



Northeast Bank Reports First Quarter Results and Declares Dividend

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PORTLAND, Maine, Oct. 28, 2025 (GLOBE NEWSWIRE) -- Northeast Bank (the "Bank") (NASDAQ: NBN), a Maine-based bank, today reported net income of \$22.5 million, or \$2.67 per diluted common share, for the quarter ended September 30, 2025, compared to net income of \$17.1 million, or \$2.11 per diluted common share, for the quarter ended September 30, 2024.

The Board of Directors declared a cash dividend of \$0.01 per share, payable on November 25, 2025, to shareholders of record as of November 11, 2025.

"We delivered solid results this quarter, reflecting the underlying strength of our franchise and the quality of our people," said Rick Wayne, Chief Executive Officer. "We are reporting earnings of \$2.67 per diluted common share, a return on average equity of 17.6%, and a return on average assets of 2.1%. Our diversified business model and interest rate neutral balance sheet continue to generate consistent earnings, regardless of the interest rate environment. Lending activity remained strong with quarterly originations and purchases of \$278.4 million. Looking forward, our capital levels will provide us flexibility to respond to future growth opportunities."

As of September 30, 2025, total assets were \$4.17 billion, a decrease of \$107.6 million, or 2.5%, from total assets of \$4.28 billion as of June 30, 2025.

1. The following table highlights the changes in the loan portfolio, including loans held for sale, for the quarter ended September 30, 2025:

| | Loan Portfolio Changes | | | |
|-----------------------------|------------------------|---------------------|--------------------|----------------|
| | September 30, 2025 | June 30, 2025 | Change (\$) | Change (%) |
| | (Dollars in thousands) | | | |
| National Lending Purchased | \$ 2,406,506 | \$ 2,375,157 | \$ 31,349 | 1.32% |
| National Lending Originated | 1,213,111 | 1,251,768 | (38,657) | (3.09%) |
| SBA National | 128,347 | 144,974 | (16,627) | (11.47%) |
| Community Banking | 17,652 | 18,258 | (606) | (3.32%) |
| Total | <u>\$ 3,765,616</u> | <u>\$ 3,790,157</u> | <u>\$ (24,541)</u> | <u>(0.65%)</u> |

Loans generated by the Bank's National Lending Division for the quarter ended September 30, 2025 totaled \$278.4 million, which consisted of \$144.6 million of purchased loans at an average price of 94.7% of unpaid principal balance, and \$133.8 million of originated loans. Loans generated by the Bank's Small Business Administration ("SBA") Division for the quarter ended September 30, 2025 totaled \$42.0 million.

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

| | National Lending Portfolio | | | | | |
|--|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| | Three Months Ended September 30, | | | | | |
| | 2025 | | | 2024 | | |
| | Purchased | Originated | Total | Purchased | Originated | Total |
| (Dollars in thousands) | | | | | | |
| Loans purchased or originated during the period: | | | | | | |
| Unpaid principal balance | \$ 152,690 | \$ 133,818 | \$ 286,508 | \$ 807,733 | \$ 126,893 | \$ 934,626 |
| Initial net investment basis (1) | 144,600 | 133,818 | 278,417 | 732,893 | 126,893 | 859,786 |
| Loan returns during the period: | | | | | | |
| Yield | 8.16% | 8.63% | 8.32% | 8.83% | 9.31% | 9.00% |
| Total Return on Purchased Loans (2) | 8.21% | N/A | 8.21% | 8.84% | N/A | 8.84% |
| Total loans as of period end: | | | | | | |
| Unpaid principal balance | \$ 2,578,040 | \$ 1,213,111 | \$ 3,791,151 | \$ 2,644,390 | \$ 1,011,374 | \$ 3,655,764 |
| Net investment basis | 2,406,506 | 1,213,111 | 3,619,617 | 2,420,883 | 1,011,374 | 3,432,257 |

(1) Initial net investment basis on purchased loans is the initial amortized cost basis net of initial allowance for credit losses (credit mark).

(2) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains (losses) on real estate owned, release of allowance for credit losses on purchased loans, and other noninterest income recorded during the period divided by the average invested balance on an annualized basis. The total return on purchased loans does not include the effect of purchased loan charge-offs or recoveries during the period. Total return on purchased loans is considered a non-GAAP financial measure. See reconciliation in below table entitled "Total Return on Purchased Loans."

2. Deposits decreased by \$125.2 million, or 3.7%, from June 30, 2025. The decrease was primarily attributable to decreases in time deposits of \$67.3 million, or 3.0%, compared to the prior year. The significant drivers in the change in time deposits was a decrease in brokered time deposits, which decreased \$125.2 million, partially offset by an increase in Community Banking Division time deposits, which increased by \$38.0 million compared to June 30, 2025.

3. Federal Home Loan Bank ("FHLB") advances decreased by \$3.4 million, or 1.1%, from June 30, 2025. The decrease was attributable to maturities on outstanding advances and net paydowns on amortizing advances.

4. Shareholders' equity increased by \$19.4 million, or 3.9%, from June 30, 2025, primarily due to net income of \$22.5 million in the quarter, partially offset by the cancellation of restricted stock to cover tax obligations on restricted stock vests, which had a \$3.1 million impact on shareholders' equity.

Net income increased by \$5.4 million to \$22.5 million for the quarter ended September 30, 2025, compared to net income of \$17.1 million for the quarter ended September 30, 2024.

1. Net interest and dividend income before provision for credit losses increased by \$9.2 million to \$48.2 million for the quarter ended September 30, 2025, compared to \$39.0 million for the quarter ended September 30, 2024. The increase was primarily due to the following:

- o An increase in interest income earned on loans of \$12.3 million, primarily due to higher average balances in the National Lending Division and SBA portfolios, partially offset by lower rates earned across the portfolios; and
- o An increase in interest income earned on short-term investments of \$1.4 million, due to higher average balances, partially offset by lower rates earned; partially offset by,
- o An increase in deposit interest expense of \$4.7 million, primarily due to higher average balances, partially offset by lower rates on interest-bearing deposits.

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

| | Interest Income and Yield on Loans | | | | | |
|------------------------|------------------------------------|--------------------|--------|------------------------|--------------------|--------|
| | Three Months Ended September 30, | | | | | |
| | 2025 | | | 2024 | | |
| | Average Balance (1) | Interest Income | Yield | Average Balance (1) | Interest Income | Yield |
| (Dollars in thousands) | | | | | | |
| Community Banking | \$ 17,856 | \$ 303 | 6.73% | \$ 22,409 | \$ 370 | 6.55% |
| SBA National | 131,952 | 3,434 | 10.32% | 59,745 | 2,419 | 16.06% |
| National Lending: | | | | | | |
| Originated | 1,214,157 | 26,425 | 8.63% | 997,397 | 23,408 | 9.31% |
| Purchased | 2,311,209 | 47,518 | 8.16% | 1,758,801 | 39,141 | 8.83% |
| Total National Lending | 3,525,366 | 73,943 | 8.32% | 2,756,198 | 62,549 | 9.00% |
| Total | \$ 3,675,174 | \$ 77,680 | 8.39% | \$ 2,838,352 | \$ 65,338 | 9.13% |

(1) Includes loans held for sale.

The components of total income on purchased loans are set forth in the table below entitled "Total Return on Purchased Loans." When compared to the quarter ended September 30, 2024, transactional income increased by \$334 thousand for the quarter ended September 30, 2025, and regularly scheduled interest and accretion increased by \$8.3 million, primarily due to the increase in average balances. The total return on purchased loans for the quarter ended September 30, 2025 was 8.2%, a decrease from 8.8% for the quarter ended September 30, 2024. The following table details the total return on purchased loans:

| | Total Return on Purchased Loans | | | |
|---|----------------------------------|------------|-----------|------------|
| | Three Months Ended September 30, | | | |
| | 2025 | | 2024 | |
| | Income | Return (1) | Income | Return (1) |
| (Dollars in thousands) | | | | |
| Regularly scheduled interest and accretion | \$ 45,440 | 7.80% | \$ 37,160 | 8.38% |
| Transactional income: | | | | |
| Release of allowance for credit losses on purchased loans | 301 | 0.05% | 64 | 0.01% |
| Accelerated accretion and loan fees | 2,078 | 0.36% | 1,981 | 0.45% |
| Total transactional income | 2,379 | 0.41% | 2,045 | 0.46% |
| Total | \$ 47,819 | 8.21% | \$ 39,205 | 8.84% |

(1) The total return on purchased loans represents scheduled accretion, accelerated accretion, gains (losses) on real estate owned, release of allowance for credit losses on purchased loans, and other noninterest income recorded during the period divided by the average invested balance on an annualized basis. The total return on purchased loans does not include the effect of purchased loan charge-offs or recoveries during the period. Total return on purchased loans is considered a non-GAAP financial measure.

2. Provision for credit losses decreased by \$857 thousand reflecting a credit of \$435 thousand for the quarter ended September 30, 2025, compared to a provision of \$422 thousand for the quarter ended September 30, 2024. The decrease was primarily related to the decrease in the overall loan balance during the quarter.
3. Noninterest income increased by \$564 thousand for the quarter ended September 30, 2025, compared to the quarter ended September 30, 2024, primarily due to an increase in gain on sale of SBA loans of \$807 thousand, due to the change in cost structure of our arrangement with Newity LLC. There were sales of \$58.4 million in SBA loans during the quarter ended September 30, 2025 as compared to sales of \$63.1 million during the quarter ended September 30, 2024.
4. Noninterest expense increased by \$4.2 million for the quarter ended September 30, 2025, compared to the quarter ended September 30, 2024, primarily due to the following:
- An increase in salaries and employee benefits expense of \$1.5 million, primarily due to increases in regular, stock and incentive compensation expense;
 - An increase in professional fees due of \$342 thousand, primarily related to increased legal and audit costs; and
 - An increase in loan expense of \$2.1 million, primarily related to increased expenses in connection with the origination of SBA loans.
5. Income tax expense increased by \$1.0 million to \$8.9 million, or an effective tax rate of 28.3%, for the quarter ended September 30, 2025, compared to income tax expense of \$7.9 million, or an effective tax rate of 31.6%, for the quarter ended September 30, 2024. The decrease in effective tax rate is primarily due to changes in state tax law.

As of September 30, 2025, nonperforming assets totaled \$35.1 million, or 0.8% of total assets, compared to \$37.2 million, or 0.9% of total assets, as of June 30, 2025.

As of September 30, 2025, past due loans totaled \$28.8 million, or 0.8% of total loans, compared to past due loans totaling \$30.1 million, or 0.8% of total loans, as of June 30, 2025.

As of September 30, 2025, the Bank's Tier 1 leverage capital ratio was 12.2%, compared to 11.6% at June 30, 2025, and the Bank's Total risk-based capital ratio was 15.1% at September 30, 2025, compared to 14.7% at June 30, 2025. Capital ratios increased primarily due increased retained earnings.

Investor Call Information

Rick Wayne, Chief Executive Officer, Richard Cohen, Chief Financial Officer, Santino Delmolino, Corporate Controller, and Pat Dignan, Chief Operating Officer and Chief Credit Officer, of Northeast Bank, will host a **conference call to discuss first quarter financial results and business outlook at 10:00 a.m. Eastern Time on Wednesday, October 29th**. To access the conference call by phone, please go to this link ([Phone Registration](#)), and you will be provided with dial in details. The call will be available via live webcast, which can be viewed by accessing the Bank's website at www.northeastbank.com and clicking on the About Us - Investor Relations section. To listen to the webcast, attendees are encouraged to visit the website at least 15 minutes early to register, download and install any necessary audio software. Please note there will also be a slide presentation that will accompany the webcast. This presentation is also available in the Investor Relations section of the Bank's website at www.northeastbank.com. For those who cannot listen to the live broadcast, a replay will be available online for one year at www.northeastbank.com.

About Northeast Bank

Northeast Bank (NASDAQ: NBN) is a bank headquartered in Portland, Maine. We offer personal and business banking services to the Maine market via seven branches. Our National Lending Division purchases and originates commercial loans on a nationwide basis and our SBA division originates government-guaranteed SBA loans on a nationwide basis. ableBanking, a division of Northeast Bank, offers online savings products to consumers nationwide. Information regarding Northeast Bank can be found at www.northeastbank.com.

Non-GAAP Financial Measures

In addition to results presented in accordance with generally accepted accounting principles ("GAAP"), this press release contains certain non-GAAP financial measures, including tangible common shareholders' equity, tangible book value per share, total return on purchased loans, and efficiency ratio. The Bank's management believes that the supplemental non-GAAP information is utilized by regulators and market analysts to evaluate a company's financial condition and therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

Forward-Looking Statements

Statements in this press release that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We may also make forward-looking statements in other documents we file with the Federal Deposit Insurance Corporation ("FDIC"), in our annual reports to our shareholders, in press releases and other written materials, and in oral statements made by our officers, directors, or employees. You can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "outlook," "will," "should," and other expressions that predict or indicate future events and trends and which do not relate to historical matters. Although the Bank believes that these forward-looking statements are based on reasonable estimates and assumptions, they are not guarantees of future performance and are subject to known and unknown risks, uncertainties, contingencies, and other factors. You should not place undue reliance on our forward-looking statements. You should exercise caution in interpreting and relying on forward-looking statements because they are subject to significant risks, uncertainties, and other factors which are, in some cases, beyond the Bank's control.

The Bank's actual results could differ materially from those expressed or implied by such the forward-looking statements as a result of, among other factors: changes in interest rates and real estate values; changes in employment levels, and general business and economic conditions on a national basis and in the local markets in which the Bank operates; changes in customer behavior due to changing business and economic conditions (including the impact of tariffs, inflation, and concerns about liquidity) or legislative or regulatory initiatives; the possibility that future credit losses are higher than currently expected due to changes in economic assumptions, customer behavior, or adverse economic developments; turbulence in the capital and debt markets; competitive pressures from other financial institutions; changes in loan defaults and charge-off rates; changes in the value of securities and other assets, adequacy of credit loss reserves, or deposit levels necessitating increased borrowing to fund loans and investments; changes in, and evolving interpretations of, existing and future laws, rules, and regulations; operational risks including, but not limited to, cybersecurity, fraud, natural disasters, climate change, and future pandemics; the risk that the Bank may not be successful in the implementation of its business strategy; the risk that intangibles recorded in the Bank's financial statements will become impaired; changes in assumptions used in making such forward-looking statements; and the other risks and uncertainties detailed in the Bank's Annual Report on Form 10-K, as updated in the Bank's Quarterly Reports on Form 10-Q and other filings submitted to the FDIC. These statements speak only as of the date of this release and the Bank does not undertake any obligation to update or revise any of these forward-looking statements to reflect events or circumstances occurring after the date of this release or to reflect the occurrence of unanticipated events.

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NORTHEAST BANK
BALANCE SHEETS

(Unaudited)

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

| | September 30, 2025 | June 30, 2025 |
|---|-----------------------|---------------------|
| Assets | | |
| Cash and due from banks | \$ 2,356 | \$ 2,908 |
| Short-term investments | 339,460 | 410,711 |
| Total cash and cash equivalents | 341,816 | 413,619 |
| Available-for-sale debt securities, at fair value | 8,118 | 15,308 |
| Equity securities, at fair value | 7,514 | 7,396 |
| Total securities | 15,632 | 22,704 |
| SBA loans held for sale | 12,664 | 33,768 |
| Loans: | | |
| Commercial real estate | 2,791,809 | 2,733,794 |
| Commercial and industrial | 849,626 | 903,278 |
| Residential real estate | 111,384 | 119,158 |
| Consumer | 133 | 159 |
| Total loans | 3,752,952 | 3,756,389 |
| Less: Allowance for credit losses | 46,713 | 47,930 |
| Loans, net | 3,706,239 | 3,708,459 |
| Premises and equipment, net | 24,186 | 24,704 |
| Real estate owned and other possessed collateral, net | 1,279 | 560 |
| Federal Home Loan Bank stock, at cost | 15,118 | 15,295 |
| Loan servicing rights, net | 662 | 699 |
| Bank-owned life insurance | 18,621 | 19,329 |
| Accrued interest receivable | 17,325 | 16,897 |
| Other assets | 17,896 | 23,034 |
| Total assets | <u>\$ 4,171,438</u> | <u>\$ 4,279,068</u> |
| Liabilities and Shareholders' Equity | | |
| Deposits: | | |
| Demand | \$ 157,217 | \$ 159,274 |
| Savings and interest checking | 839,675 | 880,016 |
| Money market | 77,176 | 92,716 |
| Time | 2,176,319 | 2,243,594 |
| Total deposits | 3,250,387 | 3,375,600 |
| Federal Home Loan Bank advances | 316,801 | 320,191 |
| Lease liability | 18,616 | 19,044 |
| Other liabilities | 71,987 | 69,947 |

| | | |
|--|--------------|--------------|
| Total liabilities | 3,657,791 | 3,784,782 |
| Commitments and contingencies | | |
| Shareholders' equity | | |
| Preferred stock, \$1.00 par value, 1,000,000 shares authorized; no shares issued and outstanding at September 30, 2025 and June 30, 2025 | — | — |
| Voting common stock, \$1.00 par value, 25,000,000 shares authorized; 8,562,960 and 8,525,362 shares issued and outstanding at September 30, 2025 and June 30, 2025, respectively | 8,563 | 8,525 |
| Non-voting common stock, \$1.00 par value, 3,000,000 shares authorized; No shares issued and outstanding at September 30, 2025 and June 30, 2025 | — | — |
| Additional paid-in capital | 95,586 | 98,728 |
| Retained earnings | 409,493 | 387,035 |
| Accumulated other comprehensive income (loss) | 5 | (2) |
| Total shareholders' equity | 513,647 | 494,286 |
| Total liabilities and shareholders' equity | \$ 4,171,438 | \$ 4,279,068 |

NORTHEAST BANK
STATEMENTS OF INCOME

(Unaudited)

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

| | Three Months Ended September 30, | |
|---|----------------------------------|-----------|
| | 2025 | 2024 |
| Interest and dividend income: | | |
| Interest and fees on loans | \$ 77,680 | \$ 65,338 |
| Interest on available-for-sale securities | 180 | 595 |
| Other interest and dividend income | 5,347 | 3,921 |
| Total interest and dividend income | 83,207 | 69,854 |
| Interest expense: | | |
| Deposits | 31,331 | 26,590 |
| Federal Home Loan Bank advances | 3,461 | 4,030 |
| Obligation under capital lease agreements | 223 | 234 |
| Total interest expense | 35,015 | 30,854 |
| Net interest and dividend income before provision for credit losses | 48,192 | 39,000 |
| (Credit) provision for credit losses | (435) | 422 |
| Net interest and dividend income after provision for credit losses | 48,627 | 38,578 |
| Noninterest income: | | |
| Fees for other services to customers | 346 | 443 |
| Gain on sales of SBA loans | 4,138 | 3,331 |
| Net unrealized gain on equity securities | 52 | 189 |
| Bank-owned life insurance income | 124 | 124 |
| Correspondent fee income | 12 | 30 |
| Other noninterest income | 11 | 2 |
| Total noninterest income | 4,683 | 4,119 |
| Noninterest expense: | | |
| Salaries and employee benefits | 12,682 | 11,183 |
| Occupancy and equipment expense | 1,146 | 1,078 |
| Professional fees | 1,095 | 753 |
| Data processing fees | 1,653 | 1,487 |
| Marketing expense | 123 | 136 |
| Loan acquisition and collection expense | 3,349 | 1,293 |
| FDIC insurance expense | 294 | 331 |
| Other noninterest expense | 1,548 | 1,424 |
| Total noninterest expense | 21,890 | 17,685 |
| Income before income tax expense | 31,420 | 25,012 |
| Income tax expense | 8,879 | 7,906 |

| | | | | |
|--|----|-----------|----|-----------|
| Net income | \$ | 22,541 | \$ | 17,106 |
| Weighted-average shares outstanding: | | | | |
| Basic | | 8,272,801 | | 7,886,148 |
| Diluted | | 8,430,980 | | 8,108,688 |
| Earnings per common share: | | | | |
| Basic | \$ | 2.72 | \$ | 2.17 |
| Diluted | | 2.67 | | 2.11 |
| Cash dividends declared per common share | \$ | 0.01 | \$ | 0.01 |

NORTHEAST BANK

AVERAGE BALANCE SHEETS AND ANNUALIZED YIELDS

(Unaudited)

(Dollars in thousands)

| Three Months Ended September 30, | | | | | | |
|--|-------------------------|--------------------|-----------------|-------------------------|--------------------|-------|
| 2025 | | | 2024 | | | |
| Average Balance | Interest Income/Expense | Average Yield/Rate | Average Balance | Interest Income/Expense | Average Yield/Rate | |
| Assets: | | | | | | |
| Interest-earning assets: | | | | | | |
| Investment securities | \$ 18,135 | \$ 180 | 3.94% | \$ 55,413 | \$ 595 | 4.26% |
| Loans (1) (2) (3) | 3,675,174 | 77,680 | 8.39% | 2,838,352 | 65,338 | 9.13% |
| Federal Home Loan Bank stock | 15,185 | 285 | 7.45% | 16,465 | 330 | 7.95% |
| Short-term investments (4) | 454,491 | 5,062 | 4.42% | 245,542 | 3,591 | 5.80% |
| Total interest-earning assets | 4,162,985 | 83,207 | 7.93% | 3,155,772 | 69,854 | 8.78% |
| Cash and due from banks | 2,086 | | | 2,112 | | |
| Other non-interest earning assets | 38,420 | | | 94,071 | | |
| Total assets | \$ 4,203,491 | | | \$ 3,251,955 | | |
| Liabilities & Shareholders' Equity: | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| NOW accounts | \$ 648,545 | \$ 6,208 | 3.80% | \$ 563,730 | \$ 6,380 | 4.49% |
| Money market accounts | 87,731 | 495 | 2.24% | 148,687 | 1,267 | 3.38% |
| Savings accounts | 210,579 | 1,505 | 2.84% | 178,581 | 1,557 | 3.46% |
| Time deposits | 2,175,202 | 23,123 | 4.22% | 1,389,832 | 17,386 | 4.96% |
| Total interest-bearing deposits | 3,122,057 | 31,331 | 3.98% | 2,280,830 | 26,590 | 4.63% |
| Federal Home Loan Bank advances | 316,077 | 3,461 | 4.34% | 362,594 | 4,030 | 4.41% |
| Lease liability | 18,765 | 223 | 4.71% | 20,018 | 234 | 4.64% |
| Total interest-bearing liabilities | 3,456,899 | 35,015 | 4.02% | 2,663,442 | 30,854 | 4.60% |
| Non-interest bearing liabilities: | | | | | | |
| Demand deposits and escrow accounts | 169,767 | | | 175,161 | | |
| Other liabilities | 69,968 | | | 26,175 | | |
| Total liabilities | 3,696,634 | | | 2,864,778 | | |
| Shareholders' equity | 506,857 | | | 387,177 | | |
| Total liabilities and shareholders' equity | \$ 4,203,491 | | | \$ 3,251,955 | | |
| Net interest income | | | | | | |
| | \$ | 48,192 | | \$ | 39,000 | |
| Interest rate spread | | | | | | |
| | | | 3.91% | | | 4.18% |
| Net interest margin (5) | | | | | | |
| | | | 4.59% | | | 4.90% |
| Cost of funds (6) | | | | | | |
| | | | 3.83% | | | 4.31% |

(1) Interest income and yield are stated on a fully tax-equivalent basis using the statutory tax rate.

(2) Includes loans held for sale.

(3) Nonaccrual loans are included in the computation of average, but unpaid interest has not been included for purposes of determining interest income.

(4) Short-term investments include FHLB overnight deposits and other interest-bearing deposits.

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

(6) Cost of funds is calculated as total interest expense divided by total interest-bearing liabilities plus demand deposits and escrow accounts.

NORTHEAST BANK

SELECTED FINANCIAL HIGHLIGHTS AND OTHER DATA

(Unaudited)

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

| | Three Months Ended | | | | |
|---|--------------------|---------------|----------------|-------------------|--------------------|
| | September 30, 2025 | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 |
| Net interest income | \$ 48,192 | \$ 53,931 | \$ 45,951 | \$ 48,490 | \$ 39,000 |
| (Credit) provision for credit losses | (435) | 3,469 | 2,908 | 1,944 | 422 |
| Noninterest income | 4,683 | 8,768 | 6,619 | 5,949 | 4,119 |
| Noninterest expense | 21,890 | 21,495 | 20,143 | 19,066 | 17,685 |
| Net income | 22,541 | 25,216 | 18,681 | 22,440 | 17,106 |
| Weighted-average common shares outstanding: | | | | | |
| Basic | 8,272,801 | 8,233,002 | 8,216,746 | 8,044,345 | 7,886,148 |
| Diluted | 8,430,980 | 8,413,895 | 8,394,964 | 8,197,568 | 8,108,688 |
| Earnings per common share: | | | | | |
| Basic | \$ 2.72 | \$ 3.06 | \$ 2.27 | \$ 2.79 | \$ 2.17 |
| Diluted | 2.67 | 3.00 | 2.23 | 2.74 | 2.11 |
| Dividends declared per common share | \$ 0.01 | \$ 0.01 | \$ 0.01 | \$ 0.01 | \$ 0.01 |
| Return on average assets | 2.13% | 2.38% | 1.86% | 2.24% | 2.09% |
| Return on average equity | 17.64% | 20.74% | 16.47% | 21.14% | 17.53% |
| Net interest rate spread (1) | 3.91% | 4.49% | 3.96% | 4.21% | 4.18% |
| Net interest margin (2) | 4.59% | 5.10% | 4.62% | 4.88% | 4.90% |
| Efficiency ratio (non-GAAP) (3) | 41.40% | 34.28% | 38.32% | 35.02% | 41.01% |
| Noninterest expense to average total assets | 2.07% | 2.03% | 2.00% | 1.90% | 2.16% |
| Average interest-earning assets to average interest-bearing liabilities | 120.43% | 119.07% | 118.64% | 118.24% | 118.48% |
| As of: | | | | | |
| | September 30, 2025 | June 30, 2025 | March 31, 2025 | December 31, 2024 | September 30, 2024 |
| Nonperforming loans: | | | | | |
| Total originated portfolio | \$ 10,817 | \$ 10,587 | \$ 12,552 | \$ 12,809 | \$ 15,342 |
| Total purchased portfolio | 22,976 | 24,424 | 19,680 | 17,257 | 21,830 |
| Total nonperforming loans | 33,793 | 35,011 | 32,232 | 30,066 | 37,172 |
| Real estate owned and other repossessed collateral, net | 1,279 | 560 | 1,200 | 1,200 | - |
| Total nonperforming assets | \$ 35,072 | \$ 35,571 | \$ 33,432 | \$ 31,266 | \$ 37,172 |
| Past due loans to total loans | 0.77% | 0.80% | 0.91% | 0.85% | 0.89% |
| Nonperforming loans to total loans | 0.90% | 0.93% | 0.86% | 0.84% | 1.06% |
| Nonperforming assets to total assets | 0.84% | 0.83% | 0.79% | 0.77% | 0.94% |
| Allowance for credit losses to total loans | 1.24% | 1.28% | 1.23% | 1.25% | 1.25% |
| Allowance for credit losses to nonperforming loans | 138.23% | 136.90% | 142.79% | 148.92% | 117.40% |
| Net charge-offs | \$ 1,887 | \$ 1,723 | \$ 2,082 | \$ 869 | \$ 1,604 |
| Commercial real estate loans to total capital (4) | 470.01% | 486.07% | 521.47% | 542.12% | 604.38% |
| Net loans to deposits | 114.02% | 109.86% | 112.10% | 112.52% | 110.70% |
| Purchased loans to total loans | 64.12% | 63.23% | 65.33% | 66.63% | 69.11% |

| | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Equity to total assets | 12.31% | 11.55% | 11.06% | 10.88% | 9.96% |
| Common equity tier 1 capital ratio | 13.86% | 13.44% | 12.72% | 12.66% | 11.45% |
| Total risk-based capital ratio | 15.11% | 14.69% | 13.97% | 13.91% | 12.70% |
| Tier 1 leverage capital ratio | 12.21% | 11.64% | 11.45% | 11.16% | 12.06% |
| Total shareholders' equity | \$ 513,647 | \$ 494,286 | \$ 467,516 | \$ 444,101 | \$ 392,557 |
| Less: Preferred stock | - | - | - | - | - |
| Common shareholders' equity | 513,647 | 494,286 | 467,516 | 444,101 | 392,557 |
| Less: Intangible assets | - | - | - | - | - |
| Tangible common shareholders' equity (non-GAAP) | <u>\$ 513,647</u> | <u>\$ 494,286</u> | <u>\$ 467,516</u> | <u>\$ 444,101</u> | <u>\$ 392,557</u> |
| Common shares outstanding | 8,562,960 | 8,525,362 | 8,525,362 | 8,492,856 | 8,212,026 |
| Book value per common share | \$ 59.98 | \$ 57.98 | \$ 54.84 | \$ 52.29 | \$ 47.80 |
| Tangible book value per share (non-GAAP) (5) | 59.98 | 57.98 | 54.84 | 52.29 | 47.80 |

(1) The net interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the period.

(2) The net interest margin represents net interest income as a percent of average interest-earning assets for the period.

(3) The efficiency ratio represents noninterest expense divided by the sum of net interest income (before the credit loss provision) plus noninterest income.

(4) For purposes of calculating this ratio, commercial real estate includes all non-owner occupied commercial real estate loans defined as such by regulatory guidance, including all land development and construction loans.

(5) Tangible book value per share represents total shareholders' equity less the sum of preferred stock and intangible assets divided by common shares outstanding.

For More Information:

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