UNITED STATES
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): **January 7, 2019**

Commission File No. 1-14588

NORTHEAST BANCORP
(Exact name of registrant as specified in its charter)

Maine	**01-0425066**
(State or other jurisdiction of incorporation)	(IRS Employer Identification Number)
500 Canal Street **Lewiston, Maine**	**04240**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(207) 786-3245**

Former name or former address, if changed since last Report: **N/A**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act

☐ Pre-commencement to communications pursuant to Rule 13e-4(c) under the Exchange Act

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement

On January 7, 2019, Northeast Bancorp, a Maine corporation (the "Company"), entered into an Agreement and Plan of Merger (the "Plan of Merger") with its wholly-owned bank subsidiary, Northeast Bank, a Maine-chartered bank (the "Bank"), as part of an internal corporate reorganization initiated by the Company and the Bank. Under the terms of the Plan of Merger, the Company will merge with and into the Bank (the "Reorganization"), with the Bank continuing as the surviving entity (the "Surviving Entity"). If the proposed Reorganization is approved and effected, the bank holding company structure will be eliminated and the Bank will become the top-level company.

At the effective time of the Reorganization, each outstanding share of voting common stock of the Company, par value $1.00 per share, will be canceled and converted into the right to receive one share of voting common stock of the Bank, and each outstanding share of non-voting common stock of the Company, par value $1.00 per share, will be canceled and converted into the right to receive one share of non-voting common stock of the Bank. As a result, the shares of capital stock of the Surviving Entity will be owned directly by the Company's shareholders in the same proportion as their ownership of the Company's capital stock immediately prior to the Reorganization. The Surviving Entity will assume the Company's equity incentive plans, equity compensation plans, and other compensation plans, along with all options, unvested restricted stock, and any other equity or equity-based awards under such plans. Each equity award will be subject to the same terms and conditions that applied to the award immediately prior to the effective time of the Reorganization, including vesting schedules and other restrictions.

As a Maine-chartered bank that is not a member of the Federal Reserve System, the Surviving Entity will continue to be subject to regulation and supervision by the Maine Bureau of Financial Institutions (the "MBFI") and the Federal Deposit Insurance Corporation (the "FDIC"). The Company is currently subject to regulation and supervision by the Federal Reserve Board (the "FRB") as a bank holding company; following the Reorganization, the Surviving Entity will not be subject to the FRB's regulation and supervision (except such regulations as are made applicable to the Surviving Entity by law and regulations of the FDIC).

Following the Reorganization, it is expected that the Surviving Entity will be a publicly-traded company listed on the NASDAQ Global Market ("NASDAQ") under the same ticker symbol currently used by the Company, "NBN." The Surviving Entity's common stock will be registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which vests the FDIC with the power to administer and enforce certain sections of the Exchange Act applicable to banks such as the Surviving Entity. Following the Reorganization, the Surviving Entity will no longer file periodic or current reports or other materials with the Securities and Exchange Commission (the "SEC"), but will be required to file such periodic and current reports and other materials required under the Exchange Act with the FDIC. Among other things, the Surviving Entity will file annual, quarterly and current reports on Forms 10-K, 10-Q and 8-K with the FDIC, and the Surviving Entity's shareholders will be subject to the reporting requirements and prohibition on short-swing profits of Section 16 of the Exchange Act.

Pursuant to Section 3(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), securities issued by the Surviving Entity, including the capital stock to be issued in connection with the Reorganization, are exempt from registration under the Securities Act.

The Surviving Entity will have the same board of directors following the Reorganization as the Company had immediately prior thereto, and the standing committees of the board of directors of the Surviving Entity and their composition will be the same as the Company immediately prior to the Reorganization. Executive officers of the Company immediately prior to the Reorganization will hold substantially the same positions and titles with the Surviving Entity following the Reorganization.

It is intended that the Reorganization will be treated 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, with the result that shareholders of the Company will not recognize gain or loss as a result of the Reorganization.

The Plan of Merger has been approved by the boards of directors of each of the Company and the Bank. In connection with the Reorganization, the Company will convene and hold a special meeting of its shareholders to consider and vote upon the Plan of Merger. The Reorganization is subject to various closing conditions including, among others, (i) approval by the holders of the outstanding shares of the Company's capital stock entitled to vote on the Reorganization, (ii) receipt of all required regulatory approvals, including the approval of the FDIC and the MBFI, and (iii) approval for listing on NASDAQ of the Bank's common stock. In connection with the consummation of the Reorganization, the Company and the Bank will comply with any obligations to make filings with the SEC, the FDIC and NASDAQ under the Exchange Act and applicable rules.

The foregoing summary of the Reorganization and the terms and conditions of the Plan of Merger does not purport to be complete and is qualified in its entirety by reference to the complete text of the Plan of Merger. As such, the Plan of Merger, which is attached hereto as Exhibit 2.1, is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

Reference is made to the information set forth in response to Item 1.01, which information is incorporated herein by reference.

If the proposed Reorganization is approved and effected, the bank holding company structure will be eliminated and the Bank will become the top-level company. The Company and the Bank believe that the proposed Reorganization will further improve the combined entity's efficiency by eliminating redundant corporate infrastructure and activities as well as the associated supervision and oversight from the FRB applicable to registered bank holding companies.

In addition, in June 2010, the Bank and the Company entered into certain commitments with the FRB. At the time the Reorganization is effected and there is no longer a bank holding company, these commitments no longer would be applicable. In connection with the Reorganization, the Bank instead intends to establish the following standards relating to its capital levels and asset portfolio composition, which would be incorporated into its policies and procedures:

- Maintain a tier 1 leverage ratio of at least 10%, which is unchanged from the requirement in the commitments to the FRB;
- Maintain a total capital ratio of at least 13.5% (as opposed to 15%);
- Limit purchased loans to 60% of total loans (as opposed to 40%); and
- Maintain a ratio of the Bank's loans to core deposits of not more than 125% (as opposed to 100%).

A requirement to hold non-owner occupied commercial real estate loans to within 300% of total capital will not formally be incorporated into the Bank's risk management policies. The Bank nonetheless would continue to be evaluated by the FDIC through the supervisory process under the 300% "screen" used by the federal banking agencies to identify institutions that are potentially exposed to commercial real estate concentration risk. These newly established standards are designed to help ensure the Bank would continue to operate in a safe and sound manner, but may permit more growth in the Bank's loan portfolio as compared to operating under the existing commitments.

In connection with the proposed Reorganization, the Company intends to redeem the $16,496,000 unpaid principal balance of junior subordinated debentures issued by the Company in connection with the issuance of trust preferred securities by its three Delaware statutory trust affiliates, and the Bank will assume the Company's obligations under the $15,050,000 unpaid principal balance of 6.75% fixed-to-floating subordinated notes due July 1, 2026. As a result of these transactions, the Bank's Tier 1 and total capital is expected to be reduced by approximately $24,519,000 and $9,773,000, respectively. On a pro forma basis as of September 30, 2018 after giving effect to these transactions, the Bank's Tier 1 Capital to Total Risk Weighted Assets, Total Capital to Total Risk Weighted Assets, and Tier 1 Capital to Average Consolidated Assets ratios would have been 15.8%, 18.1%, and 11.6%, respectively, and the Bank would continue to be considered "well capitalized" under all regulatory capital definitions.

A copy of the press release, dated January 7, 2019, announcing the proposed Reorganization is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Additional Information and Where to Find It

This communication is being made in respect of the proposed reorganization transaction described above. In connection with the transaction, the Company will file with the SEC and mail to its shareholders a proxy statement. BEFORE MAKING ANY VOTING DECISION WITH RESPECT TO THE PROPOSED REORGANIZATION TRANSACTION, INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. The proxy statement, as well as other filings containing information about the Company and the Bank, will be available without charge at the SEC's internet website (https://www.sec.gov). Copies of the proxy statement can also be obtained, when available, without charge, from the Company's investor relations website at https://investor.northeastbank.com.

Certain Information Regarding Participants

The Company and certain of its directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the shareholders of the Company in respect of the proposed reorganization transaction. Certain information about the directors and executive officers of the Company is set forth in its Annual Report on Form 10-K for the year ended June 30, 2018, which was filed with the SEC on September 13, 2018, and its proxy statement for its 2018 annual meeting of shareholders, which was filed with the SEC on October 4, 2018. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be included in the proxy statement and other relevant documents filed with the SEC when they become available.

Forward-Looking Statements

Statements in this report 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. These forward-looking statements include, without limitation, those relating to the terms of the proposed transaction between the Company and the Bank and the proposed impact of this proposed Reorganization on the combined company, and the ability of the Company and the Bank to close the Reorganization in a timely manner or at all. Although the Company 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, 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 Company's control. These factors may include, but are not limited to, the ability of the Company and the Bank to consummate the Reorganization; the ability of the Company and the Bank to satisfy the conditions to the completion of the Reorganization, including the receipt of Company shareholder approval and the receipt of regulatory approvals required for the Reorganization on the terms expected in the Plan of Merger; the ability of the Company and the Bank to meet expectations regarding the timing, completion and accounting and tax treatments of the Reorganization; the possibility that any of the anticipated benefits of the Reorganization will not be realized or will not be realized as expected; the failure of the Reorganization to close for any other reason; the effect of the announcement of the Reorganization on the Company's operating results; the possibility that the Reorganization may be more expensive to complete than anticipated, including as a result of unexpected factors or events; the inability to retrieve the Bank's filings mandated by the Exchange Act from the SEC's publicly-available website after the closing of the Reorganization; the impact of all other factors generally understood to affect the assets, business, cash flows, financial condition, liquidity, prospects and/or results of operations of financial services companies; and the other risks and uncertainties detailed in the Company's Annual Report on Form 10-K and updated by the Company's Quarterly Reports on Form 10-Q and other filings submitted to the SEC. These statements speak only as of the date of this release and the Company 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Document Description
2.1	Agreement and Plan of Merger, dated as of January 7, 2019, by and between Northeast Bancorp and Northeast Bank
99.1	Press release, dated January 7, 2019

SIGNATURE

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

NORTHEAST BANCORP

By: /s/ Richard Wayne
Name: Richard Wayne
Title: President and Chief Executive Officer

Date: January 7, 2019

AGREEMENT AND PLAN OF MERGER
OF
NORTHEAST BANCORP
AND
NORTHEAST BANK

This Agreement and Plan of Merger (this "Agreement"), dated as of January 7, 2019, is by and between Northeast Bancorp, a Maine corporation (the "Company"), and Northeast Bank, a Maine-chartered bank with its main office in Lewiston, Maine, and a wholly owned subsidiary of the Company ("Bank").

WITNESSETH:

WHEREAS, the respective Boards of Directors of the Company and Bank have each adopted this Agreement, authorizing the execution hereof and recommending that this Agreement and the merger of the Company with and into Bank (the "Merger") contemplated hereby be submitted to the shareholders of the Company and Bank, respectively, for approval; and

WHEREAS, it is intended that the Merger for federal tax purposes qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and subject to the terms and conditions of this Agreement, the parties hereto agree as follows:

ARTICLE I

Merger

1.1 Merger. Subject to the terms and conditions of this Agreement, effective as of the Effective Time (as defined below), the Company shall be merged with and into Bank in accordance with the applicable provisions of the Maine Business Corporation Act ("MBCA"). At the Effective Time, the separate existence of the Company shall cease, and Bank, as the surviving entity (sometimes hereinafter referred to as the "Surviving Entity"), shall continue as a Maine-chartered bank governed by the laws of the State of Maine.

1.2 Effective Time. The Merger shall become effective, and the effective time shall occur, upon the date and time set forth in the articles of merger (such date and time being herein referred to as the "Effective Time").

ARTICLE II

Articles of Incorporation, Bylaws, Etc.

2.1 Articles of Incorporation. At the Effective Time, the articles of incorporation of Bank attached as Exhibit A hereto shall be the articles of incorporation of the Surviving Entity until thereafter amended in accordance with the applicable law.

2.2 Bylaws. At the Effective Time, the bylaws of Bank attached as Exhibit B hereto shall be the bylaws of the Surviving Entity until thereafter amended in accordance with applicable law.

2.3 Directors and Officers. At the Effective Time, the directors of Bank immediately prior to the Effective Time will continue as the directors of the Surviving Entity until thereafter changed in accordance with the articles of incorporation and bylaws of the Surviving Entity. The name, address and occupation of each such director are set forth on Exhibit C hereto. At the Effective Time, the officers of the Surviving Entity will be the officers set forth on Exhibit C hereto until thereafter changed in accordance with the articles of incorporation and bylaws of the Surviving Entity.

2.4 Facilities. The principal office of the Surviving Entity shall be located at 500 Canal Street, Lewiston, Maine 04240. The branch offices and facilities of the Surviving Entity are set forth on Exhibit D hereto.

ARTICLE III

Conversion of Shares

3.1 Effect on Capital Stock. At the Effective Time, as a result of the Merger and without any action on the part of the holder of any shares of the capital stock of the Company, Bank or Surviving Entity:

(a) Outstanding Company Voting Common Stock. Each share of voting common stock of the Company ("Company Voting Common Stock") issued and outstanding immediately prior to the Effective Time shall be canceled and converted into the right to receive one share of voting common stock of Bank ("Bank Voting Common Stock"). Any fraction of a share of Company Voting Common Stock shall be converted into the right to receive the same fraction of a share of Bank Voting Common Stock.

(b) Outstanding Company Non-Voting Common Stock. Each share of non-voting common stock of the Company ("Company Non-Voting Common Stock") issued and outstanding immediately prior to the Effective Time shall be canceled and converted into the right to receive one share of non-voting common stock of Bank ("Bank Non-Voting Common Stock"). Any fraction of a share of Company Non-Voting Common Stock shall be converted into the right to receive the same fraction of a share of Bank Non-Voting Common Stock.

(c) Cancelation of Certificated Shares. Each holder of certificates which represent shares of Company Voting Common Stock or Company Non-Voting Common Stock (collectively, "Company Capital Stock") immediately prior to the Effective Time shall be entitled to receive new certificates evidencing an equivalent number of shares of Bank Voting Common Stock or Bank Non-Voting Common Stock (collectively, "Bank Capital Stock"), as applicable, or an equivalent number of shares of Bank Capital Stock in book-entry form by complying with such reasonable and customary procedures as may be established by the Surviving Entity and/or its transfer agent to effectuate the intent and purposes.

(d) Effect on Bank Capital Stock. Each share of Bank Capital Stock issued and outstanding immediately prior to the Effective Time shall be automatically cancelled and shall cease to exist, and no consideration shall be delivered in exchange therefor. The Bank Capital Stock issued in the Merger to the holders of Company Capital Stock immediately prior to the Merger shall be the only Bank Capital Stock outstanding as of the Effective Time.

3.2 Other Rights to Company Stock and Employee Benefit Plans.

(a) At the Effective Time, by operation of this Agreement and by reason of the Merger becoming effective, the Company shall assign to Bank, and Bank, as the Surviving Entity, shall assume and agree to perform, all obligations of the Company pursuant to (i) the Company Equity Incentive Plans, (ii) the Other Plans, and (iii) the Equity Awards. Each Equity Award so assumed by Bank under this Agreement will continue to have, and be subject to, the same terms and conditions as set forth in the applicable Company Equity Incentive Plans and any grant agreements thereunder in effect immediately prior to the Effective Time, including, without limitation, the performance goals, if any, as then in effect, vesting schedules (without acceleration thereof by virtue of the Merger or the transactions contemplated thereby) and per share exercise price, as applicable.

(b) At the Effective Time, (i) the Company Equity Incentive Plans, (ii) the Other Plans, and (iii) the Equity Awards and any grant agreements thereunder shall each automatically be deemed to be amended as necessary to provide that references to the Company in such agreements shall be read to refer to Bank. The Company and Bank agree that they will, at or promptly following the Effective Time, execute, acknowledge and deliver any and all instruments, agreements or documents necessary or desirable to effect or memorialize the assignments and assumptions contemplated by this Section 3.2.

(c) Definitions. For purposes of this Section 3.2, the following terms shall have the meanings provided below:

i. "Company Equity Incentive Plans" means all equity incentive compensation plans of the Company and any of its predecessors that provide for the purchase, grant or issuance of Company Capital Stock or awards convertible into or exchangeable for Company Capital Stock, which are effective at the Effective Time, including the Amended and Restated 2010 Stock Option and Incentive Plan.

ii. "Equity Awards" means all time-based and performance-based options, restricted stock, restricted stock units, stock appreciation rights, phantom units and any other equity or equity-based awards issued under the Company Equity Incentive Plans, in any such case, which are outstanding at the Effective Time.

iii. "Other Plans" means all compensation, retirement, benefit, incentive or other similar plans, including tax-qualified and non-qualified retirement plans, health and welfare benefit plans, excess benefit plans, deferred compensation plans, cash balance plans for directors, officers or employees of the Company (other than Company Equity Incentive Plans), and any employment, indemnification, separation and retirement, change in control or similar agreements.

ARTICLE IV

Effect of the Merger

4.1 Effect Under Maine Law. From and after the Effective Time, by virtue of the Merger, the corporate existence of the Company shall be merged into the Surviving Entity, and the Surviving Entity shall be deemed to be the same corporation as Bank. All rights, franchises and interests of the Company and Bank in and to every type of property (real, personal, and mixed) and choses in action shall be transferred to and vested in the Surviving Entity by virtue of the Merger without any deed or other transfer. The Surviving Entity, upon the Merger and without any order or other action on the part of any court or otherwise, shall hold and enjoy all rights of property, franchises, and interests, including appointments, designations, and nominations, and all other rights and interests as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, and receiver, and in every other fiduciary capacity, in the same manner and to the same extent as such rights, franchises, and interests were held or enjoyed by the Company and Bank immediately prior to the Effective Time. The Surviving Entity shall be liable for all liabilities of the Company and Bank.

ARTICLE V

Conditions to the Merger

5.1 Conditions to the Merger. The respective obligations of each of the Company and Bank to consummate the Merger are subject to the fulfillment, or written waiver by the other party entitled to satisfaction thereof prior to the Effective Time, of each of the following conditions:

(a) This Agreement shall have been approved by holders of Company Capital Stock constituting a majority of all votes entitled to be cast on such matter at a shareholder meeting duly called and held for such purpose and shall have been ratified and confirmed by the sole shareholder of Bank, in each case, in accordance with applicable law and the articles of incorporation and the bylaws of each such entity.

(b) Bank shall have caused the shares of Bank Voting Common Stock issued in the Merger to be authorized for quotation on the NASDAQ Global Market ("NASDAQ"), subject to official notice of issuance.

(c) All approvals and authorizations of, filings and registrations with, and notifications to, all governmental authorities required for the consummation of the Merger, including the Superintendent of the Maine Bureau of Financial Institutions, shall have been obtained or made by the Company and Bank, and shall be in full force and effect and all waiting periods required by law shall have expired.

(d) No governmental authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order (whether temporary, preliminary or permanent) that is in effect and prohibits consummation of the transactions contemplated by this Agreement.

(e) All third party consents and approvals required, or deemed by the Board of Directors of the Company advisable, to be obtained under any material note, bond, mortgage, deed of trust, security interest, indenture, law, regulation, lease, license, contract, agreement, plan, instrument or obligation to which the Company or any subsidiary or affiliate of the Company is a party, or by which the Company or any subsidiary or affiliate of the Company, or any property of the Company or any subsidiary or affiliate of the Company, may be bound, in connection with the Merger and the transactions contemplated thereby, shall have been obtained by the Company or its subsidiary or affiliate, as the case may be.

(f) The Board of Directors of the Company shall have received evidence in form and substance reasonably satisfactory to it that holders of Company Capital Stock will not recognize gain or loss for United States federal income tax purposes as a result of the Merger.

ARTICLE VI

Covenants

6.1 Shareholder Approvals.

(a) The Company shall take, in accordance with applicable laws of the State of Maine and its articles of incorporation and bylaws, all action necessary to convene a meeting of holders of Company Capital Stock (the "Company Shareholders Meeting") as promptly as practicable to consider and vote upon the approval of this Agreement.

(b) Bank shall take, in accordance with applicable laws of the State of Maine and its articles of incorporation and bylaws, all action necessary to obtain the approval of this Agreement by its sole shareholder.

6.2 Proxy Statement. For the purpose of holding the Company Shareholders Meeting, the Company shall draft and prepare, and Bank shall cooperate in the preparation of, a proxy statement. For the purpose of offering the Bank Capital Stock to shareholders of the Company, Bank shall draft and prepare, and the Company shall cooperate in the preparation of, an offering circular.

6.3 Registration of Bank Capital Stock. As soon as practicable after the execution of this Agreement, Bank shall prepare and file with the Federal Deposit Insurance Corporation (the "FDIC") a registration statement or such other filing as required by the FDIC (the "Registration Statement") to register the Bank Voting Common Stock under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and will use its commercially reasonable efforts to cause the Registration Statement to become effective.

6.4 Stock Exchange Listing and Delisting. As soon as practicable after the Effective Time, the Surviving Entity shall use its commercially reasonable efforts to cause the shares of Bank Capital Stock issued in the Merger each to be approved for quotation on NASDAQ, subject to official notice of issuance. The Surviving Entity shall use its commercially reasonable efforts to cause the Company Common Stock to no longer be quoted on the NASDAQ and deregistered under the Exchange Act as soon as practicable following the Effective Time.

6.5 Notes. Upon the Effective Time, Bank shall expressly assume the due and punctual payment on each of the 6.75% Fixed-to-Floating Rate Subordinated Notes due July 1, 2026 (the "Notes") issued by the Company pursuant to the applicable note purchase agreement and the performance or observance of every covenant of such note purchase agreements on the part of the Company to be performed or observed. In connection therewith, the Company and Bank shall execute and deliver any documents required to make such assumptions effective.

6.6 Other Actions. During the period from the date of this Agreement and continuing until the Effective Time, each of the parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement.

6.7 Further Documents. If at any time the Surviving Entity shall consider or be advised that any further deeds, assignments, conveyances or assurances in law are necessary or desirable to vest, perfect or confirm of record in the Surviving Entity the title to any property or rights of the constituent entities, or otherwise to carry out the provisions hereof, the persons who were the proper officers and directors of the constituent entities immediately prior to the Effective Time (or their successors in office) shall execute and deliver any and all proper deeds, assignments, conveyances and assurances in law, and do all things necessary or desirable, to vest, perfect or confirm title to such property or rights in the Surviving Entity and otherwise to carry out the provisions hereof.

6.8 Tax Treatment. It is intended that for United States federal income tax purposes (i) the Merger will qualify as a "reorganization" within the meaning of Section 368(a)(1) of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) this Agreement will constitute a plan of reorganization within the meaning of Treasury Regulation Section 1.368-2(g). Neither the Company nor Bank will take any action inconsistent with the treatment of the Merger as a reorganization within the meaning of Section 368(a)(1) of the Code.

ARTICLE VII

Termination

7.1 Termination. This Agreement may be terminated at any time prior to the Effective Time by an instrument executed by each of the parties hereto.

ARTICLE VIII

Miscellaneous

8.1 Representations and Warranties. Each of the parties hereto represents and warrants that this Agreement has been duly authorized, executed and delivered by such party and constitutes the legal, valid and binding obligation of such party, enforceable against it in accordance with the terms hereof.

8.2 Entire Agreement. This Agreement (including the documents and instruments referred to herein and attached hereto) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

8.3 Counterparts. This Agreement may be executed in counterparts (including by facsimile or other electronic means), each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

8.4 Severability. In the event that any one or more provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, by any court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement and the parties hereto shall use their reasonable efforts to substitute a valid, legal and enforceable provision which, insofar as practical, implements the purposes and intents of this Agreement.

8.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maine, without regard to choice of law principles.

8.6 Assignment; Third-Party Beneficiaries. This Agreement shall not be assignable by operation of law or otherwise. Any purported assignment in contravention hereof shall be null and void. This Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any person other than the parties hereto any rights or remedies under this Agreement.

8.7 Nonsurvival of Agreements. None of the agreements in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time or termination of this Agreement as provided in Article VII.

8.8 Amendment. This Agreement may not be amended, except by an instrument in writing signed on behalf of each of the parties hereto.

[*Signature page to follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on their behalf by their respective officers thereunto duly authorized as of the day and year first written above.

NORTHEAST BANCORP

By: _____
Name: Richard Wayne
Title: President and Chief Executive Officer

NORTHEAST BANK

By: _____
Name: Richard Wayne
Title: President and Chief Executive Officer

Exhibit 99.1

FOR IMMEDIATE RELEASE

For More Information:

Richard Wayne, President and Chief Executive Officer
207.786.3245 ext. 3203
Jean-Pierre Lapointe, Chief Financial Officer
207.786.3245 ext. 3220
Northeast Bank, 500 Canal Street, Lewiston, ME 04240
www.northeastbank.com

Northeast Bancorp Announces Corporate Reorganization

Lewiston, ME (January 7, 2019) – Northeast Bancorp ("Northeast" or the "Company") (NASDAQ: NBN), a Maine-based full-service financial services company and parent of Northeast Bank (the "Bank"), today entered into an Agreement and Plan of Merger (the "Plan of Merger") with its wholly-owned bank subsidiary, Northeast Bank. Under the terms of the Plan of Merger, the Company will merge with and into the Bank (the "Reorganization"), with the Bank continuing as the surviving entity. If the proposed Reorganization is approved and effected, the bank holding company structure will be eliminated and the Bank will become the top-level company.

"We decided to undertake this transaction because we believe that this Reorganization is in the best interest of our Company," said Richard Wayne, President and Chief Executive Officer. "This transaction will further improve our efficiency by eliminating redundant corporate infrastructure and activities, and eliminating a second level of supervision and oversight that comes with being a registered bank holding company. In addition, the regulatory commitments regarding capital levels, asset composition, and sources of funding that we have adhered to since 2010 will be replaced by standards to be incorporated into our policies and procedures. We believe that these changes should allow for an increase in loan capacity in the long run, as well as a decrease in our deposit costs and the costs associated with holding excess cash."

At the effective time of the Reorganization, each outstanding share of voting and non-voting common stock of the Company, par value $1.00 per share, respectively, will be canceled and converted into the right to receive one share of voting and non-voting common stock, respectively, of the Bank. As a result, the shares of the Bank's common stock are expected to be owned directly by the Company's shareholders in the same proportion as their ownership of the Company's common stock immediately prior to the Reorganization.

Following the Reorganization, it is expected that the surviving entity, the Bank, will be a publicly-traded company listed on the NASDAQ Global Market ("NASDAQ") under the same ticker symbol currently used by the Company, "NBN." It is also expected that the Bank's common stock will be registered under the Securities Exchange Act of 1934 (the "Exchange Act"), which vests the Federal Deposit Insurance Corporation (the "FDIC") with the power to administer and enforce certain sections of the Exchange Act applicable to banks. Following the Reorganization, the Bank will file periodic and current reports and other materials required by the Exchange Act with the FDIC, and the Company will no longer file these reports and materials with the Securities and Exchange Commission (the "SEC").

The Bank will have the same board of directors following the Reorganization as the Company had immediately prior to the Reorganization, and the executive officers of the Company will hold the same positions and titles.

The Reorganization has been approved by the boards of directors of the Company and the Bank. The Company will initiate the filings and other actions required in connection with the Reorganization, including filing a proxy statement and other proxy materials with the SEC and convening a special meeting of its shareholders to consider and vote upon the Plan of Merger. In addition to shareholder approval, the Reorganization will be subject to various closing conditions, including, among others, the receipt of all required regulatory approvals, including the approval of the Maine Bureau of Financial Institutions and the FDIC.

About Northeast Bancorp

Northeast Bancorp (NASDAQ: NBN) is the holding company for Northeast Bank, a full-service bank headquartered in Lewiston, Maine. We offer personal and business banking services to the Maine market via ten branches. Our Loan Acquisition and Servicing Group purchases and originates commercial loans on a nationwide basis and our SBA Division supports the needs of growing businesses nationally. ableBanking, a division of Northeast Bank, offers online savings products to consumers nationwide. Information regarding Northeast Bank can be found at www.northeastbank.com.

Forward-Looking Statements

Statements in this report 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. These forward-looking statements include, without limitation, those relating to the terms of the proposed transaction between the Company and the Bank and the proposed impact of this proposed Reorganization on the combined company, and the ability of the Company and the Bank to close the Reorganization in a timely manner or at all. Although the Company 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, 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 Company’s control. These factors may include, but are not limited to, the ability of the Company and the Bank to consummate the Reorganization; the ability of the Company and the Bank to satisfy the conditions to the completion of the Reorganization, including the receipt of Company shareholder approval and the receipt of regulatory approvals required for the Reorganization on the terms expected in the Plan of Merger; the ability of the Company and the Bank to meet expectations regarding the timing, completion and accounting and tax treatments of the Reorganization; the possibility that any of the anticipated benefits of the Reorganization will not be realized or will not be realized as expected; the failure of the Reorganization to close for any other reason; the effect of the announcement of the Reorganization on the Company's operating results; the possibility that the Reorganization may be more expensive to complete than anticipated, including as a result of unexpected factors or events; the inability to retrieve the Bank's filings mandated by the Exchange Act from the SEC's publicly-available website after the closing of the Reorganization; the impact of all other factors generally understood to affect the assets, business, cash flows, financial condition, liquidity, prospects and/or results of operations of financial services companies; and the other risks and uncertainties detailed in the Company’s Annual Report on Form 10-K and updated by the Company’s Quarterly Reports on Form 10-Q and other filings submitted to the SEC. These statements speak only as of the date of this release and the Company 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.

Additional Information and Where to Find It

This news release is being made in respect of the proposed Reorganization transaction described above. In connection with the transaction, the Company will file with the SEC and mail to its shareholders a proxy statement. BEFORE MAKING ANY VOTING DECISION WITH RESPECT TO THE PROPOSED REORGANIZATION TRANSACTION, INVESTORS ARE URGED TO READ THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. The proxy statement, as well as other filings containing information about the Company and the Bank, will be available without charge at the SEC's internet website (https://www.sec.gov). Copies of the proxy statement can also be obtained, when available, without charge, from the Company's investor relations website at https://investor.northeastbank.com.

Certain Information Regarding Participants

The Company and certain of its directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from the shareholders of the Company in respect of the proposed Reorganization transaction. Certain information about the directors and executive officers of the Company is set forth in its Annual Report on Form 10-K for the year ended June 30, 2018, which was filed with the SEC on September 13, 2018, and its proxy statement for its 2018 annual meeting of shareholders, which was filed with the SEC on October 4, 2018. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be included in the proxy statement and other relevant documents filed with the SEC when they become available.

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