NATIONAL FUEL GAS CO
Form 4
May 14, 2008

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
CIPRICH PAULA M

(Last) (First) (Middle)

6363 MAIN STREET

(Street)

BUFFALO, NY 14221

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
NATIONAL FUEL GAS CO [NFG]

3. Date of Earliest Transaction (Month/Day/Year)
05/12/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
General Counsel. NFG Co.

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	04/15/2008		J	V	91 (1)	A	$ 50.4	14,901	D	
Common Stock	05/12/2008		M		7,660	A	$ 23.03	22,561	D	
Common Stock	05/12/2008		F		1,523	D	$ 55.955	21,038	D	
Common Stock	05/12/2008		F		3,152	D	$ 55.955	17,886	D	
Common Stock	05/13/2008		J	V	73 (2)	A	$ 0	5,368	I	401k Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	$ 23.03	05/12/2008		M			7,660	12/10/1999	12/11/2008	Common Stock	7,660

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CIPRICH PAULA M 6363 MAIN STREET BUFFALO, NY 14221			General Counsel. NFG Co.	

Signatures

Paula M. Ciprich	05/14/2008
**Signature of Reporting Person	Date

Explanation of Responses:

*	If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
**	Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
(1)	Routine acquisition under the NFG dividend reinvestment plan, exempt under Rule 16a-9(a).
(2)	Routine acquisition under the NFG 401(k) Plan Trust, exempt under Rule 16b-3(c), a non-reportable transaction.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. t;font-weight:bold;">

Real Estate

& Industrial

Consumer

Purchased

Unallocated

Total

(Dollars in thousands)

Beginning balance

$

34

$

147

$

238

$

18

$

$

$

437

Provision

425

(28

)

27

522

946

Explanation of Responses:

Recoveries

3

44

37

84

Charge-offs

(248

)

(26

)

(17

)

(352

)

Explanation of Responses:

(643

)

Ending balance

$

214

$

93

$

292

$

225

$

$

824

The following table sets forth information regarding the allowance for loan losses by portfolio segment and impairment methodology.

	June 30, 2013						
	Residential Real Estate	Commercial Real Estate	Commercial & Industrial	Consumer	Purchased	Unallocated	Total
	(Dollars in thousands)						
Allowance for loan losses:							
Individually evaluated	$ 235	$ 85	$ 63	$ 23	$ 65	$	$ 471
Collectively evaluated	359	88	7	166		41	661
ASC 310-30					11		11
Total	$ 594	$ 173	$ 70	$ 189	$ 76	$ 41	$ 1,143
Loans:							
Individually evaluated	$ 2,626	$ 1,558	$ 110	$ 149	$ 1,129	$	$ 5,572
Collectively evaluated	122,497	98,886	29,576	13,188			264,147
ASC 310-30					165,657		165,657
Total	$ 125,123	$ 100,444	$ 29,686	$ 13,337	$ 166,786	$	$ 435,376

	June 30, 2012						
	Residential Real Estate	Commercial Real Estate	Commercial & Industrial	Consumer	Purchased	Unallocated	Total
	(Dollars in thousands)						
Allowance for loan losses:							
Individually evaluated	$ 3	$ 41	$ 284	$	$	$	$ 328
Collectively evaluated	211	52	8	225			496
ASC 310-30							
Total	$ 214	$ 93	$ 292	$ 225	$	$	$ 824
Loans:							
Individually evaluated	$ 399	$ 2,057	$ 1,127	$	$ 1,055	$	$ 4,638
Collectively evaluated	133,241	99,326	18,485	17,149			268,201
ASC 310-30					83,415		83,415
Total	$ 133,640	$ 101,383	$ 19,612	$ 17,149	$ 84,470	$	$ 356,254

Table of Contents

The following table sets forth information regarding impaired loans. The recorded investment in impaired loans includes discounts or premiums from acquisition through purchase or merger. Interest income recognized includes interest received or accrued based on loan principal and contractual interest rates.

	At June 30, 2013			For the Year Ended June 30, 2013	
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
		(Dollars in thousands)		(Dollars in thousands)	
Impaired loans without a valuation allowance:					
Originated:					
Residential real estate	$ 1,158	$ 1,225	$	$ 891	$ 42
Consumer	88	93		59	4
Commercial real estate	434	479		1,183	70
Commercial business	47	101		144	3
Purchased:					
Commercial real estate	928	1,279		397	18
Residential real estate					
Total	2,655	3,177		2,674	137
Impaired loans with a valuation allowance:					
Originated:					
Residential real estate	1,468	1,420	235	1,045	75
Consumer	61	61	23	55	4
Commercial real estate	1,124	1,131	85	750	32
Commercial business	63	98	63	189	
Purchased:					
Commercial real estate	201	276	65	40	3
Residential real estate					
Total	2,917	2,986	471	2,079	114
Total impaired loans	$ 5,572	$ 6,163	$ 471	$ 4,753	$ 251

	At June 30, 2012			For the Year Ended June 30, 2012	
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
		(Dollars in thousands)		(Dollars in thousands)	
Impaired loans without a valuation allowance:					
Originated:					
Residential real estate	$ 293	$ 483	$	$ 235	$ 21
Consumer					
Commercial real estate	1,482	1,738		1,119	99
Commercial business	377	692		520	15
Purchased:					
Commercial real estate	1,055	1,462		211	
Residential real estate					
Total	3,207	4,375		2,085	135
Impaired loans with a valuation allowance:					
Originated:					

Residential real estate	106	103	3	73	
Consumer					
Commercial real estate	575	565	41	647	27
Commercial business	750	817	284	732	
Purchased:					
Commercial real estate					
Residential real estate					
Total	1,431	1,485	328	1,452	27
Total impaired loans	$ 4,638	$ 5,860	$ 328	$ 3,537	$ 162

66

Table of Contents

The following is a summary of past due and non-accrual loans:

	June 30, 2013							
	30-59 Days	60-89 Days	Past Due 90 Days or More-Still Accruing	Past Due 90 Days or More-Nonaccrual	Total Past Due	Total Current	Total Loans	Non-Accrual Loans
	(Dollars in thousands)							
Originated portfolio:								
Residential real estate	$ 278	$ 408	$	$ 1,965	$ 2,651	$ 87,083	$ 89,734	$ 2,346
Home equity	53	47		253	353	35,036	35,389	334
Commercial real estate	91	326		98	515	99,887	100,402	473
Construction						42	42	
Commercial business				44	44	29,642	29,686	110
Consumer	193	77		117	387	12,950	13,337	136
Total originated portfolio	615	858		2,477	3,950	264,640	268,590	3,399
Purchased portfolio:								
Residential real estate						2,706	2,706	
Commercial business						34	34	
Commercial real estate		2,210		1,135	3,345	160,701	164,046	1,457
Total purchased portfolio		2,210		1,135	3,345	163,441	166,786	1,457
Total loans	$ 615	$ 3,068	$	$ 3,612	$ 7,295	$ 428,081	$ 435,376	$ 4,856

	June 30, 2012							
	30-59 Days	60-89 Days	Past Due 90 Days or More-Still Accruing	Past Due 90 Days or More-Nonaccrual	Total Past Due	Total Current	Total Loans	Non-Accrual Loans
	(Dollars in thousands)							
Originated portfolio:								
Residential real estate	$ 261	$ 183	$	$ 2,907	$ 3,351	$ 87,593	$ 90,944	$ 3,090
Home equity	16	160		136	312	42,384	42,696	220
Commercial real estate		208		417	625	99,571	100,196	417
Construction						1,187	1,187	
Commercial business		107		901	1,008	18,604	19,612	1,008
Consumer	259	137		206	602	16,547	17,149	324
Total originated portfolio	536	795		4,567	5,898	265,886	271,784	5,059
Purchased portfolio:								
Residential real estate						3,931	3,931	
Commercial real estate				1,055	1,055	79,484	80,539	1,055
Total purchased portfolio				1,055	1,055	83,415	84,470	1,055
Total loans	$ 536	$ 795	$	$ 5,622	$ 6,953	$ 349,301	$ 356,254	$ 6,114

67

Explanation of Responses:

Table of Contents

The following tables present a summary of purchased credit-impaired loans acquired by the LASG:

	PCI Loans Acquired Year Ended June 30, 2013		2012	
	(Dollars in thousands)			
Contractually required payments receivable	$	62,182	$	35,455
Nonaccretable difference		(12,942)		(8,765)
Cash flows expected to be collected		49,240		26,690
Accretable yield		(19,280)		(8,589)
Fair value of loans acquired	$	29,960	$	18,101

	PCI Loans: Activity in Accretable Yield Year Ended June 30, 2013		2012	
	(Dollars in thousands)			
Beginning balance	$	7,169	$	
Accretion		(5,278)		(1,912)
Acquisitions		19,280		8,589
Reclassifications from nonaccretable difference		1,257		1,156
Other changes		(5,984)		(664)
End balance	$	16,444	$	7,169

The following table provides information related to the unpaid principal balance and carrying amounts of PCI loans.

	June 30, 2013		June 30, 2012	
	(Dollars in thousands)			
Unpaid principal balance	$	48,340	$	21,359
Carrying amount	$	30,775	$	13,866

The following table shows loans modified in a TDR and the change in the recorded investment subsequent to the modifications.

	Year Ended June 30, 2013					2012				
	Number of Contracts	Recorded Investment Pre-Modification		Recorded Investment Post-Modification		Number of Contracts	Recorded Investment Pre-Modification		Recorded Investment Post-Modification	
	(Dollars in thousands)									
Originated portfolio:										
Residential real estate	12	$	1,113	$	1,113	1	$	139	$	139
Home equity	4		158		158	1		20		20
Commercial real estate	1		103		50	1		184		184
Commercial business										
Consumer	6		16		16					
	23		1,390		1,337	3		343		343

Total originated portfolio						
Purchased portfolio:						
Residential real estate						
Commercial real estate	2	207	280			
Total purchased portfolio	2	207	280			
Total	25	$ 1,597	$ 1,617	3	$ 343	$ 343

Further, during the first quarter of fiscal 2013, the Company identified approximately $1.1 million of residential and consumer loans for which the borrower s obligation had been discharged in bankruptcy in a prior period. Under recent regulatory guidance, these loans are required to be classified as TDRs and are considered collateral dependent impaired loans.

68

Table of Contents

The following table shows the Company s post-modification balance of TDRs by type of modification.

	Year Ended June 30,					
	2013			2012		
	Number of Contracts		Recorded Investment	Number of Contracts		Recorded Investment
	(Dollars in thousands)					
Extended maturity	4	$	180	1	$	20
Adjusted interest rate	5		240			
Rate and maturity	6		736	1		184
Principal deferment	2		72	1		139
Protective advance	1		201			
Court ordered concession	4		184			
Other	3		4			
	25	$	1,617	3	$	343

There were no defaults of loans previously modified in a TDR during the years ended June 30, 2013 or 2012.

As of June 30, 2013, there were no further commitments to lend associated with loans modified in a TDR.

The following table shows the Company s total TDRs as of the dates indicated.

		June 30, 2013		June 30, 2012
	(Dollars in thousands)			
Nonaccrual	$	1,110	$	139
Accrual		2,632		1,165
Total TDRs	$	3,742	$	1,304

Credit Quality Indicators

The Company utilizes a ten-point internal loan rating system for its purchased loan portfolio and originated commercial real estate, construction and commercial business loans as follows:

Loans rated 1 6: Loans in these categories are considered pass rated loans. Loans in categories 1-5 are considered to have low to average risk. Loans rated 6 are considered marginally acceptable business credits and have more than average risk.

Loans rated 7: Loans in this category are considered special mention. These loans show signs of potential weakness and are being closely monitored by management.

Loans rated 8: Loans in this category are considered substandard. Loans classified as substandard are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified have a well defined weakness or weaknesses that jeopardize the orderly liquidation of the debt.

Loans rated 9: Loans in this category are considered doubtful. Loans classified as doubtful have all the weaknesses inherent in one graded 8 with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

Loans rated 10: Loans in this category are considered loss and of such little value that their continuance as loans is not warranted.

On an annual basis, or more often if needed, the Company formally reviews the ratings of all commercial real estate, construction, and commercial business loans. Semi-annually, the Company engages an independent third-party to review a significant portion of loans within these segments. Management uses the results of these reviews as part of its annual review process. Risk ratings on purchased loans, with and without evidence of credit deterioration at acquisition, are determined relative to the Company s recorded investment in that loan, which may be significantly lower than the loan s unpaid principal balance.

Table of Contents

The following tables present the Company s commercial loans by risk rating.

Loans rated 1- 6	$ 95,834	$ 42	$ 29,340	$ 161,965
Loans rated 8	1,031		264	1,595
Loans rated 10				

	June 30, 2012			
	Originated Portfolio			
	Commercial Real Estate	Construction	Commercial and Industrial	Purchased Portfolio
	(Dollars in thousands)			
Loans rated 1- 6	$ 96,963	$ 1,187	$ 18,223	$ 83,415
Loans rated 7	1,886		250	1,055
Loans rated 8	1,347		1,139	
Loans rated 9				
Loans rated 10				
	$ 100,196	$ 1,187	$ 19,612	$ 84,470

4. Premises and Equipment

Premises and equipment consists of the following:

	June 30, 2013	June 30, 2012	Estimated Useful Life
Land	$ 940	$ 1,210	n/a
Buildings	2,120	2,120	39
Assets recorded under capital lease	1,850	1,850	Term of lease
Leasehold and building improvements	2,310	940	5-39 (or term of lease, if shorter)
Furniture, fixtures and equipment	6,295	4,909	3-7
	13,515	11,029	
Less accumulated depreciation	3,440	1,824	
Net premises and equipment	$ 10,075	$ 9,205	

Depreciation and amortization of premises and equipment included in occupancy and equipment expense was $1.7 million for the year ended June 30, 2013 and $1.3 million for the year ended June 30, 2012.

5. Intangible Assets

At June 30, 2013 and 2012, intangible assets consisted of a core deposit intangible. During the year ended June 30, 2012, intangible assets consisting of customer lists and non-compete agreements were included in the sale of the assets of the Company s insurance division. The Company s core deposit intangible is being amortized on an accelerated basis over 9.5 years.

The changes in the carrying amount of intangible assets follow:

	Identifiable Intangibles		
	Core Deposit Intangible	**Other Intangibles**	**Total Identifiable Intangibles**
Balance, June 30, 2011	$ 5,685	$ 7,448	$ 13,133
Amortization	(1,198)	(68)	(1,266)
Assets sold or disposed		(7,380)	(7,380)
Balance, June 30, 2012	4,487		4,487
Amortization	(943)		(943)
Assets sold or disposed			
Balance, June 30, 2013	$ 3,544	$	$ 3,544

The components of identifiable intangible assets follow at June 30:

	2013	**2012**
	(Dollars in thousands)	
Core Deposit Intangible:		
Gross carrying amount	$ 6,348	$ 6,348
Accumulated amortization	(2,804)	(1,861)
	$ 3,544	$ 4,487

Estimated annual amortization expense associated with intangible assets follows for the fiscal years ending June 30 (dollars in thousands):

2014	$ 746
2015	589
2016	477
2017	432
2018	433
Thereafter	867
	$ 3,544

Table of Contents

6. Deposits

The composition of deposits at June 30 follows:

	2013	2012
	(Dollars in thousands)	
Demand	$ 46,425	$ 45,323
NOW	57,334	57,477
Money market	84,416	45,024
Regular savings	33,636	32,727
Time certificates of less than $100	99,373	100,292
Other time certificates	163,439	141,345
	$ 484,623	$ 422,188

The scheduled maturities of time certificates at June 30, 2013 by fiscal year follow (dollars in thousands):

2014	$ 103,557
2015	59,172
2016	48,218
2017	15,139
2018	32,586
Thereafter	4,140
	$ 262,812

7. Borrowings

Federal Home Loan Bank

A summary of fixed-rate long term advances from the Federal Home Loan Bank of Boston as of June 30 follows:

Maturity By Fiscal Year	Unpaid Principal Balance 2013	2012	Carrying Amount 2013	2012	Weighted Average Cost 2013	2012
	(Dollars in thousands)					
2013	$	$ 15,000	$	$ 15,194	%	1.46%
2014						
2015	12,500	12,500	12,626	12,728	2.08	2.30
2016						
2017	10,000	10,000	10,296	10,382	3.28	3.48

2018	5,000	5,000	5,118	5,146	3.68	3.84
	$ 27,500	$ 42,500	$ 28,040	$ 43,450	2.81	2.47

At June 30, 2013, FHLB advances with unpaid principal of $10.0 million were subject to call provisions and may be called prior to the stated maturity.

Certain mortgage loans, free of liens, pledges and encumbrances and certain investment securities maintained at the FHLB not otherwise pledged have been pledged under a blanket agreement to secure these advances. The Company is required to own stock in the Federal Home Loan Bank of Boston in order to borrow from the FHLB.

As of June 30, 2013, the Company had a $2.1 million line of credit arrangement with the FHLB which was fully available. Also at June 30, 2013, the Company had approximately $44.0 million of additional capacity to borrow from the FHLB.

Wholesale Repurchase Agreements

A summary of wholesale repurchase agreements as of June 30 follows:

Maturity By Fiscal Year	**Unpaid Principal Balance 2013**	**2012**	**Carrying Amount 2013**	**2012**	**Weighted Average Cost 2013**	**2012**
		(Dollars in thousands)				
2013	$	$ 40,000	$	$ 40,302	%	1.22%
2014	15,000	15,000	15,035	15,358	0.80	1.64
2015						
2016	10,000	10,000	10,362	10,523	2.74	2.74
	$ 25,000	$ 65,000	$ 25,397	$ 66,183	1.59	1.56

At June 30, 2013, $10.0 million of wholesale repurchase agreements maturing in fiscal 2016 are callable on a quarterly basis.

The Company is subject to margin calls on each transaction to maintain the necessary collateral in the form of cash or other mortgage-backed securities during the borrowing term.

Capital Lease Obligation

In fiscal 2006, the Company recognized a capital lease obligation for its Lewiston, Maine, headquarters. The present value of the lease payments over fifteen years exceeded 90% of the fair value of the property.

Explanation of Responses:

Table of Contents

The future minimum lease payments over the remaining term of the lease and the outstanding capital lease obligation at June 30, 2013 are as follows for years ending June 30 (dollars in thousands):

2014	$	264
2015		264
2016		303
2017		306
2018		306
2019 and thereafter		637
		2,080
Imputed interest		(341)
Capital lease obligation	$	1,739

Short-Term Borrowings

Short-term borrowings are sweep accounts, which are a demand account product that moves balances in excess of an agreed upon target amount from a demand deposit account into an interest-bearing account overnight. The sweep account is collateralized with a letter of credit issued by the FHLBB. The Company ceased offering securities sold under agreements to repurchase in fiscal 2011. The weighted average interest rate on short-term borrowings was 0.00% and 2.00% at June 30, 2013 and 2012, respectively.

8. Junior Subordinated Debentures Issued to Affiliated Trusts

NBN Capital Trust II and NBN Capital Trust III were created in December 2003. NBN Capital Trust IV was created in December 2004. Each such trust is a Delaware statutory trust (together, the Private Trusts). The exclusive purpose of the Private Trusts was (i) issuing and selling common securities and preferred securities in a private placement offering (the Private Trust Securities), (ii) using the proceeds of the sale of the Private Trust Securities to acquire Junior Subordinated Deferrable Interest Notes (Junior Subordinated Debentures); and (iii) engaging only in those other activities necessary, convenient or incidental thereto. Accordingly, the Junior Subordinated Debentures are the sole assets of each of the Private Trusts.

The following table summarizes the Junior Subordinated Debentures issued by the Company to each affiliated trust and the Private Trust Securities issued by each affiliated trust at June 30, 2013. Amounts include the junior subordinated debentures acquired by the affiliated trusts from the Company with the capital contributed by the Company in exchange for the common securities of such trust, which were $93 thousand each for NBN Capital Trust II and III and $310 thousand for NBN Capital Trust IV. The trust preferred securities (the Preferred Securities) were sold in two separate private placement offerings. The Company has the right to redeem the Junior Subordinated Debentures, in whole or in part, on or after March 30, 2009, for NBN Capital Trust II and III, and on or after February 23, 2010, for NBN Capital Trust IV, at the redemption price specified in the associated Indenture, plus accrued but unpaid interest to the redemption date.

	Maturity	Unpaid Principal Balance		Carrying Amount	
	Date	2013	2012	2013	2012
		(Dollars in thousands)			

NBN Capital Trust II	March 30, 2034	$	3,093	$	3,093	$	1,775	$	1,747
NBN Capital Trust III	March 30, 2034		3,093		3,093		1,775		1,747
NBN Capital Trust IV	February 23, 2035		10,310		10,310		4,718		4,612
		$	16,496	$	16,496	$	8,268	$	8,106

NBN Capital Trust II and III pay a variable rate based on three month LIBOR plus 2.80%, and NBN Capital Trust IV pays a variable rate based on three month LIBOR plus 1.89%. Accordingly, the Preferred Securities of the Private Trusts currently pay quarterly distributions at an annual rate of 3.26% for the stated liquidation amount of $1,000 per Preferred Security for NBN Capital Trust II and III and an annual rate of 2.36% for the stated liquidation amount of $1,000 per Preferred Security for NBN Capital Trust IV. The Company has fully and unconditionally guaranteed all of the obligations of each trust. The guaranty covers the quarterly distributions and payments on liquidation or redemption of the Private Trust Securities, but only to the extent of funds held by the trusts.

The Junior Subordinated Debentures each have variable rates indexed to three-month LIBOR. During the fiscal year ended June 30, 2010, the Company purchased two interest rate caps and an interest rate swap to hedge the interest rate risk on notional amounts of $6 million and $10 million, respectively, of the Company s Junior Subordinated Debentures. Each was a cash flow hedge to manage the risk to net interest income in a period of rising rates.

The interest rate caps hedge the junior subordinated debt resulting from the issuance of trust preferred securities by our affiliates NBN Capital Trust II and NBN Capital Trust III. The notional amount of $3 million for each interest rate cap represents the outstanding junior subordinated debt from each trust. The strike rate is 2.505%. The Company will recognize higher interest expense on the junior subordinated debt for the first 200 basis points increase in three-month LIBOR. Once the three-month LIBOR rate exceeds 2.505% on a quarterly reset date, there will be a payment by the counterparty to the Company at the following quarter end. The effective date of the purchased interest rate caps was September 30, 2009 and mature five years thereafer.

The interest rate swap hedges the junior subordinated debt resulting from the issuance of trust preferred stock by our affiliate NBN Capital Trust IV. The notional amount of $10 million represents the outstanding junior subordinated debt from this trust. Under the

Table of Contents

terms of the interest rate swap, the Company pays a fixed rate of 4.69% quarterly for a period of five years from the effective date of February 23, 2010. The Company receives quarterly interest payments of three month LIBOR plus 1.89% over the same term.

9. Capital and Regulatory Matters

The Company and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company s financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Company s and the Bank s capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

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 June 30, 2013 and 2012, the most recent notification from the Company s and the Bank s regulator categorized the Company and the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Company and the Bank must maintain minimum total risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the table below. There are no conditions or events since that notification that management believes have changed the institution s regulatory designation as well-capitalized under the regulatory framework for prompt corrective action.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios as set forth in the table below. At June 30, 2013 and 2012, the Company s and the Bank s ratios exceeded the regulatory requirements. Management believes that the Company and the Bank met all capital adequacy requirements to which they were subject as of June 30, 2013 and 2012. The Company s and the Bank s regulatory capital ratios are set forth below.

	Actual		Minimum Capital Requirements		Minimum To Be Well Capitalized Under Prompt Correction Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(Dollars in thousands)			
June 30, 2013:						
Total capital to risk weighted assets:						
Company	$ 122,291	27.54%	$ 35,520	≥8.0%	$ N/A	N/A
Bank	99,527	22.30%	35,709	≥8.0%	44,637	≥10.0%
Tier 1 capital to risk weighted assets:						
Company	121,148	27.29%	17,760	≥4.0%	N/A	N/A

Bank		95,485	21.39%		17,855	≥4.0%		26,782	≥6.0%
Tier 1 capital to average assets:									
Company		121,148	17.78%		27,255	≥4.0%		N/A	N/A
Bank		95,485	14.08%		27,121	≥4.0%		33,902	≥5.0%
June 30, 2012:									
Total capital to risk weighted assets:									
Company	$	124,452	33.34%	$	29,863	≥8.0%	$	N/A	N/A
Bank		75,081	20.14%		29,824	≥8.0%		37,280	≥10.0%
Tier 1 capital to risk weighted assets:									
Company		123,628	33.12%		14,931	≥4.0%		N/A	N/A
Bank		70,414	18.89%		14,910	≥4.0%		22,365	≥6.0%
Tier 1 capital to average assets:									
Company		123,628	19.91%		24,837	≥4.0%		N/A	N/A
Bank		70,414	11.43%		24,642	≥4.0%		30,802	≥5.0%

The Bank may not declare or pay a cash dividend on, or repurchase, any of its capital stock from the Parent if the effect thereof would cause the capital of the Bank to be reduced below the capital requirements imposed by the regulatory authorities or if such amount exceeds the otherwise allowable amount under FRB rules.

In connection with the Merger, as part of the regulatory approval process, the Company and the Bank made certain commitments to the Federal Reserve, the most significant of which are (i) to maintain a Tier 1 leverage ratio of at least 10%, (ii) to maintain a total risk-based capital ratio of at least 15%, (iii) to limit purchased loans to 40% of total loans, (iv) to fund 100% of the Company s loans with core deposits (defined as non-maturity deposits and non-brokered insured time deposits), and (v) to hold commercial real estate loans (including owner-occupied commercial real estate) to within 300% of total risk-based capital. On June 28, 2013, the Federal Reserve approved the amendment of the commitment to hold commercial real estate loans to within 300% of total risk-based capital to exclude owner-occupied commercial real estate loans. All other commitments made to the Federal Reserve in connection with the merger remain unchanged. The Company and the Bank are currently in compliance with all commitments to the Federal Reserve.

Table of Contents

10. Earnings Per Common Share

EPS is computed by dividing net income allocated to common shareholders by the weighted average common shares outstanding. The following table shows the weighted average number of shares outstanding for the periods indicated. Shares issuable relative to stock options granted have been reflected as an increase in the shares outstanding used to calculate diluted EPS, after applying the treasury stock method. The number of shares outstanding for basic and diluted EPS is presented as follows:

	Year ended June 30, 2013	2012
	(Dollars in thousands, except share and per share data)	
Net income from continuing operations	$ 4,420	$ 1,016
Preferred stock dividends and accretion	(355)	(392)
Net income from continuing operations available to common shareholders	$ 4,065	$ 624
Weighted average shares used in calculation of basic earnings per share	10,409,588	4,277,777
Incremental shares from assumed exercise of dilutive securities		13,575
Weighted average shares used in calculation of diluted earnings per share	10,409,588	4,291,352
Earnings per common share:		
Income from continuing operations	$ 0.39	$ 0.15
Income from discontinued operations		0.26
Earnings per common share	$ 0.39	$ 0.41
Diluted earnings per common share:		
Income from continuing operations	$ 0.39	$ 0.15
Income from discontinued operations		0.26
Diluted earnings per common share	$ 0.39	$ 0.41

Average anti-dilutive options and warrants excluded from the calculation of dilutive earnings per share follow:

	Year ended June 30, 2013	2012
Stock options	963,549	796,049
Warrants	31,365	
	994,914	796,049

11. Income Taxes

The current and deferred components of income tax expense from continuing operations follows:

	Year Ended June 30, 2013	2012
	(Dollars in thousands)	
Current provision (benefit)		
Federal	$ 2,179	$ (1,033)
State	194	71
Total current provision (benefit)	2,373	(962)
Deferred (benefit) provision		
Federal	(428)	1,143
Total deferred (benefit) provision	(428)	1,143
Total tax provision	$ 1,945	$ 181

The reconciliation between the statutory federal income tax rate of 34% and the effective tax rate on income from continuing operations follows:

	Year Ended June 30, 2013	2012
	(Dollars in thousands)	
Expected income tax expense at federal tax rate	$ 2,164	$ 407
State tax, net of federal tax benefit	128	47
Non-taxable BOLI income	(244)	(170)
Low-income housing tax credit	(118)	(118)
Other	15	15
Total tax provision	$ 1,945	$ 181

Table of Contents

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at June 30 follows:

	2013	2012
	(Dollars in thousands)	
Deferred tax assets		
Allowance for loan losses	$ 378	$ 280
Loan basis differential	931	629
Time deposit basis differential	252	589
Derivative basis differential	89	146
Capital lease	127	120
Deferred compensation	138	213
Stock-based compensation	584	418
Unrealized loss on derivatives	89	130
Unrealized loss on available for sale securities	896	
Interest on nonperforming loans	266	212
Limited partnerships	123	97
Other	232	205
Total deferred tax asset	4,105	3,039
Deferred tax liabilities		
Goodwill and other intangible assets	(1,205)	(1,526)
Prepaid expenses	(56)	(268)
Premises and equipment	(761)	(801)
Borrowings basis differential	(2,479)	(2,127)
Unrealized gain on available for sale securities		(212)
Other	(63)	(59)
Total deferred tax liability	(4,564)	(4,993)
Net deferred tax liability	$ (459)	$ (1,954)

The net deferred tax liability was included in other liabilities in the accompanying balance sheet as of June 30, 2013 and 2012.

At June 30, 2013, the Company has determined that a valuation allowance is not required for any of its deferred tax assets since it is more likely than not that these assets will be realized.

For federal tax purposes, the Company has a $2.0 million reserve for loan losses which remains subject to recapture. If any portion of the reserve is used for purposes other than to absorb the losses for which it was established, approximately 150% of the amount actually used (limited to the amount of the reserve) would be subject to taxation in the year in which used. As the Company intends to use the reserve only to absorb loan losses, no provision has been made for potential liability that would result if 100% of the reserve were recaptured.

It is the Company s policy to provide for uncertain tax positions and the related interest and penalties based upon management s assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. As of June 30, 2013 and 2012, there were no material uncertain tax positions related to federal and state income tax matters. The Company is currently open to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities for the fiscal 2010 tax return and forward.

12. **Employee Benefit Plans**

401(k) Plan

The Company offers a contributory 401(k) plan that is available to all full-time salaried and hourly-paid employees who have attained age 18, and completed 90 days of employment. Employees may contribute up to 100% of their base compensation, subject to IRS limitations. The Company will match 50% of each employee s contribution up to the first 6% contributed. For the years ended June 30, 2013 and 2012, the Company contributed $350 thousand and $308 thousand, respectively.

Deferred Compensation

The Company has individual deferred compensation agreements with five senior officers. The Company recognized deferred compensation expense of $160 thousand and $159 thousand for the years ended June 30, 2013 and 2012, respectively. At June 30, 2013 and 2012, the Company s deferred compensation liability was $405 thousand and $245 thousand, respectively.

Table of Contents

13. Stock-Based Compensation

At the 2012 annual meeting of shareholders, the Company s shareholders approved the Northeast Bancorp Amended and Restated 2010 Stock Option and Incentive Plan (the Restated Plan). The Restated Plan amends and restates the Northeast Bancorp 2010 Option and Incentive Plan (the 2010 Plan). The key material differences between the 2010 Plan and the Restated Plan are:

- The maximum number of shares of common stock to be issued under the Restated Plan is increased by 600,000 shares, from 810,054 shares to 1,410,054 shares;
- The method by which shares subject to previously granted awards are added back to the Restated Plan has been revised so that the only shares added back to the Restated Plan are those subject to awards that are forfeited, canceled or otherwise terminated. The following shares shall not be added back to the Restated Plan: (i) shares tendered or held back upon exercise of an option or settlement of an award to cover the exercise price or tax withholding, and (ii) shares subject to a stock appreciation right that are not issued in connection with the stock settlement of the stock appreciation right upon exercise thereof.
- Minimum vesting periods are required for grants of restricted stock, restricted stock units and performance share awards; and
- The term of the Restated Plan will now expire on November 28, 2022, while grants of incentive options under the Restated Plan may be made until September 21, 2022.

A summary of stock option activity for the year ended June 30, 2013 follows:

	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	796,049	$ 13.98
Granted	395,919	9.38
Exercised		
Forfeited	(18,301)	13.40
Outstanding at end of year	1,173,667	12.44
Exercisable	126,714	14.08

	Shares	Weighted Average Grant Date Fair Value
Exercisable, beginning of year	54,175	$ 3.86
Vested	75,239	3.86
Exercised		
Forfeited or expired	(2,700)	3.85
Exercisable, end of year	126,714	3.86

The fair values of options granted have been estimated on the date of grant using the Black-Scholes option-pricing model using the following weighted-average assumptions.

	Year Ended June 30,	
	2013	**2012**
Assumptions:		
Dividend yield	3.86%	2.81%
Expected life	6.5 years	6.0 years
Expected volatility	30.47%	33.86%
Risk-free interest rate	1.26%	0.98%
Weighted average fair value per option	$1.79	$4.39

The expected volatility is based on historical volatility. The risk-free interest rate is for periods within the expected life of the awards, and is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected life is based on expected exercise experience.

During the year ended June 30, 2013, certain provisions of outstanding stock options with market-based conditions were modified. The options, consisting of 237,616 shares, were granted to three executives of the Company in December of 2010 and were to vest in three equal tranches upon the Company s common stock reaching applicable hurdle prices over specified time periods. The applicable hurdle price varies depending on the number of years that have elapsed since the date of grant. With respect to the first tranche, the applicable hurdle price was $27.86 for the period from December 29, 2010 through December 29, 2015; $31.34 for the period from December 29, 2015 through December 29, 2016; and $34.83 for the period from December 29, 2016 through December 29, 2017. With respect to the second tranche, the hurdle price was $31.34 for the period from December 29, 2010 through December 29, 2016; and $34.83 for the period from December 29, 2016 through December 29, 2017. With respect to the third tranche, the hurdle price was $34.83 for the period from December 29, 2010 through December 29, 2017.

Table of Contents

The Company s Compensation Committee approved amending the hurdle prices as follows:

With respect to the first tranche, the applicable hurdle price is $16.43 for the period from December 29, 2010 through December 28, 2015; $18.58 for the period from December 29, 2015 through December 28, 2016; and $20.77 for the period from December 29, 2016 through December 28, 2017. With respect to the second tranche, the hurdle price is $18.58 for the period from December 29, 2010 through December 28, 2016; and $20.77 for the period from December 29, 2016 through December 28, 2017. With respect to the third tranche, the hurdle price is $20.77 for the period from December 29, 2010 through December 28, 2017.

Except as modified by this amendment, all other terms and conditions of each of the outstanding performance-based stock options, including the option exercise price of $13.93 per share, remain in full force and effect.

The incremental expense resulting from the modification was calculated as the difference between the stock option s fair value immediately before and after the modification using the Hull-White option pricing model and the following weighted-average assumptions:

Assumptions:	
Dividend yield	3.72%
Expected life	7.8 years
Expected volatility	28.45% - 32.84%
Risk-free interest rate	0.07% - 1.54%
Incremental weighted average fair value per option	$0.52

The following table summarizes information about stock options outstanding at June 30, 2013.

Options Outstanding				Options Exercisable			
(Dollars in thousands, except per share data)							
Weighted Average Exercise Price	**Number**	**Weighted Average Remaining Life**	**Aggregate Intrinsic Value**	**Weighted Average Exercise Price**	**Number**	**Weighted Average Remaining Life**	**Aggregate Intrinsic Value**
$ 9.38	395,919	9.58 years	$ 115	$ 9.38		9.58 years	$
12.63	32,500	8.58		12.63		8.58	
13.93	583,238	7.50		13.93	94,312	7.50	
14.52	162,010	7.50		14.52	32,402	7.50	
12.44	1,173,667	8.23	$ 115	12.44	126,714	7.50	$

A summary of restricted stock activity for the year ended June 30, 2013 follows:

	Shares	**Weighted Average Grant Date Fair Value**
Unvested at beginning of period	13,026	$ 13.93

Granted	63,202	9.33
Vested	(5,210)	13.93
Forfeited		
Unvested at end of period	71,018	9.84

At June 30, 2013 and 2012, the Company has accrued a liability of $48 thousand representing the maximum cash payment for performance-based stock appreciation rights (SARs) granted in the fiscal year ended June 30, 2011. The SARs expire in December of 2020.

Stock-based compensation totaled $563 thousand for the year ended June 30, 2013 and $445 thousand for the year ended June 30, 2012. The tax benefit related to stock-based compensation expensed totaled $191thousand for the year ended June 30, 2013 and $151 thousand for the year ended June 30, 2012. The estimated amount and timing of future pre-tax stock-based compensation expense to be recognized are as follows.

	Year Ending June 30, (Dollars in thousands)					
	2014	**2015**	**2016**	**2017**	**2018**	**Total**
Stock options	$ 523	$ 549	$ 424	$ 223	$ 83	$ 1,802
Restricted stock	118	118	118	118	69	541
	$ 641	$ 667	$ 542	$ 341	$ 152	$ 2,343

77

Table of Contents

14. Commitments, Contingent Liabilities and Other Off-Balance Sheet Risks

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets. The contract amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

The Company s exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Financial instruments with contract amounts which represent credit risk are as follows as of June 30:

		2013		2012
		(Dollars in thousands)		
Commitments to originate loans:				
Residential real estate mortgages	$	12,445	$	10,279
Construction loans				106
Consumer				25
Commercial real estate mortgages				361
Commercial business loans		904		1,145
	$	13,349	$	11,916
Unused lines of credit	$	30,809	$	36,276
Standby letters of credit		420		602
Unadvanced portions of construction loans				162

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer s credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management s credit evaluation of the counter party. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties. The Company has recorded an allowance for possible losses on commitments and unfunded loans totaling $10 thousand and $6 thousand recorded in other liabilities at June 30, 2013 and 2012, respectively.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Those guarantees are issued to support private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. As of June 30, 2013 and 2012, the maximum potential amount of the Company s obligation was $420 thousand and $602 thousand, respectively, for financial and standby letters of credit. The Company s outstanding letters of credit generally have a term of less than one year. If a letter of credit is drawn upon, the Company may seek recourse through the customer s underlying line of credit. If the customer s line of credit is also in default, the Company may take possession of the collateral, if any, securing the

line of credit.

Lease Obligations

The Company leases certain properties used in operations under terms of operating leases that include renewal options. Rental expense under leases totaled $1.0 million for the year ended June 30, 2013 and $817 thousand for the year ended June 30, 2012.

Approximate future minimum lease payments over the remaining terms of the Company s leases at June 30, 2013 are as follows for fiscal years ending June 30 (dollars in thousands):

2014	$	1,120
2015		1,168
2016		1,080
2017		939
2018		955
2019 and thereafter		4,279
Total	$	9,541

Legal Proceedings

The Company and its subsidiary are parties to litigation and claims arising in the normal course of business. Management believes that the liabilities, if any, arising from such litigation and claims will not be material to the Company s consolidated financial position or results of operations.

Table of Contents

15. Condensed Parent Information

Condensed financial information for Northeast Bancorp follows:

	June 30, 2013	June 30, 2012
	(Dollars in thousands)	
Balance Sheets		
Assets:		
Cash	$ 26,366	$ 54,996
Investment in subsidiary	96,294	72,849
Investment in common securities of affiliated trusts	496	496
Other assets	1,445	2,047
Total assets	$ 124,601	$ 130,388
Liabilities and Stockholders Equity:		
Junior subordinated debentures issued to affiliated trusts	$ 8,268	$ 8,106
Other liabilities	2,531	3,143
Total liabilities	10,799	11,249
Stockholders equity	113,802	119,139
Total liabilities and stockholders equity	$ 124,601	$ 130,388

	Year Ended June 30, 2013	2012
	(Dollars in thousands)	
Statements of Income		
Income:		
Dividends from banking subsidiary	$	$ 1,500
Other income	14	26
Total income	14	1,526
Expenses:		
Interest expense	769	751
General and administrative expenses	1,037	993
Total expenses	1,806	1,744
Loss before income tax benefit and equity in undistributed net income of subsidiary	(1,792)	(218)
Income tax benefit	(615)	(589)
(Loss) income before equity in undistributed net income of subsidiary	(1,177)	371
Equity in undistributed net income of subsidiary	5,597	1,792
Net income	$ 4,420	$ 2,163
Net income available to common stockholders	$ 4,065	$ 1,771

	Year Ended June 30, 2013	2012
	(Dollars in thousands)	
Statements of Cash Flow		
Operating activities:		
Net income	$ 4,420	$ 2,163
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		

Amortization of fair value adjustment for borrowings		162		149
Stock-based compensation		563		445
Undistributed earnings of subsidiary		(5,597)		(1,792)
Increase in other assets and liabilities		70		(700)
Net cash (used in) provided by operating activities		(382)		265
Investing activities:				
Increase in investment of bank subsidiary		(20,000)		
Net cash used in investing activities		(20,000)		
Financing activities:				
Proceeds from issuance of common stock		(59)		52,667
Redemption of preferred stock and warrants		(4,326)		
Dividends paid to stockholders		(3,863)		(1,474)
Net cash (used in) provided by financing activities		(8,248)		51,193
Net (decrease) increase in cash		(28,630)		51,458
Cash, beginning of year		54,996		3,538
Cash, end of year	$	26,366	$	54,996

Table of Contents

16. Other Comprehensive Income

The components of other comprehensive (loss) income follow:

	Year Ended June 30,					
	2013			2012		
	Pre-tax Amount	Tax Expense (Benefit)	After-tax Amount	Pre-tax Amount	Tax Expense (Benefit)	After-tax Amount
	(Dollars in thousands)					
Change in net unrealized gain or loss on available-for-sale securities	$ (2,469)	$ (840)	$ (1,629)	$ 1,896	$ 645	$ 1,251
Reclassification adjustment for net gains included in net income	(792)	(269)	(523)	(1,111)	(378)	(733)
Total available-for-sale securities	(3,261)	(1,109)	(2,152)	785	267	518
Change in accumulated loss on effective cash flow hedges	192	66	126	(122)	(41)	(81)
Reclassification adjustment for net gains included in net income	(70)	(24)	(46)	(80)	(27)	(53)
Total derivatives and hedging activities	122	42	80	(202)	(68)	(134)
Total other comprehensive (loss) income	$ (3,139)	$ (1,067)	$ (2,072)	$ 583	$ 199	$ 384

Accumulated other comprehensive (loss) income is comprised of the following components:

	June 30, 2013	June 30, 2012
	(Dollars in thousands)	
Unrealized (loss) gain on available-for-sale securities	$ (2,636)	$ 624
Tax effect	896	(212)
Net-of-tax amount	(1,740)	412
Unrealized loss on cash flow hedges	(263)	(384)
Tax effect	89	130
Net-of-tax amount	(174)	(254)
Accumulated other comprehensive (loss) income	$ (1,914)	$ 158

17. Fair Value Measurements

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company s own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. If there has been a significant decrease in the volume and level of activity for the asset or liability, regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. The Company uses prices and inputs that are current

as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from one level to another.

ASC 820 defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Valuations based on significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

*Valuation technique*s - There have been no changes in the valuation techniques used during the current period.

Table of Contents

Transfers There were no transfers of assets and liabilities measured at fair value on a recurring or nonrecurring basis during the current period.

Assets and Liabilities Measured at Fair Value on a Recurring Basis:

Available-for-sale securities - Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Examples of such instruments include publicly-traded common and preferred stocks. If quoted prices are not available, then fair values are estimated by using pricing models (*i.e.*, matrix pricing) and market interest rates and credit assumptions or quoted prices of securities with similar characteristics and are classified within Level 2 of the valuation hierarchy. Examples of such instruments include government agency and government sponsored agency mortgage-backed securities, as well as certain preferred and trust preferred stocks. Level 3 securities are securities for which significant unobservable inputs are utilized.

Derivative financial instruments - The valuation of the Company s interest rate swaps and caps are determined using widely accepted valuation techniques including discounted cash flow analyses on the expected cash flows of derivatives. These analyses reflect the contractual terms of the derivatives, including the period to maturity, and use observable market-based inputs, including interest rate curves and implied volatilities. Unobservable inputs, such as credit valuation adjustments are insignificant to the overall valuation of the Company s derivative financial instruments. Accordingly, the Company has determined that its interest rate derivatives fall within Level 2 of the fair value hierarchy.

The fair value of derivative loan commitments and forward loan sale agreements are estimated using the anticipated market price based on pricing indications provided from syndicate banks. These commitments and agreements are categorized as Level 2. The fair value of such instruments was nominal at each date presented.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis:

Impaired Loans - Valuations of impaired loans measured at fair value are determined by a review of collateral values. Certain inputs used in appraisals are not always observable, and therefore impaired loans are generally categorized as Level 3 within the fair value hierarchy.

Real Estate Owned and Other Repossessed collateral - The fair values of real estate owned and other repossessed collateral are estimated based upon appraised values less estimated costs to sell. Certain inputs used in appraisals are not always observable, and therefore may be categorized as Level 3 within the fair value hierarchy. When inputs used in appraisals are primarily observable, they are classified as Level 2.

Fair Value of other Financial Instruments:

Cash and cash equivalents - The fair value of cash, due from banks, interest bearing deposits and FHLB overnight deposits approximates their relative book values, as these financial instruments have short maturities.

FHLB and Federal Reserve stock - The carrying value of FHLB stock and Federal Reserve stock approximates fair value based on redemption provisions of the FHLB and the Federal Reserve.

Loans - Fair values are estimated for portfolios of loans with similar financial characteristics. The fair value of performing loans is calculated by discounting scheduled cash flows through the estimated maturity using estimated market discount rates that reflect the credit and interest rate risk inherent in the loan. The estimates of maturity are based on the Company s historical experience with repayments for each loan classification, modified, as required, by an estimate of the effect of current economic conditions, lending conditions and the effects of estimated prepayments.

Loans held for sale - The fair value of loans held-for-sale is estimated based on bid quotations received from loan dealers.

Interest receivable - The fair value of this financial instrument approximates the book value as this financial instrument has a short maturity. It is the Company s policy to stop accruing interest on loans past due by more than 90 days. Therefore, this financial instrument has been adjusted for estimated credit loss.

Deposits - The fair value of deposits with no stated maturity, such as noninterest-bearing demand deposits, savings, NOW accounts and money market accounts, is equal to the amount payable on demand. The fair values of time deposits are based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for deposits of similar remaining maturities. The fair value estimates do not include the benefit that results from the low-cost funding provided by the deposit liabilities compared to the cost of borrowing funds in the market. If that value were considered, the fair value of the Company s net assets could increase.

Borrowings - The fair value of the Company s borrowings with the FHLB is estimated by discounting the cash flows through maturity or the next repricing date based on current rates available to the Company for borrowings with similar maturities. The fair value of the Company s short-term borrowings, capital lease obligations, wholesale repurchase agreements and other borrowings is estimated by discounting the cash flows through maturity based on current rates available to the Company for borrowings with similar maturities.

Table of Contents

Off-Balance Sheet Credit-Related Instruments - Fair values for off-balance-sheet, credit-related financial instruments are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties credit standing. The fair value of such instruments was nominal at each date presented.

Assets and liabilities measured at fair value on a recurring basis are summarized below.

	June 30, 2013			
	Total	Level 1	Level 2	Level 3
	(Dollars in thousands)			
Assets				
Securities available-for-sale:				
U.S. Government agency securities	$ 45,333	$	$ 45,333	$
Agency mortgage-backed securities	76,264		76,264	
Other assets interest rate caps				
Liabilities				
Other liabilities - interest rate swap	$ 389	$	$ 389	$

	June 30, 2012			
	Total	Level 1	Level 2	Level 3
	(Dollars in thousands)			
Assets				
Securities available-for-sale:				
U.S. Government agency securities	$ 45,808	$	$ 45,808	$
Agency mortgage-backed securities	87,456		87,456	
Other assets interest rate caps	1		1	
Liabilities				
Other liabilities - interest rate swap	$ 580	$	$ 580	$

Assets measured at fair value on a nonrecurring basis are summarized below.

	June 30, 2013			
	Total	Level 1	Level 2	Level 3
	(Dollars in thousands)			
Collateral dependent impaired loans	$ 894	$	$	$ 894
Real estate owned and other repossessed collateral	2,134			2,134

	June 30, 2012			
	Total	Level 1	Level 2	Level 3
	(Dollars in thousands)			
Collateral dependent impaired loans	$ 1,103	$	$	$ 1,103
Real estate owned and other repossessed collateral	834			834

Explanation of Responses:

Table of Contents

The following table presents the estimated fair value of the Company s financial instruments.

	Carrying Amount	Fair Value Measurements at June 30, 2013 Total	Level 1	Level 2	Level 3
		(Dollars in thousands)			
Financial assets:					
Cash and cash equivalents	$ 65,934	$ 65,934	$ 65,934	$	$
Available-for-sale securities	121,597	121,597		121,597	
Regulatory stock	5,721	5,721		5,721	
Loans held for sale	8,594	8,602		8,602	
Loans, net	434,233	444,988			444,988
Accrued interest receivable	1,396	1,396		1,396	
Interest rate caps					
Financial liabilities:					
Deposits	484,623	449,857		449,857	
FHLB advances	28,040	29,404		29,404	
Wholesale repurchase agreements	25,397	26,092		26,092	
Short-term borrowings	625	625		625	
Capital lease obligation	1,739	1,926		1,926	
Subordinated debentures	8,268	7,594			7,594
Interest rate swaps	389	389		389	

	Carrying Amount	Fair Value Measurements at June 30, 2012 Total	Level 1	Level 2	Level 3
		(Dollars in thousands)			
Financial assets:					
Cash and cash equivalents	$ 128,274	$ 128,274	$ 128,274	$	$
Available-for-sale securities	133,264	133,264		133,264	
Regulatory stock	5,473	5,473		5,473	
Loans held for sale	9,882	9,896		9,896	
Loans, net	355,430	374,062			374,062
Accrued interest receivable	1,840	1,840		1,840	
Interest rate caps	1	1		1	
Financial liabilities:					
Deposits	422,188	425,782		425,782	
FHLB advances	43,450	45,747		45,747	
Wholesale repurchase agreements	66,183	67,314		67,314	
Short-term borrowings	1,209	1,209		1,209	
Capital lease obligation	1,911	2,202		2,202	
Subordinated debentures	8,106	8,597			8,597
Interest rate swaps	580	580		580	

18. Derivatives

The Company has stand alone derivative financial instruments in the form of interest rate caps that derive their value from a fee paid and are adjusted to fair value based on index and strike rate, and a swap agreement that derives its value from the underlying interest rate. These transactions involve both credit and market risk. The notional amounts are amounts on which calculations, payments and the value of the

derivative are based. Notional amounts do not represent direct credit exposures. Direct credit exposure is limited to the net difference between the calculated amounts to be received and paid, if any. Such differences, which represent the fair value of the derivative instruments, are reflected on the Company s balance sheet as derivative assets and derivative liabilities.

The Company is exposed to credit-related losses in the event of nonperformance by the counterparties to these agreements. The Company controls the credit risk of its financial contracts through credit approvals, limits and monitoring procedures, and does not expect any counterparties to fail their obligations. Institutional counterparties must have an investment grade credit rating and be approved by the Company s Board of Directors. The Company deals only with primary dealers. The Company s credit exposure on interest rate swaps is limited to the net positive fair value and accrued interest of all swaps with each counterparty.

The Company currently holds derivative instruments that contain credit-risk related features that are in a net liability position, which may require that collateral be assigned to dealer banks. At June 30, 2013 and 2012, the Company had cash totaling $800 thousand in a margin account with the dealer bank associated with its interest rate swap; no additional collateral was necessary at these dates to immediately settle the interest rate swap.

The Company does not offset fair value amounts recognized for derivative instruments. The Company does not net the amount recognized for the right to reclaim cash collateral against the obligation to return cash collateral arising from derivative instruments executed with the same counterparty under a master netting arrangement.

Table of Contents

Risk Management Policies Hedging Instruments

The Company evaluates the effectiveness of entering into any derivative instrument agreement by measuring the cost of such an agreement in relation to the reduction in net income volatility within an assumed range of interest rates.

Interest Rate Risk Management Cash Flow Hedging Instruments

The Company uses long-term variable rate debt as a source of funds for use in the Company s lending and investment activities and other general business purposes. These debt obligations expose the Company to variability in interest payments due to changes in interest rates. If interest rates increase, interest expense increases. Conversely, if interest rates decrease, interest expense decreases. Management believes it is prudent to limit the variability of a portion of its interest payments and, therefore, generally hedges a portion of its variable-rate interest payments. To meet this objective, management entered into interest rate caps whereby the Company receives variable interest payments above a specified interest rate and swap agreements whereby the Company receives variable interest rate payments and makes fixed interest rate payments during the contract period.

The Company holds two interest rate caps that expire on September 30, 2014. The swap agreement provides for the Company to receive payments at a variable rate determined by a specified index (three month LIBOR) in exchange for making payments at a fixed rate.

Information pertaining to outstanding interest rate caps and swap agreements used to hedge variable rate debt is as follows.

During the years ended June 30, 2013 and 2012, no interest rate cap or swap agreements were terminated prior to maturity. Changes in the fair value of interest rate caps and swaps designated as hedging instruments of the variability of cash flows associated with long-term debt are reported in other comprehensive income. These amounts subsequently are reclassified into interest expense as a yield adjustment in the same period in which the related interest on the long-term debt affects earnings. Risk management results for the year ended June 30, 2013 and 2012 related to the balance sheet hedging of long-term debt indicates that the hedges were effective.

The table below presents amounts recognized in income related to both hedge ineffectiveness and amounts excluded from effectiveness testing.

	Year ended June 30,			
	2013		**2012**	
	(Dollars in thousands)			
Interest income (expense):				
Interest rate caps	$	(30)	$	(20)
Interest rate swap		100		100
Total	$	70	$	80

The Company expects to record interest income of $100 thousand related to interest rate swap ineffectiveness in the next twelve months. The Company expects to record interest expense of $32 thousand related to its purchased interest rate caps in the next twelve months.

Information pertaining to outstanding interest rate caps and swap agreements used to hedge variable rate debt is as follows.

	June 30, 2013		**June 30, 2012**	
	Interest Rate Caps	**Interest Rate Swap**	**Interest Rate Caps**	**Interest Rate Swap**
	(Dollars in thousands)			
Notional amount	$ 6,000	$ 10,000	$ 6,000	$ 10,000
Weighted average pay rate		4.69%		4.69%
Weighted average receive rate		2.25%		2.36%
Strike rate based on three month LIBOR	2.51%		2.51%	
Weighted average maturity in years	1.25	1.67	2.25	2.67
Unrealized loss	$ 40	$ 223	$ 69	$ 315

84

Table of Contents

The following sets forth the fair values and location of derivatives designated as hedging instruments.

June 30, 2013
(Dollars in thousands)

Asset Derivatives	Balance Sheet Location	Fair Value
Interest rate caps	Other assets	$

Liability Derivatives	Balance Sheet Location	Fair Value
Interest rate swap	Other liabilities	$ 389

June 30, 2012
(Dollars in thousands)

Asset Derivatives	Balance Sheet Location	Fair Value
Interest rate caps	Other assets	$ 1

Liability Derivatives	Balance Sheet Location	Fair Value
Interest rate swap	Other liabilities	$ 580

19. Troubled Asset Relief Capital Purchase Program

During the quarter ended December 31, 2012, the Company paid $4.2 million to redeem, at par value, all shares of preferred stock issued to the U.S. Department of the Treasury (the UST) under the Troubled Asset Relief Program (TARP). The Company also repurchased the warrant for 67,958 shares of common stock issued to the UST in connection with TARP for $95 thousand during the quarter ended December 31, 2012.

20. Discontinued Operations

On August 31, 2011, the Company sold customer lists and certain fixed assets of NBIG to local insurance agencies in two separate transactions. The operations of the Company s wholly-owned subsidiary, Northeast Bank Insurance Group (NBIG), have been reclassified as discontinued operations in the consolidated statements of income for the year ended June 30, 2012, with no effect on previously reported net income or stockholders equity.

The following is a summary of the sale transactions (dollars in thousands).

Sale proceeds	$	9,889
Less:		
Customer lists and other intangible assets, net		7,380
Fixed assets, net of accumulated depreciation		164

Severance and other direct expenses		779
Pre-tax gain recognized	$	1,566

The following summarizes the operations of NBIG.

	Year Ended June 30,			
	2013		2012	
	(Dollars in thousands)			
Interest expense	$		$	14
Noninterest income:				
Insurance commissions				965
Other noninterest income (expense)				(4)
Total noninterest income				961
Noninterest expense:				
Salaries and employee benefits				494
Occupancy and equipment expense				88
Professional fees				16
Data processing fees				38
Intangible assets amortization				68
Other				57
Total noninterest expense				761
Income from discontinued operations				186
Gain on sale of assets				1,566
Income from discontinued operations before income tax expense				1,752
Income tax expense				605
Net income from discontinued operations	$		$	1,147

Table of Contents

21. Subsequent Events

The Company has evaluated the impact of events that have occurred subsequent to June 30, 2013 through the date the consolidated financial statements were filed with the United States Securities and Exchange Commission. Based on this evaluation, the Company has determined none of these events were required to be recognized or disclosed in the consolidated financial statements and related notes.

Table of Contents

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

The Company carried out an evaluation, under the supervision and with the participation of the Company s management, including the Company s Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures, as defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon the evaluation, the Company s Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2013, the Company s disclosure controls and procedures are effective. Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in the Company s reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms. In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) occurred during the fourth quarter of our fiscal year ended June 30, 2013 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

An evaluation was performed under the supervision and with the participation of the Company s management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our internal controls and procedures over financial reporting (as defined in Rule 13a-15(e) of the Exchange Act) as of the end of the period covered by this annual report.

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. The standard measures adopted by management in making its evaluation are the measures in *Interest Control Integrated Framework* published by the Committee of Sponsoring Organizations of the Treadway Commission. We do not expect that our disclosure controls and procedures will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system s objective will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, errors, and instances of fraud, if any, within the Company have been or will be detected. The inherent limitations include, among other things, the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls and procedures also can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management or employee override of the controls and procedures. The design of any system of controls and procedures is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls and procedures may become inadequate because of changes in conditions or deterioration in the degree of compliance with its policies or procedures. Because of the inherent limitation in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Based on their evaluation of disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer concluded, subject to the limitations described above, that our internal controls and procedures over financial reporting as of the end of the period covered by this report were effective and that there were no material weaknesses.

There have been no significant changes in our internal controls, or in other factors that could significantly affect our internal controls, subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, including any corrective actions with regard to significant deficiencies or material weaknesses.

This annual report does not include an attestation report of the Company s registered public accounting firm regarding internal controls over financial reporting. Management s report was not subject to attestation by the Company s registered public accounting firm pursuant to rules of the Securities Exchange Commission that permit the Company to provide only management s report in this annual report.

Item 9B. Other Information.

None.

Table of Contents

PART III

Item 10. Directors, Executive Officers, and Corporate Governance.

The information required by Item 10 is included in the Proxy Statement relating to our 2013 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 11 is included in the Proxy Statement relating to our 2013 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholders

The information required by Item 12 is included in the Proxy Statement relating to our 2013 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is included in the Proxy Statement relating to our 2013 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by Item 14 is included in the Proxy Statement relating to our 2013 Annual Meeting of Stockholders and is incorporated herein by reference.

Explanation of Responses:

Table of Contents

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Financial Statements and Financial Statement Schedules

Consolidated Balance Sheets as of June 30, 2013 and 2012

Consolidated Statements of Income for the years ended June 30, 2013 and 2012

Consolidated Statements of Comprehensive Income for the years ended June 30, 2013 and 2012

Consolidated Statements of Changes in Stockholders Equity for the years ended June 30, 2013 and 2012

Consolidated Statements of Cash Flows for the years ended June 30, 2013 and 2012

Notes to Consolidated Financial Statements

(b) Exhibits

2.1 Agreement and Plan of Merger, dated as of March 30, 2010, by and between Northeast Bancorp and FHB Formation LLC (incorporated by reference to Exhibit 2.1 of Northeast Bancorp s Form 8-K filed with Securities and Exchange Commission on March 31, 2010).
3.1 Amended and Restated Articles of Incorporation of Northeast Bancorp (incorporated by reference to Exhibit 3.1 of Northeast Bancorp s Current Report on Form 8-K filed on January 5, 2011).
3.2 Articles of Amendment to the Amended and Restated Articles of Incorporation of Northeast Bancorp (incorporated by reference to Exhibit 3.1 of Northeast Bancorp s Current Report on Form 8-K filed on March 22, 2011).
3.3 Articles of Amendment to the Amended and Restated Articles of Incorporation of Northeast Bancorp (incorporated by reference to Exhibit 3.1 of Northeast Bancorp s Current Report on Form 8-K filed on November 29, 2012).
3.4 Amended and Restated Bylaws of Northeast Bancorp (incorporated by reference to Exhibit 3.2 of Northeast Bancorp s Current Report on Form 8-K filed on January 5, 2011).

4.1 Registration Rights Schedule to the Agreement and Plan of Merger, dated as of March 30, 2010, by and between Northeast Bancorp and FHB Formation LLC (incorporated by reference to Amendment No. 1 on Form 10-K/A of Northeast Bancorp filed on March 19, 2012).

10.1+ Form of Indemnification Agreement, dated as of December 29, 2010, by and between Northeast Bancorp and each of the members of the Board (incorporated by reference to Exhibit 10.1 of Northeast Bancorp s Current Report on Form 8-K filed on January 5, 2011).

10.2+ Employment Agreement, dated December 30, 2010, by and between Northeast Bancorp and Richard Wayne (incorporated by reference to Exhibit 10.2 of Northeast Bancorp s Current Report on Form 8-K filed on January 5, 2011).

10.3+ Employment Agreement, dated December 30, 2010, by and between Northeast Bancorp and Claire Bean (incorporated by reference to Exhibit 10.3 of Northeast Bancorp s Current Report on Form 8-K filed on January 5, 2011).

10.4+ Employment Agreement, dated December 30, 2010, by and between Northeast Bancorp and Heather Campion (incorporated by reference to Exhibit 10.4 of Northeast Bancorp s Current Report on Form 8-K filed on January 5, 2011).

10.5+ Separation Agreement & General Release, dated August 15, 2013, by and between Northeast Bancorp and Heather Campion (incorporated by reference to Exhibit 10.1 of Northeast Bancorp s Current Report on Form 8-K filed on August 15, 2013).

10.6+ Non-Qualified Time-Based Stock Option Agreement, dated December 29, 2010, by and between Northeast Bancorp and Richard Wayne (incorporated by reference to Exhibit 10.5 of Northeast Bancorp s Current Report on Form 8-K filed on January 5, 2011).

10.7+ Non-Qualified Performance-Based Stock Option Agreement, dated March 22, 2013, by and between Northeast Bancorp and Richard Wayne (incorporated by reference to Exhibit 10.1 of Northeast Bancorp s Current Report on Form 8-K filed on March 26, 2013).

10.8+ Non-Qualified Time-Based Stock Option Agreement, dated December 29, 2010, by and between Northeast Bancorp and Claire Bean (incorporated by reference to Exhibit 10.7 of Northeast Bancorp s Current Report on Form 8-K filed on January 5, 2011).

Table of Contents

10.9+	Non-Qualified Performance-Based Stock Option Agreement, dated March 22, 2013, by and between Northeast Bancorp and Claire Bean (incorporated by reference to Exhibit 10.2 of Northeast Bancorp s Current Report on Form 8-K filed on March 26, 2013).
10.10+	Non-Qualified Time-Based Stock Option Agreement, dated December 29, 2010, by and between Northeast Bancorp and Heather Campion (incorporated by reference to Exhibit 10.8 of Northeast Bancorp s Current Report on Form 8-K filed on January 5, 2011).
10.11+	Non-Qualified Performance-Based Stock Option Agreement, dated March 22, 2013, by and between Northeast Bancorp and Heather Campion (incorporated by reference to Exhibit 10.3 of Northeast Bancorp s Current Report on Form 8-K filed on March 26, 2013).
10.12+	Non-Qualified Stock Option Agreement, dated December 30, 2010, by and between Northeast Bancorp and Robert Glauber (incorporated by reference to Exhibit 10.11 of Northeast Bancorp s Current Report on Form 8-K filed on January 5, 2011).
10.13+	Amended and Restated Performance-Based Stock Appreciation Rights Agreement, dated March 24, 2011, by and between Northeast Bancorp and Matthew Botein (incorporated by reference to Exhibit 10.1 of Northeast Bancorp s Current Report on Form 8-K filed on March 30, 2011).
10.14+	Non-Qualified Time-Based Stock Option Agreement, dated March 24, 2011, by and between Northeast Bancorp and Matthew Botein (incorporated by reference to Exhibit 10.2 of Northeast Bancorp s Current Report on Form 8-K filed on March 30, 2011).
10.15+	Non-Qualified Performance-Based Stock Option Agreement, dated March 24, 2011, by and between Northeast Bancorp and Matthew Botein (incorporated by reference to Exhibit 10.3 of Northeast Bancorp s Current Report on Form 8-K filed on March 30, 2011).
21*	Subsidiaries of Northeast Bancorp
23.1*	Consent of Ernst & Young LLP
23.2*	Consent of Shatswell, MacLeod & Company, P.C.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Rule 13a-14(b) Certifications of the Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1*	Certification pursuant to Section 111(b)(4) of the Emergency Economic Stabilization Act of 2008, as amended
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema Document**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document**

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* Filed herewith.

** Furnished herewith

+ Management contract or compensatory plan or agreement

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

NORTHEAST BANCORP

Date: September 27, 2013	By:	/s/ RICHARD WAYNE **Richard Wayne** **Chief Executive Officer** **(Principal Executive Officer)**

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ RICHARD WAYNE **Richard Wayne**	Chief Executive Officer and Director (Principal Executive Officer)	September 27, 2013
/s/ CLAIRE S. BEAN **Claire S. Bean**	Chief Financial Officer and Chief Operating Officer (Principal Financial Officer and Principal Accounting Officer)	September 27, 2013
/s/ ROBERT GLAUBER **Robert Glauber**	Chairman of the Board	September 27, 2013
/s/ MATTHEW BOTEIN **Matthew Botein**	Director	September 27, 2013
/s/ CHERYL DORSEY **Cheryl Dorsey**	Director	September 27, 2013
/s/ PETER MCCLEAN **Peter McClean**	Director	September 27, 2013
/s/ JOHN C. ORESTIS **John C. Orestis**	Director	September 27, 2013
/s/ ADAM SHAPIRO **Adam Shapiro**	Director	September 27, 2013
/s/ DAVID TANNER **David Tanner**	Director	September 27, 2013
/s/ JUDITH E. WALLINGFORD **Judith E. Wallingford**	Director	September 27, 2013

91