



Northeast Bank Reports Second Quarter Results and Declares Dividend

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PORTLAND, Maine, Jan. 26, 2026 (GLOBE NEWSWIRE) -- Northeast Bank (the "Bank") (NASDAQ: NBN), a Maine-based bank, today reported net income of \$20.7 million, or \$2.47 per diluted common share, for the quarter ended December 31, 2025, compared to net income of \$22.4 million, or \$2.74 per diluted common share, for the quarter ended December 31, 2024. Net income for the six months ended December 31, 2025 was \$43.3 million, or \$5.14 per diluted common share, compared to \$39.5 million, or \$4.85 per diluted common share, for the six months ended December 31, 2024.

The Board of Directors declared a cash dividend of \$0.01 per share, payable on February 25, 2026, to shareholders of record as of February 11, 2026.

"The Bank generated strong loan activity during the second fiscal quarter," said Rick Wayne, Chief Executive Officer. "Quarterly loan volume totaled \$895.7 million, consisting of \$532.9 million of purchased loans at an average price of 92.6% of unpaid principal balance, a record \$252.4 million of National Lending originated loans, \$39.8 million of SBA 7(a) loans and \$70.6 million of insured small balance business loans. Total loans at December 31, 2025 were \$4.35 billion, representing an increase of \$594.4 million or 15.8% over June 30, 2025. The majority of the loan activity occurred late in the second fiscal quarter, resulting in minimal impact on the quarter's average loan balance of \$3.89 billion and net interest income. This loan growth provides a strong tailwind for net interest income in the next and subsequent quarters. Our capital levels remain strong and provide us with the capacity to respond to opportunities available in the marketplace."

As of December 31, 2025, total assets were \$4.95 billion, an increase of \$668.2 million, or 15.6%, from total assets of \$4.28 billion as of June 30, 2025, due to the following:

1. The following table highlights the changes in the loan portfolio, including loans held for sale, for the six months ended December 31, 2025:

	Loan Portfolio Changes			
	December 31, 2025	June 30, 2025	Change (\$)	Change (%)
	(Dollars in thousands)			
National Lending Purchased	\$ 2,856,949	\$ 2,375,157	\$ 481,792	20.28%
National Lending Originated	1,356,569	1,251,768	104,801	8.37%
Small Business	207,956	144,974	62,982	43.44%
Community Banking	16,762	18,258	(1,496)	(8.19%)
Total	<u>\$ 4,438,236</u>	<u>\$ 3,790,157</u>	<u>\$ 648,079</u>	<u>17.10%</u>

Loans generated during the quarter ended December 31, 2025 totaled \$895.7 million, which consisted of \$532.9 million of purchased loans at an average price of 92.6% of unpaid principal balance, \$252.4 million of National Lending originated loans, \$39.8 million of Small Business Administration ("SBA") 7(a) loans and \$70.6 million of insured small balance business loans.

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

National Lending Portfolio					
Three Months Ended December 31,					
2025			2024		
Purchased	Originated	Total	Purchased	Originated	Total

(Dollars in thousands)

Loans purchased or originated during the period:

Unpaid principal balance	\$ 575,509	\$ 252,363	\$ 827,872	\$ 14,815	\$ 246,417	\$ 261,232
Initial net investment basis (1)	532,931	252,363	785,294	14,039	246,417	260,456

Loan returns during the period:

Yield	8.11%	8.02%	8.08%	8.84%	9.06%	8.91%
Total Return on Purchased Loans (2)	8.19%	N/A	8.19%	8.86%	N/A	8.86%

Six Months Ended December 31,

2025			2024		
Purchased	Originated	Total	Purchased	Originated	Total

(Dollars in thousands)

Loans purchased or originated during the period:

Unpaid principal balance	\$ 728,199	\$ 386,181	\$ 1,114,380	\$ 822,549	\$ 373,309	\$ 1,195,858
Initial net investment basis (1)	677,531	386,181	1,063,712	746,932	373,309	1,120,241
Loan returns during the period:						
Yield	8.13%	8.32%	8.13%	8.84%	9.18%	8.95%
Total Return on Purchased Loans (2)	8.20%	N/A	8.20%	8.85%	N/A	8.85%
Total loans as of period end:						
Unpaid principal balance	\$ 3,038,067	\$ 1,356,569	\$ 4,394,636	\$ 2,598,354	\$ 1,109,192	\$ 3,707,546
Net investment basis	2,856,949	1,356,569	4,213,518	2,392,417	1,109,192	3,501,609

(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 \$443.6 million, or 13.1%, from June 30, 2025. The increase was primarily attributable to an increase in time deposits of \$457.9 million, or 20.4%, compared to the prior year. The significant drivers in the change in time deposits was an increase in brokered time deposits, which increased by \$349.7 million, combined with an increase in Community Banking division time deposits of \$102.9 million, compared to June 30, 2025.

3. Federal Home Loan Bank ("FHLB") advances increased by \$180.9 million, or 56.5%, from June 30, 2025. The increase was attributable to advances taken to fund a portion of the loan purchases during the quarter ended December 31, 2025.

4. Shareholders' equity increased by \$41.7 million, or 8.4%, from June 30, 2025, primarily due to net income of \$43.3 million for the fiscal year to date through December 31, 2025, partially offset by the cancellation of restricted stock to cover tax obligations on restricted stock vests, which had a \$1.4 million impact on shareholders' equity.

Net income decreased by \$1.7 million to \$20.7 million for the quarter ended December 31, 2025, compared to net income of \$22.4 million for the quarter ended December 31, 2024, due to the following:

1. Net interest and dividend income before provision for credit losses increased by \$311 thousand to \$48.8 million for the quarter ended December 31, 2025, compared to \$48.5 million for the quarter ended December 31, 2024. The increase was primarily due to the following:

- A decrease in deposit interest expense of \$1.9 million, primarily due to lower rates on interest-bearing deposits, partially offset by higher average balances; partially offset by,
- A decrease in interest income earned on loans of \$727 thousand, primarily due to lower rates earned across the portfolios, partially offset by higher average balances in the National Lending Division and SBA portfolios; and
- An increase in interest expense on FHLB advances of \$478 thousand, due to higher average balances.

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

	Interest Income and Yield on Loans					
	Three Months Ended December 31,					
	2025			2024		
	Average Balance (1)	Interest Income	Yield	Average Balance (1)	Interest Income	Yield
(Dollars in thousands)						
Community Banking	\$ 15,926	\$ 292	7.27%	\$ 21,481	\$ 369	6.82%
Small Business	168,595	4,087	9.62%	93,831	2,751	11.63%
National Lending:						
Originated	1,289,973	26,090	8.02%	1,041,301	23,769	9.06%
Purchased	2,414,897	49,348	8.11%	2,407,132	53,655	8.84%
Total National Lending	3,704,870	75,438	8.08%	3,448,433	77,424	8.91%
Total	\$ 3,889,391	\$ 79,817	8.14%	\$ 3,563,745	\$ 80,544	8.97%

	Six Months Ended December 31,					
	2025			2024		
	2025			2024		
	Average Balance (1)	Interest Income	Yield	Average Balance (1)	Interest Income	Yield

(Dollars in thousands)

Community Banking	\$ 16,891	\$ 597	7.01%	\$ 21,945	\$ 738	6.67%
Small Business	151,473	7,521	9.85%	76,788	5,170	13.36%
National Lending:						
Originated	1,252,065	52,515	8.32%	1,019,347	47,176	9.18%
Purchased	2,363,053	96,864	8.13%	2,082,969	92,797	8.84%
Total National Lending	3,615,118	149,379	8.20%	3,102,316	139,973	8.95%
Total	\$ 3,783,482	\$ 157,497	8.26%	\$ 3,201,049	\$ 145,881	9.04%

(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 December 31, 2024, transactional income decreased by \$25 thousand for the quarter ended December 31, 2025, and regularly scheduled interest and accretion decreased by \$3.9 million, primarily due to decreases in rates. The total return on purchased loans for the quarter ended December 31, 2025 was 8.2%, a decrease from 8.9% for the quarter ended December 31, 2024. The following table details the total return on purchased loans:

Total Return on Purchased Loans					
Three Months Ended December 31,					
	2025		2024		
	Income	Return (1)	Income	Return (1)	
(Dollars in thousands)					
Regularly scheduled interest and accretion	\$ 46,852	7.70%	\$ 50,747		8.36%
Transactional income:					
Release of allowance for credit losses on purchased loans	485	0.08%	97		0.02%
Accelerated accretion and loan fees	2,495	0.41%	2,908		0.48%
Total transactional income	2,980	0.49%	3,005		0.50%
Total	\$ 49,832	8.19%	\$ 53,752		8.86%
Six Months Ended December 31,					
	2025		2024		
	Income	Return (1)	Income	Return (1)	
(Dollars in thousands)					
Regularly scheduled interest and accretion	\$ 91,855	7.71%	\$ 87,906		8.37%
Transactional income:					
Release of allowance for credit losses on purchased loans	786	0.07%	161		0.01%
Accelerated accretion and loan fees	5,009	0.42%	4,891		0.47%
Total transactional income	5,795	0.49%	5,052		0.48%
Total	\$ 97,650	8.20%	\$ 92,958		8.85%

(1) 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.

2. Provision for credit losses decreased by \$1.1 million reflecting a provision of \$875 thousand for the quarter ended December 31, 2025, compared to a provision of \$1.9 million for the quarter ended December 31, 2024.

3. Noninterest income decreased by \$3.0 million for the quarter ended December 31, 2025, compared to the quarter ended December 31, 2024, primarily due to a decrease in gain on sale of SBA loans of \$3.4 million, due to less sales resulting from the government shutdown during the quarter. There were sales of \$25.1 million in SBA loans during the quarter ended December 31, 2025 as compared to sales of \$64.5 million during the quarter ended December 31, 2024.

4. Noninterest expense increased by \$1.7 million for the quarter ended December 31, 2025, compared to the quarter ended December 31, 2024, primarily due to the following:

- An increase in salaries and employee benefits expense of \$1.2 million, primarily due to increases in regular, stock and incentive compensation expense;
- An increase in loan expense of \$586 thousand, primarily related to increased expenses in connection with the origination of SBA and small balance insured loans; and
- An increase in professional fees due of \$209 thousand, primarily related to increased legal and audit costs; partially offset by

- A decrease in Federal Deposit Insurance Corporation ("FDIC") insurance expense of \$484 thousand, due to changes in the Bank's assessment rate.

5. Income tax expense decreased by \$1.6 million to \$9.4 million, or an effective tax rate of 31.1%, for the quarter ended December 31, 2025, compared to income tax expense of \$11.0 million, or an effective tax rate of 32.9%, for the quarter ended December 31, 2024. The decrease in effective tax rate is primarily due to changes in state tax law.

As of December 31, 2025, nonperforming assets totaled \$35.3 million, or 0.7% of total assets, compared to \$35.6 million, or 0.8% of total assets, as of June 30, 2025.

As of December 31, 2025, past due loans totaled \$36.4 million, or 0.8% of total loans, compared to past due loans totaling \$30.1 million, or 0.8% of total loans, as of June 30, 2025.

As of December 31, 2025, the Bank's Tier 1 leverage capital ratio was 12.2%, compared to 11.6% at June 30, 2025, and the Bank's Total risk-based capital ratio was 13.7% at December 31, 2025, compared to 14.7% at June 30, 2025. The Total risk-based capital ratio decreased primarily due to the increase in risk-weighted assets from significant loan growth from purchases during the quarter ended December 31, 2025.

Investor Call Information

Rick Wayne, Chief Executive Officer, Santino Delmolino, Chief Financial Officer, and Pat Dignan, Chief Operating Officer and Chief Credit Officer, of Northeast Bank, will host a **conference call to discuss second quarter financial results and business outlook at 11:00 a.m. Eastern Time on Tuesday, January 27th**. 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 15 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. This presentation is also available in the Investor Relations section of the Bank's website at www.northeastbank.com. 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 and our Small Business division originates government-guaranteed SBA loans and small balance insured 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 Federal Deposit Insurance Corporation ("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, and 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 tariffs, inflation, and concerns about liquidity) or legislative or regulatory initiatives; the possibility that future credit 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, and evolving interpretations of, existing and future laws, rules, and regulations; 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 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 release or to reflect the occurrence of unanticipated events.

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BALANCE SHEETS

(Unaudited)

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

	December 31, 2025	June 30, 2025
Assets		
Cash and due from banks	\$ 2,793	\$ 2,908
Short-term investments	443,429	410,711
Total cash and cash equivalents	446,222	413,619
Available-for-sale debt securities, at fair value	4,915	15,308
Equity securities, at fair value	7,603	7,396
Total securities	12,518	22,704
Loans held for sale	87,423	33,768
Loans:		
Commercial real estate	3,317,166	2,733,794
Commercial and industrial	903,271	903,278
Residential real estate	130,099	119,158
Consumer	277	159
Total loans	4,350,813	3,756,389
Less: Allowance for credit losses	63,813	47,930
Loans, net	4,287,000	3,708,459
Premises and equipment, net	23,652	24,704
Real estate owned and other possessed collateral, net	719	560
Federal Home Loan Bank stock, at cost	26,977	15,295
Loan servicing rights, net	639	699
Bank-owned life insurance	19,010	19,329
Accrued interest receivable	18,885	16,897
Other assets	24,263	23,034
Total assets	<u>\$ 4,947,308</u>	<u>\$ 4,279,068</u>
Liabilities and Shareholders' Equity		
Deposits:		
Demand	\$ 168,602	\$ 159,274
Savings and interest checking	872,205	880,016
Money market	76,900	92,716
Time	2,701,454	2,243,594
Total deposits	3,819,161	3,375,600
Federal Home Loan Bank advances	501,130	320,191
Lease liability	18,174	19,044
Other liabilities	72,825	69,947
Total liabilities	4,411,290	3,784,782
Commitments and contingencies		
Shareholders' equity		
Preferred stock, \$1.00 par value, 1,000,000 shares authorized; no shares issued and outstanding at December 31, 2025 and June 30, 2025	—	—
Voting common stock, \$1.00 par value, 25,000,000 shares authorized; 8,555,360 and 8,525,362 shares issued and outstanding at December 31, 2025 and June 30, 2025, respectively	8,555	8,525
Non-voting common stock, \$1.00 par value, 3,000,000 shares authorized; No shares issued and outstanding at December 31, 2025 and June 30, 2025	—	—
Additional paid-in capital	97,321	98,728
Retained earnings	430,138	387,035
Accumulated other comprehensive income (loss)	4	(2)
Total shareholders' equity	<u>536,018</u>	<u>494,286</u>

Total liabilities and shareholders' equity

\$ 4,947,308 \$ 4,279,068

NORTHEAST BANK
STATEMENTS OF INCOME

(Unaudited)

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Interest and dividend income:				
Interest and fees on loans	\$ 79,817	\$ 80,544	\$ 157,497	\$ 145,881
Interest on available-for-sale securities	150	436	330	1,031
Other interest and dividend income	4,120	4,186	9,467	8,108
Total interest and dividend income	84,087	85,166	167,294	155,020
Interest expense:				
Deposits	30,924	32,777	62,256	59,367
Federal Home Loan Bank advances	4,144	3,666	7,605	7,696
Obligation under capital lease agreements	218	233	441	467
Total interest expense	35,286	36,676	70,302	67,530
Net interest and dividend income before provision for credit losses	48,801	48,490	96,992	87,490
Provision for credit losses	875	1,944	441	2,366
Net interest and dividend income after provision for credit losses	47,926	46,546	96,551	85,124
Noninterest income:				
Fees for other services to customers	363	391	708	834
Gain on sales of SBA loans	2,126	5,570	6,264	8,901
Net unrealized gain on equity securities	23	(163)	75	27
Loss on real estate owned, other repossessed collateral and premises and equipment, net	(7)	-	(7)	-
Bank-owned life insurance income	389	125	512	248
Correspondent fee income	7	23	19	54
Other noninterest income	63	3	75	5
Total noninterest income	2,964	5,949	7,646	10,069
Noninterest expense:				
Salaries and employee benefits	12,504	11,287	25,186	22,470
Occupancy and equipment expense	1,116	1,103	2,262	2,182
Professional fees	771	562	1,866	1,315
Data processing fees	1,634	1,622	3,286	3,109
Marketing expense	110	94	234	230
Loan acquisition and collection expense	2,649	2,063	5,997	3,355
FDIC insurance expense	472	956	767	1,288
Other noninterest expense	1,515	1,379	3,063	2,802
Total noninterest expense	20,771	19,066	42,661	36,751
Income before income tax expense	30,119	33,429	61,536	58,442
Income tax expense	9,379	10,989	18,256	18,896
Net income	\$ 20,740	\$ 22,440	\$ 43,280	\$ 39,546
Weighted-average shares outstanding:				
Basic	8,312,859	8,044,345	8,292,768	7,965,486
Diluted	8,405,029	8,197,568	8,417,942	8,153,368
Earnings per common share:				
Basic	\$ 2.49	\$ 2.79	\$ 5.22	\$ 4.96
Diluted	2.47	2.74	5.14	4.85
Cash dividends declared per common share	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02

NORTHEAST BANK
AVERAGE BALANCE SHEETS AND ANNUALIZED YIELDS

(Unaudited)

(Dollars in thousands)

Three Months Ended December 31,						
2025			2024			
Average Balance	Interest Income/Expense	Average Yield/Rate	Average Balance	Interest Income/Expense	Average Yield/Rate	
(Dollars in thousands)						
Assets:						
Interest-earning assets:						
Investment securities	\$ 15,552	\$ 150	3.83%	\$ 40,004	\$ 436	4.32%
Loans (1) (2) (3)	3,889,391	79,817	8.14%	3,563,745	80,544	8.97%
Federal Home Loan Bank stock	17,971	283	6.25%	15,458	346	8.88%
Short-term investments (4)	385,405	3,837	3.95%	325,118	3,840	4.69%
Total interest-earning assets	4,308,319	84,087	7.74%	3,944,325	85,166	8.57%
Cash and due from banks	2,172			2,216		
Other non-interest earning assets	84,789			30,982		
Total assets	\$ 4,395,280			\$ 3,977,523		
Liabilities & Shareholders' Equity:						
Interest-bearing liabilities:						
NOW accounts	\$ 661,856	\$ 5,799	3.48%	\$ 581,969	\$ 5,932	4.04%
Money market accounts	76,955	371	1.91%	128,787	953	2.94%
Savings accounts	207,769	1,274	2.43%	187,701	1,653	3.49%
Time deposits	2,285,778	23,480	4.08%	2,080,911	24,239	4.62%
Total interest-bearing deposits	3,232,358	30,924	3.80%	2,979,368	32,777	4.36%
Federal Home Loan Bank advances	388,082	4,144	4.24%	336,762	3,666	4.32%
Lease liability	18,324	218	4.72%	19,599	233	4.72%
Total interest-bearing liabilities	3,638,764	35,286	3.85%	3,335,729	36,676	4.36%
Non-interest bearing liabilities:						
Demand deposits and escrow accounts	156,076			190,135		
Other liabilities	73,559			30,501		
Total liabilities	3,868,399			3,556,365		
Shareholders' equity	526,881			421,158		
Total liabilities and shareholders' equity	\$ 4,395,280			\$ 3,977,523		
Net interest income	\$ 48,801			\$ 48,490		
Interest rate spread			3.89%			4.21%
Net interest margin (5)			4.49%			4.88%
Cost of funds (6)			3.69%			4.13%

(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.

AVERAGE BALANCE SHEETS AND ANNUALIZED YIELDS

(Unaudited)

(Dollars in thousands)

	Six Months Ended December 31,					
	2025			2024		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
Assets:						
Interest-earning assets:						
Investment securities	\$ 16,843	\$ 330	3.89%	\$ 47,708	\$ 1,031	4.29%
Loans (1) (2) (3)	3,783,482	157,497	8.26%	3,201,049	145,881	9.04%
Federal Home Loan Bank stock	16,578	567	6.78%	15,961	676	8.40%
Short-term investments (4)	419,948	8,900	4.20%	285,330	7,432	5.17%
Total interest-earning assets	4,236,851	167,294	7.83%	3,550,048	155,020	8.66%
Cash and due from banks	2,129			2,164		
Other non-interest earning assets	60,406			62,527		
Total assets	<u>\$ 4,299,386</u>			<u>\$ 3,614,739</u>		
Liabilities & Shareholders' Equity:						
Interest-bearing liabilities:						
NOW accounts	\$ 655,201	\$ 12,008	3.64%	\$ 572,849	\$ 12,312	4.26%
Money market accounts	82,343	865	2.08%	138,738	2,219	3.17%
Savings accounts	209,174	2,779	2.64%	183,141	3,210	3.48%
Time deposits	2,230,491	46,604	4.14%	1,735,372	41,626	4.76%
Total interest-bearing deposits	3,177,209	62,256	3.89%	2,630,100	59,367	4.48%
Federal Home Loan Bank advances	352,080	7,605	4.28%	349,678	7,696	4.37%
Lease liability	18,544	441	4.72%	19,808	467	4.68%
Total interest-bearing liabilities	3,547,833	70,302	3.93%	2,999,586	67,530	4.47%
Non-interest bearing liabilities:						
Demand deposits and escrow accounts	162,922			182,648		
Other liabilities	71,762			28,337		
Total liabilities	3,782,517			3,210,571		
Shareholders' equity	516,869			404,168		
Total liabilities and shareholders' equity	<u>\$ 4,299,386</u>			<u>\$ 3,614,739</u>		
Net interest income		<u>\$ 96,992</u>			<u>\$ 87,490</u>	
Interest rate spread			3.90%			4.19%
Net interest margin (5)			4.54%			4.89%
Cost of funds (6)			3.76%			4.21%

(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				
December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024

Net interest income	\$	48,801	\$	48,192	\$	53,931	\$	45,951	\$	48,490
(Credit) provision for credit losses		875		(435)		3,469		2,908		1,944
Noninterest income		2,964		4,683		8,768		6,619		5,949
Noninterest expense		20,771		21,890		21,495		20,143		19,066
Net income		20,740		22,541		25,216		18,681		22,440
Weighted-average common shares outstanding:										
Basic		8,312,859		8,272,801		8,233,002		8,216,746		8,044,345
Diluted		8,405,029		8,430,980		8,413,895		8,394,964		8,197,568
Earnings per common share:										
Basic	\$	2.49	\$	2.72	\$	3.06	\$	2.27	\$	2.79
Diluted		2.47		2.67		3.00		2.23		2.74
Dividends declared per common share	\$	0.01	\$	0.01	\$	0.01	\$	0.01	\$	0.01
Return on average assets		1.87%		2.13%		2.38%		1.86%		2.24%
Return on average equity		15.62%		17.64%		20.74%		16.47%		21.14%
Net interest rate spread (1)		3.89%		3.91%		4.49%		3.96%		4.21%
Net interest margin (2)		4.49%		4.59%		5.10%		4.62%		4.88%
Efficiency ratio (non-GAAP) (3)		40.13%		41.40%		34.28%		38.32%		35.02%
Noninterest expense to average total assets		1.87%		2.07%		2.03%		2.00%		1.90%
Average interest-earning assets to average interest-bearing liabilities		118.40%		120.43%		119.07%		118.64%		118.24%

As of:

	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Nonperforming loans:					
Total originated portfolio	\$ 12,761	\$ 10,817	\$ 10,587	\$ 12,552	\$ 12,809
Total purchased portfolio	21,842	22,976	24,424	19,680	17,257
Total nonperforming loans	34,603	33,793	35,011	32,232	30,066
Real estate owned and other repossessed collateral, net	719	1,279	560	1,200	1,200
Total nonperforming assets	<u>\$ 35,322</u>	<u>\$ 35,072</u>	<u>\$ 35,571</u>	<u>\$ 33,432</u>	<u>\$ 31,266</u>
Past due loans to total loans	0.84%	0.77%	0.80%	0.91%	0.85%
Nonperforming loans to total loans	0.80%	0.90%	0.93%	0.86%	0.84%
Nonperforming assets to total assets	0.71%	0.84%	0.83%	0.79%	0.77%
Allowance for credit losses to total loans	1.47%	1.24%	1.28%	1.23%	1.25%
Allowance for credit losses to nonperforming loans	184.42%	138.23%	136.90%	142.79%	148.92%
Net charge-offs	\$ 2,942	\$ 1,887	\$ 1,723	\$ 2,082	\$ 869
Commercial real estate loans to total capital (4)	533.21%	470.01%	486.07%	521.47%	542.12%
Net loans to deposits	112.25%	114.02%	109.86%	112.10%	112.52%
Purchased loans to total loans	65.66%	64.12%	63.23%	65.33%	66.63%
Equity to total assets	10.83%	12.31%	11.55%	11.06%	10.88%
Common equity tier 1 capital ratio	12.47%	13.86%	13.44%	12.72%	12.66%
Total risk-based capital ratio	13.73%	15.11%	14.69%	13.97%	13.91%
Tier 1 leverage capital ratio	12.19%	12.21%	11.64%	11.45%	11.16%
Total shareholders' equity	\$ 536,018	\$ 513,647	\$ 494,286	\$ 467,516	\$ 444,101
Less: Preferred stock	—	—	—	—	—
Common shareholders' equity	536,018	513,647	494,286	467,516	444,101
Less: Intangible assets	—	—	—	—	—
Tangible common shareholders' equity (non-GAAP)	<u>\$ 536,018</u>	<u>\$ 513,647</u>	<u>\$ 494,286</u>	<u>\$ 467,516</u>	<u>\$ 444,101</u>
Common shares outstanding	8,555,360	8,562,960	8,525,362	8,525,362	8,492,856
Book value per common share	\$ 62.65	\$ 59.98	\$ 57.98	\$ 54.84	\$ 52.29
Tangible book value per share (non-GAAP) (5)	62.65	59.98	57.98	54.84	52.29

(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) Net interest margin is calculated as net interest income divided by total interest-earning assets.

(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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