SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10 Q

_X_ Quarterly report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarter ended March 31, 2000

or

___ Transition report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the transition period from ______________ to ______________

Commission File Number 1-14588

Northeast Bancorp

(Exact name of registrant as specified in its charter)

Maine	01-0425066
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
232 Center Street, Auburn, Maine	04210
(Address of Principal executive offices)	(Zip Code)

(207) 777-6411

Registrant's telephone number, including area code

Not Applicable

Former name, former address and former fiscal year,if changed since last report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subjected to such filing requirements for the past 90 days. Yes_X_ No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Shares outstanding as of April 30, 2000, 2,685,234 of common stock, $1.00 par value per share.

Item 5. Other Information

Item 6. Exhibits and Reports on Form 8-K

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

NORTHEAST BANCORP AND SUBSIDIARIES
Consolidated Balance Sheets
(Unaudited)

	March 31, 2000	June 30, 1999
Assets		
Cash and due from bank	$ 6,918,581	$ 4,963,985
Interest bearing deposits	503,256	345,585
Federal Home Loan Bank overnight deposits	3,659,000	6,784,000
Available for sale securities	23,816,706	18,054,317
Federal Home Loan Bank stock	6,346,400	5,680,500
Loans held for sale	147,636	311,600
Loans	368,395,545	318,986,247
Less allowance for loan losses	3,287,000	2,924,000
Net loans	365,108,545	316,062,247
Bank premises and equipment, net	4,638,081	5,037,026
Assets acquired through foreclosure	190,535	193,850
Goodwill (net of accumulated amortization of $1,868,282 at 3/31/00 and $1,662,588 at 6/30/99)	1,256,652	1,462,346
Other assets	6,553,393	5,487,449
Total Assets	$ 419,138,785	$ 364,382,905
Liabilities and Shareholders' Equity		
Liabilities		
Deposits	$ 240,934,864	$ 219,364,035
Securities Sold Under Repurchase Agreements	14,361,356	11,867,839
Advances from Federal Home Loan Bank	126,408,650	103,881,716
Notes payable	0	687,500
Other Liabilities	2,666,495	1,898,700
Total Liabilities	384,371,365	337,699,790
Guaranteed Preferred Beneficial Interests in the Company's Junior Subordinated Debentures	7,172,998	0
Shareholders' Equity		
Common stock, $1.00 par value, 15,000,000 shares authorized. 2,786,095 and 2,768,624 shares issued at 03/31/00 and 06/30/99, respectively. 2,690,450 and 2,768,624 shares outstanding at 03/31/00 and 6/30/99, respectively	2,786,095	2,768,624
Additional paid in capital	10,265,729	10,208,299
Retained earnings	16,196,310	14,145,720
Accumulated other comprehensive income (loss)	(851,393)	(439,528)
	28,396,741	26,683,115
Treasury Stock at cost, 95,645 and 0 shares at 03/31/00 and 6/30/99, respectively.	(802,319)	0
Total Shareholders' Equity	27,594,422	26,683,115
Total Liabilities and Shareholders' Equity	$ 419,138,785	$ 364,382,905

NORTHEAST BANCORP AND SUBSIDIARIES
Consolidated Statements of Income
(Unaudited)

Three Months Ended

	March 31, 2000	March 31, 1999
Interest and Dividend Income		
Interest on FHLB overnight deposits	$ 50,778	$ 89,478
Interest on loans & Loans held for sale	7,671,932	6,140,300
Interest on available for sale securities	429,945	283,269
Dividends on Federal Home Loan Bank stock	109,795	89,643
Other Interest Income	6,951	6,588
Total Interest Income	8,269,401	6,609,278
Interest Expense		
Deposits	2,639,007	2,143,909
Repurchase agreements	136,368	95,483
Trust preferred securities	176,336	-
Other borrowings	1,820,771	1,340,474
Total Interest Expense	4,772,482	3,579,866
Net Interest Income	3,496,919	3,029,412
Provision for loan losses	195,147	120,007
Net interest income after Provision for Loan Losses	3,301,772	2,909,405
Other Income		
Service charges	297,190	253,507
Net securities gains	30,807	11,035
Net gain on trading securities	3,813	0
Other	314,609	468,666
Total Other Income	646,419	733,208
Other Expenses		
Salaries and employee benefits	1,366,785	1,121,727
Net occupancy expense	248,954	290,583
Equipment expense	239,983	213,462
Goodwill amortization	68,565	74,094
Other	667,180	788,973
Total Other Expenses	2,591,467	2,488,839
Income Before Income Taxes	1,356,724	1,153,774
Income tax expense	479,459	410,268
Net Income	$ 877,265	$ 743,506
Earnings Per Common Share		
Basic	$ 0.32	$ 0.27
Diluted	$ 0.32	$ 0.27

NORTHEAST BANCORP AND SUBSIDIARIES
Consolidated Statements of Income
(Unaudited)

	Nine Months Ended March 31, 2000	Nine Months Ended March 31, 1999
Interest and Dividend Income		
Interest on FHLB overnight deposits	$ 173,442	$ 279,571
Interest on loans & Loans held for sale	22,127,054	18,629,287
Interest on available for sale securities	1,070,335	654,708
Dividends on Federal Home Loan Bank stock	305,205	271,481
Other Interest Income	16,304	17,103
Total Interest Income	23,692,340	19,852,150
Interest Expense		
Deposits	7,525,073	6,431,561
Repurchase agreements	431,366	234,758
Trust preferred securities	250,267	-
Other borrowings	4,995,798	4,157,492
Total Interest Expense	13,202,504	10,823,811
Net Interest Income	10,489,836	9,028,339
Provision for loan losses	686,260	489,428
Net interest income after Provision for Loan Losses	9,803,576	8,538,911
Other Income		
Service charges	887,423	776,427
Net securities gains	56,668	69,525
Net gain on trading securities	3,813	10,732
Other	939,547	1,224,521
Total Other Income	1,887,451	2,081,205
Other Expenses		
Salaries and employee benefits	3,957,682	3,509,956
Net occupancy expense	697,896	729,749
Equipment expense	700,571	606,425
Goodwill amortization	205,694	222,280
Other	2,234,878	2,308,172
Total Other Expenses	7,796,721	7,376,582
Income Before Income Taxes	3,894,306	3,243,534
Income tax expense	1,378,576	1,163,423
Net Income	$ 2,515,730	$ 2,080,111
Earnings Per Common Share		
Basic	$ 0.91	$ 0.76
Diluted	$ 0.91	$ 0.74

NORTHEAST BANCORP AND SUBSIDIARIES
Consolidated Statements of Changes in Shareholders' Equity
Nine Months Ended March 31, 2000 and 1999

	Preferred Stock	Common Stock at $1.00 Par	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance at June 30, 1998	$ 999,988	$2,614,285	$ 9,258,107	$ 12,331,595	$ (64,448)	$ -	$ 25,139,527
Net income for nine months ended March 31, 1999	-	-	-	2,080,111	-	-	2,080,111
Other comprehensive income, net of tax:							
Adjustment of valuation reserve for securities available for sale	-	-	-	-	(142,244)	-	(142,244)
Total comprehensive income	-	-	-	-	-	-	1,937,867
Dividends on common stock at $0.21 per share	-	-	-	(423,940)	-	-	(423,940)
Dividends on preferred stock	-	-	-	(25,667)	-	-	(25,667)
Preferred stock converted to common stock	(999,988)	136,362	863,626	-	-	-	-
Common stock issued in connection with employee benefit and stock option plans	-	15,336	68,173	-	-	-	83,509
Balance at March 31,1999	$ -	$2,765,983	$10,189,906	$ 13,962,099	$ (206,692)	$ -	$ 26,711,296
Balance at June 30, 1999	$ -	$2,768,624	$10,208,299	$ 14,145,720	$ (439,528)	$ -	$ 26,683,115
Net income for nine months ended March 31, 2000	-	-	-	2,515,730	-	-	2,515,730
Other comprehensive income, net of tax:							
Adjustment of valuation reserve for securities available for sale	-	-	-	-	(411,865)	-	(411,865)
Total comprehensive income	-	-	-	-	-	-	2,103,865
Dividends on common stock at $0.25 per share	-	-	-	(465,140)	-	-	(465,140)
Common stock issued in connection with employee benefit and stock option plans	-	17,471	57,430	-	-	5,446	80,347
Treasury stock purchased	-	-	-	-	-	(807,765)	(807,765)
Balance at March 31, 2000	$ -	$2,786,095	$10,265,729	$ 16,196,310	$ (851,393)	$ (802,319)	$ 27,594,422

NORTHEAST BANCORP AND SUBSIDIARIES
Consolidated Statements of Cash Flow
(Unaudited)

	Nine Months Ended March 31, 2000	Nine Months Ended March 31, 1999
Cash provided by operating activities	$ 3,068,421	$ 950,817
Cash flows from investing activities:		
FHLB stock Purchased	(665,900)	-
Available for sale securities purchased	(8,803,080)	(15,307,160)
Available for sale securities matured	2,243,738	3,169,943
Available for sale securities sold	235,041	6,618,573
New loans, net of repayments & charge offs	(48,757,131)	(24,476,252)
Net capital expenditures	(230,722)	(982,014)
Assets acquired through foreclosure sold	483,024	422,742
Real estate held for investment sold	14,967	50,000
Net cash used in investing activities	(55,480,063)	(30,504,168)
Cash flows from financing activities:		
Net change in deposits	21,570,829	28,686,185
Net change in repurchase agreements	2,493,517	4,286,107
Dividends paid	(465,140)	(449,607)
Proceeds from stock issuance	80,347	83,509
Treasury Stock purchased	(802,319)	-
Net increase (decrease) in advances from Federal Home Loan Bank of Boston	22,526,934	(2,328,463)
Proceeds from issuance of guaranteed preferred beneficial interests in the Company's junior subordinated debentures	7,172,998	-
Payments for debt issue cost	(490,757)	-
Net change in notes payable	(687,500)	(229,167)
Net cash provided by financing activities	51,398,909	30,048,564
Net (decrease) increase in cash and cash equivalents	(1,012,733)	495,213
Cash and cash equivalents, beginning of period	12,093,570	12,151,966
Cash and cash equivalents, end of period	$ 11,080,837	$ 12,647,179

Cash and cash equivalents include cash on hand, amounts due from banks and interest bearing deposits.

Supplemental schedule of noncash activities:		
Net change in valuation for unrealized market value adjustments on available for sale securities	(411,865)	(142,244)
Net transfer from Loans to Other Real Estate Owned	127,276	97,332
Supplemental disclosure of cash paid during the period for:		
Income taxes paid, net of refunds	1,311,000	1,105,000
Interest paid	12,866,053	10,801,119

NORTHEAST BANCORP AND SUBSIDIARIES
Notes to Consolidated Financial Statements
March 31, 2000

1. Basis of Presentation

The accompanying unaudited condensed and consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine-month period ended March 31, 2000 are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2000. For further information, refer to the audited consolidated financial statements and footnotes thereto for the fiscal year ended June 30, 1999 included in the Company's Annual Report on Form 10-K.

2. Guaranteed Preferred Beneficial Interests in the Company's Junior Subordinated Debentures

NBN Capital Trust ("NBNCT") a Delaware statutory trust, was created on October 4, 1999. The NBNCT exists for the exclusive purpose of (i) issuing and selling Common Securities and Preferred Securities of NBNCT (together the "Trust Securities"), (ii) using the proceeds of the sale of Trust Securities to acquire 9.60% Junior Subordinated Deferrable Interest Debentures ("Junior Subordinated Debentures") issued by the Company, and (iii) engaging only in those other activities necessary, convenient, or incidental thereto (such as registering the transfer of the Trust Securities). Accordingly the Junior Subordinated Debentures will be the sole assets of the NBNCT. The preferred securities accrue and pay distributions quarterly at an annual rate of 9.60% of the stated liquidation amount of $7.00 per preferred security. The Company has fully and unconditionally guaranteed all of the obligations of NBNCT. The guaranty covers the quarterly distributions and payments on liquidation or redemption of the preferred securities, but only to the extent of funds held by NBNCT. The preferred securities are mandatory redeemable upon the maturity of the Junior Subordinated Debentures on December 31, 2029 or upon earlier redemption as provided in the Indenture. The Company has the right to redeem the Junior Subordinated Debentures, in whole or in part on or after December 31, 2004 at a redemption price specified in the Indenture plus any accrued but unpaid interest to the redemption date. The Company owns all of the Common Securities of NBNCT, the only voting security, and as a result it is a subsidiary of the Company.

3. Securities

Securities available for sale at cost and approximate market values are summarized below.

	March 31, 2000		June 30,1999	
	Cost	Market Value	Cost	Market Value
Debt securities issued by the U.S.Treasury and other U.S. Government corporations and agencies	$ 594,270	$ 592,036	$ 596,626	$ 598,445
Corporate bonds	201,135	194,641	201,916	199,527
Mortgage-backed securities	22,898,432	21,904,388	16,653,302	16,027,028
Equity securities	1,412,858	1,125,641	1,268,424	1,229,317
	$25,106,695	$23,816,706	$18,720,268	$18,054,317

	March 31, 2000		June 30, 1999	
	Cost	Market Value	Cost	Market Value
Due in one year or less	$ 494,270	$ 494,270	$ 496,626	$ 497,820
Due after one year through five years	201,135	194,641	301,916	300,152
Due after five years through ten years	100,000	97,766	0	0
Mortgage-backed securities (including securities with interest rates rangine from 5.15% to 9.0% maturing September 2003 to November 2029)	22,898,432	21,904,388	16,653,302	16,027,028
Equity securities	1,412,858	1,125,641	1,268,424	1,229,317
	$25,106,695	$23,816,706	$18,720,268	$18,054,317

4. Allowances for Loan Losses

The following is an analysis of transactions in the allowance for loan Losses:

	Nine Months Ended March 31, 2000	1999
Balance at beginning of year	$ 2,924,000	$ 2,978,000
Add provision charged to operations	686,260	489,428
Recoveries on loans previously charged off	201,811	136,296
	3,812,071	3,603,724
Less loans charged off	525,071	674,724
Balance at end of period	$ 3,287,000	$ 2,929,000

5. Advances from Federal Home Loan Bank

A summary of borrowings from the Federal Home Loan Bank is as follows:

March 31, 2000

Principal Amounts	Interest Rates	Maturity Dates
$ 96,500,000	4.85% - 6.58%	2001
2,657,008	5.38% - 6.49%	2002
7,166,179	5.97% - 6.64%	2003
5,383,250	5.69% - 6.67%	2004
1,702,213	5.55%	2005
4,000,000	5.44% - 6.65%	2006
8,000,000	5.59% - 5.68%	2008
1,000,000	5.40	2009
$ 126,408,650		

June 30, 1999

Principal Amounts	Interest Rates	Maturity Dates
$ 42,000,000	4.64% - 6.27%	2000
3,148,288	4.98% - 6.40%	2001
2,815,780	5.38% - 6.49%	2002
9,515,546	5.69% - 6.64%	2003
3,402,102	5.55% - 6.67%	2004
9,000,000	5.25% - 6.65%	2005
34,000,000	4.89% - 5.68%	2008
$ 103,881,716		

6. Loans

The following is a summary of the composition of loans at:

	March 31, 2000	June 30, 1999
Residential Mortgage	$ 189,379,763	$ 182,244,336
Commercial Real Estate	59,773,566	55,437,983
Construction	6,643,506	1,685,649
Commercial	39,266,556	34,647,058
Consumer & Other	70,883,389	43,642,768
Total	365,946,780	317,657,794
Less Net Deferred Costs	(2,448,765)	(1,328,453)
Net Loans	$ 368,395,545	$ 318,986,247

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

Description of Operations

Northeast Bancorp (the "Company"), is a unitary savings and loan holding company registered with the Office of Thrift Supervision ("OTS") its primary regulator. The Company's principal asset is its wholly-owned banking subsidiary, Northeast Bank, FSB (the "Bank"), which has branches located in Auburn, Augusta, Bethel, Harrison, South Paris, Buckfield, Mechanic Falls, Brunswick, Richmond, Lewiston, and Lisbon Falls, Maine. The Bank also maintains a facility on Fundy Road in Falmouth, Maine, from which loan applications are accepted and investment, insurance and financial planning products services are offered. Although the Bank's deposits are primarily insured through the Bank Insurance Fund ("BIF"), deposits at the Brunswick branch, which represent approximately 22% of the Bank's total deposits at March 31, 2000 are SAIF-insured.

Northeast Bancorp through its subsidiary, Northeast Bank and the Bank's subsidiary Northeast Financial Services, Inc., provide a broad range of financial services to individuals and companies in western, midcoast and south-central Maine. Substantially all income and services are derived from banking products and services in Maine.

This Management's Discussion and Analysis of Financial Condition and Results of Operations presents a review of the material changes in the financial condition of the Company from June 30, 1999 to March 31, 2000, and the results of operations for the three and nine months ended March 31, 2000 and 1999. This discussion and analysis is intended to assist in understanding the financial condition and results of operations of the Company. Accordingly, this section should be read in conjunction with the consolidated financial statements and the related notes and other statistical information contained herein.

Certain statements contained herein are not based on historical facts and are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to financial condition and future prospects, loan loss reserve adequacy, simulation of changes in interest rates, prospective results of operations, capital spending and financing sources, and revenue sources. These statements relate to expectations concerning matters that are not historical facts. Forward-looking statements, which are based on various assumptions (some of which are beyond the Company's control), may be identified by reference to a future period or periods, or by the use of forward-looking terminology such as "believe", "expect", "estimate", "anticipate", "continue", "plan", "approximately", "intend", or other similar terms or variations on those terms, or future or conditional verbs such as "will", "may", "should", "could", and "would". Such forward-looking statements reflect the current view of management and are based on information currently available to them, and upon current expectations, estimates, and projections regarding the Company and its industry, management's belief with respect there to, and certain assumptions made by management. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors. Accordingly, actual results could differ materially from those set forth in forward-looking statements due to a variety of factors, including, but not limited to, those related to the economic environment, particularly in the market areas in which the Company operates, competitive products and pricing, fiscal and monetary policies of the U.S. Government, changes in government regulations affecting financial institutions, including regulatory fees and capital requirements, changes in prevailing interest rates, acquisitions and the integration of acquired businesses, credit risk management, asset/liability management, changes in technology, changes in the securities markets, and the availability of and the costs associated with sources of liquidity. For a more complete discussion of such risks, please refer to the Company's Form 10-K for the year ended June 30, 1999 under the section entitled "Business-Forward-Looking Statements".

Financial Condition

Total consolidated assets were $419,138,785 on March 31, 2000, which represents an increase of $54,755,880 from June 30, 1999. The increase in assets is primarily due to loan growth. Loan volume during the nine month period has been enhanced due to increased generation of consumer loans through the Bank's participation in indirect automobile loans and mobile home loans as well as increased volume in residential and commercial loans. The increase in loans has been funded with increased deposits, repurchase agreements, and Federal Home Loan Bank ("FHLB") borrowings. In this regard, total loans and securities increased by $49,409,298 and $5,762,389, respectively, from June 30, 1999 to March 31, 2000, while cash equivalents decreased by $1,012,733 during the same period. Total deposits and repurchase agreements increased by $24,064,346 from June 30, 1999 to March 31, 2000. FHLB borrowings also increased by $22,526,934 during the same period.

At March 31, 2000, the carrying value of securities available for sale by the Company was $23,816,706, which is $1,289,989 less than the cost of the underlying securities. The increase of $5,762,389 in securities available for sale, from June 30, 1999 to March 31, 2000, was primarily due to the Company purchasing mortgage-backed securities, taking advantage of the higher yields on these investments during the current increasing rate environment. The difference between the carrying value and the cost of the securities was primarily attributable to the decline in the market value of mortgage-backed securities due to rising interest rates. The net unrealized loss on mortgage-backed securities was $994,044 at March 31, 2000. Substantially all of the mortgage-backed securities are high grade government backed securities. As in any long term earning asset in which the earnings rate is fixed, the market value of mortgage-backed securities will fluctuate based on changes in market interest rates from the time of purchase. Since these mortgage-backed securities are backed by the U.S. Government, there is virtually no risk of loss of principal. Management believes that the yields currently received on this portfolio are satisfactory and intends to hold these securities for the foreseeable future. Management attributes the reduction of $287,217 in the market value of equity securities to the decline on the market value of the Company's investments in preferred equity securities. Management reviews the portfolio of investments on an ongoing basis to determine if there has been an other-than-temporary decline in value. Some of the considerations management makes in the determination are market valuations of particular securities and economic analysis of the securities' sustainable market values based on the underlying companies' profitability.

FHLB stock increased by $665,900 from June 30, 1999 to March 31, 2000, due to the increase in FHLB borrowings. The FHLB requires institutions to hold a certain level of FHLB stock based on advances outstanding.

Total loans increased by $49,409,298 for the nine months ended March 31, 2000. From June 30, 1999 to March 31, 2000, the loan portfolio increased by $16,721,170 in real estate mortgage loans, $28,062,454 in consumer and other loans, and by $4,625,674 in commercial loans. The increase in consumer loans was primarily due to the increased volume in indirect automobile loans and mobile home loans. The loan portfolio contains elements of credit and interest rate risk. The Bank primarily lends within its local market areas, which management believes helps them to better evaluate credit risk. The Bank's local market, as well as the secondary market, continues to be very competitive for loan origination volume. The local competitive environment and customer responses to favorable secondary market rates have affected the Bank's ability to increase the loan portfolio. The Bank has supplemented its loan portfolio by purchasing mortgage loans locally and from other states. In December 1999, the Bank purchased approximately $3,200,000 of 1-4 family mortgages. The purchase consisted of 1-4 family adjustable rate mortgages secured by property located in the State of Tennessee. As the Bank expands its purchase of loans in other states, management researches the strength of the economy in the respective state and underwrites every loan before purchase. These steps are taken to better evaluate and minimize the credit risk of out-of-state purchases. Also, in an effort to increase loan volume, the Bank's offering rates for its loan products have been reduced to compete in the various markets. The Bank has experienced margin compression due to decreased loan rates as well as increased rates on its cost of funds. The Bank anticipates that the margin compression will continue for the foreseeable future until loan volume increases in the current rising interest rate environment.

At March 31, 2000, residential real estate mortgages consisting of owner-occupied residential loans made up 53% of the total loan portfolio, of which 37% of the residential loans are variable rate products. At March 31, 1999, residential real estate mortgages made up 61% of the total loan portfolio, of which 42% were variable rate products. Although the Bank has purchased fixed rate loans, it is management's intent, where market opportunities arise, to increase the volume in variable rate residential loans to reduce the interest rate risk in this area.

At March 31, 2000, 17% of the Bank's total loan portfolio balance is commercial real estate mortgages. Commercial real estate loans have minimal interest rate risk as 87% of the portfolio consists of variable rate products. At March 31, 1999, commercial real estate mortgages made up 18% of the total loan portfolio, of which 84% were variable rate products. The Bank tries to mitigate credit risk by lending in its local market area as well as maintaining a well-collateralized position in real estate.

Commercial loans made up 11% of the total loan portfolio, of which 44% are variable rate instruments at March 31, 2000. At March 31, 1999 commercial loans made up 10% of the total loan portfolio, of which 46% were variable rate instruments. The repayment ability of commercial loans is highly dependent on the cash flow of the customer's business. The Bank mitigates losses by strictly adhering to the Company's underwriting and credit policies.

Consumer and other loans made up 19% of the loan portfolio as of March 31, 2000, which compares to 11% at March 31, 1999. Since these loans are primarily fixed rate products, they have interest rate risk when market rates increase. The increase in consumer loans was primarily due to increased volume in indirect automobile loans and mobile home loans, which together comprise approximately 88% of the total consumer loans. The consumer loan department underwrites all the indirect automobile loans and mobile home loans to mitigate credit risk. The Bank primarily pays a nominal one time origination fee on the loans. The fees are deferred and amortized over the life of the loans as a yield adjustment. Management attempts to mitigate credit and interest rate risk by keeping the products offered short-term, receiving a rate of return commensurate with the risk, and lending to individuals in the Bank's known market areas.

The Bank's allowance for loan losses was $3,287,000 as of March 31, 2000 as compared to $2,924,000 as of June 30, 1999, representing 0.89% and 0.92% of total loans, respectively. The Bank had non-performing loans totaling $1,785,000 and $1,144,000 at March 31, 2000 and June 30, 1999, respectively, which was 0.48% and 0.36% of total loans, respectively. The increase in the 1-4 family residential and commercial non-performing loan balances was due to the increase of three loans in each category. The Bank's allowance for loan losses was equal to 184% and 256% of the total non-performing loans at March 31, 2000 and June 30, 1999, respectively. At March 31, 2000, the Bank had approximately $1,153,000 of loans classified substandard, exclusive of the non-performing loans stated above, that could potentially become non-performing due to delinquencies or marginal cash flows. These substandard loans increased by $412,000 when compared to the $741,000 at June 30, 1999. The increase was attributed to management downgrading certain loans during its internal review process.

The following table represents the Bank's non-performing loans as of March 31, 2000 and June 30, 1999, respectively:

Description	March 31, 2000	June 30, 1999
1-4 Family Mortgages	$ 560,000	$ 293,000
Commercial Mortgages	674,000	654,000
Commercial Loans	325,000	0
Consumer Installment	226,000	197,000
Total non-performing	$ 1,785,000	$ 1,144,000

The following table reflects the quarterly trend of total delinquencies 30 days or more past due, including non-performing loans, for the Bank as a percentage of total loans:

03-31-00	12-31-99	09-30-99	06-30-99
1.08%	1.15%	0.72%	0.76%

At March 31, 2000, loans classified as non-performing of $1,785,000 included approximately $102,000 of loan balances that are current and paying as agreed, but which the Bank maintains as non-performing until the borrower has demonstrated a sustainable period of performance.

The level of the allowance for loan losses as a percentage of total loans has decreased due to the increase of loan volume as well as the level of allowance for loan losses as a percentage of non-performing loans decreased due to the increase in non-performing loans at March 31, 2000, when compared to June 30, 1999. The Company has experienced good growth in the commercial and consumer loan portfolio during the March 31, 2000 quarter, however these type of loans have additional credit risk as compared to real estate mortgage loans. Although these types of loans have increased, the decrease in the allowance for loan losses as a percentage of total loans was supported by management's ongoing analysis of the adequacy of the allowance for loan losses. The increase in the delinquency percentage from September 30, 1999 to December 31, 1999 was due to an increase in the 30 day delinquent category of 1-4 family and commercial mortgages as well as consumer loans. Total delinquencies decreased slightly from December 31, 1999 to March 31, 2000. Although delinquencies and non-performing loans increased during the current fiscal year, management does not consider this to be a potential trend at this point in time. Classified loans are also considered in management's analysis of the adequacy of the allowance for loan losses. Based on reviewing the credit risk and collateral of classified loans, management has considered the risks of the classified portfolio and believes the allowance for loan losses is adequate.

On a regular and ongoing basis, management evaluates the adequacy of the allowance for loan losses. The process to evaluate the allowance involves a high degree of management judgement. The methods employed to evaluate the allowance for loan losses are quantitative in nature and consider such factors as the loan mix, the level of non-performing loans, delinquency trends, past charge-off history, loan reviews and classifications, collateral, and the current economic climate.

Management believes that the allowance for loan losses is adequate considering the level of risk in the loan portfolio. While management uses its best judgement in recognizing loan losses in light of available information, there can be no assurance that the Company will not have to increase its provision for loan losses in the future as a result of changing economic conditions, adverse markets for real estate or other factors. In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Bank's allowance for loan losses. Such agencies may require the Bank to recognize additions to the allowance for loan losses based on their judgements about information available to them at the time of their examination. The Bank's most recent examination by the OTS was on November 30, 1998. At the time of the exam the regulators proposed no additions to the allowance for loan losses.

At March 31, 2000, the Bank's premises and equipment decreased by $398,945 when compared to June 30, 1999. The reduction in assets was due to normal depreciation.

The Bank served its Augusta, Maine location with two branch offices. As of March 31, 2000, the Bank consolidated its loan and deposit customers to the Western Avenue branch and closed the Bangor Street location. The merging of these two branches allows the Bank to continue to serve the Augusta, Maine community with greater efficiency with little or no disruption. The Bangor street branch was under a lease agreement, which had expired. The relocation expenses were not material and the employees were absorbed into other available positions within the Bank or decreased through attrition. The closure of the branch did not have a material impact on the financial condition or operations of the Company.

Other assets increased by $1,065,944 from June 30, 1999 to March 31, 2000. The increase was due to the increase in capitalized loan servicing rights and the purchase of non-marketable investments as well as the deferred issuance costs associated with the Company's trust preferred security offering.

Other liabilities increased by $767,795 compared to June 30, 1999, due primarily to increases in accrued expenses and escrow accounts.

Capital Resources and Liquidity

The Bank continues to attract new local deposit relationships. The Bank utilizes, as alternative sources of funds, brokered certificate of deposits ("C.D.s") when national deposit interest rates are less than the interest rates on local market deposits. Brokered C.D.s are also used to supplement the growth in earning assets. Brokered C.D.s carry the same risk as local deposit C.D.s, in that both are interest rate sensitive with respect to the Bank's ability to retain the funds. The Bank also utilizes FHLB advances, as alternative sources of funds, when the interest rates of the advances are less than market deposit interest rates. FHLB advances are also used to fund short-term liquidity demands.

Total deposits were $240,934,864 and securities sold under repurchase agreements were $14,361,356 as of March 31, 2000. These amounts represent an increase of $21,570,829 and $2,493,517, respectively, compared to June 30, 1999. The increase in deposits was primarily due to the increase in time deposits. The increase in time deposits was attributable to various special offerings as well as normal growth from the branch market areas. The Bank has devoted additional staffing to increase its balances in repurchase agreements. Repurchase agreements enhance the Bank's ability to attain additional municipal and commercial relationships, improving its overall liquidity position in a cost effective manner. Brokered deposits represented $18,878,471 of the total deposits at March 31, 2000, which increased by $5,420,214 compared to the $13,458,257 balance as of June 30, 1999. Cross selling strategies are employed by the Bank to enhance deposit growth. Even though deposit interest rates have remained competitive, the rates of return are potentially higher with other financial instruments such as mutual funds and annuities. Like other companies in the banking industry, the Bank will be challenged to maintain and/or increase its core deposits.

Total advances from the FHLB were $126,408,650 as of March 31, 2000; an increase of $22,526,934 compared to June 30, 1999. The cash received from the increase in FHLB advances and deposits were utilized to fund the Bank's loan growth. The Bank has unused borrowing capacity from the FHLB through its advances program. The Bank's current advance availability, subject to the satisfaction of certain conditions, is approximately $11,700,000 over and above the March 31, 2000 advances. Mortgages, free of liens, pledges and encumbrances are required to be pledged to secure FHLB advances. The Bank's ability to access principal sources of funds is immediate and with the borrowing capacity at the Federal Home Loan Bank, the normal growth in bank deposits and repurchase agreements and the immediate availability of the Bank's cash equivalents as well as securities available for sale, management believes that the Company's available liquidity resources are sufficient to support the Company's needs.

Total equity of the Company was $27,594,422 as of March 31, 2000 as compared to $26,683,115 at June 30, 1999. Book value per common share was $10.26 as of March 31, 2000 as compared to $9.64 at June 30, 1999. The total equity to total assets ratio of the Company was 6.58% as of March 31, 2000 and 7.32% at June 30, 1999.

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), contains various provisions intended to capitalize BIF and also affects a number of regulatory reforms that impact all insured depository institutions, regardless of the insurance fund in which they participate. Among other things, FDICIA grants the OTS broader regulatory authority to take prompt corrective action against insured institutions that do not meet capital requirements, including placing undercapitalized institutions into conservatorship or receivership. FDICIA also grants the OTS broader regulatory authority to take corrective action against insured institutions that are otherwise operating in an unsafe and unsound manner.

FDICIA defines specific capital categories based on an institution's capital ratios. Although no capital requirements are imposed on the Company, the Bank is subject to such requirements established by the OTS. The OTS has issued regulations requiring a savings institution to maintain a minimum regulatory tangible capital equal to 1.5% of adjusted total assets, core capital of 3.0%, leverage capital of 4.0% and a risk-based capital standard of 8.0%. The prompt corrective action regulations define specific capital categories based on an institution's capital ratios. The capital categories, in declining order, are "well capitalized", "adequately capitalized", "undercapitalized", "significantly undercapitalized", and "critically undercapitalized". As of March 31, 2000, the Bank met the definition of a well capitalized institution. There are no conditions or events since that notification that management believes has changed the institution's category.

At March 31, 2000, the Bank's regulatory capital, which includes capital downstreamed of $4,000,000 by the parent as a result of a trust preferred security offering as described below, was in compliance with regulatory capital requirements as follows:

	Actual		For Capital Adequacy Purposes		To Be " Well Capitalized" Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
(Dollars in Thousands)						
As of March 31, 2000:						
Tier 1 (Core) capital (to risk weighted assets)	$ 32,238	10.81%	$ 11,924	4.00%	$ 17,887	6.00%
Tier 1 (Core) capital (to total assets)	$ 32,238	7.71%	$ 16,721	4.00%	$ 20,902	5.00%
Total Capital (to risk weighted assets)	$ 34,349	11.52%	$ 23,849	8.00%	$ 29,811	10.00%

Management believes that there are adequate funding sources to meet its future liquidity needs for the foreseeable future. Primary among these funding sources are the repayment of principal and interest on loans, the renewal of time deposits, and the growth in the deposit base. Management does not believe that the terms and conditions that will be present at the renewal of these funding sources will significantly impact the Company's operations, due to its management of the maturities of its assets and liabilities.

During the quarter ended December 31, 1999, the Company also generated additional liquidity and funding through the issuance of certain debt instruments. In this regard, on October 4, 1999, the Company formed NBN Capital Trust, a Delaware statutory trust and a wholly-owned subsidiary of the Company (the "Trust"), for the purpose of (i) issuing and selling in common securities to the Company and its trust preferred securities to the public, and (ii) using the proceeds therefrom to purchase 9.60% Junior Subordinated Deferrable Interest Debentures ("Junior Subordinated Debentures") from the Company. Accordingly, the Junior Subordinated Debentures are, and will be, the sole asset of the Trust. In the quarter ended December 31, 1999, the Trust sold $7,172,998 of its trust preferred securities to the public and $221,851 of its common securities to the Company. The Trust used the proceeds to purchase $7,394,849 in principal amount of the Junior Subordinated Debentures issued by the Company. The Company will pay interest on the Junior Subordinated Debentures at a rate of 9.60% to the Trust at the end of each quarter, which is equal to the dividend rate payable to the holders of the Trust's preferred securities. The cost of the issuance of the preferred securities was approximately $491,000 and is treated as a deferred asset and will be amortized over the life of the securities. Following the offer and sale of the Trust's securities, the Company owned and currently holds all of the outstanding common securities of the Trust, its only voting securities, and as a result the Trust is a subsidiary of the Company. The Company used the net proceeds of the offering, approximately $6,700,000, for the following purposes: (i) contributed $4,000,000 as additional capital for the Bank, (ii) allocated $1,000,000 for the Company's stock buy-back program, (iii) paid off the remaining principal balance of $535,000 on its note payable, and (iv) retained the remaining $1,200,000 for general corporate requirements as they may arise from time to time.

The Company downstreamed $4,000,000 of the funds received from the junior subordinated debentures to the Bank. The funds are allowed under the Office of Thrift Supervision regulations to be used as capital at the Bank. As discussed above, these funds have increased the regulatory capital position at the Bank and are reported in the capital adequacy chart above. The increase in regulatory capital will allow the Bank to fund loan growth for the foreseeable future.

In December 1999, the Board of Directors of Northeast Bancorp approved a plan to repurchase up to $2,000,000 of its common stock. Under the common stock repurchase plan, Northeast Bancorp may purchase shares of its common stock from time to time in the open market at prevailing prices. Repurchased shares will be held in treasury and may be used in connection with employee benefits and other general corporate purposes. The Company does not believe that the current market price for its common stock adequately reflects full value and believes that the purchase of its common stock from time to time in the market is a good investment and use of its funds. As of March 31, 2000, the Company has repurchased approximately $802,000 of its common stock.

Cash provided by operating activities in the consolidated statements of cash flow increased by $2,117,604 from March 31, 1999 to March 31, 2000 as a result of the increase in net income and the adjustments to reconcile net income to net cash provided by operating activities. The reconciling items that increased operating activities were the market value adjustment of available for sale securities, the provision and recoveries to the loan loss allowance and the depreciation expense for premises and equipment.

Results of Operations

Net income for the quarter ended March 31, 2000 was $877,265 or basic and diluted earnings per share of $0.32, respectively. This compares to earnings of $743,506 or basic and diluted earnings per share of $0.27 for the quarter ended March 31, 1999. Net income for the nine months ended March 31, 2000 was $2,515,730 versus $2,080,111 for the period ended March 31, 1999. Basic and diluted earnings per share were $0.91, respectively, for the nine months ended March 31, 2000 versus basic earnings per share of $0.76 and diluted earnings per share of $0.74 for the period ended March 31, 1999.

The Company's net interest income was $10,489,836 for the nine months ended March 31, 2000, as compared to $9,028,339 for the nine months ended March 31, 1999, an increase of $1,461,497. Total interest income increased $3,840,190 during the nine months ended March 31, 2000 compared to the nine months ended March 31, 1999. Loan interest income increased by $1,531,632 and $3,497,767 for the three and nine months ended March 31, 2000 compared to March 31, 1999, respectively. The increase in loan interest income was primarily due to the increased volume in consumer loans during the three and nine month periods ended March 31, 2000. The increase in interest income was due primarily from an increase in the volume of loans offset in part by a decrease in rates. The increase in total interest expense of $2,378,693 for the nine months ended March 31, 2000 was due primarily from the increased volume of deposits and borrowings offset in part by the decrease in rates.

The changes in net interest income are presented in the schedule below.

Northeast Bancorp
Rate/Volume Analysis for the nine months ended
March 31, 2000 versus March 31, 1999

	Difference Due to Volume	Rate	Total
Investments	$ 352,107	$ 97,244	$ 449,351
Loans	3,676,876	(179,109)	3,497,767
FHLB & Other Deposits	(118,718)	11,790	(106,928)
Total	3,910,265	(70,075)	3,840,190
Deposits	1,329,959	(236,447)	1,093,512
Repurchase Agreements	200,769	(4,161)	196,608
Borrowings	929,698	158,875	1,088,573
Total	2,460,426	(81,733)	2,378,683
Net Interest Income	$ 1,449,839	$ 11,658	$ 1,461,497

Rate/Volume amounts spread proportionately between volume and rate.

The Company's business primarily consists of the savings and loan activities of the Bank. Accordingly, the success of the Company is largely dependent on its ability to manage interest rate risk. This is the risk that represents the potential changes in interest rates and those changes in interest rates may adversely affect net interest income. Generally, interest rate risk results from differences in repricing intervals or maturities between interest-earning assets and interest-bearing liabilities, the components of which comprise the interest rate spread. When such differences exist, a change in the level of interest rates will most likely result in an increase or decrease in net interest income. The Bank has shifted to a slightly liability sensitive position based on its own internal analysis which categorizes its core deposits as long term liabilities which are then matched to long term assets. As a result, the Bank will generally experience a contraction in its net interest margins during a period of increasing rates. Management is currently addressing the asset/liability mix to reposition the Bank to a slightly asset sensitive position.

Approximately 19% of the Bank's loan portfolio is comprised of floating rate loans based on a prime rate index. Interest income on these existing loans will increase as the prime rate increases, as well as on approximately 20% of other loans in the Bank's portfolio that are based on short-term rate indices such as the one-year treasury bill. An increase in short-term interest rates will also increase deposit and FHLB advance rates, increasing the Company's interest expense. Although the Company has experienced some net interest margin compression, the impact on net interest income will depend on, among other things, actual rates charged on the Bank's loan portfolio, deposit and advance rates paid by the Bank and loan volume.

The provision for loan losses for the nine months ended March 31, 2000 increased by $196,832 when compared to March 31, 1999. Management believes the increase in the provision for loan losses was prudent to mitigate potential credit risk, based on the growth in the loan portfolio.

Total non-interest income was $646,419 and $1,887,451 for the three and nine months ended March 31, 2000 versus $733,208 and $2,081,205 for the three and nine months ended March 31, 1999. The decrease in total non-interest income was primarily due to the decrease in other income. Service fee income was $297,190 and $887,423 for the three and nine months ended March 31, 2000 versus $253,507 and $776,427 for the three and nine months ended March 31, 1999. The $43,683 and $110,996 service fee increase for the three and nine months ended March 31, 2000, respectively, was primarily due to an increase in loan servicing and deposit fee income. Gains from available for sale securities were $30,807 and $56,668 for the three and nine months ended March 31, 2000 versus $11,035 and $69,525 for the three and nine months ended March 31, 1999. The Company sold a portion of its available for sale securities during the three months period ended March 31, 2000, taking advantage of the fluctuation in market prices.

Other income was $314,609 and $939,547 for the three and nine months ended March 31, 2000, which was a decrease of $154,057 and $284,974 when compared to other income of $468,666 and $1,224,521 for the three and nine months ended March 31, 1999, respectively. The decrease in other income in the three and nine months ended March 31,2000, was primarily due to gains from 1-4 family mortgage and indirect auto loan sales that occurred in 1999 but did not occur at the same level in 2000. The decrease in gains was offset by increased fee income from trust and investment services.

Total non-interest expense for the Company was $2,591,467 and $7,796,721 for the three and nine months ended March 31, 2000, which was an increase of $102,628 and $420,139, respectively, when compared to total non-interest expense of $2,488,839 and $7,376,582 for the three and nine months ended March 31, 1999. The increase in non-interest expense for the three and nine months ended March 31, 2000 as compared to the three and nine months ended March 31, 1999 was due, in part, to the following items: (i) compensation expense increased for the three and nine months ended March 31, 2000 and was primarily due to the additional staffing for the new branch opened in Lewiston, Maine, the increased commission paid to brokers in the investment sales division due to growth in sales revenue and increased costs associated with the Company's health insurance and benefit plans, (ii) equipment expense increased for the three and nine month period due to the expenses associated with opening the new Lewiston branch as well as the conversion of the mainframe hardware and software and tele-communication system. The Company relocated its benefit administration department during March 1999 and incurred a one time lease penalty to terminate its existing lease contract. Due to this one time expense in March 1999, occupancy expenses as of March 31, 2000 decreased when compared to March 31, 1999.

Other expenses decreased by $121,793 and $73,294 for three and six months ended March 31, 2000 compared to the three and nine months ended March 31, 1999. The decrease was primarily due to the costs associated with the opening of the Lewiston branch in March 1999 and was not incurred again during the three and nine months ended March 31, 2000. Due to these additional costs during the prior period, other expenses decreased for the three and nine months ended March 31, 2000 due to the reduction in advertising expense, supplies expense and professional fees. Other expenses also decreased due to reductions in travel and meetings expenses, shareholder relations expenses and general business insurance.

The Company's income tax expense increased by $69,191 and $215,153 for the three and nine months ended March 31, 2000, when compared to the three and nine months ended March 31, 1999. The increase in income tax expense is due to increased earnings before tax.

Impact of Inflation

The consolidated financial statements and related notes herein have been presented in terms of historic dollars without considering changes in the relative purchasing power of money over time due to inflation. Unlike industrial companies, substantially all of the assets and virtually all of the liabilities of the Company are monetary in nature. As a result, interest rates have a more significant impact on the Company's performance than the general level of inflation. Over short periods of time, interest rates may not necessarily move in the same direction or in the same magnitude as inflation.

Year 2000

The Company addressed the Year 2000 issue and believes it has been successful. The Company has had no adverse affects to date regarding the century rollover period. There also have been no adverse implications from the Company's borrowers or depositors. The Company continued to monitor for any affects of the Year 2000 issue during the March 31, 2000 quarter and did not incur any adverse implications. As of March 31, 2000, the Company had incurred approximately $39,000 of capitalized purchases and $111,800 of cumulative Year 2000 expenses.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

There have been no material changes in the Company's market risk from June 30, 1999. For information regarding the Company's market risk, refer to the Company's Annual Report on Form 10-K dated as of June 30, 1999.

Part II - Other Information

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

11 Statement regarding computation of per share earnings.

27 Financial data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K have been filed during the quarter ended March 31, 2000.

SIGNATURES

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

Date: May 10, 2000 NORTHEAST BANCORP

By: James D. Delamater

James D. Delamater
President and CEO

By: Richard Wyman

Richard Wyman
Chief Financial Officer

NORTHEAST BANCORP
Index to Exhibits

EXHIBIT NUMBER	DESCRIPTION
11	Statement regarding computation of per share earnings
27	Financial data schedule

NORTHEAST Bancorp
Exhibit 11. Statement Regarding Computation of Per Share Earnings

	Three Months Ended March 31, 2000	Three Months Ended March 31, 1999
EQUIVALENT SHARES:		
Weighted Average Shares Outstanding	2,728,478	2,764,421
Total Diluted Shares	2,737,571	2,792,552
Net Income	$ 877,265	$ 743,506
Less Preferred Stock Dividend	-	-
Income Available to Common Stockholders	$ 877,265	$ 743,506
Basic Earnings Per Share	$ 0.32	$ 0.27
Diluted Earnings Per Share	$ 0.32	$ 0.27

	Nine Months Ended March 31, 2000	Nine Months Ended March 31, 1999
EQUIVALENT SHARES:		
Weighted Average Shares Outstanding	2,758,041	2,690,872
Total Diluted Shares	2,774,440	2,794,034
Net Income	$ 2,515,730	$ 2,080,111
Less Preferred Stock Dividend	-	25,667
Income Available to Common Stockholders	$ 2,515,730	$ 2,054,444
Basic Earnings Per Share	$ 0.91	$ 0.76
Diluted Earnings Per Share	$ 0.91	$ 0.74

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9-MOS
JUN-30-2000
MAR-31-2000
6,918,581
4,162,256
0
0
23,816,706
0
0
368,395,545
3,287,000
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