

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: November 16, 2007  
(Date of earliest event reported): November 14, 2007

Commission File No. 1-14588

**NORTHEAST BANCORP**

(Exact name of Registrant as specified in its Charter)

Maine  
(State or other jurisdiction of incorporation)  
500 Canal Street  
Lewiston, Maine  
(Address of principal executive offices)

01-0425066  
(IRS Employer Identification Number)  
04240  
(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

**Item 1.01 Entry into a Material Definitive Agreement**

On November 14, 2007, Northeast Bank Insurance Group, Inc., a wholly owned subsidiary of Lewiston-based Northeast Bank, and Spence & Mathews, Inc. issued a press release announcing that they have signed a purchase and sales agreement under which Spence & Mathews will join the Northeast Bank Insurance Group. The purchase price for the acquisition of certain assets of Spence & Mathews will be \$4.343 million paid as follows: \$500 thousand will be paid over a seven year term with interest at the rate of 6.50%; \$800 thousand will also be financed over seven years but will be non-interest bearing; and the \$3.043 million balance will be paid in cash. Once the transaction closes on November 30, 2007, Northeast Bank Insurance Group will record goodwill and intangibles of approximately \$4.3 million.

**Item 9.01 Financial Statements and Exhibits**

- | (c) Exhibits | Exhibits No | Description   |
|--------------|-------------|---|
|              | 99.1        | Press Release, dated November 14, 2007 regarding purchase of Spence & Mathews, Inc. |

**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 thereunto duly authorized.

Date: November 16, 2007

**NORTHEAST BANCORP**  
By: /s/ James D. Delamater  
James D. Delamater  
President and Chief Executive Officer

**FOR IMMEDIATE RELEASE**

**For More Information:**

Craig Sargent, President  
Northeast Bank Insurance Group, Inc.  
2568 Main Street, Rangeley, ME 04970  
www.northeastbank.com

1-800-284-5989  
207-864-2800

**Northeast Bank Subsidiary Enters Agreement with Spence & Mathews Insurance**  
*The Largest in Scope thus far, Northeast's 6<sup>th</sup> Deal Will Give the Company*  
*Entry to Southern ME and now NH Markets*

**Lewiston & Berwick, MAINE** (November 14, 2007) – Northeast Bank Insurance Group, Inc., a wholly owned subsidiary of Lewiston-based Northeast Bank and Spence & Mathews, Inc., an insurance agency headquartered in Berwick, ME, announced today that they have signed a purchase and sales agreement under which Spence & Mathews will join the Northeast Bank Insurance Group. Pending completion of legal work, this deal is slated to close on November 30, 2007.

Founded in 1935, Spence & Mathews has 16 employees located in two offices, both in Berwick, ME and Rochester, NH. The Company represents 14 state and national carriers, has an estimated \$10 million in premiums and serves over 6000 clients.

“The Northeast Bank Insurance model was attractive, they understand our culture,” said Craig Linscott, owner of Spence & Mathews Insurance. “This industry is changing at a fast pace, so we have to pool our talent and carriers to best serve the customers and stay ahead. In this soft market partnering with the Northeast team is the right choice for us.”

“We were impressed by the team at Spence & Mathews, especially the depth of knowledge and their passion for superior customer service,” said Craig Sargent, President of Northeast Bank Insurance Group, Inc. “The agency has a great reputation and gives us entry to the Southern Maine and now New Hampshire market; we are looking forward to working with them as teammates.”

Northeast Bank Insurance Group recently completed the acquisition of the Hartford Agency in Lewiston. This deal once completed will increase the number of insurance agency offices to 13 throughout western, central and now southern Maine and New Hampshire.

**About Northeast Bank Insurance Group, Inc., and Northeast Bank**

Northeast Bank Insurance Group, Inc., a wholly owned subsidiary of Northeast Bank, headquartered in Rangeley, Maine, provides comprehensive insurance and financial services with an emphasis on needs-based advice to meet the demands of its consumer and business customers. The full spectrum of insurance services includes personal, business and financial coverage.

Northeast Bank, a leader in providing one-stop shopping for financial services, is headquartered in Lewiston Maine. A wholly owned subsidiary of Northeast Bancorp (NASDAQ: NBN), Northeast Bank has over \$572 million in assets and operates 23 retail locations throughout western, central and mid-coast Maine, including 11 bank branches, 11 insurance agencies and a financial center. To learn more about Northeast Bank Insurance Group, Inc., and Northeast Bank, call 1-800-284-5989 or visit [www.northeastbank.com](http://www.northeastbank.com).