

NORTHEAST BANCORP /ME/
Form S-1
March 19, 2012
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As filed with the Securities and Exchange Commission on March 19, 2012.

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

NORTHEAST BANCORP

(Exact Name of Registrant As Specified in Its Charter)

Maine (State or Other Jurisdiction of Incorporation or Organization)	6720 (Primary Standard Industrial Classification Code Number) 500 Canal Street Lewiston, Maine 04240 (207) 786-3245	01-0425066 (I.R.S. Employer Identification Number)
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(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Richard Wayne
President and Chief Executive Officer

Northeast Bancorp
500 Canal Street
Lewiston, Maine 04240
(207) 786-3245

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

Copies to:

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<p>William P. Mayer, Esq.</p> <p>Paul W. Lee, Esq.</p> <p>Goodwin Procter LLP</p> <p>Exchange Place</p> <p>Boston, Massachusetts 02109</p> <p>(617) 570-1000</p>	<p>Michael K. Krebs, Esq.</p> <p>Nutter McClennen & Fish LLP</p> <p>155 Seaport Boulevard</p> <p>Boston, MA 02210</p> <p>(617) 439-2000</p>
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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, 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, please 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(c) 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. "

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.

Large Accelerated Filer " Accelerated Filer "
 Non-Accelerated Filer " (Do not check if a smaller reporting company) Smaller Reporting Company x

CALCULATION OF REGISTRATION FEE

	Proposed Maximum Amount to be Registered	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Voting common stock, par value \$1.00 per share			\$57,500,000(1)(2)(6)	\$6589.50
Voting common stock, par value \$1.00 per share	172,444(3)(6)	\$12.12(4)	\$2,090,021	\$239.52
Non-voting common stock, par value \$1.00 per share			(5)(6)	(7)
Total			\$ 59,590,021	\$ 6,829.02

- (1) Represents shares of voting common stock to be sold by the registrant.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended. Includes the offering price of shares that the underwriter has the option to purchase to cover over-allotments, if any.
- (3) Represents shares of voting common stock to be sold by the selling shareholder and 22,492 shares that the underwriter has the option to purchase from the registrant to cover over-allotments, if any.
- (4) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based on the average of the high and low prices of the common stock on March 15, 2012 as reported on the NASDAQ Capital Market.
- (5) Represents shares of non-voting common stock that may be issued in lieu of voting common stock to certain investors who so elect or are obligated to hold shares of non-voting common stock in accordance with the registrant's articles of incorporation.

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- (6) This registration statement also relates to an indeterminate number of shares of Northeast Bancorp voting and non-voting common stock that may be issued upon stock splits, stock dividends or similar transactions in accordance with Rule 416 under the Securities Act of 1933, as amended.
- (7) Filing fee paid in connection with the registration of shares of voting common stock.

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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The information in this prospectus is not complete and may be changed. Neither we nor the selling shareholder may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 19, 2012

PRELIMINARY PROSPECTUS

Up to Shares of Voting Common Stock
Up to 1,339,755 Shares of Non-Voting Common Stock

We are offering [] shares of common stock. The selling shareholder identified in this prospectus is offering an additional [] shares of common stock. We will not receive any proceeds from the sale of shares by the selling shareholder.

Our common stock consists of voting common stock, \$1.00 par value per share, and non-voting common stock, \$1.00 par value per share. The common stock offered pursuant to this prospectus may consist entirely of voting common stock or may consist of voting common stock and up to 1,339,755 shares of non-voting common stock issued in lieu of voting common stock. You may elect or be obligated to hold shares of non-voting common stock in lieu of voting common stock in accordance with the terms of our articles of incorporation. See Description of Capital Stock Description of Common Stock Restrictions on Ownership.

Our voting common stock is currently listed on the NASDAQ Global Market under the symbol NBN. On March 16, 2012, the closing price of our voting common stock on the NASDAQ Global Market was \$12.00 per share.

Investing in our voting common stock and/or non-voting common stock (collectively, the common stock) involves risks. See Risk Factors beginning on page 10.

	<i>Per Share</i>	<i>Total</i>
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds to us, before expenses	\$	\$
Proceeds to the selling shareholder	\$	\$

The shares of common stock are being offered through the underwriter on a firm commitment basis. We have granted the underwriter a 30-day option to purchase up to [] additional shares of common stock at the same price, and on the same terms, solely to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The shares of common stock are not savings accounts, deposits or other obligations of our bank subsidiary or any of our non-banking subsidiaries and are not insured by the Federal Deposit Insurance Corporation or any other government agency.

The underwriter expects to deliver the shares of common stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about [], 2012, subject to customary closing conditions.

The date of this prospectus is [], 2012

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and documents incorporated by reference herein contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, such as statements relating to use of proceeds, including the redemption of Series A preferred stock, our financial condition, prospective results of operations, future performance or expectations, plans, objectives, prospects, loan loss allowance adequacy, simulation of changes in interest rates, capital spending, finance sources and revenue sources. These statements relate to expectations concerning matters that are not historical facts. Accordingly, statements that are based on management's projections, estimates, assumptions, and judgments constitute forward-looking statements. These forward looking statements, which are based on various assumptions (some of which are beyond our control), may be identified by reference to a future period or periods, or by the use of forward-looking terminology such as believe, expect, estimate, anticipate, continue, plan, approximately, intend, objective, goal, project, or other similar terms or variations on those terms, or the conditional verbs such as will, may, should, could, and would.

Such forward-looking statements reflect our current views and expectations based largely on information currently available to our management, and on our current expectations, assumptions, plans, estimates, judgments, and projections about our business and our industry, and they involve inherent risks and uncertainties. Although we believe that these forward-looking statements are based on reasonable estimates and assumptions, they are not guarantees of future performance and are subject to known and unknown risks, uncertainties, contingencies, and other factors. Accordingly, we cannot give you any assurance that our expectations will in fact occur or that our estimates or assumptions will be correct. We caution you that actual results could differ materially from those expressed or implied by such forward-looking statements as a result of, among other factors, the factors referenced in this prospectus under the heading Risk Factors ; changes in interest rates and real estate values; competitive pressures from other financial institutions; the effects of a continuing deterioration in general economic conditions on a national basis or in the local markets in which we operate, including changes which adversely affect borrowers' ability to repay our loans; changes in loan defaults and charge-off rates; changes in the value of securities and other assets, adequacy of loan loss reserves, or deposit levels necessitating increased borrowing to fund loans and investments; increasing government regulation, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act ; changes in the rules of participation for the Troubled Asset Relief Program, or TARP, Capital Purchase Program promulgated by the U.S. Department of the Treasury, or the U.S. Treasury, under the Emergency Economic Stabilization Act of 2008, which may be changed unilaterally and restrictively by legislative or regulatory actions; establishment of a consumer financial protection bureau with broad authority to implement new consumer protection regulations; the risk that we may not be successful in the implementation of our business strategy; and changes in assumptions used in making such forward-looking statements. These forward-looking statements speak only as of the date of this prospectus, or if such statement is included in a document incorporated by reference into this prospectus, as of the date of such other document, and we do not undertake any obligation to update or revise any of these forward-looking statements to reflect events or circumstances occurring after the date of this report or to reflect the occurrence of unanticipated events.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained in or incorporated by reference into this prospectus and any free writing prospectus we authorize to be delivered to you. We have not, and the underwriter has not, authorized anyone to provide you with additional information or information different from that contained in or incorporated by reference into this prospectus and any free writing prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. To the extent information in this prospectus and any free writing prospectus is inconsistent with any of the documents incorporated by reference into this prospectus and any free writing prospectus, you should rely on this prospectus and any free writing prospectus. We are offering to sell, and seeking offers to buy, our common stock only in states where those offers and sales are permitted. You should assume that the information contained in or incorporated by reference into this prospectus and any free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

You should read this prospectus, all of the information incorporated by reference into this prospectus and the additional information about us described in the section entitled "Where You Can Find More Information" before making your investment decision.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about, and to observe, any restrictions as to the offering and the distribution of this prospectus applicable to those jurisdictions.

Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus assumes that the underwriter will not exercise its option to purchase additional shares of our common stock to cover over-allotments, if any.

As used in this prospectus, the terms "Northeast," "we," "our," and "us" refer to Northeast Bancorp and its subsidiaries, unless the context indicates otherwise. The term "common stock" refers collectively to our voting common stock and non-voting common stock.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in, or incorporated by reference into, this prospectus. As a result, it does not contain all of the information that may be important to you or that you should consider before investing in our common stock. Before making an investment decision, you should read this entire prospectus, including the Risk Factors section, and the documents incorporated by reference into this prospectus, which are described under Incorporation of Certain Information by Reference.

Our Business

Northeast Bancorp is the holding company for Northeast Bank, a Maine-chartered bank organized in 1872 and headquartered in Lewiston, Maine. We are focused on gathering retail deposits through our Community Banking Division's banking offices in Maine and through our online affinity deposit program, ableBanking; originating loans through our Community Banking Division; and purchasing performing commercial real estate loans at a discount through our Loan Acquisition and Servicing Group. We operate our Community Banking Division, with ten full-service branches, four investment centers and three loan production offices, from our headquarters in Lewiston, Maine. We operate ableBanking and the Loan Acquisition and Servicing Group from our offices in Boston, Massachusetts.

We are registered as a bank holding company under the Bank Holding Company Act of 1956, as amended, and our common stock is listed on the NASDAQ Global Market under the symbol NBN.

As of December 31, 2011, we had 3,312,173 shares of voting common stock outstanding, and 195,351 shares of non-voting common stock outstanding. At that date, we had total assets of \$594.5 million; total loans, including loans held for sale, of \$355.2 million; total deposits of \$401.0 million and total stockholders' equity of \$65.9 million.

Our Recent History

On December 29, 2010, we completed a merger with FHB Formation LLC, a Delaware limited liability company. As a result of the merger, we received a capital contribution of \$16.2 million (in addition to the approximately \$13.1 million in cash consideration paid to former shareholders), and the former members of FHB Formation LLC collectively acquired approximately 60% of our outstanding common stock.

The transaction also resulted in changes to our management. Richard Wayne became our President and Chief Executive Officer, Claire Bean became our Chief Financial Officer and Chief Operating Officer, and Heather Campion became our Chief Administrative Officer. Our former management team continues in our Community Banking Division: James Delamater, our former President and Chief Executive Officer, is President and Chief Executive Officer of our Community Banking Division; Marcel Blais, our former Chief Operating Officer, is Chief Operating Officer of our Community Banking Division; and Robert Johnson, our former Chief Financial Officer, is Treasurer of our Community Banking Division. Pender Lazenby remains as our Chief Risk Officer.

In connection with the transaction, as part of the regulatory approval process, we made certain commitments to the Board of Governors of the Federal Reserve System, or the Federal Reserve, and the Maine Bureau of Financial Institutions, the most significant of which are (i) to maintain a Tier 1 leverage ratio of at least 10%, (ii) to maintain a total risk-based capital ratio of at least 15%, (iii) to limit purchased loans to 40% of total loans, (iv) to fund 100% of our loans with core deposits (defined as non-maturity deposits and non-brokered insured time deposits), and (v) to hold commercial real estate loans (including owner-occupied commercial real estate) to within 300% of total risk-based capital.

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We are currently in compliance with our commitments to the Federal Reserve and the Maine Bureau of Financial Institutions. At December 31, 2011, we had \$388.1 million in core deposits gathered through our Community Banking Division, and \$167.1 million in commercial real estate loans, with capacity to hold a total of \$211.7 million in commercial real estate loans.

Our Business Strategy

Our goal is to prudently grow our franchise, while maintaining sound operations and risk management, by implementing the following strategies:

Measured growth of our purchased loan portfolio. Our Loan Acquisition and Servicing Group purchases performing commercial real estate loans, on a nationwide basis, at a discount from their outstanding principal balances, producing yields higher than those normally achieved on our originated loan portfolio. Since the inception of the Loan Acquisition and Servicing Group through December 31, 2011, we have purchased loans for an aggregate investment of \$52.3 million. For the six-month period ended December 31, 2011, purchased loans produced a yield of 15.8%, including accelerated interest income associated with unscheduled loan payoffs during the period, compared to a yield of 6.1% for the same period on loans originated by the Community Banking Division.

Loans are purchased on a nationwide basis from a variety of sources, including banks, insurance companies, investment funds and government agencies, either directly or indirectly through a broker. Of the loans purchased by our Loan Acquisition and Servicing Group that were outstanding as of December 31, 2011, \$47.9 million, or 93.1%, consisted of commercial real estate loans. The unpaid principal balance of purchased loans (on a relationship basis) ranged from \$175 thousand to \$6.2 million, with an average of \$1.1 million, and were secured by retail, industrial, mixed use, multi-family and office properties in 15 states. We expect that loans purchased by our Loan Acquisition and Servicing Group will, subject to compliance with applicable regulatory commitments, represent an increasing percentage of our total loan portfolio in the future.

Focus on core deposits. We offer a full line of deposit products to customers in the Community Banking Division's market area through our ten-branch network. Our retail banking team successfully completed a campaign generating over \$25 million in new deposits from the date of the merger to the end of our 2011 fiscal year. In addition, we recently launched, in the Boston area, the pilot of our online affinity deposit program, ableBanking, a division of Northeast Bank. One of our strategic goals is for ableBanking to provide an additional channel for us to raise core deposits to fund the acquisition of loans by our Loan Acquisition and Servicing Group.

The ableBanking savings platform is designed to give customers the ability to generate payments to benefit non-profit organizations of their choice. When a new customer opens a savings or time deposit account with ableBanking, we will remit \$25 to a non-profit organization of the customer's choice. Thereafter we will remit, annually, 25 basis points of a customer's average annual deposit balance to a non-profit organization of the customer's choice. As part of the ableBanking pilot, we have formed partnerships with six non-profit organizations in the Boston area, which are featured on the ableBanking website at www.ablebanking.com, to highlight the needs in the Boston community and to show how \$25 can make a difference. We estimate that the Boston-based pilot of ableBanking will continue for approximately six months, after which we will seek to expand our marketing outreach to other regions of the country.

Continuing our community banking tradition. Our Community Banking Division retains a high degree of local autonomy and operational flexibility to better serve its customers, and our former management team continues to play an important role in the Community Banking Division. The Community Banking Division's focus on sales and service has allowed us to attract and retain core deposits, and the recent efforts of our residential mortgage origination team in the Community Banking Division increased overall mortgage originations to \$151.5 million for the year ended June 30, 2011, from \$107.6 million in the prior year.

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Our Competitive Strengths

We believe that we distinguish ourselves from our competitors through the following competitive strengths:

Proven ability to execute loan purchasing strategies. The Loan Acquisition and Servicing Group includes a team of credit analysts, real estate analysts, servicing specialists and legal counsel with extensive experience in the loan acquisition business. Four of our Managing Directors of the Loan Acquisition and Servicing Group worked with our Chief Executive Officer, Richard Wayne, at Capital Crossing Bank, in Boston, Massachusetts, a national leader in the acquisition and management of commercial loans.

Strong position in bidding for performing commercial loans. Our Loan Acquisition and Servicing Group competes with regional banks, private equity funds operating nationwide and a limited number of community banks when bidding for performing commercial loans. Many private equity funds do not compete for small balance commercial loans and only pursue transactions where the investment amount would exceed \$20 million or more. We believe that we have a competitive advantage in bidding against many banks that purchase commercial loans in the secondary market because we have a specialized group with experience in purchasing commercial real estate loans. In addition, most banks we compete against are community banks seeking to acquire loans in their market; these banks usually have specific criteria for their acquisition activities and do not pursue pools with collateral or geographic diversity. No member of the Loan Acquisition and Servicing Group is compensated directly based upon the number or dollar amount of loans that we purchase.

Innovative online affinity deposit gathering strategy. We believe that various ableBanking features, including the program's association with non-profit organizations, will enable us to attract more customers and cost-effectively obtain additional core deposits, which in turn will support our growth, especially the growth of our purchased loan portfolio.

Experienced management team and committed board of directors. Our management and board of directors combine extensive experience in growing a community bank franchise on a profitable and sound basis. The management team has an established track record in the loan acquisition business. Our team has also successfully developed and implemented innovative client- and community-focused strategies that have delivered organic growth in the Community Banking Division. Our team has worked extensively with state and federal bank regulators and has developed an understanding and capability of managing a depository institution in challenging economic and business cycles.

Our Management Team

The members of our senior management team each have significant experience in the financial services sector.

Richard Wayne has been Chief Executive Officer of Northeast and a director of Northeast and Northeast Bank since December 29, 2010. Mr. Wayne is responsible for all of Northeast's business divisions, including the Community Banking Division, ableBanking, and the Loan Acquisition and Servicing Group. Prior to joining Northeast, Mr. Wayne co-founded Capital Crossing Bank, in Boston, Massachusetts, where he served as its President and Co-Chief Executive Officer from 1991 until its sale in February 2007. Capital Crossing Bank was a national leader in the acquisition and management of commercial loans, purchasing over \$2 billion of loans.

Claire Bean has been the Chief Financial Officer and Chief Operating Officer of Northeast since December 29, 2010. Ms. Bean has responsibility for Northeast's finance, accounting, technology and operations. She has a 25-year record in financial services in the Greater Boston area, with experience focused in balance sheet management, strategic planning, financial management, commercial credit oversight, operations and information technology. Most recently, she served as Executive Vice President and Chief Financial Officer of

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Benjamin Franklin Bancorp, where she managed the company's initial public offering and simultaneous acquisition of Chart Bank in 2005. In the 1990s, Ms. Bean was Chief Operating Officer and Treasurer of Grove Bank in Chestnut Hill, Massachusetts, and subsequently co-founded and served as Chief Operating Officer of Lighthouse Bank, an Internet bank based in Waltham, Massachusetts.

Heather Campion has been the Chief Administrative Officer of Northeast since December 29, 2010. Ms. Campion is responsible for Northeast's marketing, communications, community relations and human resources functions. Ms. Campion has an extensive background at leading institutions in both the public and private sectors. From 1998 until 2007, she was the Group Executive Vice President and Director of Corporate Affairs at Citizens Financial Group, Inc., one of the ten largest commercial bank holding companies in the United States, and was a member of the company's Executive Management Committee. Between 1981 and 1998, Ms. Campion held numerous positions at the Harvard Kennedy School, including serving as the director of the John F. Kennedy Jr. Forum, associate director of the Institute of Politics, and director of the Harvard Kennedy School's Public Liaison Office.

Pender Lazenby oversees Northeast's Risk Management division, and serves as the chief information security officer, and has been with the company since 2005. He has over 35 years of commercial banking experience, having been a senior officer at FleetBoston, BankBoston, and Casco Northern Bank, specializing in corporate lending, risk management and finance.

In addition, the Managing Directors of the Loan Acquisition and Servicing Group each have significant experience in the loan purchasing and servicing business.

Patrick Dignan manages all underwriting and due diligence activities for the Loan Acquisition and Servicing Group. Mr. Dignan has over 17 years of experience in the loan purchasing and servicing business, including serving as a Senior Vice President and Director of Real Estate at Capital Crossing Bank.

David Ellingrud focuses on sourcing and underwriting loan acquisition and servicing opportunities in the Loan Acquisition and Servicing Group. Mr. Ellingrud has over ten years of experience in the loan purchasing and servicing business.

Christopher Hickey oversees all aspects of our commercial and managed loan portfolios nationwide. With over 22 years of experience in banking and asset management, including serving as a Senior Vice President and Director of Asset Management at Capital Crossing Bank, he has an extensive loan servicing background and experience in foreclosure, liquidation and bankruptcy proceedings.

James Krumsiek, Esq. has over ten years of experience in the loan purchasing and servicing business, and has practiced law in Massachusetts for over 20 years. Prior to joining Northeast Bank in 2011, Mr. Krumsiek was in private practice in Boston with the firm of Perry, Krumsiek and Jack, LLP, where his practice focused primarily on commercial transactions, including acquisitions, refinances, and restructuring of debt secured by real and/or personal property. Prior to joining Perry, Krumsiek and Jack, LLP, Mr. Krumsiek was in-house counsel to Capital Crossing Bank.

Blackwell Taylor evaluates loan purchasing opportunities and managing all aspects of the loan purchasing transaction process. Mr. Taylor has over 11 years of experience in the loan purchasing and servicing business, including serving as Senior Vice President and Director of Investment Strategy and Analytics at Capital Crossing Bank.

Justin Wahls focuses on sourcing and underwriting loan acquisition and servicing opportunities in the Loan Acquisition and Servicing Group. Mr. Wahls has over six years of experience in the loan purchasing and servicing business.

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Our Community Banking Division management also has significant experience in the financial services sector.

James Delamater is the President and Chief Executive Officer of our Community Banking Division. He served as the President and Chief Executive Officer of Northeast and Northeast Bank from 1981 to December 2010. Long active in civic and community organizations, Mr. Delamater is a member of the loan committee for the Androscoggin Valley Council of Governments and is Chair of the Western Maine Economic Development Council.

Marcel Blais is responsible for the retail banking, loan administration and operational departments of our Community Banking Division. Mr. Blais joined Northeast Bank in 1997 and has over 34 years of banking experience, formerly with Casco Northern Bank and Bank of Boston.

Corporate Information

Our principal executive offices are located at 500 Canal Street, Lewiston, Maine, 04240, and our telephone number is (207) 786-3245. Our website address is www.northeastbank.com. The information on our website is not part of this prospectus, and no information provided on our website is incorporated by reference into this prospectus.

The Offering

<i>Issuer</i>	Northeast Bancorp
<i>Offering price</i>	[\$] per share
<i>Common stock offered by us</i>	[] shares of common stock (1)
<i>Common stock offered by the selling shareholder</i>	[] shares of common stock
<i>Non-voting common stock</i>	The common stock offered by us and the selling shareholder may include up to 1,339,755 shares of non-voting common stock issued in lieu of shares of voting common stock. You may elect or be obligated to hold shares of non-voting common stock in lieu of voting common stock in accordance with the terms of our articles of incorporation. See Description of Capital Stock Description of Common Stock Restrictions on Ownership.
	The [] shares of common stock offered by the selling shareholder include [] shares of non-voting common stock. Upon the closing of this offering, all shares of non-voting common stock sold by the selling shareholder in this offering will automatically convert to voting common stock.
<i>Common stock outstanding after the offering</i>	[] shares of common stock (2)
<i>Net proceeds</i>	We estimate the net proceeds from this offering to us, after deducting the underwriting discount and our estimated expenses, will be approximately \$48.3 million, or approximately \$55.9 million if the underwriter exercises its over-allotment option in full.
<i>Use of proceeds</i>	We intend to use a portion of the net proceeds of the offering to contribute to the capital of Northeast Bank for general corporate purposes, including leveraging Northeast Bank's balance sheet to allow for loan purchases, organic loan growth and investment in securities. A portion of the net proceeds may be used for our

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general corporate purposes, including the redemption of some or all of the outstanding shares of Series A preferred stock issued to the U.S. Treasury in connection with our participation in the TARP Capital Purchase Program and the pursuit of strategic opportunities that may be presented to us. We do not currently have any agreements or commitments with respect to any acquisitions. Initially, we intend to invest the net proceeds in short-term investments and government agent backed mortgage-backed securities, as well as investment-grade debt securities. While it is our plan to repurchase the Series A preferred stock as soon as practicable, in order to repurchase such securities, in whole or in part, we must establish to our regulators' satisfaction that we have met all of the conditions to repurchase and must obtain the approval of the Federal Reserve, which we have not yet sought. If we do redeem all of the Series A preferred stock, we may also negotiate a repurchase of the TARP warrant. We will not receive any proceeds from shares sold by the selling shareholder. See Use of Proceeds.

Trading market

Our voting common stock is listed on the NASDAQ Global Market under the symbol NBN. See Market for Voting Common Stock and Dividend Information.

Dividends

We currently pay a \$0.09 per share quarterly dividend on our shares of common stock, and we currently intend to continue to pay a quarterly dividend after the offering, subject to our capital requirements, financial condition, results of operations, tax considerations, statutory and regulatory limitations, and general economic conditions. In addition, because of our participation in the TARP Capital Purchase Program, our ability to declare or pay dividends on shares of common stock is limited to \$0.09 per share per quarter and we may be unable to declare or pay dividends in certain circumstances. See Market for Voting Common Stock and Dividend Information.

- (1) The number of shares of common stock offered assumes that the underwriter's allotment option is not exercised. If the over-allotment option is exercised in full, we would issue [] additional shares of common stock in the offering.
- (2) Assuming that no shareholder will elect or be obligated to hold shares of non-voting common in lieu of voting common stock offered pursuant to this prospectus, there will be [] shares of voting common stock and [] shares of non-voting common stock outstanding after this offering. The total number of shares of common stock outstanding after this offering excludes: (i) [] shares issuable pursuant to the exercise of the underwriter's over-allotment option; (ii) 756,049 shares issuable upon exercise of outstanding stock options as of December 31, 2011, with a weighted average exercise price of \$14.06; (iii) 40,979 shares authorized for issuance for potential future equity awards under our equity compensation plans; and (iv) 67,958 shares issuable upon the exercise of the warrant issued to the U.S. Treasury in connection with the TARP Capital Purchase Program at an exercise price of \$9.33 per share.

Risk Factors

An investment in our common stock involves certain risks. For more information on these risks, please carefully review all of the information under the heading Risk Factors beginning on page 10 of this prospectus. You should carefully review and consider all of this information before making an investment decision.

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SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected historical consolidated financial information (i) as of December 31, 2011 and 2010, (ii) for the six months ended December 31, 2011 and (iii) for the three days ended December 31, 2010, and (a) as of June 30, 2011, 2010, 2009, 2008 and 2007, (b) for the 184 days ended June 30, 2011, (c) for the 181 days ended December 28, 2010, and (d) for the years ended June 30, 2010, 2009, 2008 and 2007, derived from our audited consolidated financial statements. The unaudited financial information has been prepared on the same basis as our audited financial statements and includes, in the opinion of management, all adjustments necessary to fairly present the data for such periods.

On December 29, 2010, FHB Formation LLC merged with and into Northeast, with Northeast as the surviving company. We have applied the acquisition method of accounting, as described in Accounting Standards Codification 805, *Business Combinations*, to this transaction, which represents an acquisition by FHB Formation LLC of Northeast, with Northeast as the surviving company. As a result of application of the acquisition method of accounting to Northeast's balance sheet, Northeast's financial statements from the periods prior to the transaction date are not directly comparable to the financial statements for periods subsequent to the transaction date. To make this distinction, we have labeled balances and results of operations prior to the transaction date as Predecessor Company and balances and results of operations for periods subsequent to the transaction date as Successor Company. The lack of comparability arises from the assets and liabilities having new accounting bases as a result of recording them at their fair values as of the transaction date rather than at historical cost basis. To denote this lack of comparability, a heavy black line has been placed between the Successor Company and Predecessor Company columns in our Consolidated Financial Statements and in Selected Consolidated Financial Information presented herein.

The results of operations for the six months ended December 31, 2011 are not necessarily indicative of the results of operations to be expected for the full year or any future period. You should read this information in conjunction with our Consolidated Financial Statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2011, as amended, and in our Quarterly Reports on Form 10-Q for the quarters ended September 30, 2011 and December 31, 2011, which are incorporated by reference into this prospectus. See Incorporation of Certain Information by Reference.

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	Successor Company (1)			Predecessor Company (2)				
	Six Months	184 Days	Three Days	181	Twelve Months	Twelve Months	Twelve Months	Twelve Months
	Ended	Ended	Ended	Days	Ended	Ended	Ended	Ended
	Dec. 31, 2011	June 30, 2011	Dec. 31, 2010	Ended	June 30,	June 30,	June 30,	June 30,
				Dec. 28, 2010	2010	2009	2008	2007

(Dollars in thousands, except per share data)

Selected operations data:

Interest and dividend income	\$ 12,307	\$ 13,304	\$ 242	\$ 14,378	\$ 31,262	\$ 33,766	\$ 35,398	\$ 35,682
Interest expense	3,113	3,207	93	5,877	13,314	16,718	20,789	20,032
Net interest income	9,194	10,097	149	8,501	17,948	17,048	14,609	15,650
Provision for loan losses	534	707	0	912	1,864	2,100	836	989
Noninterest income(4)	4,090	18,982	15,020	4,214	5,701	4,640	5,127	5,536
Net securities gains (losses)	380	1,200	0	17	(18)	268	293	42
Noninterest expense(5)	13,530	17,148	3,342	9,455	19,473	18,598	17,105	17,113