

BAR HARBOR BANKSHARES
Form S-4/A
September 01, 2016
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As filed with the Securities and Exchange Commission on September 1, 2016

Registration No. 333-212588

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

AMENDMENT NO. 2
TO
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

Richard A. Schaberg, Esq.

Hogan Lovells US LLP

555 Thirteenth Street, NW

Columbia Square

Boston, Massachusetts 02111

Washington, D.C. 20004

(617) 261-3100

(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) "

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.

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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 Bar Harbor Bank & Trust Corporate Offices, Board of Director's Room, 3rd floor, 82 Main Street, Bar Harbor, Maine 04609 on October 20, 2016, at 10:00 a.m., local time. The special meeting of LSBG stockholders will be held at the Lake Sunapee Bank Building, 1868 Room, 9 Main Street, Newport, NH 03773 on October 24, 2016, at 10:00 a.m., 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 August 31, 2016, which was the most recent practicable trading day before the printing of this joint proxy statement/prospectus, the closing price of BHB common stock was \$36.80 per share, which after giving effect to the exchange ratio, has an implied value of approximately \$18.29 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 September 1, 2016, and is first being mailed to BHB shareholders and LSBG stockholders on or about September 12, 2016.

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9 Main Street

P.O. Box 9

Newport, New Hampshire 03773

(603) 863-0886

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON OCTOBER 24, 2016

A special meeting of stockholders of Lake Sunapee Bank Group, or LSBG, will be held at the Lake Sunapee Bank Building, 1868 Room, 9 Main Street, Newport, NH 03773 on October 24, 2016, at 10:00 a.m., 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 August 29, 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

September 1, 2016

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82 Main Street

Bar Harbor, Maine 04609

(207) 288-3314

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 20, 2016

A special meeting of shareholders of Bar Harbor Bankshares, or BHB, will be held at the Bar Harbor Bank & Trust Corporate Offices, Board of Director's Room, 3rd floor, 82 Main Street, Bar Harbor, Maine 04609 on October 20, 2016, at 10:00 a.m., 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 August 29, 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

September 1, 2016

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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 October 17, 2016, and in the case of BHB shareholders, this means that you must make your request no later than October 13, 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 120.

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.

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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*.

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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 81.

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 640,626 shares of LSBG common stock, which represented approximately 7.64% of the outstanding shares of LSBG common stock.

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Q: When and where are the special meetings?

A: The special meeting of stockholders of LSBG will be held at the Lake Sunapee Bank Building, 1868 Room, 9 Main Street, Newport, NH 03773 on October 24, 2016, at 10:00 a.m., local time. The special meeting of shareholders of BHB will be held at the Bar Harbor Bank & Trust Corporate Offices, Board of Director's Room, 3rd floor, 82 Main Street, Bar Harbor, Maine 04609 on October 20, 2016, at 10:00 a.m., 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 August 29, 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 August 29, 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.

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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

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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 August 29, 2016 can vote in person at the LSBG special meeting, and shareholders of record on August 29, 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

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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 120.

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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

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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 120. 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 June 30, 2016, BHB had \$1.7 billion in assets, \$990 million in deposits and \$165 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.

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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 June 30, 2016, LSBG had \$1.59 billion in assets, \$1.15 billion in deposits and \$141 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 Lake Sunapee Bank Building, 1868 Room, 9 Main Street, Newport, NH 03773 on October 24, 2016, at 10:00 a.m., 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.

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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 August 29, 2016, are entitled to notice of and to vote at the special meeting. As of the record date, there were 8,387,716 shares of LSBG common stock outstanding, held of record by approximately 1,115 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 640,626 shares of LSBG common stock, or approximately 7.64% 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 Bar Harbor Bank & Trust Corporate Offices, Board of Directors Room, 3rd floor, 82 Main Street, Bar Harbor, Maine 04609, on October 20, 2016, at 10:00 a.m., 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 August 29, 2016, are entitled to notice of and to vote at the special meeting. As of the record date, there were 6,047,419 shares of BHB common stock outstanding, held of record by approximately 876 shareholders.

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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 85,309 shares of BHB common stock, or approximately 1.41% of BHB's outstanding shares.

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 87)

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 88)

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 88)

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 2004 and 2014 Stock Incentive Plans 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.

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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.

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BHB and BHB Bank s Boards of Directors After the Merger (Page 88)

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 88)

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 93)

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 97)

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;

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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

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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 99)

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.

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Termination Fee (Page 100)

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 101)

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 81)

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 81)

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 85)

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

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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 85)

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 85)

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

Differences Between Rights of BHB and LSBG Shareholders (Page 102)

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 102.

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 six months ended June 30, 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 six months ended June 30, 2016 and 2015 is not necessarily indicative of the results that may be expected for future periods.

	As of and for the Six Months Ended June 30, (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	\$ 1,687,549	\$ 1,560,009	\$ 1,580,055	\$ 1,459,320	\$ 1,373,893	\$ 1,302,935	\$ 1,167,466
Total securities	532,590	480,138	504,969	470,525	450,170	418,040	381,880
Total loans	1,049,022	983,244	990,070	919,024	852,857	815,004	729,003
Allowance for loan losses	(9,891)	(9,099)	(9,439)	(8,969)	(8,475)	(8,097)	(8,221)
Total deposits	989,816	890,116	942,787	858,049	835,651	795,012	722,890
Total borrowings	525,102	514,164	474,791	447,020	409,445	371,567	320,283
Total shareholders equity	165,231	148,656	154,152	146,287	121,379	128,046	118,250
Selected Other Balance Sheet Data							
Average assets	\$ 1,634,553	\$ 1,510,051	\$ 1,541,327	\$ 1,424,209	\$ 1,345,353	\$ 1,252,390	\$ 1,151,163
Average shareholders equity	160,098	149,816	151,391	136,672	125,340	125,600	111,135
Results Of Operations							
Interest and dividend income	\$ 28,518	\$ 27,005	\$ 55,224	\$ 53,718	\$ 50,749	\$ 50,838	\$ 50,907

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Interest expense	5,800	5,121	10,390	9,905	11,663	13,867	16,518
Net interest income	22,718	21,884	44,834	43,813	39,086	36,971	34,389
Provision for loan losses	615	895	1,785	1,833	1,418	1,652	2,395
Net interest income after provision for loan losses	22,103	20,989	43,049	41,980	37,668	35,319	31,994
Non interest income	6,942	4,845	8,979	7,758	7,566	7,709	6,792
Non interest expense	16,728	14,934	30,908	29,211	26,860	25,618	23,281
Income before income taxes	12,317	10,900	21,120	20,527	18,374	17,410	15,505
Income taxes	3,600	3,146	5,967	5,914	5,191	4,944	4,462
Net income	\$ 8,717	\$ 7,754	\$ 15,153	\$ 14,613	\$ 13,183	\$ 12,466	\$ 11,043

Per Common Share Data:

Basic earnings per share	\$ 1.45	\$ 1.30	\$ 2.53	\$ 2.470	\$ 2.240	\$ 2.13	\$ 1.91
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Diluted earnings per share	\$ 1.43	\$ 1.28	\$ 2.50	\$ 2.450	\$ 2.220	\$ 2.12	\$ 1.90
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Cash dividends per share	\$ 0.535	\$ 0.495	\$ 1.010	\$ 0.905	\$ 0.833	\$ 0.780	\$ 0.730
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Dividend payout ratio	36.93%	38.07%	39.86%	36.69%	37.28%	36.62%	38.29%
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Selected Financial Ratios:

Return on total average assets	1.07%	1.04%	0.98%	1.03%	0.98%	1.00%	0.96%
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Return on total average equity	10.95%	10.44%	10.01%	10.69%	10.52%	9.93%	9.94%
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Tax-equivalent net interest margin	3.07%	3.19%	3.19%	3.33%	3.15%	3.23%	3.23%
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Capital Ratios:

Tier 1 leverage capital ratio	9.21%	9.17%	9.37%	9.30%	9.01%	8.87%	9.32%
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Tier 1 risk-based capital ratio	15.54%	14.84%	15.55%	15.60%	14.97%	14.15%	14.29%
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Total risk-based capital ratio	17.09%	16.34%	17.12%	17.24%	16.62%	15.78%	16.06%
	15.54%	14.84%	15.55%	n/a	n/a	n/a	n/a

Common equity
tier 1

**Selected Asset
Quality Ratios:**

Net charge-offs to average loans	0.03%	0.16%	0.14%	0.15%	0.12%	0.23%	0.37%
Allowance for loan losses to total loans	0.94%	0.93%	0.95%	0.98%	0.99%	0.99%	1.13%
Allowance for loan losses to non-performing loans	178.1%	102.9%	134.7%	73.0%	95.9%	82.1%	63.7%
Non-performing loans to total loans	0.53%	0.90%	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 six months ended June 30, 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 six months ended June 30, 2016 and 2015 is not necessarily indicative of the results that may be expected for future periods.

**As of and for the Six
Months Ended June 30,**
(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	\$ 1,590,664	\$ 1,511,504	\$ 1,517,774	\$ 1,503,786	\$ 1,423,870	\$ 1,270,477	\$ 1,041,819
Cash and cash equivalents	54,629	65,191	42,566	51,120	33,578	39,162	24,740
Investment securities	157,424	119,345	120,198	115,698	125,238	212,369	210,318
Loans receivable, net of allowance	1,233,871	1,195,165	1,217,461	1,206,845	1,134,110	902,236	714,952
Off-balance sheet unfunded loan commitments	165,223	159,929	143,980	159,110	166,309	164,304	132,784
Deposits	1,148,334	1,148,755	1,157,352	1,152,714	1,088,092	949,341	803,023
Borrowings	226,178	145,996	150,000	140,992	121,734	142,730	80,967
Repurchase agreements	20,540	19,546	17,957	16,756	27,885	14,619	15,514
Subordinated debentures	36,910	37,620	36,873	37,620	20,620	20,620	20,620

Operating Data:

Interest income	\$ 25,310	\$ 23,939	\$ 48,133	\$ 48,728	\$ 40,276	\$ 36,421	\$ 37,188
Interest expense	3,817	3,541	6,869	6,799	6,497	7,399	8,689
Net interest income	21,493	20,398	41,264	41,929	33,779	29,022	28,499
Provision for loan losses	232	419	1,056	905	962	2,705	1,351
Net interest income after provision for loan losses	21,261	19,979	40,208	41,024	32,817	26,317	27,148
Noninterest income	10,317	9,800	18,624	19,226	15,728	14,551	10,458
Noninterest expense	24,581	22,911	46,205	46,646	37,004	29,425	27,126
	6,997	6,868	12,627	13,604	11,541	11,443	10,480

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Income before income tax expense							
Income tax expense	2,160	2,147	3,598	3,564	3,127	3,684	2,811
Preferred stock dividends and earnings allocated to unvested shares	52	40	151	230	316	666	713
Net income applicable to common stock	4,785	4,681	8,878	9,810	8,098	7,093	6,956

Performance

Ratios:

Return on average assets	0.62%	0.63%	0.61%	0.68%	0.66%	0.69%	0.74%
Return on average common equity	6.94%	7.05%	6.67%	8.07%	6.98%	6.99%	7.96%
Net interest margin	3.05%	2.99%	2.99%	3.08%	2.97%	2.85%	3.05%
Average common stockholders equity to average assets	8.89%	9.41%	9.14%	8.44%	9.51%	8.13%	7.27%

Capital Ratios

(consolidated):

Tier 1 leverage capital	7.75%	8.54%	8.03%	n/a	n/a	n/a	n/a
Tier 1 risk-based capital	11.29%	12.29%	11.34%	n/a	n/a	n/a	n/a
Total risk-based capital	13.73%	13.20%	12.22%	n/a	n/a	n/a	n/a
Total shareholders equity to assets	8.89%	9.44%	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	0.76	0.84	0.78	0.87	1.02	1.22	1.26
Non-performing loans to total allowance	66.94	76.75	67.79	79.22	95.58	171.57	182.33
Net charge-offs to average outstanding loans (annualized)	0.06	0.12	0.11	0.11	0.12	0.24	0.28
Nonperforming loans as a percent of total loans	0.47	0.57	0.49	0.60	0.82	1.86	2.29
Nonperforming assets as a percent of total assets	0.39	0.49	0.46	0.50	0.75	1.35	1.72

Per Share Data:

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Net income per basic common share	\$ 0.58	\$ 0.57	\$ 1.08	\$ 1.19	\$ 1.11	\$ 1.20	\$ 1.20
Net income per diluted common share	\$ 0.58	\$ 0.56	\$ 1.08	\$ 1.19	\$ 1.11	\$ 1.20	\$ 1.20
Weighted average common shares outstanding-basic	8,292,397	8,273,519	8,245,233	8,235,213	7,294,916	5,907,113	5,782,115
Weighted average common shares outstanding-diluted	8,293,050	8,287,204	8,255,826	8,246,528	7,301,861	5,912,051	5,793,741

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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 six months ended June 30, 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 June 30, 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 and six months ended June 30, 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 June 30, 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.

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See also the unaudited pro forma condensed combined financial statements and notes thereto beginning on page 113.

	For the six months ended June 30, 2016	For the year ended December 31, 2015
	(Dollars in thousands)	
Consolidated Statements of Income		
Interest income	\$ 51,861	\$ 99,424
Interest expense	8,406	14,929
Net interest income	43,455	84,495
Provision for loan losses	847	2,841
Non-interest income	17,259	27,603
Non-interest expense	41,249	79,350
Income before taxes	18,618	29,907
Income taxes	5,761	8,221
Net income	\$ 12,857	\$ 21,686
Net income to common shareholders	\$ 12,805	\$ 21,535

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 4,167,483 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 \$1.10 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
			Pro Forma	Pro Forma
			Combined	Equivalent
				Per
				Share⁽¹⁾
Basic Earnings				
Year ended December 31, 2015	\$ 2.53	\$ 1.08	\$ 2.12	\$ 1.05
Six months ended June 30, 2016	\$ 1.45	\$ 0.58	\$ 1.26	\$ 0.62
Diluted Earnings				
Year ended December 31, 2015	\$ 2.50	\$ 1.08	\$ 2.11	\$ 1.05
Six months ended June 30, 2016	\$ 1.43	\$ 0.58	\$ 1.25	\$ 0.62
Cash Dividends Paid				
Year ended December 31, 2015	\$ 1.010	\$ 0.540	\$ 1.010	\$ 0.502
Six months ended June 30, 2016	\$ 0.535	\$ 0.280	\$ 0.535	\$ 0.266
Book Value				
As of December 31, 2015	\$ 25.65	\$ 16.32	\$ 28.72	\$ 14.27
As of June 30, 2016	\$ 27.40	\$ 16.86	\$ 30.03	\$ 14.93

(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 August 29, 2016, the record date, there were 6,047,419 shares of BHB common stock outstanding, which were held by 876 shareholders of record, and 8,387,716 shares of LSBG common stock outstanding, which were held by 1,115 stockholders of record.

<i>For the calendar</i> <i>quarterly period ended:</i>	BHB⁽¹⁾			LSBG		
	High	Low	Dividends Declared	High	Low	Dividends Declared
2016						
March 31, 2016	\$ 34.70	\$ 29.53	\$ 0.265	\$ 14.91	\$ 13.25	\$ 0.14
June 30, 2016	36.10	30.80	0.270	18.30	13.77	0.14
Period from June 30, 2016 to August 31, 2016	37.69	34.05	0.275	18.89	17.00	0.14
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						
March 31, 2014	\$ 26.89	\$ 24.02	\$ 0.217	\$ 15.39	\$ 14.15	\$ 0.13
June 30, 2014	28.02	24.24	0.223	15.41	14.05	0.13
September 30, 2014	30.00	26.02	0.230	15.58	14.50	0.13
December 31, 2014	32.86	28.00	0.235	16.12	14.24	0.13

(1) On April 22, 2014, BHB's board of directors declared a three-for-two split of its common stock, payable as a large stock dividend, which was paid on May 19, 2014 to all shareholders of record at the close of business on May 5, 2014. All previously reported share and per share data included in public filings subsequent to the payment date have been adjusted to reflect the retroactive effect of this three-for-two stock split.

The following table presents the last reported sale price per share of BHB and LSBG common stock, as reported on NYSE and NASDAQ, on May 5, 2016, the last full trading day prior to the public announcement of the proposed merger, and on August 31, 2016, the last practicable trading day prior to the date of this joint proxy statement/prospectus. The following table also presents the equivalent per share value of BHB common stock that LSBG stockholders would receive for each share of their LSBG common stock if the merger was completed on those dates:

	BHB Common Stock	LSBG Common Stock	Equivalent Value Per Share of LSBG Common Stock⁽¹⁾
May 5, 2016	\$ 34.35	\$ 14.09	\$ 17.07

August 31, 2016

36.80

17.92

18.29

(1) Calculated by multiplying the closing price of BHB common stock as of the specified date by the exchange ratio of 0.4970.

The market value of BHB common stock to be issued in exchange for shares of LSBG common stock upon the completion of the merger will not be known at the time of the BHB or LSBG special meeting. The above

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tables show only historical comparisons. Because the market prices of BHB common stock and LSBG common stock will likely fluctuate prior to the merger, these comparisons may not provide meaningful information to BHB and LSBG shareholders in determining whether to adopt and approve the merger agreement. Shareholders are encouraged to obtain current market quotations for BHB common stock and LSBG common stock, and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 120.

The holders of BHB common stock receive dividends as and when declared by BHB's board of directors out of statutory surplus or from net profits. Following the completion of the merger, subject to approval and declaration by BHB's board of directors, BHB expects to continue paying quarterly cash dividends on a basis consistent with past practice. The current annualized rate of distribution on a share of BHB common stock is \$1.08 per share. However, the payment of dividends by BHB 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.

Prior to completion of the merger, the merger agreement permits LSBG to continue to pay regular quarterly cash dividends, not greater than the rate paid during the fiscal quarter immediately preceding the date of the merger agreement, with record and payment dates consistent with past practice.

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the caption Information Regarding Forward-Looking Statements on page 29, you should carefully consider the following risk factors in deciding whether to vote for adoption and approval of the merger agreement.

Risks Related to the Merger

The value of the merger consideration will vary with changes in BHB's stock price.

Upon completion of the merger, all of the outstanding shares of LSBG common stock will be converted into shares of BHB common stock. The ratio at which the shares will be converted is fixed at 0.4970 shares of BHB common stock for each share of LSBG common stock. There will be no adjustment in the exchange ratio for changes in the market price of either LSBG common stock or BHB common stock. Any change in the price of BHB common stock will affect the aggregate value LSBG stockholders will receive in the merger. Stock price changes may result from a variety of factors, including changes in businesses, operations and prospects, regulatory considerations, and general market and economic conditions. Many of these factors are beyond our control. Accordingly, at the time of the special meeting, LSBG stockholders will not know the value of the stock consideration they will receive in the merger.

Shareholders may be unable to timely sell shares after completion of the merger.

There will be a time period between the completion of the merger and the time at which former LSBG stockholders actually receive their shares of BHB common stock. Until shares are received, former LSBG stockholders may not be able to sell their BHB shares in the open market and, therefore, will not be able to avoid losses resulting from any decrease, or secure gains resulting from any increase, in the trading price of BHB common stock during this period.

The market price of BHB common stock after the merger may be affected by factors different from those affecting the shares of BHB or LSBG currently.

The businesses of BHB and LSBG differ and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations and market prices of common stock of each of BHB and LSBG. For a discussion of the businesses of BHB and LSBG and of certain factors to consider in connection with those businesses, see the documents incorporated by reference into this joint proxy statement/prospectus and referred to under Where You Can Find More Information beginning on page 120.

Both LSBG and BHB shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management of the combined company.

Each of LSBG and BHB shareholders currently has the right to vote in the election of their respective board of directors and on other matters affecting their respective company. Upon completion of the merger, each LSBG stockholder will become a shareholder of BHB with a percentage ownership of the combined company that is much smaller than such stockholder's current percentage ownership of LSBG. It is expected that the former stockholders of LSBG as a group will receive shares in the merger constituting approximately 40.81% of the outstanding shares of BHB common stock immediately after the merger. Furthermore, because shares of BHB common stock will be issued to existing LSBG stockholders, current BHB shareholders will have their ownership and voting interests diluted approximately 40.81%. Accordingly, both LSBG and BHB shareholders will have less influence on the management

and policies of the combined company than they now have on the management and policies of their respective companies.

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After the merger is completed, LSBG stockholders will become BHB shareholders and will have different rights that may be less advantageous than their current rights.

Upon completion of the merger, LSBG stockholders will become BHB shareholders. Differences in LSBG's articles of organization and amended and restated bylaws and BHB's articles of organization, as amended, and amended and restated bylaws will result in changes to the rights of LSBG stockholders who become BHB shareholders. For more information, see "Comparison of Shareholders Rights," beginning on page 102 of this joint proxy statement/prospectus.

The termination fee and the restrictions on solicitation contained in the merger agreement may discourage other companies from trying to acquire LSBG.

Until the completion of the merger, LSBG is prohibited from soliciting, initiating, encouraging, or with some exceptions, considering any inquiries or proposals that may lead to a proposal or offer for a merger or other business combination transaction with any person other than BHB. In addition, LSBG has agreed to pay a termination fee of \$5.5 million to BHB in specified circumstances. These provisions could discourage other companies from trying to acquire LSBG even though those other companies might be willing to offer greater value to LSBG stockholders than BHB has offered in the merger. The payment of the termination fee also could have a material adverse effect on LSBG's results of operations.

LSBG will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees, suppliers and customers may have an adverse effect on BHB and LSBG. These uncertainties may impair BHB's or LSBG's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers, suppliers and others who deal with BHB or LSBG to seek to change existing business relationships. BHB and LSBG employee retention and recruitment may be particularly challenging prior to the effective time of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

The pursuit of the merger and the preparation for the integration may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect the financial results of BHB or LSBG and, following the merger, the combined company. In addition, the merger agreement requires that LSBG operate in the ordinary course of business consistent with past practice and restricts LSBG from taking certain actions prior to the effective time of the merger or termination of the merger agreement. These restrictions may prevent LSBG from pursuing attractive business opportunities that may arise prior to the completion of the merger.

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.

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;

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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.

The unaudited pro forma financial data included in this joint proxy statement/prospectus is illustrative only, and may differ materially from the combined company's actual financial position and results of operations after the merger.

The unaudited pro forma financial data in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the merger been completed on the dates indicated. The pro forma financial data reflects adjustments, which are based on preliminary estimates, to record LSBG's identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this joint proxy statement/prospectus is preliminary and final allocation of the purchase price will be based on the actual purchase price and the fair value of the assets and liabilities of LSBG as of the date of the completion of the merger. As a result, the final purchase accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy statement/prospectus.

The fairness opinion obtained by each of BHB and LSBG from their respective financial advisors will not reflect changes in circumstances subsequent to the date of such fairness opinion.

Griffin, LSBG's financial advisor in connection with the proposed merger, orally delivered to the board of directors of LSBG its opinion, which was subsequently confirmed in writing dated as of May 5, 2016. The Griffin opinion stated that as of such date, and based on and subject to the factors and assumptions set forth therein, the exchange ratio was fair to LSBG stockholders from a financial point of view. Sandler O'Neill, BHB's financial advisor in connection with the proposed merger, orally delivered to the board of directors of BHB its opinion, which was subsequently confirmed in writing dated as of May 5, 2016, to the effect that, as of such date, and based on and subject to the factors, limitations and assumptions set forth therein, the exchange ratio was fair to BHB from a financial point of view. The opinions do not reflect changes that may occur or may have occurred after the dates of the opinions, including changes to the operations and prospects of BHB or LSBG, changes in general market and economic conditions or regulatory or other factors. Any such changes, or changes in other factors on which the opinions were based, may materially alter or affect the relative values of BHB and LSBG.

The merger agreement may be terminated in accordance with its terms and the merger may not be completed.

The merger agreement is subject to a number of conditions that must be fulfilled in order to complete the merger. Those conditions include, but are not limited to:

approval of the merger agreement by BHB and LSBG shareholders;

receipt of required regulatory approvals;

absence of orders prohibiting the completion of the merger;

effectiveness of the registration statement of which this joint proxy statement/prospectus is a part;

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continued accuracy of the representations and warranties by both parties and the performance by both parties of their covenants and agreements; and

receipt by both parties of legal opinions from their respective tax counsels.

In addition, LSBG may choose to terminate the merger agreement during the five-day period commencing on the 10th day prior to the closing date of the merger, if the price of BHB common stock decreases by a certain percentage and also decreases by a certain percentage relative to the SNL Bank Index. Any such termination would be subject to the right of BHB to increase the amount of BHB common stock to be provided to LSBG stockholders pursuant to the formula prescribed in the merger agreement. See the section of this joint proxy statement/prospectus entitled "The Merger Agreement Termination" beginning on page 99 for a more complete discussion of the circumstances under which the merger agreement could be terminated.

The merger and the bank merger are each subject to the receipt of consents and approvals from governmental authorities that may delay the date of completion of each merger or impose conditions that could have an adverse effect on BHB.

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 NHBD. The U.S. Department of Justice is able to provide input regarding the approval process of the federal banking agencies to challenge the Transaction 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 Transaction. 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.

Failure to complete the merger could negatively impact the stock prices and future businesses and financial results of BHB and LSBG.

If the merger is not completed, the ongoing businesses of BHB and LSBG may be adversely affected, and BHB and LSBG will be subject to several risks, including the following:

LSBG may be required, under certain circumstances, to pay BHB a termination fee of \$5.5 million under the merger agreement;

BHB and LSBG will be required to pay certain costs relating to the merger, whether or not the merger is completed, such as legal, accounting, financial advisor and printing fees;

under the merger agreement, LSBG is subject to certain restrictions on the conduct of its business prior to completing the merger which may adversely affect its ability to execute certain of its business strategies; and

matters relating to the merger may require substantial commitments of time and resources by BHB's and LSBG's management, which could otherwise have been devoted to other opportunities that may have been beneficial to BHB and LSBG as independent companies, as the case may be.

In addition, if the merger is not completed, BHB and/or LSBG may experience negative reactions from the financial markets and from their respective customers and employees. BHB and/or LSBG also could be subject to litigation related to any failure to complete the merger or to enforcement proceedings commenced against BHB or LSBG to perform their respective obligations under the merger agreement. If the merger is not completed, BHB and LSBG cannot assure their respective shareholders that the risks described above will not materialize and will not materially affect the business, financial results and stock prices of BHB and/or LSBG.

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Risks Related to the Combined Company if the Merger is Completed

The integration of the companies will present significant challenges that may result in the combined business not operating as effectively as expected or in the failure to achieve some or all of the anticipated benefits of the transaction.

The benefits and synergies expected to result from the proposed transaction will depend in part on whether the operations of LSBG can be integrated in a timely and efficient manner with those of BHB. BHB will face challenges in consolidating its functions with those of LSBG, and integrating the organizations, procedures and operations of the two businesses. The integration of BHB and LSBG will be complex and time-consuming, and the management of both companies will have to dedicate substantial time and resources to it. These efforts could divert management's focus and resources from other strategic opportunities and from day-to-day operational matters during the integration process. Failure to successfully integrate the operations of BHB and LSBG could result in the failure to achieve some of the anticipated benefits from the transaction, including cost savings and other operating efficiencies, and BHB may not be able to capitalize on the existing relationships of LSBG to the extent anticipated, or it may take longer, or be more difficult or expensive than expected to achieve these goals. This could have an adverse effect on the business, results of operations, financial condition or prospects of BHB after the transaction.

Unanticipated costs relating to the merger could reduce BHB's future earnings per share.

BHB believes that it has reasonably estimated the likely costs of integrating the operations of BHB and LSBG, and the incremental costs of operating as a combined company. However, it is possible that unexpected transaction costs such as taxes, fees or professional expenses or unexpected future operating expenses such as increased personnel costs or increased taxes, as well as other types of unanticipated adverse developments, could have a material adverse effect on the results of operations and financial condition of the combined company. If unexpected costs are incurred, the merger could have a dilutive effect on the combined company's earnings per share. In other words, if the merger is completed, the earnings per share of BHB common stock could be less than anticipated or even less than they would have been if the merger had not been completed.

Estimates as to the future value of the combined company are inherently uncertain. You should not rely on such estimates without considering all of the information contained or incorporated by reference into this joint proxy statement/prospectus.

Any estimates as to the future value of the combined company, including estimates regarding the earnings per share of the combined company, are inherently uncertain. The future value of the combined company will depend upon, among other factors, the combined company's ability to achieve projected revenue and earnings expectations and to realize the anticipated synergies described in this joint proxy statement/prospectus, all of which are subject to the risks and uncertainties described in this joint proxy statement/prospectus, including these risk factors. Accordingly, you should not rely upon any estimates as to the future value of the combined company, whether made before or after the date of this joint proxy statement/prospectus by BHB's and LSBG's respective management or affiliates or others, without considering all of the information contained or incorporated by reference into this joint proxy statement/prospectus.

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INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus, including information included or incorporated by reference into this joint proxy statement/prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the benefits of the merger between BHB and LSBG, including future financial and operating results and performance; statements about BHB's and LSBG's plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as expects, anticipates, intends, plans, believes, seeks, estimates, will, should, may or words of similar meaning. These forward-looking statements are based on current beliefs and expectations of BHB's and LSBG's management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of BHB and LSBG. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

the failure of the parties to satisfy the closing conditions in the merger agreement in a timely manner or at all;

the failure of the shareholders of BHB and/or LSBG to adopt and approve the merger agreement;

the failure to obtain governmental approvals of the merger or the imposition of adverse regulatory conditions in connection with regulatory approvals of the merger;

disruptions to the parties' businesses as a result of the announcement and pendency of the merger;

costs or difficulties related to the integration of the businesses following the merger;

operating costs, customer losses and business disruption following the merger, including adverse effects on relationships with employees, may be greater than expected;

the risk that the future business operations of BHB or LSBG will not be successful;

the risk that the anticipated benefits, cost savings and any other savings from the merger may not be fully realized or may take longer than expected to realize;

changes in the interest rate environment that reduce margins;

changes in the regulatory environment;

the highly competitive industry and market area in which BHB and LSBG operate;

general economic conditions, either nationally or regionally, resulting in, among other things, a deterioration in credit quality;

changes in business conditions and inflation;

changes in credit market conditions leading to increases in BHB's or LSBG's loan losses or level of non-performing loans;

changes in the securities markets which affect investment management revenues;

increases in FDIC deposit insurance premiums and assessments could adversely affect financial condition;

changes in technology used in the banking business;

the soundness of other financial services institutions which may adversely affect credit risk;

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certain intangible assets may become impaired in the future;

internal controls and procedures may fail or be circumvented;

new lines of business or new products and services, which pose additional risks;

changes in key management personnel which may adversely impact operations;

the effect on operations of governmental legislation and regulation, including changes in accounting regulation or standards, the nature and timing of the adoption and effectiveness of new requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, Basel guidelines, capital requirements and other applicable laws and regulations; and

severe weather, natural disasters, acts of war or terrorism and other external events which could significantly impact the business.

Additional factors that could cause BHB's and LSBG's results to differ materially from those described in the forward-looking statements can be found in the section of this joint proxy statement/prospectus entitled "Risk Factors" beginning on page 24, and BHB's and LSBG's filings with the Securities and Exchange Commission, or the SEC, including BHB's and LSBG's respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2015 and their respective Quarterly Reports on Form 10-Q for the quarter ended June 30, 2016.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus or the date of any document incorporated by reference into this joint proxy statement/prospectus. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement/prospectus and attributable to BHB or LSBG or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, BHB and LSBG undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events.

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INFORMATION ABOUT THE COMPANIES

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 June 30, 2016, BHB had \$1.7 billion in assets, \$990 million in deposits and \$165 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. BHB common stock is traded on the NYSE MKT under the symbol **BHB**.

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.

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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. The 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 June 30, 2016, LSBG had \$1.59 billion in assets, \$1.15 billion in deposits and \$141 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. LSBG common stock is traded on the NASDAQ under the symbol **LSBG**.

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THE SPECIAL MEETING OF LSBG STOCKHOLDERS

This joint proxy statement/prospectus is being furnished to holders of LSBG common stock for use at a special meeting of LSBG stockholders and any adjournments or postponements thereof.

Date, Time and Place of the Special Meeting

LSBG will hold its special meeting of shareholders at the Lake Sunapee Bank Building, 1868 Room, 9 Main Street, Newport, NH 03773 on October 24, 2016, at 10:00 a.m., local time.

Purpose of the Special Meeting

At the special meeting, LSBG stockholders as of the record date will be asked to consider and vote on the following proposals:

1. to adopt the Agreement and Plan of Merger by and between BHB and LSBG, dated as of May 5, 2016, pursuant to which LSBG will merge with and into BHB with BHB surviving;
2. 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 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.

Recommendation of the LSBG Board of Directors

The LSBG board of directors has unanimously approved the merger agreement and recommends that you vote your shares as follows:

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, if necessary, to permit further solicitation of proxies.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of record of LSBG common stock at the close of business on the record date of August 29, 2016, are entitled to notice of and to vote at LSBG's special meeting. As of the record date, there were 8,387,716 shares of

LSBG common stock outstanding, held of record by approximately 1,115 shareholders. Each holder of LSBG common stock is entitled to one vote for each share of LSBG common stock owned as of the record date.

A list of shareholders entitled to vote at the special meeting will be available for inspection at the special meeting and before the special meeting, during the period beginning two business days after notice of the meeting is given and upon written request by any LSBG stockholder.

Quorum; Vote Required

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 the outstanding shares of LSBG common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee), vote in person

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at the annual meeting, or vote by proxy over the telephone or the Internet as described in the enclosed instructions. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of shares present at the annual meeting in person or represented by proxy may adjourn the annual meeting to another date.

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. Abstentions and broker non-votes will have the same effect as a vote **AGAINST** the adoption of the merger agreement, but will have no effect on the other proposals.

Share Ownership of Management; Voting Agreement

As of the record date, the directors and executive officers of LSBG and their affiliates collectively owned 640,626 shares of LSBG common stock, or approximately 7.64% 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.

When considering the LSBG board of directors' recommendation that you vote in favor of the adoption of the merger agreement, you should be aware that the directors and executive officers of LSBG have financial interests in the merger that may be different from, or in addition to, the interests of stockholders of LSBG. See "The Merger: Interests of LSBG's Directors and Executive Officers in the Merger" beginning on page 59.

Voting of Proxies

If you are a LSBG stockholder, the LSBG board of directors requests that you return the proxy card accompanying this joint proxy statement/prospectus for use at the LSBG special meeting. Please complete, date and sign the proxy card and promptly return it 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.

All properly signed proxies received prior to the special meeting and not revoked before the vote at the special meeting will be voted at the special meeting according to the instructions indicated on the proxies or, **if no instructions are given, the shares will be voted 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 an adjournment of the special meeting to solicit additional proxies, if necessary.**

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

Alliance Advisors LLC

200 Broadacres Drive, 3rd Floor

Edgar Filing: BAR HARBOR BANKSHARES - Form S-4/A

Bloomfield, NJ 07003

Banks, brokers and

shareholders should call: (855) 928-4494

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If you hold your shares of LSBG common stock in street name, meaning in the name of a bank, broker or other nominee who is the record holder, you must either direct the record holder of your shares of LSBG common stock how to vote your shares or obtain a proxy from the record holder to vote your shares in person at the special meeting.

If you fail to properly submit your proxy card or fail to instruct your broker, bank or other nominee to vote your shares of LSBG common stock and you do not attend the 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 of the merger agreement, but will have no impact on the outcome of the other proposals.

How to Revoke Your Proxy

If you are a LSBG stockholder, you may revoke your proxy at any time by taking any of the following actions before your proxy is voted at the special meeting:

delivering a written notice bearing a date later than the date of your proxy card to the Corporate Secretary of LSBG, stating that you revoke your proxy;

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

attending the special meeting and voting 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 Kimberly Pruett-Ilg, Corporate Secretary, at the following address:

Lake Sunapee Bank Group

9 Main Street

P.O. Box 9

Newport, New Hampshire 03773

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 vote.

Voting in Person

If you are a LSBG stockholder and plan to attend the LSBG special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the special meeting, you must obtain a proxy from the broker, bank or other nominee in order to vote your shares.

Whether or not you plan to attend the special meeting, LSBG requests that you complete, sign, date and return the enclosed proxy card as soon as possible in the enclosed postage-paid envelope, or submit a proxy through the Internet or by telephone as described in the instructions accompanying this joint proxy statement/prospectus. This 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.

Abstentions and Broker Non-Votes

Only shares affirmatively voted for each proposal, including shares represented by properly executed proxies that do not contain voting instructions, will be counted as votes **FOR** the proposal.

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Brokers who hold shares of LSBG common stock in street name for a customer who is the beneficial owner of those shares may not exercise voting authority on the customer's shares with respect to the actions proposed in this joint proxy statement/prospectus without specific instructions from the customer. When a broker does not vote on a particular proposal because the broker does not have discretionary voting power with respect to a proposal and has not received voting instructions from the beneficial owner it is referred to as broker non-votes. If your broker holds your LSBG stock in street name, your broker will vote your shares only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with this joint proxy statement/prospectus.

Accordingly, you are urged to mark and return the enclosed proxy card to indicate your vote, or fill out the voter instruction form, if applicable. Abstentions and broker non-votes will be included in determining the presence of a quorum at the special meeting. Abstentions and broker non-votes will have the same effect as a vote **AGAINST** the adoption of the merger agreement, but will have no effect on the other proposals.

Proxy Solicitation

If you are a LSBG stockholder, the enclosed proxy is solicited by and on behalf of the LSBG board of directors. LSBG will pay the expenses of soliciting proxies to be voted at the special meeting, including any attorneys' and accountants' fees, except LSBG and BHB have each agreed to share equally the costs of printing this joint proxy statement/prospectus. Following the original mailing of the proxies and other soliciting materials, LSBG and its agents may also solicit proxies by mail, telephone, facsimile or in person. No additional compensation will be paid to directors, officers or other employees of LSBG for making these solicitations. LSBG has retained a proxy solicitation firm, Alliance Advisors, to aid in the solicitation process. BHB and LSBG will pay a joint fee of approximately \$16,500, split equally, plus reasonable out-of-pocket expenses to Alliance Advisors. LSBG intends to reimburse persons who hold LSBG common stock of record but not beneficially, such as brokers, custodians, nominees and fiduciaries, for their reasonable expenses in forwarding copies of proxies and other soliciting materials to, and requesting authority for the exercise of proxies from, the persons for whom they hold the shares.

This joint proxy statement/prospectus and the proxy card are first being sent to LSBG stockholders on or about September 12, 2016.

Stock Certificates

If you are a LSBG stockholder, you should not send in any certificates representing LSBG common stock. Following the completion of the merger, you will receive separate instructions for the exchange of your certificates representing LSBG common stock.

Proposal to Approve Adjournment of the Special Meeting

LSBG is requesting that holders of the outstanding shares of LSBG common stock consider and vote on a proposal to authorize the named proxies to approve one or more adjournments of the LSBG special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to approve the merger proposal at the time of the special meeting. Even though a quorum may be present at the special meeting, it is possible that LSBG may not receive sufficient votes to adopt the merger agreement by the time of the special meeting. In that event, LSBG would need to adjourn the special meeting in order to solicit additional proxies. The adjournment proposal relates only to an adjournment of the special meeting for purposes of soliciting additional proxies to obtain the requisite stockholder approval to adopt the merger agreement. Any other adjournment of the special meeting (e.g., an adjournment required because of the absence of a quorum) would be voted on pursuant to the discretionary authority granted by the proxy card. The LSBG board of directors retains full authority to the extent set forth in LSBG's amended and restated

certificate of incorporation, or LSBG s amended and restated bylaws, and Delaware law to adjourn the special meeting for any other purpose, or to postpone the special meeting before it is convened, without the consent of any LSBG stockholders.

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If LSBG stockholders approve the adjournment proposal, LSBG could adjourn the special meeting and any adjourned session of the special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from LSBG stockholders who have previously voted. LSBG is not required to notify stockholders of any adjournment if the new place, date and time are announced at the special meeting before adjournment. If, after the adjournment, a new record date is fixed for the adjourned special meeting, notice of the adjourned special meeting shall be given to each stockholder of record entitled to vote at the special meeting.

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THE SPECIAL MEETING OF BHB SHAREHOLDERS

This joint proxy statement/prospectus is being furnished to holders of BHB common stock for use at a special meeting of BHB shareholders and any adjournments or postponements thereof.

Date, Time and Place of the Special Meeting

BHB will hold its special meeting of shareholders at Bar Harbor Bank & Trust Corporate Offices, Board of Director's Room, 3rd floor, 82 Main Street, Bar Harbor, Maine 04609, on October 20, 2016, at 10:00 a.m., local time.

Purpose of the Special Meeting

At the special meeting, BHB shareholders as of the record date will be asked to consider and vote on the following proposals:

1. to approve the Agreement and Plan of Merger by and between BHB and LSBG, dated as of May 5, 2016, pursuant to which LSBG will merge with and into BHB with BHB surviving; and
2. 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.

Recommendation of the BHB Board of Directors

The BHB board of directors has unanimously approved the merger agreement and recommends that you vote your shares as follows:

FOR approval of the merger agreement; and

FOR approval of the proposal to adjourn the special meeting, if necessary, to permit further solicitation of proxies.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of record of BHB common stock at the close of business on the record date of August 29, 2016 are entitled to notice of and to vote at BHB's special meeting. As of the record date, there were 6,047,419 shares of BHB common stock outstanding, held of record by approximately 876 shareholders. Each holder of BHB common stock is entitled to one vote for each share of BHB common stock owned as of the record date.

A list of shareholders entitled to vote at the special meeting will be available for inspection at the special meeting and before the special meeting, during the period beginning two business days after notice of the meeting is given and upon written request by any BHB shareholder.

Quorum; Vote Required

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 the outstanding shares of BHB common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee), vote in person at the special meeting, or vote by proxy over the telephone or the Internet as described in the enclosed instructions. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of shares present at the special meeting in person or represented by proxy may adjourn the special meeting to another date.

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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. Abstentions and broker non-votes will have the same effect as a vote

AGAINST the adoption and approval of the merger agreement, but will have no effect on the other proposals.

Share Ownership of Management

As of the record date, the directors and executive officers of BHB and their affiliates collectively owned 85,309 shares of BHB common stock, or approximately 1.41% of BHB's outstanding shares.

Voting of Proxies

If you are a BHB shareholder, the BHB board of directors requests that you return the proxy card accompanying this joint proxy statement/prospectus for use at the BHB special meeting. Please complete, date and sign the proxy card and promptly return it in the enclosed postage-paid envelope, or submit a proxy through the Internet or by telephone as described in the instructions contained in the enclosed proxy card.

All properly signed proxies received prior to the special meeting and not revoked before the vote at the special meeting will be voted at the special meeting according to the instructions indicated on the proxies or, **if no instructions are given, the shares will be voted FOR adoption and approval of the merger agreement, and FOR an adjournment of the special meeting to solicit additional proxies, if necessary.**

If you have any questions concerning the merger, the other meeting matters or this joint proxy statement/prospectus or need assistance voting your shares, please contact BHB's proxy solicitor at the address or telephone number listed below:

Alliance Advisors LLC

200 Broadacres Drive, 3rd Floor

Bloomfield, NJ 07003

Banks, brokers and

shareholders should call: (855) 928-4494

If you hold your shares of BHB common stock in street name, meaning in the name of a bank, broker or other nominee who is the record holder, you must either direct the record holder of your shares of BHB common stock how to vote your shares or obtain a proxy from the record holder to vote your shares in person at the special meeting.

If you fail to properly submit your proxy card or to fail to instruct your broker, bank or other nominee to vote your shares of BHB common stock and you do not attend the 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.

If any other matter is presented at the special meeting, your proxy will vote the shares represented by all properly executed proxies on such matters as a majority of BHB's board of directors determines. As of the date of this joint

proxy statement/prospectus, BHB knows of no other matters that may be presented at the special meeting, other than those listed above.

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How to Revoke Your Proxy

If you are a BHB shareholder, you may revoke your proxy at any time by taking any of the following actions before your proxy is voted at the special meeting:

delivering a written notice bearing a date later than the date of your proxy card to the Secretary of BHB, stating that you revoke your proxy;

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

attending the special meeting and voting 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 Marsha C. Sawyer, Clerk, at the following address:

Bar Harbor Bankshares

82 Main Street

Bar Harbor, Maine 04609

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 vote.

Voting in Person

If you are a BHB shareholder and plan to attend the BHB special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the special meeting, you must obtain a proxy from the broker, bank or other nominee in order to vote your shares.

Whether or not you plan to attend the special meeting, BHB requests that you complete, sign, date and return the enclosed proxy card as soon as possible in the enclosed postage-paid envelope, or submit a proxy through the Internet or by telephone as described in the instructions accompanying this joint proxy statement/ prospectus. This 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.

Abstentions and Broker Non-Votes

Only shares affirmatively voted for each proposal, including shares represented by properly executed proxies that do not contain voting instructions, will be counted as votes **FOR** the proposal.

Broker non-votes occur when brokers or other nominees holding shares on behalf of their clients who have not been given specific voting instructions from their clients with respect to non-routine matters and, therefore, do not have discretionary voting power to vote on these matters. Brokers may, under applicable rules, sign and submit proxies for shares they hold on routine matters. The BHB proposals are considered non-routine under the stock exchange rules. If your broker returns a proxy but does not vote on a proposal, this will constitute a broker non-vote.

Accordingly, you are urged to mark and return the enclosed proxy card to indicate your vote, or fill out the voter instruction form, if applicable. Abstentions and broker non-votes will be included in determining the presence of a quorum at the special meeting. Abstentions and broker non-votes will have the same effect as a vote **AGAINST** the adoption and approval of the merger agreement, but will have no effect on the other proposal.

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Proxy Solicitation

If you are a BHB shareholder, the enclosed proxy is solicited by and on behalf of the BHB board of directors. BHB will pay the expenses of soliciting proxies to be voted at the special meeting, including any attorneys' and accountants' fees, except LSBG and BHB have each agreed to share equally the costs of printing this joint proxy statement/prospectus. Following the original mailing of the proxies and other soliciting materials, BHB and its agents may also solicit proxies by mail, telephone, facsimile or in person. No additional compensation will be paid to directors, officers or other employees of BHB for making these solicitations. BHB has retained a proxy solicitation firm, Alliance Advisors, to aid in the solicitation process. BHB and LSBG will pay a joint fee of approximately \$16,500, split equally, plus reasonable out-of-pocket expenses to Alliance Advisors. BHB intends to reimburse persons who hold BHB common stock of record but not beneficially, such as brokers, custodians, nominees and fiduciaries, for their reasonable expenses in forwarding copies of proxies and other soliciting materials to, and requesting authority for the exercise of proxies from, the persons for whom they hold the shares.

This joint proxy statement/prospectus and the proxy card are first being sent to BHB shareholders on or about September 12, 2016.

Proposal to Approve Adjournment of the Special Meeting

BHB is requesting that holders of the outstanding shares of BHB common stock consider and vote on a proposal to authorize the named proxies to approve one or more adjournments of the BHB special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to approve the merger proposal at the time of the special meeting. Even though a quorum may be present at the special meeting, it is possible that BHB may not receive sufficient votes to approve the merger agreement by the time of the special meeting. In that event, BHB would need to adjourn the special meeting in order to solicit additional proxies. The adjournment proposal relates only to an adjournment of the special meeting for purposes of soliciting additional proxies to obtain the requisite shareholder approval to approve the merger agreement. Any other adjournment of the special meeting (e.g., an adjournment required because of the absence of a quorum) would be voted on pursuant to the discretionary authority granted by the proxy card. The BHB board of directors retains full authority to the extent set forth in BHB's articles of incorporation, or BHB's bylaws, and Maine law to adjourn the special meeting for any other purpose, or to postpone the special meeting before it is convened, without the consent of any BHB shareholders.

If BHB shareholders approve the adjournment proposal, BHB could adjourn the special meeting and any adjourned session of the special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from BHB shareholders who have previously voted. BHB is not required to notify shareholders of any adjournment if the new place, date and time are announced at the special meeting before adjournment. If the date of any adjourned special meeting is more than 30 days after the date of the original special meeting or if a new record date is fixed for the adjourned special meeting, written notice of the adjourned special meeting shall be given to each shareholder of record entitled to vote at the special meeting.

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PROPOSAL I THE MERGER

The following discussion contains material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement and financial advisors' opinions attached as annexes to this joint proxy statement/prospectus. We urge you to read carefully this entire joint proxy statement/prospectus, including the merger agreement and financial advisors' opinions attached as annexes to this joint proxy statement/prospectus, for a more complete understanding of the merger.

General

On May 5, 2016, the boards of directors of BHB and LSBG each unanimously approved the merger agreement. The merger agreement provides for merger of LSBG with and into BHB, with BHB as the surviving corporation. Following the merger, LSBG Bank will be merged with and into BHB Bank, with BHB Bank as the surviving entity.

See The Merger Agreement, beginning on page 87, for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the merger and the provisions for terminating or amending the merger agreement.

Consideration to be Received in the Merger

Upon completion of the merger, 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).

Background of the Merger

LSBG's board of directors and executive management team have periodically reviewed LSBG's strategic alternatives and assessed various opportunities for increasing long-term stockholder value. These reviews have included analysis compiled by executive management and/or LSBG's financial advisor of LSBG's current and projected financial performance and capital needs and trends in the financial marketplace, including merger and acquisition activity in the New England market. In some instances, these reviews included a discussion by LSBG's legal counsel Hogan Lovells US LLP, or Hogan Lovells, of the legal standards applicable to the decisions and actions of LSBG's board of directors.

BHB's board of directors and senior management have also periodically reviewed BHB's strategic opportunities and alternatives as part of their on-going efforts to grow BHB's banking franchise and enhance long-term shareholder value. These reviews have focused on assessing opportunities for increasing earnings through internally generated growth and for growth through acquisitions of other banks. As part of the strategic reviews, BHB's board of directors and senior management have considered potential acquisition targets in various northern New England markets.

In recent years, LSBG's board of directors and executive management had periodically discussed matters of succession planning, recognizing that Stephen R. Theroux, LSBG's Vice Chairman, President and Chief Executive Officer, would attain the age of 66 in 2016. As part of an effort to gather information on succession planning experiences of peer institutions, on October 21, 2015, Mr. Theroux met with Curtis C. Simard, BHB's President and Chief Executive Officer, who succeeded BHB's previous chief executive officer in 2013, to discuss BHB's recent experience with respect to CEO succession matters. During these discussions on succession matters, Messrs. Theroux and Simard also discussed the economic conditions and the business and regulatory climate for banks operating in their market areas, as well as their respective institutions' operating philosophies, strengths and weaknesses, and business focus going forward.

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On December 21, 2015, Mr. Theroux and other members of executive management of LSBG met with representatives of Griffin and Hogan Lovells to review strategic alternatives, including potential acquisitions and the strength and value of LSBG's independent business plan, ahead of and in preparation for the upcoming regularly scheduled meeting of LSBG's board of directors in January 2016 and off-site board retreat in February 2016. In addition, in light of perceived challenges related to growth, the need for additional capital and looming succession matters, Griffin was asked to present information about potential merger partners, the financial and non-financial strengths and weaknesses of potential partners, and the capacity of potential partners to consummate a transaction with LSBG. Among these possibilities, BHB was identified at this meeting as a potential merger partner.

Following their meeting in October 2015, Mr. Theroux remained in telephone contact with Mr. Simard on two occasions regarding matters related to the banking industry and their two institutions. At one point during these conversations, Mr. Simard indicated that BHB would be interested in exploring a potential combination with LSBG. Concurrently, in the course of ordinary business, Mr. Theroux was also occasionally contacted by executives from other New England area banks to meet and discuss market developments, succession matters and merger and acquisition activity in the market; however, none of these discussions materialized into serious discussions or indications of interest regarding a combination with LSBG.

On January 14, 2016, the board of directors of LSBG held its regular meeting which was attended by representatives of Griffin and Hogan Lovells, at which the board reviewed strategic alternatives for LSBG, including its stand-alone business plan and potential merger and acquisition partners. This review included examination of various factors relating to the feasibility of potential acquisition targets and merger partners, including capacity to complete a transaction, effect on capital, dividend history, liquidity of the common stock of the surviving institution, and cost savings and operating efficiency. Among other possible transactions, the board discussed the potential value of a strategic combination with BHB.

From February 11 to 13, 2016, the board of directors of LSBG held its regular annual off-site planning session to discuss strategic alternatives. During these meetings, the board of directors discussed the prospects of LSBG remaining independent, succession planning, and the value to stockholders of a potential merger of LSBG with a larger institution. As a result of these discussions, the board established a timeline to pursue a succession planning process, and simultaneously directed Mr. Theroux to continue to explore the possibility of a strategic combination with BHB.

On March 4, 2016, Mr. Theroux and William J. McIver, LSBG's Senior Executive Vice President and Chief Operating Officer, met with Mr. Simard to further discuss the possibility of a strategic merger between the companies. The discussions included the importance to LSBG of maintaining its culture and focus on quality customer service in its markets. Mr. Simard raised the possibility that at least one member of LSBG's executive management team would continue with the combined entity in a senior management capacity as a regional president for the New Hampshire and Vermont markets. Based on the strength and consistency of BHB's financial performance and common stock dividend, its strong regulatory capital ratios, the complementary business models of the two institutions, in particular the commercial lending background and expertise of Mr. Simard, coupled with his history and experience in LSBG's New Hampshire markets, similarity of customer profiles, lack of geographic overlap, and the potential succession solution for LSBG posed by a merger, the parties determined to conduct preliminary due diligence to facilitate discussions regarding the terms of the transaction. To facilitate the exchange of confidential information, on March 14, 2016, the parties executed a mutual confidentiality agreement and began to populate data sites with documentation for due diligence purposes.

From March 16 to March 22, 2016, the management teams of LSBG and BHB exchanged initial diligence information. These efforts included identification of overlapping products and services, development of financial

models to analyze the transaction, and the analysis of potential synergies and cost savings that would be recognized in connection with the potential combination.

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The LSBG board of directors and executive management were previously advised by Hogan Lovells that BHB was a client of Hogan Lovells, which created a potential conflict for Hogan Lovells should LSBG continue to pursue a potential transaction with BHB. Hogan Lovells further advised the board of directors and executive management that, in order to avoid any potential conflict of interest, Hogan Lovells would advise BHB to retain independent legal counsel with respect to any potential transaction with LSBG. Similarly, a representative of Griffin, which had provided advice to BHB in the past, informed BHB that Griffin expected to be engaged by LSBG and would not be able to represent BHB with respect to a potential strategic transaction with LSBG.

On March 25, 2016, Messrs. Theroux and McIver met with Mr. Simard to further discuss the potential combination, focusing on matters related to the structure and organization of the potential combined entity.

On March 29, 2016, the board of directors of LSBG held a special meeting at which management provided an update regarding the preliminary due diligence process and findings with respect to BHB and the likely structure of a potential merger. Representatives of Griffin made a presentation to the LSBG board regarding the potential transaction with BHB, the merger and acquisition market in general and among peer institutions, and the strategic rationale for a combination with BHB. The presentation included a summary of the discussions that had been held to date between the management teams of the two institutions, the possible terms of the transaction, the potential costs savings and the financial benefits of a combination between the two institutions. Representatives of Hogan Lovells made a presentation to the LSBG board regarding the fiduciary duties of the board of directors in connection with a potential strategic transaction. At the conclusion of the discussion, the LSBG board voted unanimously in favor of continuing discussions of a potential combination with BHB and directed Mr. Theroux to ask BHB for a written indication of interest. The board also provided management guidance as to the parameters within which it would view a non-binding term sheet as being favorable such that it would recommend that management continue the due diligence and negotiation process prior to the board's next meeting. In making its determination to continue to pursue a transaction with BHB rather than other strategic alternatives, the board of directors discussed that a merger with BHB provided an attractive solution to management succession at LSBG and offered the opportunity for the combined organization to realize enhanced balance sheet growth and significant operational efficiencies that could enable LSBG stockholders to realize long-term benefits and continued strong common stock dividends through their significant ownership interest in the combined entity without having to incur the ownership dilution that would result from the raising of additional common stock which otherwise would likely be necessary. The board also discussed its confidence in BHB's management team and the likelihood that BHB would terminate negotiations if it believed that LSBG was soliciting other possible merger partners. At the same time, the board indicated that absent substantial progress on a strategic transaction with BHB, it would also be moving forward with its succession planning, likely engaging a third party to begin a search for a new CEO in the near future.

On April 1, 2016, BHB formally engaged Donald Gaiter, a private, independent consultant and former bank executive, who was assisting with financial modeling and due diligence in connection with the potential transaction.

On April 1, 2016, BHB submitted preliminary terms to LSBG with respect to the transaction, which included 100% stock consideration and offered a preliminary price range of \$17.00 to \$17.25 per share, up to four seats on the board of the resulting institution, the continuation of Mr. McIver as a regional president for the New Hampshire and Vermont markets, and a commitment to maintain the Lake Sunapee brand in LSBG's markets, all of which terms were non-binding and contingent upon satisfactory completion of due diligence and the negotiation of a definitive agreement. These terms were within the parameters established by the LSBG board at its March 29, 2016 meeting, and accordingly management proceeded to continue the due diligence and negotiation process.

On April 5 and 6, 2016, management of LSBG and BHB, including Messrs. McIver and Simard, met in Boston together with representatives of Griffin and Hogan Lovells, and Mr. Gaiter, financial advisor to BHB, to continue due

diligence discussions regarding the potential combination. The parties had detailed discussions around corporate structure, personnel, cost savings and issues related to the operational integration, and considered a detailed timeline for moving forward toward the consummation of a transaction.

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On April 6, 2016, LSBG entered into a confidentiality agreement with its technology platform provider, to discuss its contractual obligations and potential related cost savings in the context of a merger with BHB.

On April 16 and 18, 2016, BHB consulted with K&L Gates LLP, or K&L Gates, with respect to the potential transaction with LSBG and on April 25, 2016 formally engaged K&L Gates as special counsel.

From April 8 to April 22, 2016, the parties continued to populate the data sites with due diligence documentation and conducted reviews of the information and documentation provided.

On April 11, 2016, LSBG formally engaged Griffin as its financial advisor in connection with the proposed transaction with BHB.

On April 13, 2016, Mr. Simard met with Mr. Theroux and Stephen W. Ensign, Chairman of LSBG's board of directors, to discuss the strategic advantages of combining their institutions, the complementary nature of their markets, and the financial benefits to the parties and their respective shareholders in a strategic partnership.

On April 14, 2016, the LSBG board of directors held a regularly scheduled meeting at which members of management provided an update to the board of directors regarding the due diligence performed with respect to BHB and the continued discussions related to a potential transaction. The board discussed that in the context of a strategic partnership, both BHB and LSBG shareholders would maintain significant equity ownership in the combined institution and benefit from the long-term value proposition of the combined entity.

From April 16-17, 2016, a third party consultant engaged by LSBG conducted a review of BHB's credit files. BHB reviewed LSBG's credit files as well remotely over a generally similar time period.

On April 19, 2016, Hogan Lovells provided K&L Gates with a draft of the merger agreement. Also on April 19, 2016, BHB formally engaged Sandler O'Neill as its financial advisor.

From April 22 to May 3, 2016, the parties negotiated the terms and conditions of the definitive merger agreement and conducted further due diligence and cost savings analyses. During this time, discussions among the parties continued regarding strategic matters such as technology, efficiencies, wealth management opportunities, and staffing. The parties also discussed compensation matters given that BHB required that any new employment agreements and severance agreements be agreed upon by all parties and affected executives before the merger agreement was executed.

On April 25 and 26, 2016, executives of LSBG and BHB, together with their respective legal and financial advisors, held due diligence meetings in Boston and continued reciprocal document review. During this time, the parties also conducted management interviews, at which questions regarding cost savings and strategic benefits of a combination between the two parties were further addressed and the potential terms of the transaction were further discussed. The parties also further discussed the terms of Mr. McIver's proposed continuation with the combined entity.

On April 29, 2016, BHB's board of directors held a special meeting to review and consider the proposed transaction with LSBG. Copies of the draft merger agreement and ancillary documents were distributed to the members of the BHB board of directors in advance of the meeting. Representatives of Sandler O'Neill made a presentation, a copy of which had been provided in advance to the directors, of an overview of the proposed merger, including information about LSBG's management, location of its branches, performance of its stock, and various comparative market information, a review of the current merger landscape and a pro forma merger analysis. A representative of K&L Gates reviewed the terms of the draft merger agreement, described the merger process and responded to questions

from the members of the board. Mr. Gaiter also discussed the terms of the proposed merger and other recent merger activity. Following these presentations, the invited guests excused them