

MAINE BUREAU OF FINANCIAL INSTITUTIONS
ORDER APPROVING APPLICATION OF NORTHEAST BANK, FSB, AUBURN,
MAINE TO CONVERT TO A MAINE-CHARTERED UNIVERSAL BANK WITH
THE NAME OF NORTHEAST BANK

Northeast Bank, FSB, Auburn, Maine ("Northeast") filed an application, pursuant to Title 9-B M.R.S.A. Chapter 34, to convert from a federally chartered savings and loan association to a Maine-chartered universal bank with the name "Northeast Bank." The application was accepted for processing on March 31, 2004. Public notice, as required by Title 9-B M.R.S.A. 252.2(B), was provided by publication and mail to interested parties, affording them an opportunity to submit written comments or request a hearing. The Bureau received no comments during the public comment period ending May 3, 2004.

A Principal Bank Examiner of the Maine Bureau of Financial Institutions conducted an investigation of this transaction. All evidence and pertinent material which were considered by the Examiner were also considered by the Superintendent in reaching his decision.

Northeast is a wholly-owned subsidiary of Northeast Bancorp ("Bancorp"), a registered unitary savings and loan holding company. Northeast offers a broad array of traditional banking services as well as trust management, financial planning, and investment and insurance brokerage services. At yearend 2003, Northeast had total assets of \$496 million and operated 14 banking offices (one of which is now in the process of being sold) in Western and South-Central Maine.

The conversion to a state-chartered bank will have no material effect on the Bank's scope of operations or permissible activities. The financial and managerial resources of Northeast are satisfactory and other statutory factors are consistent with approval. Therefore, the application of Northeast Bank, FSB to convert from a federally chartered savings and loan association to a Maine-chartered universal bank with the name "Northeast Bank" is approved. The transaction shall be completed within one year of the effective date of this Order unless a written extension is granted by the Superintendent.

Any person aggrieved by this Order shall be entitled to a judicial review of the Order in accordance with the Maine Administrative Procedure Act, Title 5, Chapter 375, subchapter VII.

By order of the Superintendent, effective June 4, 2004.

/s/ Howard R. Gray, Jr.
Superintendent
Gardiner, Maine
May 4, 2004