations promulgated thereunder, at the completion of the merger, LSBG will merge with and into BHB. BHB will be the surviving corporation in the merger and will continue its corporate existence under the laws of the state of Maine and its name and separate corporate existence, with all of its rights, privileges, immunities, powers and franchises, shall continue unaffected by the merger. Upon completion of the merger, the separate corporate existence of LSBG will terminate.

Consideration to be Received in the Merger (Page 86)

Upon completion of the merger, each outstanding share of LSBG common stock (other than shares held directly or indirectly by BHB and shares held by LSBG as treasury shares) will be converted into the right to receive 0.4970 shares of BHB common stock. No fractional shares of BHB common stock will be issued to any holder of LSBG common stock upon completion of the merger. For each fractional share that would otherwise be issued, BHB will pay each stockholder cash (without interest) in an amount determined by multiplying the fractional share interest to which such stockholder would otherwise be entitled by the average of the closing sales prices of one share of BHB common stock on the NYSE for the 10 trading days immediately preceding the effective time of the merger, as reported by *Bloomberg*.

Treatment of LSBG's Equity Awards (Page 86)

Under the terms of the merger agreement, each unvested restricted stock award issued by LSBG and outstanding at the effective time of the merger pursuant to the LSBG 2014 Stock Incentive Plan will fully vest as of the effective time of the merger, and convert into the right to receive the same merger consideration that all other shares of LSBG common stock are entitled to receive in the merger.

Table of Contents

Opinion of Griffin Financial Group LLC, Financial Advisor to LSBG (Page 50)

On May 5, 2016, Griffin Financial Group LLC, or Griffin, rendered to the LSBG board of directors its oral opinion, subsequently confirmed in writing that, as of such date, the exchange ratio in the merger was fair to LSBG stockholders from a financial point of view. The full text of Griffin's written opinion, which sets forth the assumptions made, matters considered and qualifications and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex B. LSBG stockholders are urged to read the opinion in its entirety. **Griffin's opinion speaks only as of the date of the opinion. The opinion is directed to the LSBG board of directors and is limited to the fairness, from a financial point of view, to the stockholders of LSBG with regard to the exchange ratio employed in the merger. Griffin does not express an opinion as to the underlying decision by LSBG to engage in the merger or the relative merits of the merger compared to other strategic alternatives that may be available to LSBG.**

Opinion of Sandler O'Neill & Partners, L.P., Financial Advisor to BHB (Page 66)

On May 5, 2016, Sandler O'Neill & Partners, L.P., or Sandler O'Neill, rendered to the BHB board of directors its oral opinion, which was subsequently confirmed in writing to the effect that, as of such date, the exchange ratio in the merger was fair to BHB from a financial point of view. The full text of Sandler O'Neill's written opinion, which sets forth the assumptions made, matters considered and qualifications and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex C. BHB shareholders are urged to read the opinion in its entirety. **Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion is directed to the BHB board of directors and is limited to the fairness, from a financial point of view, of the exchange ratio to BHB. Sandler O'Neill did not express an opinion as to the underlying decision by BHB to engage in the merger or the relative merits of the merger compared to other strategic alternatives that may be available to BHB.**

Interests of LSBG's Directors and Executive Officers in the Merger (Page 59)

In considering the information contained in this joint proxy statement/prospectus, you should be aware that LSBG's directors and executive officers have financial interests in the merger that are different from, or in addition to, the interests of LSBG stockholders generally. These interests include, among other things:

the accelerated vesting of unvested awards of LSBG restricted stock outstanding at the closing of the merger;

the right to receive, under settlement agreements entered into in connection with the merger, cash payments and continued health insurance coverage under certain circumstances;

additional accelerated payment of supplemental retirement plan benefits under certain circumstances;

accelerated vesting of salary continuation payments under certain circumstances;

the right to continued indemnification and liability insurance coverage by BHB after the merger for acts or omissions occurring before the merger; and

the right to four seats on the combined company's board of directors, and any related compensation for such services.

Also, BHB and BHB Bank entered into an employment agreement with Mr. McIver regarding his continuing role with the combined company following the merger. See the section of this joint proxy statement/prospectus entitled "The Merger - Interests of LSBG's Directors and Executive Officers in the Merger" beginning on page 59 for a discussion of these financial interests.

Table of Contents

BHB and BHB Bank's Boards of Directors After the Merger (Page 86)

Immediately following the effective time of the merger, BHB will, and will cause BHB Bank to, expand the size of its board of directors by four seats and will appoint four members of LSBG's board of directors, selected by BHB after consultation with LSBG, including Steven H. Dimick, Stephen W. Ensign, and Stephen R. Theroux, to each of BHB's and BHB Bank's board of directors, each to serve for a term expiring at the next annual meeting of BHB's shareholders, at which meeting each such appointee shall be included as a nominee for election to each of BHB's and BHB Bank's board of directors to serve until the following annual meeting of BHB's shareholders.

Bank Merger (Page 86)

The merger agreement provides that as soon as practicable after the consummation of the merger, LSBG Bank will merge with and into BHB Bank, subject to all required regulatory approvals. BHB has caused BHB Bank and LSBG has caused LSBG Bank to enter into an agreement and plan of merger providing for such bank merger. BHB Bank will be the surviving entity in the bank merger and will continue in its corporate existence.

No Solicitation of Alternative Transactions (Page 91)

The merger agreement restricts LSBG's ability to solicit or engage in discussions or negotiations with a third party regarding a proposal to acquire a significant interest in LSBG. However, if LSBG receives a bona fide unsolicited written acquisition proposal from a third party that its board determines in good faith, after consultation with and having considered the advice of its outside legal counsel and its financial advisor, is, or is reasonably likely to be, more favorable to LSBG stockholders than the terms of the merger agreement, LSBG may furnish non-public information to that third party and engage in negotiations regarding an acquisition proposal with that third party, subject to specified conditions in the merger agreement. In addition, the LSBG board of directors may approve or recommend to the stockholders an acquisition proposal, and withdraw, change, qualify or modify its recommendation to adopt the merger agreement with BHB, if it determines in good faith, after consultation with its outside legal counsel and financial advisor, that the acquisition proposal is a superior proposal and that the failure to take such actions would be reasonably likely to violate its fiduciary duties to stockholders under applicable law.

Conditions to Completion of the Merger (Page 95)

As more fully described in this joint proxy statement/prospectus and the merger agreement, the completion of the merger depends on a number of conditions being satisfied or waived, including:

shareholders of BHB and LSBG having approved the merger agreement;

BHB and LSBG having obtained all regulatory approvals required to consummate the transactions contemplated by the merger agreement and all related statutory waiting periods having expired;

the absence of any judgment, order, injunction or decree, or any statute, rule or regulation enacted, entered, promulgated or enforced, preventing, prohibiting or making illegal the consummation of any of the transactions contemplated by the merger agreement;

BHB and LSBG having each received a legal opinion from their respective counsel regarding treatment of the merger as a reorganization for federal income tax purposes;

the representations and warranties of each of BHB and LSBG in the merger agreement being accurate, subject to exceptions that would not have a material adverse effect;

BHB and LSBG having each performed in all material respects all obligations required to be performed by it; and

Table of Contents

the shares of BHB common stock to be issued in the merger having been approved for listing on the NYSE.
Termination of the Merger Agreement (Page 97)

BHB and LSBG can mutually agree to terminate the merger agreement before the merger has been completed, and either company can terminate the merger agreement if:

any regulatory approval required for consummation of the merger and the other transactions contemplated by the merger agreement has been denied by final, nonappealable action of any regulatory authority, or an application for regulatory approval has been permanently withdrawn at the request of a governmental authority;

the required approval of the merger agreement by the BHB or LSBG shareholders is not obtained;

the other party materially breaches certain of its representations, warranties, covenants or other agreements set forth in the merger agreement (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the merger agreement), which breach is not cured within 30 days of written notice of the breach, or by its nature cannot be cured prior to the closing of the merger, and such breach would entitle the non-breaching party not to consummate the merger; or

the merger is not consummated by March 31, 2017, unless the failure to consummate the merger by such date is due to a material breach of the merger agreement by the terminating party.

In addition, BHB may terminate the merger agreement if:

the LSBG board of directors:

fails to recommend adoption of the merger agreement, or withdraws, modifies or changes such recommendation in a manner adverse to BHB's interests; or

recommends, proposes or publicly announces its intention to recommend or propose to engage in an acquisition transaction with any person other than BHB or any of its subsidiaries;

LSBG materially breaches the non-solicitation provisions in the merger agreement; or

LSBG fails to call, give notice of, convene and hold its special meeting.

In addition, LSBG may terminate the merger agreement if:

it decides to accept a superior proposal in accordance with the merger agreement;

the BHB board of directors fails to recommend adoption and approval of the merger agreement, or withdraws, modifies or changes such recommendation in a manner adverse to LSBG's interests;

BHB fails to call, give notice of, convene and hold its annual meeting; or

the price of BHB common stock decreases by a certain percentage and also decreases by a certain percentage relative to the SNL Bank Index; provided, however, that BHB will have the option to increase the amount of BHB common stock to be provided to LSBG stockholders, in which case no termination will occur.

Table of Contents

Termination Fee (Page 98)

Under the terms of the merger agreement, LSBG must pay BHB a termination fee of \$5.5 million if:

BHB terminates the merger agreement as a result of:

LSBG materially breaching the non-solicitation provisions in the merger agreement;

the LSBG board of directors failing to recommend adoption of the merger agreement by the LSBG stockholders, or withdrawing, modifying or changing such recommendation in a manner adverse to BHB's interests;

the LSBG board of directors recommending, proposing or publicly announcing its intention to recommend or propose to engage in an acquisition transaction with any person other than BHB or any of its subsidiaries; or

LSBG failing to call, give notice of, convene and hold its special meeting;

LSBG terminates the merger agreement as a result of its board of directors deciding to accept a superior proposal in accordance with the merger agreement; or

LSBG enters into a definitive agreement relating to an acquisition proposal or consummates an acquisition proposal within 12 months following the termination of the merger agreement by BHB as a result of a willful breach of any representation, warranty, covenant or other agreement by LSBG after an acquisition proposal has been publicly announced or otherwise made known to LSBG.

Waiver or Amendment of Merger Agreement Provisions (Page 99)

Prior to the effective time of the merger, any provision of the merger agreement may be waived by the party benefited by the provision, or amended or modified by a written agreement between BHB and LSBG. However, after the LSBG special meeting and the BHB annual meeting, no amendment will be made which by law requires further approval by the shareholders of LSBG or BHB, respectively, without obtaining such approval.

Material U.S. Federal Income Tax Consequences of the Merger (Page 79)

The merger is intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Accordingly, LSBG stockholders generally will not recognize any gain or loss on the conversion of shares of LSBG common stock solely into shares of BHB common stock. However, a LSBG stockholder generally will be subject to tax on cash received in lieu of any fractional share of BHB common stock that a LSBG stockholder would otherwise be entitled to receive.

Regulatory Approvals Required for the Merger (Page 80)

To accomplish the Merger and the Bank Merger, various approvals or consents must be obtained from state and federal governmental authorities, including the FRB, the FDIC, the BFI and the New Hampshire Banking Department, or NHBD. The U.S. Department of Justice is able to provide input regarding the approval process of the federal banking agencies to challenge the merger on antitrust grounds. BHB and LSBG have filed all required applications, notices and waiver requests to obtain the regulatory approvals and nonobjections necessary to consummate the merger. BHB and LSBG cannot predict whether the required regulatory approvals will be obtained, when they will be received, or whether such approvals will be subject to any conditions.

Accounting Treatment of the Merger (Page 82)

The merger will be accounted for using the purchase method of accounting with BHB treated as the acquirer. Under this method of accounting, LSBG's assets and liabilities will be recorded by BHB at their

Table of Contents

respective fair values as of the closing date of the merger and added to those of BHB. Any excess of purchase price over the net fair values of LSBG's assets and liabilities will be recorded as goodwill. Any excess of the fair value of LSBG's net assets over the purchase price will be recognized in earnings by BHB on the closing date of the merger.

Appraisal Rights (Page 82)

Under the DGCL, LSBG stockholders will not have appraisal rights in connection with the merger.

Listing of BHB Common Stock to be Issued in the Merger (Page 83)

BHB common stock is listed on the NYSE under the trading symbol BHB .

Differences Between Rights of BHB and LSBG Shareholders (Page 100)

As a result of the merger, holders of LSBG common stock will become holders of BHB common stock. Following the merger, LSBG stockholders will have different rights as shareholders of BHB than as stockholders of LSBG due to the different provisions of the governing documents of BHB and LSBG and between the MBCA and the DGCL. For additional information regarding the different rights as shareholders of BHB as compared to stockholders of LSBG, see *Comparison of Shareholder Rights* beginning on page 100.

Risk Factors (Page 24)

You should consider all the information contained in or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented in the joint proxy statement/prospectus. In particular, you should consider the factors described under *Risk Factors*.

Table of Contents**Selected Consolidated Historical Financial Data of Bar Harbor Bankshares**

The following tables set forth selected historical financial and other data of BHB for the periods and at the dates indicated. The information is derived in part from and should be read together with the audited consolidated financial statements and notes thereto of BHB incorporated by reference elsewhere in this joint proxy statement/prospectus. The information at and for the three months ended March 31, 2016 and 2015 is unaudited. However, in the opinion of management of BHB, all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the results of operations for the unaudited periods, have been made. The selected operating data presented below for the three months ended March 31, 2016 and 2015 is not necessarily indicative of the results that may be expected for future periods.

	As of and for the Three Months Ended March 31, (unaudited)		As of and for the Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
(In thousands, except per share data)							
Selected Balance Sheet Data							
Total assets	\$ 1,622,493	\$ 1,508,203	\$ 1,580,055	\$ 1,459,320	\$ 1,373,893	\$ 1,302,935	\$ 1,167,466
Total securities	532,919	484,902	504,969	470,525	450,170	418,040	381,880
Total loans	1,006,562	939,759	990,070	919,024	852,857	815,004	729,003
Allowance for loan losses	(9,814)	(9,478)	(9,439)	(8,969)	(8,475)	(8,097)	(8,221)
Total deposits	962,575	864,938	942,787	858,049	835,651	795,012	722,890
Total borrowings	492,253	486,604	474,791	447,020	409,445	371,567	320,283
Total shareholders equity	160,594	150,093	154,152	146,287	121,379	128,046	118,250
Selected Other Balance Sheet Data							
Average assets	\$ 1,617,529	\$ 1,486,805	\$ 1,541,327	\$ 1,424,209	\$ 1,345,353	\$ 1,252,390	\$ 1,151,163
Average shareholders equity	158,521	148,970	151,391	136,672	125,340	125,600	111,135
Results Of Operations							
Interest and dividend income	\$ 14,164	\$ 13,533	\$ 55,224	\$ 53,718	\$ 50,749	\$ 50,838	\$ 50,907

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Interest expense	2,828	2,535	10,390	9,905	11,663	13,867	16,518
Net interest income	11,336	10,998	44,834	43,813	39,086	36,971	34,389
Provision for loan losses	465	495	1,785	1,833	1,418	1,652	2,395
Net interest income after provision for loan losses	10,871	10,503	43,049	41,980	37,668	35,319	31,994
Non interest income	3,328	2,342	8,979	7,758	7,566	7,709	6,792
Non interest expense	7,997	7,333	30,908	29,211	26,860	25,618	23,281
Income before income taxes	6,202	5,512	21,120	20,527	18,374	17,410	15,505
Income taxes	1,796	1,631	5,967	5,914	5,191	4,944	4,462
Net income	\$ 4,406	\$ 3,881	\$ 15,153	\$ 14,613	\$ 13,183	\$ 12,466	\$ 11,043

Per Common Share Data:

Basic earnings per share	\$ 0.73	\$ 0.650	\$ 2.53	\$ 2.470	\$ 2.240	\$ 2.13	\$ 1.91
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Diluted earnings per share	\$ 0.72	\$ 0.640	\$ 2.50	\$ 2.450	\$ 2.220	\$ 2.12	\$ 1.90
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Cash dividends per share	\$ 0.265	\$ 0.245	\$ 1.010	\$ 0.905	\$ 0.833	\$ 0.780	\$ 0.730
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Dividend payout ratio	36.16%	37.57%	39.86%	36.69%	37.28%	36.62%	38.29%
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Selected Financial Ratios:

Return on total average assets	1.10%	1.06%	0.98%	1.03%	0.98%	1.00%	0.96%
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Return on total average equity	11.18%	10.57%	10.01%	10.69%	10.52%	9.93%	9.94%
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Tax-equivalent net interest margin	3.09%	3.27%	3.19%	3.33%	3.15%	3.23%	3.23%
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Capital Ratios:

Tier 1 leverage capital ratio	9.20%	9.26%	9.37%	9.30%	9.01%	8.87%	9.32%
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Tier 1 risk-based capital ratio	15.58%	14.98%	15.55%	15.60%	14.97%	14.15%	14.29%
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Total risk-based capital ratio	17.16%	16.57%	17.12%	17.24%	16.62%	15.78%	16.06%
	15.58%	14.98%	15.55%	n/a	n/a	n/a	n/a

Common equity
tier 1**Selected Asset
Quality Ratios:**

Net charge-offs to average loans	0.04%	-0.01%	0.14%	0.15%	0.12%	0.23%	0.37%
Allowance for loan losses to total loans	0.98%	1.01%	0.95%	0.98%	0.99%	0.99%	1.13%
Allowance for loan losses to non-performing loans	155.6%	77.1%	134.7%	73.0%	95.9%	82.1%	63.7%
Non-performing loans to total loans	0.63%	1.31%	0.71%	1.34%	1.04%	1.21%	1.77%

All share and per share amounts have been adjusted to reflect the effect of the 3-for-2 stock split (dividend) paid on May 19, 2014.

Table of Contents**Selected Consolidated Historical Financial Data of Lake Sunapee Bank Group**

The following tables set forth selected historical financial and other data of LSBG for the periods and at the dates indicated. The information is derived in part from and should be read together with the audited consolidated financial statements and notes thereto of LSBG incorporated by reference elsewhere in this joint proxy statement/prospectus. The information at and for the three months ended March 31, 2016 and 2015 is unaudited. However, in the opinion of management of LSBG, all adjustments, consisting of normal recurring adjustments necessary for a fair presentation of the results of operations for the unaudited periods, have been made. The selected operating data presented below for the three months ended March 31, 2016 and 2015 is not necessarily indicative of the results that may be expected for future periods.

**As of and for the Three
Months Ended March 31,**
(unaudited)

As of and for the Year Ended December 31,

	2016	2015	2015	2014	2013	2012	2011
	(In thousands, except per share data)						
Total assets	\$ 1,563,231	\$ 1,487,123	\$ 1,517,774	\$ 1,503,786	\$ 1,423,870	\$ 1,270,477	\$ 1,041,819
Cash and cash equivalents	38,667	45,802	42,566	51,120	33,578	39,162	24,740
Investment securities	170,290	111,508	120,198	115,698	125,238	212,369	210,318
Loans receivable, net of allowance	1,212,187	1,192,647	1,217,461	1,206,845	1,134,110	902,236	714,952
Off-balance sheet unfunded loan commitments	170,711	153,950	143,980	159,110	166,309	164,304	132,784
Deposits	1,141,486	1,131,225	1,157,352	1,152,714	1,088,092	949,341	803,023
Borrowings	203,350	140,994	150,000	140,992	121,734	142,730	80,967
Repurchase agreements	20,259	16,205	17,957	16,756	27,885	14,619	15,514
Subordinated Debentures	36,891	37,620	36,873	37,620	20,620	20,620	20,620
Operating Data:							
Interest income	\$ 12,422	\$ 12,056	\$ 48,133	\$ 48,728	\$ 40,276	\$ 36,421	\$ 37,188
Interest expense	1,859	1,823	6,869	6,799	6,497	7,399	8,689
Net interest income	10,563	10,233	41,264	41,929	33,779	29,022	28,499
Provision for loan losses	111	205	1,056	905	962	2,705	1,351
Net interest income after provision for loan losses	10,452	10,028	40,208	41,024	32,817	26,317	27,148
Noninterest income (expense)	4,581	4,756	18,624	19,226	15,728	14,551	10,458
Noninterest expense	11,542	11,413	46,205	46,646	37,004	29,425	27,126

Income (loss) before income tax expense	3,491	3,371	12,627	13,604	11,541	11,443	10,480
Income tax expense (benefit)	1,022	1,068	3,598	3,564	3,127	3,684	2,811
Preferred stock dividends and earnings allocated to unvested shares	28	20	151	230	316	666	713
Net income (loss) available to common stockholders	2,441	2,283	8,878	9,810	8,098	7,093	6,956
Performance Ratios:							
Return on average assets	0.64%	0.62%	0.61%	0.68%	0.66%	0.69%	0.74%
Return on average common equity	7.12%	7.02%	6.67%	8.07%	6.98%	6.99%	7.96%
Net interest margin	2.99%	2.99%	2.99%	3.08%	2.97%	2.85%	3.05%
Average common stockholders equity to average assets	8.97%	8.82%	9.14%	8.44%	9.51%	8.13%	7.27%
Capital Ratios (consolidated):							
Tier 1 leverage capital	7.87%	8.41%	8.03%	n/a	n/a	n/a	n/a
Tier 1 risk-based capital	10.93%	12.10%	11.34%	n/a	n/a	n/a	n/a
Total risk-based capital	13.33%	13.03%	12.22%	n/a	n/a	n/a	n/a
Total shareholders equity to assets	8.94%	9.51%	8.58%	n/a	n/a	n/a	n/a
Asset Quality Ratios:							
Allowance for loan losses for originated loans as a percent of originated loans	0.77	0.86	0.78	0.87	1.02	1.22	1.26
Non-performing loans to total allowance	63.12	85.41	67.79	79.22	95.58	171.57	182.33
Net charge-offs to average outstanding loans (annualized)	0.10	0.13	0.11	0.11	0.12	0.24	0.28
Nonperforming loans as a percent of total loans	0.45	0.57	0.49	0.60	0.82	1.86	2.29
	0.40	0.56	0.46	0.50	0.75	1.35	1.72

Nonperforming
assets as a percent
of total assets

Per Share Data:

Net income per basic common share	\$	0.29	\$	0.28	\$	1.08	\$	1.19	\$	1.11	\$	1.20	\$	1.20
Net income per diluted common share	\$	0.29	\$	0.28	\$	1.08	\$	1.19	\$	1.11	\$	1.20	\$	1.20
Weighted average common shares outstanding-basic		8,286,289		8,261,383		8,245,233		8,235,213		7,294,916		5,907,113		5,782,115
Weighted average common shares outstanding-diluted		8,290,984		8,275,690		8,255,826		8,246,528		7,301,861		5,912,051		5,793,741

Table of Contents

**Selected Unaudited Pro Forma Combined Financial Data for
Bar Harbor Bankshares**

The following selected unaudited pro forma condensed combined financial data is based on the historical financial data of BHB and LSBG, and has been prepared to illustrate the effects of the merger. It is also based on certain assumptions that BHB and LSBG believe are reasonable, which are described in the notes to the unaudited pro forma condensed combined financial statements included in this joint proxy statement/prospectus. The selected unaudited pro forma condensed combined financial data does not give effect to any anticipated synergies, operating efficiencies or cost savings that may be associated with the merger. The selected unaudited pro forma condensed combined financial data also does not include any integration costs the companies may incur related to the merger as part of combining the operations of the companies.

The results of operations data below is presented as if the merger was completed on January 1, 2016 for the three months ended March 31, 2016, and January 1, 2015 for the year ended December 31, 2015, and the balance sheet data below is presented as if the merger was completed on March 31, 2016.

This data should be read in conjunction with the BHB and LSBG historical consolidated financial statements and accompanying notes in BHB's and LSBG's respective Quarterly Reports on Form 10-Q as of and for the three months ended March 31, 2016, and BHB's and LSBG's respective Annual Reports on Form 10-K, as amended, as of and for the year ended December 31, 2015, each of which is incorporated herein by reference.

BHB has not performed the detailed valuation analysis necessary to determine the fair market values of LSBG's assets to be acquired and liabilities to be assumed. Accordingly, the unaudited pro forma condensed combined financial data does not include an allocation of the purchase price, unless otherwise specified. The pro forma adjustments included in this joint proxy statement/prospectus are subject to change depending on changes in interest rates and the components of assets and liabilities, and as additional information becomes available and additional analyses are performed. The final allocation of the purchase price will be determined after the merger is completed and after completion of thorough analyses to determine the fair value of LSBG's tangible and identifiable intangible assets and liabilities as of the date the merger is completed. Increases or decreases in the fair values of the net assets as compared with the information shown in the unaudited pro forma condensed combined financial data may change the amount of the purchase price allocated to goodwill and other assets and liabilities, and may impact BHB's statement of operations due to adjustments in yield and/or amortization of the adjusted assets or liabilities. Any changes to LSBG's stockholders' equity, including results of operations from March 31, 2016 through the date the merger is completed, will also change the purchase price allocation, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented in this joint proxy statement/prospectus.

BHB anticipates that the merger with LSBG will provide the combined company with financial benefits that include reduced operating expenses. The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical benefits of the combined company would have been had the two companies been combined during these periods.

The unaudited pro forma condensed combined financial data is qualified by the statements set forth above and should not be considered indicative of the market value of BHB common stock or the actual or future results of operations of BHB for any period following the merger. Actual results may be materially different than the pro

forma information presented.

Table of Contents

See also the unaudited pro forma condensed combined financial statements and notes thereto beginning on page 111.

	For the three months ended March 31, 2016	For the year ended December 31, 2015
	(Dollars in thousands)	
Consolidated Statements of Income		
Interest income	\$ 26,074	\$ 101,308
Interest expense	4,160	15,332
Net interest income	21,914	85,976
Provision for loan losses	576	2,841
Non-interest income	7,909	27,603
Non-interest expense	20,112	79,281
Income before taxes	9,134	31,457
Income taxes	2,622	8,764
Net income	\$ 6,512	\$ 22,694
Net income to common shareholders	\$ 6,484	\$ 22,543

Table of Contents**Unaudited Comparative Per Share Data**

The table below summarizes selected per share data about BHB and LSBG. BHB share data is presented on a pro forma basis to reflect the proposed merger with LSBG. BHB expects to issue approximately 4,165,711 shares of its common stock in the merger.

The data in the table should be read together with the financial information and the financial statements of BHB and LSBG incorporated by reference into this joint proxy statement/prospectus. The pro forma per share data and combined results of operations per share data are presented as illustrations only. The data does not necessarily indicate the combined financial position per share or combined results of operations per share that would have been reported if the merger had occurred when indicated, nor is the data a forecast of the combined financial position or combined results of operations for any future period. No pro forma adjustments have been included in this joint proxy statement/prospectus to reflect potential effects of merger integration expenses, cost savings or operational synergies which may be obtained by combining the operations of BHB and LSBG, or the costs of combining the companies and their operations.

It is further assumed that BHB will continue to pay a cash dividend after the completion of the merger at an annual rate of \$1.08 per share. The actual payment of dividends is subject to numerous factors, and no assurance can be given that BHB will pay dividends following the completion of the merger or that dividends will not be reduced in the future.

	Unaudited Comparative Per Common Share Data			
			BHB	LSBG
	BHB	LSBG	Pro Forma	Pro Forma
			Combined	Equivalent
				Per
				Share⁽¹⁾
Basic Earnings				
Year ended December 31, 2015	\$ 2.53	\$ 1.08	\$ 2.22	\$ 1.10
Three months ended March 31, 2016	\$ 0.73	\$ 0.29	\$ 0.64	\$ 0.32
Diluted Earnings				
Year ended December 31, 2015	\$ 2.50	\$ 1.08	\$ 2.20	\$ 1.10
Three months ended March 31, 2016	\$ 0.72	\$ 0.29	\$ 0.63	\$ 0.31
Cash Dividends Paid				
Year ended December 31, 2015	\$ 1.010	\$ 0.540	\$ 1.010	\$ 0.502
Three months ended March 31, 2016	\$ 0.265	\$ 0.140	\$ 0.265	\$ 0.132
Book Value				
As of December 31, 2015	\$ 25.65	\$ 16.32	\$ 28.72	\$ 14.27
As of March 31, 2016	\$ 26.72	\$ 16.66	\$ 28.86	\$ 14.34

(1) The pro forma combined dividends per share represent BHB's historical dividends per share.

(2) The pro forma equivalent per share is based upon the pro forma combined amounts multiplied by the exchange ratio of 0.497.

Table of Contents**Comparative Market Price Data and Dividend Information**

BHB common stock is listed and traded on the NYSE under the symbol BHB , and LSBG common stock is listed and traded on the NASDAQ Global Market OR NASDAQ under the symbol LSBG . The following table sets forth, for the calendar quarters indicated, the high and low sales prices per share of BHB and LSBG common stock, as reported on NYSE and NASDAQ, respectively. The table also sets forth the quarterly cash dividends per share declared by BHB and LSBG with respect to their common stock. On , 2016, the last practicable trading day prior to the date of this joint proxy statement/prospectus, there were shares of BHB common stock outstanding, which were held by shareholders of record, and shares of LSBG common stock outstanding, which were held by stockholders of record.

<i>For the calendar</i>	BHB⁽¹⁾			LSBG		
	High	Low	Dividends Declared	High	Low	Dividends Declared
<i>quarterly period ended:</i>						
2016						
March 31, 2016	\$ 34.70	\$ 29.53	\$ 0.265	\$ 14.91	\$ 13.25	\$ 0.14
Period from March 31, 2016 to 2016						
2015						
March 31, 2015	\$ 33.98	\$ 30.03	\$ 0.245	\$ 15.70	\$ 14.93	\$ 0.13
June 30, 2015	37.98	32.50	0.250	16.35	14.10	0.13
September 30, 2015	36.35	28.97	0.255	15.26	14.25	0.14
December 31, 2015	36.08	30.00	0.260	14.86	13.50	0.14
2014						