

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 20, 2004

NORTHEAST BANCORP

(Exact Name of Registrant as Specified in its Charter)

Maine

1-14588

01-0425066

(State or Other Jurisdiction Incorporation)

(Commission File Number)

(IRS Employer
Identification Number)

158 Court Street, Auburn, Maine

04210

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code:

(207) 777-6411

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No. Description

99.1 Press Release, dated April 20, 2004 regarding third quarter 2004 earnings and the declaration of a dividend.

Item 9. Regulation FD Disclosure.

On April 20, 2004, Northeast Bancorp, a Maine corporation (the "Company"), issued a press release announcing its earnings for the third quarter ended March 31, 2004 and declaring the payment of a dividend. The full text of this press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information contained herein, including the exhibit attached hereto, is furnished pursuant to Item 9 of this Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, the information in this report (including the exhibits hereto) are not to be incorporated by reference into any of the Company's filings with the Securities and Exchange Commission, whether filed prior to or after the furnishing of these certificates, regardless of any general or specific incorporation language in such filing.

Item 12. Results of Information and Financial Condition.

The press release referred to under Item 9 above and filed as Exhibit 99.1 hereto included disclosure regarding the earnings and financial results of Northeast Bancorp for the third quarter ended March 31, 2004 and declaration of a dividend. The full text of this press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information contained herein, including the exhibit attached hereto, is furnished pursuant to Item 12 of this Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Further, the information in this report (including the exhibits hereto) are not to be incorporated by reference into any of the Company's filings with the Securities and Exchange Commission, whether filed prior to or after the furnishing of these certificates, regardless of any general or specific incorporation language in such filing.

[Rest of Page Intentionally Blank. Signature on Following Page.]

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NORTHEAST BANCORP

Date: April 20, 2004

By: /s/ James D. Delamater

James D. Delamater

President and Chief Executive Officer

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EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|--|
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Northeast Bancorp Announces Third Quarter Earnings and Dividend

Auburn, Me 4/20/04- Northeast Bancorp (AMEX "NBN") announced that earnings for the third quarter ended March 31, 2004 were \$1,020,348, or \$0.40 per diluted share, and earnings for the nine month period ended March 31, 2004 were \$2,826,747, or \$1.08 per diluted share. Earnings for the same periods last year were \$1,076,026, or \$0.40 per diluted share and \$2,894,947, or \$1.08 per diluted share respectively. Net income was negatively impacted by lower net investment income in the three month and nine month periods ended March 31, 2004, compared to the same periods in fiscal 2003.

In addition, the Board of Directors declared a dividend of \$0.09 per share, payable on May 21, 2004 to shareholders of record as of the close of business on April 30, 2004.

Northeast President & CEO Jim Delamater commented, "We are pleased to report that earnings are in line with our expectations, as we continue to maintain an asset sensitive interest rate risk position that is favorable to rising interest rates. Our ongoing dedication to high quality credit standards continues. We fully expect that our business plan and high level of income diversity will result in higher earnings performance in the future, while preserving the overall integrity of our balance sheet and franchise value."

Delamater added, "We continue to develop for our clients access to a vast array of financial products and services, and remain intent upon the cross-sales of multiple products and services to each and every household we serve. This effort has led to a high level of income diversity, producing a record of consistent earnings growth, as well as the ability to pay a fair dividend, repurchase shares, and realize regular increases in the overall size and value of our franchise."

Northeast Bancorp trades on the American Stock Exchange with approximately 2.5 million shares outstanding as of March 31, 2004, and its asset size has recently passed the one-half billion dollar mark, reporting assets of \$518 million at March 31, 2004, with a book value of approximately \$14.85 per share. Northeast Bancorp is the holding company for Maine-based Northeast Bank, founded in 1872, which operates from 13 locations throughout western, central, southern and mid-coastal Maine.

Northeast Bank, together with its wholly owned subsidiary, Northeast Financial Services, and other affiliations, provides its retail and business customers with a broad array of financial services, and derives its income from a combination of traditional banking services, and non-traditional financial products and services. These non-traditional products and services include trust, investment, and insurance services, including life, disability, property and casualty insurance. All are offered via a "needs-based" sales philosophy that requires employees to understand customer goals and objectives when finding the most appropriate product or service match.

The headquarters for Northeast Bancorp is located at 158 Court Street, in Auburn, Maine. Management encourages present and prospective shareholders to contact President & CEO Jim Delamater if they wish to discuss the Company and its products, services, or ongoing efforts to develop shareholder value. He can be reached at jdelamater@northeastbank.com, or toll free at 1-800-284-5989. Management also suggests that any person interested in utilizing the services of Northeast Bancorp or its subsidiaries, or in learning more about the Company should access its web site at www.northeastbank.com.

NORTHEAST BANCORP

(Dollars in Thousands, Except Per Share and Shares Outstanding Data)

| | Three Months Ended | | | Nine Months Ended | | |
|---|--------------------------|--------------------------|--------------------|--------------------------|--------------------------|--------------------|
| | March 31, <u>2004</u> | March 31, <u>2003</u> | % <u>Change</u> | March 31, <u>2004</u> | March 31, <u>2003</u> | % <u>Change</u> |
| Selected financial information | | | | | | |
| Income statement data: | | | | | | |
| Interest income | \$ 6,996 | \$ 6,975 | 0% | \$ 20,499 | \$ 21,734 | -6% |
| Interest expense | 2,958 | 3,336 | -11% | 8,932 | 10,541 | -15% |
| Net interest income | 4,038 | 3,639 | 11% | 11,567 | 11,193 | 3% |
| Provision for loan losses | 240 | 225 | 7% | 721 | 916 | -21% |
| Net interest income after provision for loan losses | 3,798 | 3,414 | 11% | 10,846 | 10,277 | 6% |
| Gain on sale of loans | 96 | 232 | -59% | 629 | 611 | 3% |
| Gain on securities | 69 | 405 | -83% | 187 | 838 | -78% |
| Other noninterest income | 1,139 | 887 | 28% | 3,234 | 2,544 | 27% |
| Noninterest expense | 3,583 | 3,344 | 7% | 10,716 | 9,954 | 8% |
| Operating income before income tax | 1,519 | 1,594 | -5% | 4,180 | 4,316 | -3% |
| Income tax expense | 499 | 518 | -4% | 1,353 | 1,421 | -5% |
| Net income | \$ 1,020 | \$ 1,076 | -5% | \$ 2,827 | \$ 2,895 | -2% |
| Per share data: | | | | | | |
| Basic earning per common share | \$ 0.40 | \$ 0.41 | -2% | \$ 1.11 | \$ 1.09 | 2% |
| Diluted earnings per common share | \$ 0.40 | \$ 0.40 | 0% | \$ 1.08 | \$ 1.08 | 0% |
| Weighted average shares outstanding: | | | | | | |
| Basic | 2,526,572 | 2,645,827 | -5% | 2,548,172 | 2,583,312 | -1% |
| Diluted | 2,582,450 | 2,687,411 | -4% | 2,609,256 | 2,660,058 | -2% |
| Book value per share | 14.85 | 13.89 | | 14.85 | 13.89 | |

| | | | | |
|---|--------|--------|--------|--------|
| Tangible book value per share | 14.54 | 13.49 | 14.54 | 13.49 |
| Net interest margin | 3.43% | 3.43% | 3.38% | 3.55% |
| Net interest spread | 3.15% | 3.08% | 3.09% | 3.16% |
| Return on average assets (annualized) | 0.82% | 0.90% | 0.78% | 0.87% |
| Return on equity (annualized) | 11.02% | 11.70% | 10.21% | 10.69% |
| Tier I leverage ratio (Bank) | 8.20% | 8.67% | 8.20% | 8.67% |
| Tier I risk-based capital ratio (Bank) | 10.75% | 11.39% | 10.75% | 11.39% |
| Total risk-based capital ratio (Bank) | 11.18% | 12.00% | 11.18% | 12.00% |
| Efficiency ratio | 67% | 65% | 69% | 66% |
| Nonperforming loans | 926 | 1,395 | 926 | 1,395 |
| Total nonperforming assets | 1,032 | 1,643 | 1,032 | 1,643 |
| Nonperforming loans as a % of total loans | 0.23% | 0.36% | 0.23% | 0.36% |
| Nonperforming assets as a % of total assets | 0.20% | 0.35% | 0.20% | 0.35% |

| | March 31, | | % |
|------------------------------|---------------|---------------|---------------|
| | <u>2004</u> | <u>2003</u> | <u>Change</u> |
| Balance sheet highlights: | | | |
| Investment securities | \$ 66,432 | \$ 30,520 | 118% |
| Loans held for sale | 640 | 1,919 | -67% |
| Loans | 405,813 | 384,000 | 6% |
| Allowance for loan losses | 4,358 | 3,905 | 12% |
| Total assets | 518,029 | 469,715 | 10% |
| Deposits: | | | |
| NOW and money market | 79,011 | 96,519 | -18% |
| Savings | 29,218 | 24,224 | 21% |
| Certificates of deposits | 134,986 | 145,236 | -7% |
| Brokered time deposits | 75,703 | 26,625 | 184% |
| Noninterest-bearing deposits | <u>33,653</u> | <u>37,873</u> | <u>-11%</u> |
| Total deposits | 352,571 | 330,477 | 7% |
| Borrowings | 92,283 | 93,377 | -1% |
| Shareholders' equity | 37,627 | 36,097 | 4% |
| Shares outstanding | 2,533,216 | 2,645,827 | -4% |