Northeast Bank Reports Fourth Quarter Results and Declares Dividend

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PORTLAND, Maine, July 28, 2025 (GLOBE NEWSWIRE) -- Northeast Bank (the “Bank”) (NASDAQ: NBN), a Maine-based bank, today reported net income of $25.2 million, or $3.00 per diluted common share, for the quarter ended June 30, 2025, compared to net income of $15.1 million, or $1.91 per diluted common share, for the quarter ended June 30, 2024. Net income for the year ended June 30, 2025 was $83.4 million, or $10.08 per diluted common share, compared to $58.2 million, or $7.58 per diluted common share, for the year ended June 30, 2024.

The Board of Directors declared a cash dividend of $0.01 per share, payable on October 9, 2025, to shareholders of record as of September 25, 2025.

"I am pleased to report a very strong quarter,” said Rick Wayne, Chief Executive Officer. “Excluding a single quarter in which we had substantial gains from the sale of PPP loans, the June 30, 2025 quarter generated record earnings primarily attributable to record net interest income. We are reporting earnings of $3.00 per diluted common share, a return on average equity of 20.7%, and a return on average assets of 2.4%. Lending activity remained strong with total quarterly originations and purchases of $365.6 million. Originations and purchases for the year ending June 30, 2025 was $2.08 billion. At June 30, 2025, the loan portfolio, including loans held for sale, totaled $3.79 billion, representing an increase of $1.03 billion, or 37.3%, over June 30, 2024.”

As of June 30, 2025, total assets were $4.28 billion, an increase of $1.15 billion, or 36.6%, from total assets of $3.13 billion as of June 30, 2024.

1. The following table highlights the changes in the loan portfolio, including loans held for sale, for the year ended June 30, 2025:

	Loan Portfolio Changes			
	June 30, 2025	June 30, 2024	Change ($)	Change (%)
	(Dollars in thousands)			
National Lending Purchased	$ 2,375,157	$ 1,708,551	$ 666,606	39.02%
National Lending Originated	1,251,768	981,497	270,271	27.54%
SBA National	144,974	48,405	96,569	199.50%
Community Banking	18,258	22,704	(4,446)	(19.58%)
Total	$ 3,790,157	$ 2,761,157	$ 1,029,000	37.27%

Loans generated by the Bank's National Lending Division for the quarter ended June 30, 2025 totaled $258.3 million, which consisted of $41.7 million of purchased loans at an average price of 93.8% of unpaid principal balance, and $216.6 million of originated loans. Loans generated by the Bank’s SBA Division for the quarter ended June 30, 2025 totaled $107.3 million.

An overview of the Bank’s National Lending Division portfolio follows:

	National Lending Portfolio					
	Three Months Ended June 30,					
	2025			2024		
	Purchased	Originated	Total	Purchased	Originated	Total
	(Dollars in thousands)					
Loans purchased or originated during the period:						
Unpaid principal balance	$ 44,419	$ 216,631	$ 261,050	$ 160,627	$ 114,272	$ 274,899
Initial net investment basis (1)	41,680	216,631	258,311	143,571	114,272	257,843
Loan returns during the period:						
Yield	8.52%	9.95%	8.99%	9.18%	9.68%	9.37%
Total Return on Purchased Loans (2)	8.76%	N/A	8.76%	9.47%	N/A	9.47%

	Year Ended June 30,					
	2025			2024		
	Purchased	Originated	Total	Purchased	Originated	Total
	(Dollars in thousands)					
Loans purchased or originated during the period:						
Unpaid principal balance	$ 946,112	$ 807,923	$ 1,754,035	$ 432,367	$ 399,149	$ 831,516
Initial net investment basis (1)	863,165	807,923	1,671,088	382,047	399,149	781,196

Loan returns during the period:						
Yield	8.62%	9.27%	8.90%	9.01%	9.90%	9.34%
Total Return on Purchased Loans (2)	8.71%	N/A	8.71%	9.11%	N/A	9.11%
Total loans as of period end:						
Unpaid principal balance	$ 2,554,266	$ 1,251,768	$ 3,806,034	$ 1,886,383	$ 981,497	$2,867,880
Net investment basis	2,375,157	1,251,768	3,626,925	1,708,551	981,497	2,690,048

(1) Initial net investment basis on purchased loans is the initial amortized cost basis net of initial allowance for credit losses (credit mark).
(2) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains (losses) on real estate owned, release of allowance for credit losses on purchased loans, and other noninterest income recorded during the period divided by the average invested balance on an annualized basis. The total return on purchased loans does not include the effect of purchased loan charge-offs or recoveries during the period. Total return on purchased loans is considered a non-GAAP financial measure. See reconciliation in below table entitled “Total Return on Purchased Loans.”

2. Deposits increased by $1.04 billion, or 44.3%, from June 30, 2024. The increase was primarily attributable to increases in time deposits of $937.4 million, or a 71.8% increase compared with the prior year. The significant drivers in the change in time deposits were the increase in brokered time deposits, which increased by $752.7 million, and Community Banking Division time deposits, which increased by $156.2 million compared to June 30, 2024.

3. Federal Home Loan Bank (“FHLB”) advances decreased by $25.0 million, or 7.2%, from June 30, 2024. The decrease was attributable to maturities on outstanding advances and net paydowns on amortizing advances.

4. Shareholders’ equity increased by $117.7 million, or 31.2%, from June 30, 2024, primarily due to net income of $83.4 million and $31.3 million of net proceeds on shares issued in connection with the Bank’s at-the-market (“ATM”) offering.

Net income increased by $6.5 million to $25.2 million for the quarter ended June 30, 2025, compared to net income of $18.7 million for the quarter ended March 31, 2025.

1. Net interest and dividend income before provision for credit losses increased by $8.0 million to $53.9 million for the quarter ended June 30, 2025, compared to $46.0 million for the quarter ended March 31, 2025. The increase was primarily due to the following:

- An increase in interest income earned on loans of $8.1 million, primarily due to the resolution of a significant nonaccrual National Lending Division originated loan and higher transactional income in the National Lending Division purchased portfolio; and
- An increase in interest income earned on short-term investments of $0.8 million, due to higher average balances, partially offset by lower rates earned; partially offset by,
- An increase in deposit interest expense of $1.4 million, primarily due to higher average balances, partially offset by lower rates on interest-bearing deposits.

The following table summarizes interest income and related yields recognized on the loan portfolios:

	Interest Income and Yield on Loans					
	Three Months Ended June 30,					
	2025			2024		
	Average Balance (1)	Interest Income	Yield	Average Balance (1)	Interest Income	Yield
	(Dollars in thousands)					
Community Banking	$ 19,378	$ 321	6.64%	$ 23,511	$ 381	6.52%
SBA National	147,628	3,621	9.84%	40,004	1,437	14.45%
National Lending:						
Originated	1,176,989	29,183	9.95%	963,946	23,204	9.68%
Purchased	2,422,781	51,476	8.52%	1,645,647	37,562	9.18%
Total National Lending	3,599,770	80,659	8.99%	2,609,593	60,766	9.37%
Total	$ 3,766,776	$ 84,601	9.01%	$ 2,673,108	$ 62,584	9.42%

	Year Ended June 30,					
	2025			2024		
	Average Balance (1)	Interest Income	Yield	Average Balance (1)	Interest Income	Yield

	(Dollars in thousands)					
Community Banking	$ 20,843	$ 1,409	6.76%	$ 25,267	$ 1,622	6.42%
SBA National	103,525	11,766	11.37%	32,581	4,270	13.11%
National Lending:						
Originated	1,083,654	100,479	9.27%	954,316	94,488	9.90%
Purchased	2,242,832	193,307	8.62%	1,580,485	142,342	9.01%
Total National Lending	3,326,486	293,786	8.83%	2,534,801	236,830	9.34%
Total	$ 3,450,854	$ 306,961	8.90%	$ 2,592,649	$ 242,722	9.36%

(1) Includes loans held for sale.

The components of total income on purchased loans are set forth in the table below entitled “Total Return on Purchased Loans.” When compared to the quarter ended June 30, 2024, transactional income increased by $0.9 million for the quarter ended June 30, 2025, and regularly scheduled interest and accretion increased by $13.2 million primarily due to the increase in average balances. The total return on purchased loans for the quarter ended June 30, 2025 was 8.8%, a decrease from 9.5% for the quarter ended June 30, 2024. The following table details the total return on purchased loans:

	Total Return on Purchased Loans			
	Three Months Ended June 30,			
	2025		2024	
	Income	Return (1)	Income	Return (1)
	(Dollars in thousands)			
Regularly scheduled interest and accretion	$ 47,707	7.90%	$ 34,504	8.43%
Transactional income:				
Release of allowance for credit losses on purchased loans	1,404	0.23%	1,202	0.29%
Accelerated accretion and loan fees	3,768	0.62%	3,058	0.75%
Total transactional income	5,172	0.86%	4,260	1.04%
Total	$ 52,879	8.76%	$ 38,764	9.47%

	Year Ended June 30,			
	2025		2024	
	Income	Return (1)	Income	Return (1)
	(Dollars in thousands)			
Regularly scheduled interest and accretion	$ 183,762	8.19%	$ 133,009	8.42%
Transactional income:				
Release of allowance for credit losses on purchased loans	2,138	0.10%	1,558	0.10%
Accelerated accretion and loan fees	9,545	0.43%	9,333	0.59%
Total transactional income	11,683	0.52%	10,891	0.69%
Total	$ 195,445	8.71%	$ 143,900	9.11%

(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, and gains (losses) on real estate owned, and release of allowance for credit losses on purchased loans recorded during the period divided by the average invested balance on an annualized basis. The total return does not include the effect of purchased loan charge-offs or recoveries in the quarter. Total return is considered a non-GAAP financial measure.

2. Provision for credit losses increased by $2.9 million to $3.5 million for the quarter ended June 30, 2025, compared to $547 thousand in the quarter ended June 30, 2024. The increase was primarily related to loan growth and increased reserves on the unguaranteed portion of the SBA portfolio.

3. Noninterest income increased by $6.7 million for the quarter ended June 30, 2025, compared to the quarter ended June 30, 2024, primarily due to an increase in gain on sale of SBA loans of $6.8 million, due to the sale of $107.6 million in SBA loans during the quarter ended June 30, 2025 as compared to the sale of $26.8 million during the quarter ended June 30, 2024.

4. Noninterest expense increased by $4.4 million for the quarter ended June 30, 2025 compared to the quarter ended June 30, 2024, primarily due to the following:

- An increase in salaries and employee benefits expense of $1.8 million, primarily due to increases in regular stock and incentive compensation expense;
- An increase in loan expense of $2.1 million primarily related to increased expenses in connection with the origination of SBA 7(a) loans; and
- An increase in Federal Deposit Insurance Corporation (“FDIC”) insurance expense of $266 thousand, due to the growth of

the Bank's asset size and an increased assessment rate.

5. Income tax expense increased by $5.3 million to $12.5 million, or an effective tax rate of 33.2%, for the quarter ended June 30, 2025, compared to $7.3 million, or an effective tax rate of 32.4%, for the quarter ended June 30, 2024. The increase in effective tax rate is primarily due to changes in income apportionment for state taxes.

As of June 30, 2025, nonperforming assets totaled $35.6 million, or 0.8% of total assets, compared to $28.3 million, or 0.9% of total assets, as of June 30, 2024.

As of June 30, 2025, past due loans totaled $30.1 million, or 0.8% of total loans, compared to past due loans totaling $26.3 million, or 1.0% of total loans, as of June 30, 2024.

As of June 30, 2025, the Bank's Tier 1 leverage capital ratio was 11.6%, compared to 12.3% at June 30, 2024, and the Total risk-based capital ratio was 14.7% at June 30, 2025, compared to 14.8% at June 30, 2024. Capital ratios decreased primarily due to the increase in risk-weighted assets and average assets from significant loan growth during the year ended June 30, 2025, partially offset by increased retained earnings and additional capital raised under the Bank's ATM offering.

Investor Call Information

Rick Wayne, Chief Executive Officer, Richard Cohen, Chief Financial Officer, and Pat Dignan, Chief Operating Officer and Chief Credit Officer of Northeast Bank, will host a **conference call to discuss fourth quarter earnings and business outlook at 1:00 p.m. Eastern Time on Tuesday, July 29th.** To access the conference call by phone, please go to this link (Phone Registration), and you will be provided with dial in details. The call will be available via live webcast, which can be viewed by accessing the Bank's website at *www.northeastbank.com* and clicking on the About Us - Investor Relations section. To listen to the webcast, attendees are encouraged to visit the website at least fifteen minutes early to register, download and install any necessary audio software. Please note there will also be a slide presentation that will accompany the webcast. For those who cannot listen to the live broadcast, a replay will be available online for one year at *www.northeastbank.com*.

About Northeast Bank

Northeast Bank (NASDAQ: NBN) is a bank headquartered in Portland, Maine. We offer personal and business banking services to the Maine market via seven branches. Our National Lending Division purchases and originates commercial loans on a nationwide basis. ableBanking, a division of Northeast Bank, offers online savings products to consumers nationwide. Information regarding Northeast Bank can be found at *www.northeastbank.com*.

Non-GAAP Financial Measures

In addition to results presented in accordance with generally accepted accounting principles ("GAAP"), this press release contains certain non-GAAP financial measures, including tangible common shareholders' equity, tangible book value per share, total return on purchased loans, and efficiency ratio. The Bank's management believes that the supplemental non-GAAP information is utilized by regulators and market analysts to evaluate a company's financial condition and therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

Forward-Looking Statements

Statements in this press release that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We may also make forward-looking statements in other documents we file with the FDIC, in our annual reports to our shareholders, in press releases and other written materials, and in oral statements made by our officers, directors or employees. You can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "outlook," "will," "should," and other expressions that predict or indicate future events and trends and which do not relate to historical matters. Although the Bank believes 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. You should not place undue reliance on our forward-looking statements. You should exercise caution in interpreting and relying on forward-looking statements because they are subject to significant risks, uncertainties and other factors which are, in some cases, beyond the Bank's control. The Bank's actual results could differ materially from those expressed or implied by such the forward-looking statements as a result of, among other factors, changes in interest rates and real estate values; changes in employment levels, general business and economic conditions on a national basis and in the local markets in which the Bank operates; changes in customer behavior due to changing business and economic conditions (including the impact of actual or threatened tariffs imposed by the U.S. and foreign governments, inflation and concerns about liquidity) or legislative or regulatory initiatives; the possibility that future credits losses are higher than currently expected due to changes in economic assumptions, customer behavior or adverse economic developments; turbulence in the capital and debt markets; competitive pressures from other financial institutions; changes in loan defaults and charge-off rates; changes in the value of securities and other assets, adequacy of credit loss reserves, or deposit levels necessitating increased borrowing to fund loans and investments; changes in legislation and regulation under the new U.S. presidential administration; operational risks including, but not limited to, cybersecurity, fraud, natural disasters, climate change and future pandemics; the risk that the Bank may not be successful in the implementation of its business strategy; the risk that intangibles recorded in the Bank's financial statements will become impaired; changes in assumptions used in making such forward-looking statements; and the other risks and uncertainties detailed in the Bank's Annual Report on Form 10-K, as amended by Amendment No. 1 to the Annual Report on Form 10-K/A for the year ended June 30, 2024 as updated in the Bank's Quarterly Reports on Form 10-Q and other filings submitted to the FDIC. These statements speak only as of the date of this release and the Bank does 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 communication or to reflect the occurrence of unanticipated events.

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NORTHEAST BANK

BALANCE SHEETS
(Dollars in thousands, except share and per share data)

	June 30, 2025 (unaudited)	June 30, 2024 (audited)
Assets		
Cash and due from banks	$ 2,908	$ 2,711
Short-term investments	410,711	239,447
Total cash and cash equivalents	413,619	242,158
Available-for-sale debt securities, at fair value	15,308	48,978
Equity securities, at fair value	7,396	7,013
Total securities	22,704	55,991
SBA loans held for sale	33,768	14,506
Loans:		
Commercial real estate	2,733,794	2,028,280
Commercial and industrial	903,278	618,846
Residential real estate	119,158	99,234
Consumer	159	291
Total loans	3,756,389	2,746,651
Less: Allowance for credit losses	47,930	26,709
Loans, net	3,708,459	2,719,942
Premises and equipment, net	24,704	27,144
Real estate owned and other possessed collateral, net	560	-
Federal Home Loan Bank stock, at cost	15,295	15,751
Loan servicing rights, net	699	984
Bank-owned life insurance	19,329	18,830
Accrued interest receivable	16,897	15,163
Other assets	23,034	21,734
Total assets	$ 4,279,068	$ 3,132,203
Liabilities and Shareholders' Equity		
Deposits:		
Demand	$ 159,274	$ 146,727
Savings and interest checking	880,016	732,029
Money market	92,716	154,504
Time	2,243,594	1,306,203
Total deposits	3,375,600	2,339,463
Federal Home Loan Bank advances	320,191	345,190
Lease liability	19,044	20,252
Other liabilities	69,947	50,664
Total liabilities	3,784,782	2,755,569
Commitments and contingencies		
Shareholders' equity		
Preferred stock, $1.00 par value, 1,000,000 shares authorized; no shares issued and outstanding at June 30, 2025 and 2024	-	-
Voting common stock, $1.00 par value, 25,000,000 shares authorized; 8,525,362 and 8,127,690 shares issued and outstanding at June 30, 2025 and 2024, respectively	8,525	8,128
Non-voting common stock, $1.00 par value, 3,000,000 shares authorized; No shares issued and outstanding at June 30, 2025 and 2024	-	-
Additional paid-in capital	98,728	64,762
Retained earnings	387,035	303,927
Accumulated other comprehensive loss	(2)	(183)
Total shareholders' equity	494,286	376,634
Total liabilities and shareholders' equity	$ 4,279,068	$ 3,132,203

NORTHEAST BANK
STATEMENTS OF INCOME
(Dollars in thousands, except share and per share data)

	Three Months Ended June 30,		Year Ended June 30,	
	2025	2024	2025	2024
	(unaudited)	(unaudited)	(unaudited)	(audited)
Interest and dividend income:				
Interest and fees on loans	$ 84,601	$ 62,584	$ 306,961	$ 242,722
Interest on available-for-sale securities	294	606	1,677	2,246
Other interest and dividend income	4,798	3,377	16,902	12,918
Total interest and dividend income	89,693	66,567	325,540	257,886
Interest expense:				
Deposits	32,022	24,619	121,981	88,391
Federal Home Loan Bank advances	3,524	3,785	15,278	20,032
Obligation under capital lease agreements	216	228	908	891
Total interest expense	35,762	28,632	138,167	109,314
Net interest and dividend income before provision for credit losses	53,931	37,935	187,373	148,572
Provision for credit losses	3,469	547	8,744	1,768
Net interest and dividend income after provision for credit losses	50,462	37,388	178,629	146,804
Noninterest income:				
Fees for other services to customers	356	466	1,553	1,684
Gain on sales of SBA loans	8,244	1,459	23,159	3,296
Net unrealized gain (loss) on equity securities	17	(22)	123	(4)
Loss on real estate owned, other repossessed collateral and premises and equipment, net	-	(20)	-	(29)
Bank-owned life insurance income	126	118	499	466
Correspondent fee income	13	39	83	222
Other noninterest income	12	52	40	245
Total noninterest income	8,768	2,092	25,457	5,880
Noninterest expense:				
Salaries and employee benefits	13,036	11,204	47,983	41,613
Occupancy and equipment expense	1,097	995	4,553	4,272
Professional fees	609	581	2,594	2,365
Data processing fees	1,551	1,501	6,156	5,324
Marketing expense	105	261	423	1,000
Loan acquisition and collection expense	2,933	853	8,558	3,255
FDIC insurance expense	611	345	2,367	1,262
Other noninterest expense	1,553	1,339	5,756	5,477
Total noninterest expense	21,495	17,079	78,390	64,568
Income before income tax expense	37,735	22,401	125,696	88,116
Income tax expense	12,519	7,261	42,253	29,885
Net income	$ 25,216	$ 15,140	$ 83,443	$ 58,231
Weighted-average shares outstanding:				
Basic	8,233,002	7,765,868	8,093,828	7,573,217
Diluted	8,413,895	7,910,692	8,277,547	7,679,007
Earnings per common share:				
Basic	$ 3.06	$ 1.95	$ 10.31	$ 7.69
Diluted	3.00	1.91	10.08	7.58
Cash dividends declared per common share	$ 0.01	$ 0.01	$ 0.04	$ 0.04

NORTHEAST BANK
AVERAGE BALANCE SHEETS AND ANNUALIZED YIELDS
(Unaudited)
(Dollars in thousands)

	Three Months Ended June 30,					
	2025			2024		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
Assets:						
Interest-earning assets:						
Investment securities	$ 27,539	$ 294	4.28%	$ 59,752	$ 606	4.08%
Loans (1) (2) (3)	3,766,776	84,601	9.01%	2,673,108	62,584	9.42%
Federal Home Loan Bank stock	15,491	303	7.85%	15,756	369	9.42%
Short-term investments (4)	396,461	4,495	4.55%	224,498	3,008	5.39%
Total interest-earning assets	4,206,267	89,693	8.55%	2,973,114	66,567	9.01%
Cash and due from banks	1,929			2,524		
Other non-interest earning assets	34,575			84,461		
Total assets	$ 4,242,771			$ 3,060,099		
Liabilities & Shareholders' Equity:						
Interest-bearing liabilities:						
NOW accounts	$ 638,767	$ 5,989	3.76%	$ 545,965	$ 6,105	4.50%
Money market accounts	93,831	532	2.27%	157,729	1,279	3.26%
Savings accounts	205,317	1,446	2.82%	163,940	1,395	3.42%
Time deposits	2,250,181	24,055	4.29%	1,267,122	15,840	5.03%
Total interest-bearing deposits	3,188,096	32,022	4.03%	2,134,756	24,619	4.64%
Federal Home Loan Bank advances	325,228	3,524	4.35%	347,726	3,785	4.38%
Lease liability	19,194	216	4.51%	20,533	228	4.47%
Total interest-bearing liabilities	3,532,518	35,762	4.06%	2,503,015	28,632	4.60%
Non-interest bearing liabilities:						
Demand deposits and escrow accounts	152,599			162,251		
Other liabilities	69,893			27,230		
Total liabilities	3,755,010			2,692,496		
Shareholders' equity	487,762			367,603		
Total liabilities and shareholders' equity	$ 4,242,772			$ 3,060,099		
Net interest income		$ 53,931			$ 37,935	
Interest rate spread			4.49%			4.41%
Net interest margin (5)			5.10%			5.13%
Cost of funds (6)			3.89%			4.32%

1. Interest income and yield are stated on a fully tax-equivalent basis using the statutory tax rate.
2. Includes loans held for sale.
3. Nonaccrual loans are included in the computation of average, but unpaid interest has not been included for purposes of determining interest income.
4. Short-term investments include FHLB overnight deposits and other interest-bearing deposits.
5. Net interest margin is calculated as net interest income divided by total interest-earning assets.
6. Cost of funds is calculated as total interest expense divided by total interest-bearing liabilities plus demand deposits and escrow accounts.

NORTHEAST BANK
AVERAGE BALANCE SHEETS AND ANNUALIZED YIELDS
(Unaudited)
(Dollars in thousands)

	Year Ended June 30,	
	2025	2024

	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
Assets:						
Interest-earning assets:						
Investment securities	$ 39,044	$ 1677	4.30%	$ 59,983	$ 2,246	3.74%
Loans (1) (2) (3)	3,450,854	306,961	8.90%	2,592,649	242,722	9.36%
Federal Home Loan Bank stock	16,016	1,280	7.99%	19,257	1,700	8.83%
Short-term investments (4)	325,747	15,622	4.80%	209,285	11,218	5.36%
Total interest-earning assets	3,831,661	325,540	8.50%	2,881,174	257,886	8.95%
Cash and due from banks	2,147			2,493		
Other non-interest earning assets	51,921			64,570		
Total assets	$ 3,885,729			$ 2,948,237		
Liabilities & Shareholders' Equity:						
Interest-bearing liabilities:						
NOW accounts	$ 587,824	$ 23,491	4.00%	$ 517,134	$ 22,652	4.38%
Money market accounts	122,094	3,505	2.87%	209,080	7,039	3.37%
Savings accounts	192,357	6,021	3.13%	129,455	3,999	3.09%
Time deposits	1,960,859	88,964	4.54%	1,112,548	54,701	4.92%
Total interest-bearing deposits	2,863,134	121,981	4.26%	1,968,217	88,391	4.49%
Federal Home Loan Bank advances	349,094	15,278	4.38%	434,388	20,032	4.61%
Lease liability	19,540	908	4.65%	21,165	891	4.21%
Total interest-bearing liabilities	3,231,768	138,167	4.28%	2,423,770	109,314	4.51%
Non-interest bearing liabilities:						
Demand deposits and escrow accounts	151,010			165,789		
Other liabilities	64,174			25,092		
Total liabilities	3,446,952			2,614,651		
Shareholders' equity	438,777			333,586		
Total liabilities and shareholders' equity	$ 3,885,729			$ 2,948,237		
Net interest income		$ 187,373			$ 148,572	
Interest rate spread			4.22%			4.44%
Net interest margin (5)			4.82%			5.16%
Cost of funds (6)			4.08%			4.22%

1. Interest income and yield are stated on a fully tax-equivalent basis using the statutory tax rate.
2. Includes loans held for sale.
3. Nonaccrual loans are included in the computation of average, but unpaid interest has not been included for purposes of determining interest income.
4. Short-term investments include FHLB overnight deposits and other interest-bearing deposits.
5. Net interest margin is calculated as net interest income divided by total interest-earning assets.
6. Cost of funds is calculated as total interest expense divided by total interest-bearing liabilities plus demand deposits and escrow accounts.

NORTHEAST BANK

SELECTED FINANCIAL HIGHLIGHTS AND OTHER DATA

(Unaudited)

(Dollars in thousands, except share and per share data)

	Three Months Ended				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Net interest income	$ 53,931	$ 45,951	$ 48,490	$ 39,000	$ 37,935
Provision for credit losses	3,469	2,908	1,944	422	547
Noninterest income	8,768	6,619	5,949	4,119	2,092
Noninterest expense	21,495	20,143	19,066	17,685	17,079

Net income	25,216	18,681	22,440	17,106	15,140
Weighted-average common shares outstanding:					
Basic	8,233,002	8,216,746	8,044,345	7,886,148	7,765,868
Diluted	8,413,895	8,394,964	8,197,568	8,108,688	7,910,692
Earnings per common share:					
Basic	$ 3.06	$ 2.27	$ 2.79	$ 2.17	$ 1.95
Diluted	3.00	2.23	2.74	2.11	1.91
Dividends declared per common share	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01
Return on average assets	2.38%	1.86%	2.24%	2.09%	1.99%
Return on average equity	20.74%	16.47%	21.14%	17.53%	16.56%
Net interest rate spread (1)	4.49%	3.96%	4.21%	4.18%	4.41%
Net interest margin (2)	5.10%	4.62%	4.88%	4.90%	5.13%
Efficiency ratio (non-GAAP) (3)	34.28%	38.32%	35.02%	41.01%	42.67%
Noninterest expense to average total assets	2.03%	2.00%	1.90%	2.16%	2.24%
Average interest-earning assets to average interest-bearing liabilities	119.07%	118.64%	118.24%	118.48%	118.78%

	As of:				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Nonperforming loans:					
Originated portfolio:					
Residential real estate	$ 2,394	$ 2,407	$ 2,446	$ 3,976	$ 2,502
Commercial real estate	3,033	3,197	3,662	4,682	1,407
Commercial and industrial	5,158	6,945	6,696	6,684	6,520
Consumer	2	3	5	-	-
Total originated portfolio	10,587	12,552	12,809	15,342	10,429
Total purchased portfolio	24,424	19,680	17,257	21,830	17,832
Total nonperforming loans	35,011	32,232	30,066	37,172	28,261
Real estate owned and other repossessed collateral, net	560	1,200	1,200	-	-
Total nonperforming assets	$ 35,571	$ 33,432	$ 31,266	$ 37,172	$ 28,261
Past due loans to total loans	0.80%	0.91%	0.85%	0.89%	0.95%
Nonperforming loans to total loans	0.93%	0.86%	0.84%	1.06%	1.02%
Nonperforming assets to total assets	0.83%	0.79%	0.77%	0.94%	0.90%
Allowance for credit losses to total loans	1.28%	1.23%	1.25%	1.25%	0.97%
Allowance for credit losses to nonperforming loans	136.90%	142.79%	148.92%	117.40%	94.51%
Net charge-offs (recoveries)	$ 1,723	$ 2,082	$ 869	$ 1,604	$ 1,347
Commercial real estate loans to total capital (4)	486.07%	521.47%	542.12%	604.38%	482.13%
Net loans to deposits	109.86%	112.10%	112.52%	110.70%	116.88%
Purchased loans to total loans	63.23%	65.33%	66.63%	69.11%	61.88%
Equity to total assets	11.55%	11.06%	10.88%	9.96%	12.02%
Common equity tier 1 capital ratio	13.44%	12.72%	12.66%	11.45%	13.84%
Total risk-based capital ratio	14.69%	13.97%	13.91%	12.70%	14.82%
Tier 1 leverage capital ratio	11.64%	11.45%	11.16%	12.06%	12.30%
Total shareholders' equity	$ 494,286	$ 467,516	$ 444,101	$ 392,557	$ 376,634
Less: Preferred stock	-	-	-	-	-
Common shareholders' equity	494,286	467,516	444,101	392,557	376,634
Less: Intangible assets (5)	-	-	-	-	-
Tangible common shareholders' equity (non-GAAP)	$ 494,286	$ 467,516	$ 444,101	$ 392,557	$ 376,634
Common shares outstanding	8,525,362	8,525,362	8,492,856	8,212,026	8,127,690
Book value per common share	$ 57.98	$ 54.84	$ 52.29	$ 47.80	$ 46.34
Tangible book value per share (non-GAAP) (5)	57.98	54.84	52.29	47.80	46.34

1. The net interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the period.
2. The net interest margin represents net interest income as a percent of average interest-earning assets for the period.
3. The efficiency ratio represents noninterest expense divided by the sum of net interest income (before the credit loss provision) plus noninterest income.
4. For purposes of calculating this ratio, commercial real estate includes all non-owner occupied commercial real estate loans defined as such by regulatory guidance, including all land development and construction loans.
5. Tangible book value per share represents total shareholders' equity less the sum of preferred stock and intangible assets divided by common shares outstanding.

For More Information:

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