

NORTHEAST BANCORP /ME/
Form PREM14A
March 13, 2019

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

NORTHEAST BANCORP

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offset is applied. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing party:

(4) Date Filed:

Table of Contents

Preliminary Proxy Statement/Offering Circular, dated, March [], 2019

Subject to Completion

NORTHEAST BANCORP

500 Canal Street

Lewiston, Maine 04240

MERGER PROPOSED—YOUR VOTE IS VERY IMPORTANT

Dear Northeast Bancorp Shareholder:

You are cordially invited to attend a special meeting of shareholders (the “special meeting”) of Northeast Bancorp (“Northeast Bancorp” or the “Company”) to be held on [MEETING DATE], at 10:00 a.m., Eastern time, at the offices of Goodwin Procter LLP located at 100 Northern Avenue, Boston, Massachusetts 02210. The special meeting is being held to approve the Agreement and Plan of Merger (the “plan of merger”) by and between Northeast Bancorp and its wholly-owned bank subsidiary, Northeast Bank (“Northeast Bank” or the “Bank”), as part of an internal corporate reorganization initiated by the Company and the Bank. Under the terms of the plan of merger, the Company will merge with and into the Bank (the “reorganization”), with the Bank continuing as the surviving entity. If the proposed reorganization is approved and effected, the bank holding company structure will be eliminated and the Bank will become the top-level company.

Pursuant to the plan of merger, each share of the Company’s voting common stock and non-voting common stock issued and outstanding immediately prior to the effective time of the reorganization will be converted into the right to receive one share of the Bank’s voting common stock and non-voting common stock, respectively. Following the reorganization, the separate corporate existence of the Company will cease and the share ownership of the Company immediately prior to the reorganization will become the share ownership of the Bank following the reorganization.

The Company’s board of directors unanimously recommends that holders of the Company’s voting common stock and holders of the Company’s non-voting common stock, who have special voting rights in connection with the plan of merger, vote “**FOR**” the approval of the plan of merger. Your vote is important. We hope that you will be able to attend the special meeting. Whether or not you plan to attend the special meeting, please vote as soon as possible. Instructions on how to vote are contained in the proxy statement/offering circular.

Thank you for your continued support of Northeast Bancorp and Northeast Bank.

Sincerely,

Richard Wayne
President and Chief Executive Officer

THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE REORGANIZATION ARE NOT SAVINGS ACCOUNTS OR DEPOSITS OR OTHER OBLIGATIONS OF ANY BANK. THESE SECURITIES ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY AND ARE SUBJECT TO INVESTMENT RISK, INCLUDING THE POSSIBLE LOSS OF YOUR INVESTMENT.

THIS DOCUMENT CONSTITUTES PART OF AN OFFERING CIRCULAR COVERING SECURITIES THAT ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, PURSUANT TO SECTION 3(a)(2) THEREOF. NONE OF THE SECURITIES AND EXCHANGE COMMISSION, THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE MAINE BUREAU OF FINANCIAL INSTITUTIONS OR ANY OTHER FEDERAL OR STATE REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROXY STATEMENT/OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This proxy statement/offering circular is dated [], 2019 and is first being mailed to the Company's shareholders on or about [], 2019.

Table of Contents

NORTHEAST BANCORP

500 Canal Street

Lewiston, Maine 04240

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON [], 2019

Dear Northeast Bancorp Shareholder:

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of Northeast Bancorp, a Maine corporation (the “Company”), will be held at the offices of Goodwin Procter LLP located at 100 Northern Avenue, Boston, Massachusetts 02210, on [MEETING DATE] at 10:00 a.m., Eastern time, for the following purpose:

To approve a proposal to approve the Agreement and Plan of Merger (the “plan of merger”) by and between Northeast Bancorp (the “Company”) and its wholly-owned bank subsidiary, Northeast Bank (the “Bank”) as part of an internal corporate reorganization initiated by the Company and the Bank, pursuant to which the Company will merge with and into the Bank, with the Bank continuing as the surviving entity, which is referred to as the “reorganization proposal.”

To consider and vote upon an adjournment of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the special meeting to vote in favor of approval of the plan of merger, which is referred to as the “adjournment proposal.”

The Company will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The two proposals are described in more detail in the accompanying proxy statement/offering circular, which you should read carefully in its entirety before voting. Only holders of the Company’s voting common stock, and holders of the Company’s non-voting common stock who have special voting rights in connection with the plan of merger, at the close of business on [RECORD DATE] are entitled to notice of and to vote at the special meeting or any

adjournments or postponements of the special meeting.

Your vote is very important. If you fail to vote, or you do not instruct your broker how to vote any shares held for you in “street name,” it will have same effect as voting “AGAINST” the reorganization proposal.

To ensure your representation at the special meeting, please complete, execute and promptly mail your proxy card in the return envelope enclosed. You may also vote by using the Internet or calling the toll-free number as further described in the enclosed proxy card. This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs.

Under Maine law, holders of non-voting common stock of the Company who do not vote in favor of the reorganization proposal will have the right to seek appraisal of the fair value of their Company non-voting common stock if the reorganization is completed, but only if they strictly comply with Maine law procedures explained in the attached proxy statement/offering circular. See the section of the attached proxy statement/offering circular titled “The Reorganization and Plan of Merger – Appraisal Rights” beginning on page 27.

The Company’s board of directors has adopted the plan of merger and recommends that you vote “**FOR**” the reorganization proposal and “**FOR**” the adjournment proposal.

By Order of the Board of Directors,

Suzanne M. Carney
Corporate Clerk

Lewiston, Maine

[MAILING DATE], 2019

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

The Company is currently required to file annual, quarterly and current reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the “SEC”). In addition, the Company currently files reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You will also be able to obtain these documents, free of charge, from the Company’s investor relations website at <http://investor.northeastbank.com>.

The Bank currently is not required to file reports with the SEC. In connection with the reorganization, it intends to register its common stock under Section 12(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Following such registration, it will be subject to the reporting and other requirements of the Exchange Act. In accordance with the Exchange Act and as a bank that is not a member of the Federal Reserve System, the Bank will file certain reports, proxy materials, information statements and other information required by the Exchange Act with the Federal Deposit Insurance Corporation (“FDIC”), copies of which can be inspected and copied at the public reference facilities maintained by the FDIC, at the Public Reference Section, Room F-6043, 550 17th Street, N.W., Washington, D.C. 20429. Requests for copies may be made by telephone at (202) 898-8913 or by fax at (202) 898-3909. Certain financial and other information filed by the Bank with the FDIC will also be available electronically at the FDIC’s website at <http://www.fdic.gov>. Immediately following the reorganization, the Bank will maintain the same investor relations website currently used by the Company at <http://investor.northeastbank.com> and will include the Bank’s filings at that location.

None of the information about the Company or the Bank maintained on the Company’s or the Bank’s website is incorporated by reference into this proxy statement/offering circular.

ABOUT THIS PROXY STATEMENT/OFFERING CIRCULAR

Unless the context otherwise requires, throughout this proxy statement/offering circular, the “Company” refers to Northeast Bancorp, and the “Bank” refers to the Company’s wholly-owned bank subsidiary, Northeast Bank. Also, we refer to the proposed merger of the Company with and into the Bank as the “reorganization,” and the Agreement and Plan of Merger, dated January 7, 2019, by and between the Company and the Bank, as the “plan of merger.”

Neither the Company nor the Bank has authorized anyone to give any information or make any representation about the plan of merger, the reorganization or the parties thereto that is different from, or in addition to, that contained in this proxy statement/offering circular or in any of the materials that have been incorporated by reference into this proxy statement/offering circular. Therefore, if anyone does give you information of this sort, you should not rely on it.

If you are in a jurisdiction where offers to exchange, purchase or sell, or solicitations of offers to exchange, purchase or sell, the securities offered by this proxy statement/offering circular or the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this proxy statement/offering circular does not extend to you.

The information contained in this proxy statement/offering circular is accurate only as of the date of this document unless the information specifically indicates that another date applies, regardless of the time of delivery of this proxy statement/offering circular. The assets, business, cash flows, condition (financial or otherwise), liquidity, prospects and/or results of operations of the Company or the Bank may have changed since that date.

You should not interpret the contents of this proxy statement/offering circular to be legal, business, investment or tax advice. You should consult with your own advisors for that type of advice and consult with them about the legal, tax, business, financial and other issues that you should consider before voting.

Table of Contents

Table of Contents

	<u>Page</u>
<u>Questions and Answers About the Reorganization and the Special Meeting</u>	1
<u>Summary</u>	7
<u>The Reorganization</u>	7
<u>Parties to the Reorganization</u>	7
<u>Effects of the Reorganization</u>	7
<u>Recommendation of the Company’s Board of Directors</u>	9
<u>Special Meeting of Shareholders</u>	9
<u>Interests of Company Executive Officers and Directors in the Reorganization</u>	10
<u>Material United States Federal Income Tax Consequences of the Reorganization</u>	10
<u>Regulatory Approvals Required for the Reorganization</u>	10
<u>Conditions to the Reorganization</u>	10
<u>Termination and Amendment of the Plan of Merger</u>	11
<u>Appraisal Rights</u>	11
<u>Description of Bank Voting Common Stock and Bank Non-Voting Common Stock and Comparison of Shareholders’ Rights</u>	11
<u>Risk Factors</u>	12
<u>Cautionary Note Regarding Forward-Looking Statements</u>	15
<u>Special Meeting of Shareholders</u>	16
<u>Date, Time and Place of the Special Meeting</u>	16
<u>Actions to be Taken at the Special Meeting</u>	16
<u>Record Date</u>	16
<u>Attendance at the Special Meeting</u>	16
<u>Quorum</u>	16
<u>Vote Required to Approve Each Proposal</u>	17
<u>Voting</u>	17
<u>What To Do if I Receive More Than One Set of Voting Materials</u>	17
<u>Broker Non-Votes and Abstentions</u>	18
<u>Effect of Broker Non-Votes and Abstentions on the Votes Required at the Special Meeting</u>	18
<u>How Shares Will Be Voted</u>	18
<u>Revocation of Proxies</u>	18
<u>Solicitation of Proxies</u>	18
<u>PROPOSAL NO. 1—APPROVAL OF THE PLAN OF MERGER</u>	19
<u>PROPOSAL NO. 2—ADJOURNMENT OF THE SPECIAL MEETING</u>	19
<u>The Reorganization and Plan of MERGER</u>	20
<u>General</u>	20
<u>Reasons for the Reorganization; Recommendation of the Company’s Board of Directors</u>	20
<u>Effects of the Reorganization</u>	21
<u>Interests of Company Executive Officers and Directors in the Reorganization</u>	25
<u>Conditions to the Reorganization</u>	25
<u>Amendment; Termination</u>	25
<u>Effective Time of the Reorganization</u>	25
<u>Regulatory Approvals Required for the Reorganization</u>	26

<u>Accounting Treatment</u>	26
<u>Appraisal Rights</u>	27
<u>Resale of Bank Stock</u>	29
<u>Material United States Federal Income Tax Consequences of the Reorganization</u>	30
<u>Description of Bank CAPITAL STOCK and Comparison of Shareholders' Rights</u>	32
<u>Authorized Capital Stock</u>	32
<u>Bank Voting Common Stock</u>	32
<u>Bank Non-Voting Common Stock</u>	33
<u>Preferred Stock</u>	34
<u>Board of Directors</u>	34
<u>Anti-Takeover Provisions</u>	34
<u>Special Meeting of Shareholders</u>	35
<u>Advance Notice Requirements for Director Nominations</u>	35
<u>Amendments to the Bank's Articles of Incorporation and Bylaws</u>	35
<u>Indemnification of Directors, Officers and Employees</u>	35
<u>Elimination of Certain Liabilities of Directors</u>	36
<u>Bank Common Stock Not Insured by the FDIC</u>	36
<u>Information about the Companies</u>	37
<u>General</u>	37
<u>Security Ownership of Management and Principal Shareholders of the Company</u>	37
<u>Shareholder Proposals for the 2019 Annual Meeting of Shareholders</u>	38
<u>APPENDIX A – AGREEMENT AND PLAN OF MERGER</u>	A-1
<u>APPENDIX B – APPRAISAL RIGHTS UNDER MAINE LAW</u>	B-1

Table of Contents

**PROXY STATEMENT FOR THE
SPECIAL MEETING OF SHAREHOLDERS
OF NORTHEAST BANCORP
TO BE HELD ON [MEETING DATE]**

**OFFERING CIRCULAR FOR
NORTHEAST BANK VOTING COMMON STOCK
AND
NORTHEAST BANK NON-VOTING COMMON STOCK**

Questions and Answers About the Reorganization and the Special Meeting

The following are answers to certain questions you may have regarding the plan of merger, the reorganization and the special meeting. We urge you to read carefully the remainder of this proxy statement/offering circular, including Appendix A, because the information in this section may not provide all the information that might be important to you in determining how to vote.

Q: What is the reorganization?

Northeast Bancorp (the “Company”) and its wholly-owned bank subsidiary, Northeast Bank (the “Bank”), have entered into an Agreement and Plan of Merger (the “plan of merger”) pursuant to which the Company will be merged with and into the Bank, with the Company’s separate corporate existence ceasing and the Bank continuing as the surviving entity, referred to herein as the “reorganization.” A copy of the plan of merger is attached as Appendix A to this proxy statement/offering circular. In order for us to complete the reorganization, we need the approval of the A: shareholders of the Company, approval of the Federal Deposit Insurance Corporation (the “FDIC”), and certain approvals or non-objections of the Maine Bureau of Financial Institutions (“MBFI”). Following the reorganization, it is expected that the shares of the Bank’s voting common stock will be traded on the NASDAQ Global Market (“NASDAQ”) under the same ticker symbol currently used by the Company, “NBN.” The Company’s non-voting common stock currently does not, and after the reorganization the Bank’s non-voting common stock will not, be traded or quoted on any securities exchange.

Q: What is the purpose of the reorganization?

A: The Company currently operates as the bank holding company of the Bank and conducts substantially all of its business through the Bank. The Company believes that the reorganization will further improve the combined entity’s efficiency by eliminating redundant corporate infrastructure and activities as well as the associated supervision and oversight of the Board of Governors of the Federal Reserve System (“FRB”) applicable to registered

bank holding companies. The Bank will continue to be regulated by the FDIC and MBFI. Effective June 2010, the Bank and the Company entered into certain commitments with the FRB. At the time the reorganization is effected and there is no longer a bank holding company, these commitments no longer will be applicable. The Bank instead intends to replace these commitments with standards relating to its capital levels and asset portfolio composition, which will be incorporated into its policies and procedures. These newly established standards are designed to help ensure the Bank will continue to operate in a safe and sound manner, and may permit more growth in the Bank's loan portfolio as compared to operating under the existing commitments.

Q: Why am I receiving this proxy statement/offering circular?

We are delivering this document to you because it is a proxy statement being used by the Company's board of directors to solicit proxies of the Company's shareholders in connection with the approval of the plan of merger. To facilitate approval of the plan of merger, the Company has called a special meeting of its shareholders, which we refer to as the "special meeting." This document serves as a proxy statement for the special meeting and describes the proposal to be presented at the special meeting.

This document also serves as the offering circular of the Bank with respect to the issuance of shares of the Bank's common stock to the Company's shareholders upon completion of the reorganization as more fully described herein.

Table of Contents

This proxy statement/offering circular contains important information about the reorganization proposal being voted on at the special meeting. You should read it carefully and in its entirety. The enclosed materials allow you to have your shares voted by proxy without having to attend the special meeting. Your vote is important. We encourage you to vote as soon as possible.

Q: What are the Company's shareholders being asked to vote on and why is this approval necessary? (page 19)

The Company's shareholders are being asked to approve a proposal to approve the plan of merger, which is referred to as the "reorganization proposal." Shareholder approval of the reorganization proposal is required for completion of the reorganization. Company shareholders are also being asked to approve the adjournment of the meeting, if necessary, to permit further solicitation of proxies if there are insufficient votes at the special meeting to vote in favor of the reorganization proposal, which is referred to as the "adjournment proposal." The Company will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

Q: What will the Company's shareholders receive in the reorganization? (page 21)

If the plan of merger is approved and the reorganization is subsequently completed, then, at the effective time of the reorganization, each share of the Company's voting common stock, par value \$1.00 per share ("Company Voting Common Stock"), outstanding immediately prior to the effective time of the reorganization will be automatically converted into the right to receive one share of the Bank's voting common stock ("Bank Voting Common Stock"); and each share of the Company's non-voting common stock, par value \$1.00 per share ("Company Non-Voting Common Stock"), outstanding immediately prior to the effective time of the reorganization will be automatically converted into the right to receive one share of the Bank's non-voting common stock, par value \$1.00 per share ("Bank Non-Voting Common Stock"). Each holder of certificates which represent shares of Company Voting Common Stock or Company Non-Voting Common Stock will be entitled to receive new certificates evidencing an equivalent number of shares of Bank Voting Common Stock or Bank Non-Voting Common Stock, as applicable. Any fraction of a share of Company Voting Common Stock or Company Non-Voting Common Stock will also be automatically converted into the right to receive the same fraction of a share of Bank Voting Common Stock and Bank Non-Voting Common Stock, respectively. Accordingly, following the completion of the reorganization, shares of Bank Voting Common Stock and Bank Non-Voting Common Stock will be owned directly by the Company's shareholders in the same proportion as their ownership of shares of Company Voting Common Stock and Company Non-Voting Common Stock, respectively, immediately prior to the reorganization.

For more information regarding the procedures by which you may obtain a certificate representing an equivalent number of shares of Bank Voting Common Stock or shares of Bank Non-Voting Common Stock in book-entry form, see "—Should I send in my stock certificates now?" and "The Reorganization and Plan of Merger—Effects of the Reorganization—Procedures to Receive Bank Common Stock."

Q:

Will the Bank assume the Company's restricted stock, performance share, stock option and other benefit plans? (page 22)

Yes. The Bank will assume and continue the Company's equity plan and will also assume all stock-based awards that were granted by the Company and that are outstanding under that plan. As a result, each of the Company's outstanding stock-based awards will be converted into similar stock-based awards that cover the same number of shares of the Bank's capital stock, and with the same terms and conditions, including the same vesting, exercisability and other restrictions, which will not be affected by the reorganization. In addition, the Bank will assume all of the Company's employee benefit plans, including retirement, health and welfare plans and fringe benefit arrangements for its employees.

Q: Will the Bank assume the Company's change in control obligations with its President and Chief Executive Officer? (page 22)

Yes. The Bank will assume the Company's change in control obligations under the agreement it has with Richard A: Wayne, President and Chief Executive Officer of the Company and the Bank, and Mr. Wayne will continue to be subject to the obligations and restrictive covenants included in the agreement.

Table of Contents

Q: Will the reorganization result in payments to its President and Chief Executive Officer? (page 22)

A: No. The reorganization is not a “change in control” as defined in its agreement with Mr. Wayne containing change in control obligations. No payments will be due under this agreement as a result of the reorganization.

Q: Will the Bank keep the same stock exchange listing as the Company? (page 29)

A: It is expected that, following the completion of the reorganization, the Bank Voting Common Stock will be listed on NASDAQ under the same ticker symbol currently used for Company Voting Common Stock, “NBN.”

Q: Will the Bank have the same management? (page 22)

A: After the reorganization, the Bank will have the same directors, with the same terms of service, as the Company had immediately prior to the reorganization. Officers of the Company immediately prior to the reorganization will hold the same positions and titles with the Bank following the reorganization.

Q: What are the material federal income tax consequences of the reorganization to the Company’s shareholders? (page 30)

A: The merger is intended to qualify, and the Company expects to receive a legal opinion from Goodwin Procter LLP, legal counsel to the Company and the Bank, to the effect that the reorganization will qualify as a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended (the “Code”). Provided the reorganization so qualifies, the Company’s shareholders generally will not recognize gain or loss with respect to the Bank Voting Common Stock or Bank Non-Voting Common Stock that they receive in the reorganization.

Please carefully review the information set forth in the section titled “Material Federal Income Tax Consequences of the Reorganization” beginning on page 30 for a description of the material federal income tax consequences of the reorganization. This tax treatment may not apply to all Company shareholders. We strongly urge you to consult your own tax advisor for a full understanding of the tax consequences of the reorganization to you, as the tax consequences will depend upon each shareholder’s own situation.

Q: What are the conditions to completion of the reorganization? (page 25)

A: The obligations of the Bank and the Company to complete the reorganization are subject to the satisfaction or waiver of certain closing conditions contained in the plan of merger, including the receipt of required regulatory approvals and the requisite approval by the Company’s shareholders.

Q: What Company shareholder approvals are required to complete the reorganization? (page 17)

The affirmative vote of the holders of at least a majority of the shares of Company Voting Common Stock and at least a majority of the shares of Company Non-Voting Common Stock, voting as separate classes, outstanding and entitled to vote at the special meeting is required to approve the reorganization proposal.

Q: Will I be entitled to dissenters' rights of appraisal? (page 27)

A: Holders of Company Voting Common Stock will not have appraisal or dissenters' rights. Holders of Company Non-Voting Common Stock will have appraisal or dissenters' rights.

Q: Are there any risks that shareholders should consider in deciding whether to vote for approval of the proposals? (page 12)

A: Yes. You should read and carefully consider the risk factors set forth in the section of this proxy statement/offering circular titled "Risk Factors" beginning on page 12 as well as the other information contained in or incorporated by reference into this proxy statement/offering circular, including the matters addressed in the section of this proxy statement/offering circular titled "Cautionary Note Regarding Forward Looking Statements" on page 15.

Table of Contents

Q. What is the difference between holding shares as a shareholder of record and as a beneficial owner of shares held in “street name”? (page 17)

A. If your shares of Company Voting Common Stock or Company Non-Voting Common Stock are in certificated form or are registered directly in your name with our transfer agent, Computershare, you are considered the shareholder of record with respect to those shares. As a shareholder of record, you may vote at the special meeting or vote by proxy by one of the methods described below. If your shares of Company Voting Common Stock are held in an account by a broker, bank or other nominee (the record holder of your shares), then you are the beneficial owner of shares held in “street name.” As the beneficial owner, you have the right to direct your record holder how to vote your shares of Company Voting Common Stock and the record holder is required to vote your shares of Company Voting Common Stock in accordance with your instructions.

Q. How may I vote my shares for the special meeting proposals presented in this proxy statement/offering circular? (page 17)

A. **Shares Held of Record:** Holders of record of Company Voting Common Stock and Company Non-Voting Common Stock may vote:

Over the Internet. You may vote online by going to the website of our tabulator, Computershare, at www.investorvote.com/NBN. Have your proxy card in hand when you access the website and follow the instructions to vote your shares. You must submit your Internet proxy before 3:00 a.m., Eastern Time, on [MEETING DATE], the day of the special meeting, for your proxy to be valid and your vote to count.

By Mail. You may vote by completing, signing, dating and returning the proxy card in the enclosed postage-paid envelope. Computershare must receive your mailed proxy before 3:00 a.m., Eastern Time, on [MEETING DATE], the day of the special meeting, for your proxy to be valid and your vote to count.

By Telephone. You may vote by telephone by calling **1-800-652-VOTE (8683)**. Have your proxy card in hand when you call and then follow the instructions to vote your shares. You must submit your telephonic proxy before 3:00 a.m., Eastern Time, on [MEETING DATE], the day of the special meeting, for your proxy to be valid and your vote to count.

Shares Held in Brokerage Accounts: If you hold your shares of Company Voting Common Stock in “street name” (by broker, bank, or other nominee) your broker, bank or other nominee **will not** automatically vote your shares unless you provide instructions to your broker, bank or other nominee on how to vote. It is important that you provide timely instruction to your broker, bank or other nominee to ensure that all of your shares are voted at the special meeting. You should follow the voter instruction form sent to you by your broker, bank or other nominee with this proxy statement/offering circular explaining how you can vote.

Q:

What if I fail to submit a proxy or to instruct my broker, bank or other nominee to vote my shares? (page 18)

A: If you fail to submit a proxy or to instruct your broker, bank or other nominee to vote your shares, your shares will not be voted. This will have the same effect as a vote against the reorganization proposal.

Q: Can I attend the special meeting and vote my shares in person? (page 17)

A: Yes. Although the Company's board of directors requests that you vote your shares by proxy by one of the methods described above in advance of the special meeting, all Company shareholders are invited to attend the special meeting. Shareholders of record on **[RECORD DATE]** may vote in person at the special meeting. If your shares are held by a broker, bank or other nominee, then you are not the holder of record and you must contact your broker, bank or other nominee who holds your shares to obtain a broker's proxy card and bring it with you to the special meeting, along with a bank or brokerage statement or a letter from your nominee evidencing your beneficial ownership of our stock and a form of personal identification. A broker's proxy is not the form of proxy enclosed with this proxy statement/offering circular.

Table of Contents

Q: Can I change my vote after I have submitted a proxy? (page 18)

Yes. If you do not hold your shares of Company Voting Common Stock or Company Non-Voting Common Stock A: in “street name,” there are three ways you can change your vote at any time after you have submitted your proxy and before your proxy is voted at the special meeting:

You may file a written revocation of the proxy with the Corporate Clerk of the Company, Suzanne Carney, 500 Canal Street, Lewiston, Maine 04240.

You may submit a new signed proxy card by mail bearing a later date, or by submitting a new vote over the Internet or by telephone (any earlier proxies will be revoked automatically); or

You may attend the special meeting and vote in person provided that you are the holder of record of your shares and have filed a written revocation of your grant of proxy with the Secretary of Company as indicated above.

If you hold your shares of Company Voting Common Stock in “street name” and have instructed a broker, bank or other nominee to vote your shares, you must follow the directions you receive from your broker, bank or other nominee to change your vote.

Q: What happens if I sell my shares after the record date but before the special meeting?

If you are a Company shareholder and you sell or otherwise transfer your shares of Company Voting Common A: Stock or Company Non-Voting Common Stock after the record date but before the date of the special meeting, you will retain your right to vote at the special meeting, but you will transfer the right to receive the Bank Voting Common Stock or Bank Non-Voting Common Stock to the person to whom you transferred your shares. In order to receive the Bank Voting Common Stock or Bank Non-Voting Common Stock, you must hold your shares through completion of the reorganization.

Q: What if I return a proxy card but do not make a specific choice regarding the reorganization proposal? (page 18)

Properly completed and returned proxies will be voted as instructed on the proxy card. If you are a shareholder of record and return the proxy card without marking a voting selection, your shares will be voted “**FOR**” the A: reorganization proposal and “**FOR**” the adjournment proposal. The board of directors is presently unaware of any other matter that may be presented for action at the special meeting. If any other matter does properly come before the special meeting, the board of directors intends that shares represented by properly submitted proxies will be voted, or not voted, by and at the discretion of the persons named as proxies on the proxy card.

Q: How does the Company's board of directors recommend that shareholders vote at the special meeting? (page 20)

A: The Company's board of directors unanimously recommends that shareholders vote "**FOR**" the reorganization proposal and "**FOR**" the adjournment proposal.

Q: What do I need to do now?

A: After you have carefully read this document, including Appendix A and any other documents to which this proxy statement/offering circular refers, indicate on your proxy card how you want your shares to be voted. Then date, sign and mail your proxy card in the enclosed prepaid return envelope as soon as possible. This will enable your shares to be represented and voted at the special meeting whether or not you attend.

Alternatively, you may vote through the Internet or by telephone. To submit a proxy to vote by Internet, access the website for Internet voting as printed on your proxy card. Please have your proxy card in hand. Internet proxy voting is available 24 hours per day until 3:00 a.m., Eastern time, on [MEETING DATE]. You will receive a series of instructions that will allow you to provide voting instructions to your proxy agents for your shares of Company Voting Common Stock or Company Non-Voting Common Stock. You will also be given the opportunity to confirm that your instructions have been properly recorded. If you provide voting instructions via the Internet, you do not need to return your proxy card.

To submit a proxy to vote by telephone, call the toll-free number listed on your proxy card. Telephone proxy voting is available 24 hours per day until 3:00 a.m., Eastern time, on [MEETING DATE]. When you call, please have your proxy card in hand. You will receive a series of voice instructions that will allow you to provide voting instructions to your proxy agents for shares of voting common stock. You will also be given the opportunity to confirm that your instructions have been properly recorded. If you vote by telephone, you do not need to return your proxy card.

Table of Contents

Q: Should I send in my stock certificates now? (page 22)

No, please do not send your stock certificates with your proxy card. After the completion of the reorganization, Computershare will mail transmittal materials and instructions (“Transmittal Materials”) to those record holders of Common Voting Common Stock and Company Non-Voting Common Stock whose shares are represented either in whole or in part by a stock certificate or certificates (each, a “Company Certificate”). The Transmittal Materials will describe how these record holders may submit to Computershare their Transmittal Materials and their Company Certificates. Company shareholders holding Company Certificates must deliver to Computershare properly completed and executed Transmittal Materials, including any Company Certificates, to receive a certificate

A: representing an equivalent number of shares of Bank Voting Common Stock or Bank Non-Voting Common Stock, as applicable, or to receive such shares in book-entry form. Upon the receipt of such properly completed and executed Transmittal Materials, including any Company Certificates, Computershare will issue to these record holders a certificate representing an equivalent number of shares of Bank Voting Common Stock or Bank Non-Voting Common Stock, as applicable, or will credit the accounts of these record holders with an equivalent number of shares of Bank Voting Common Stock or Bank Non-Voting Common Stock, as applicable, in book-entry form, as elected by record holders in their Transmittal Materials.

Record shareholders whose shares are held only in book-entry form will not receive Transmittal Materials from Computershare. The book-entry shares owned by these record holders will be automatically converted into an equivalent number of shares of Bank Voting Common Stock or Bank Non-Voting Common Stock, as applicable, in book-entry form, and their accounts will be credited accordingly.

Q: When do you expect the reorganization to be completed? (page 25)

The Company currently expects to complete the reorganization in the fourth fiscal quarter of 2019, assuming all of

A: the conditions to completion of the reorganization have been satisfied, although neither the Company nor the Bank can provide any assurances that the reorganization will close timely or at all.

Q: Will I be able to sell the shares that I receive in the reorganization? (page 29)

Yes. The shares of Bank Voting Common Stock and Bank Non-Voting Common Stock to be issued in the reorganization will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), but they are exempt from the registration requirements under Section 3(a)(2) and Section 18 of the Securities Act and therefore

A: may be resold without restriction. However, directors and certain officers of the Bank will be subject to restrictions after the reorganization that may preclude them from trading at certain times. Following the reorganization, it is expected that shares of Bank Voting Common Stock will be traded on NASDAQ under the same ticker symbol currently used by the Company, “NBN.” The Company Non-Voting Common Stock currently does not, and after the reorganization the Bank Non-Voting Common Stock will not, be traded or quoted on any securities exchange.

Q:

**What will happen if the reorganization proposal is not approved by the shareholders at the special meeting?
(page 25)**

If the shareholders do not approve the reorganization proposal, but the adjournment proposal is approved, the Company may adjourn the meeting to permit further solicitation of proxies to approve the reorganization proposal. If the shareholders do not approve the adjournment proposal, or the Company is unable to solicit additional proxies to approve the reorganization proposal, the Company and the Bank will likely terminate the plan of merger. Under A: such circumstances, the Company expects that it would continue to operate in its current holding company structure, rather than in the simpler structure that is being proposed. In that case, the Company would likely continue to incur certain costs, such as administrative costs, that could potentially be avoided if the reorganization were completed and the structure simplified, and would remain subject to the regulatory commitments made to the FRB.

Q: Whom should I call with questions?

If you have any questions concerning the reorganization or this proxy statement/offering circular, please contact A: Richard Wayne, President and Chief Executive Officer, 207-786-3245 ext. 3203. If you would like additional copies of this proxy statement/offering circular, please contact the Corporate Clerk, Northeast Bancorp, 500 Canal Street, Lewiston, Maine 04240.

Table of Contents

Summary

This summary highlights selected information included in this document and does not contain all of the information that may be important to you in deciding how to vote. You should read this entire proxy statement/offering circular, including Appendix A, and the other documents to which this document refers before you decide how to vote with respect to the plan of merger. Each item in this summary includes a page reference directing you to a more complete description of that item.

The Reorganization

In the reorganization, the Company will merge with and into the Bank, with the Bank continuing as the surviving entity. The terms and conditions of the reorganization are contained in the plan of merger, a copy of which is attached to this document as Appendix A. We encourage you to read that plan of merger carefully.

Parties to the Reorganization

Northeast Bancorp, a Maine corporation, is the holding company for Northeast Bank, a Maine-chartered bank organized in 1872 and headquartered in Lewiston, Maine. The Bank gathers retail deposits through the Community Banking Division's ten full-service branches in Maine and through its online deposit program, ableBanking; originates loans through the Community Banking Division; purchases and originates commercial loans on a nationwide basis through the Bank's Loan Acquisition and Servicing Group ("LASG"); and originates Small Business Administration and United States Department of Agriculture ("SBA") loans on a nationwide basis through the Bank's national SBA group ("SBA Division").

The Company is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended, and its voting common stock is listed on NASDAQ under the symbol "NBN."

At December 31, 2018, the Company had total assets of \$1.2 billion, total deposits of \$985.6 million and total common shareholders' equity of \$148.5 million.

The Company and the Bank share a principal office located at 500 Canal Street, Lewiston, Maine 04240, and the telephone number at the principal office is (207) 786-3245.

Effects of the Reorganization (page 21)

Conversion of Company Common Stock into Right to Receive Bank Common Stock. If the reorganization proposal is approved and the reorganization is subsequently completed, at the effective time of the reorganization, each outstanding share of Company Voting Common Stock will be converted into the right to receive one validly issued, fully paid, and nonassessable share of Bank Voting Common Stock; each outstanding share of Company Non-Voting Common Stock will be converted into the right to receive one validly issued, fully paid, and nonassessable share of Bank Non-Voting Common Stock; and the holder of certificates which represent shares of Company Voting Common Stock or Company Non-Voting Common Stock will be entitled to receive new certificates evidencing an equivalent number of shares of Bank Voting Common Stock or Bank Non-Voting Common Stock, as applicable. Any fraction of a share of Company Voting Common Stock and Company Non-Voting Common Stock will also be automatically converted into the right to receive the same fraction of a share of Bank Voting Common Stock and Bank Non-Voting Common Stock, respectively. Accordingly, following the completion of the reorganization, shares of Bank Voting Common Stock and shares of Bank Non-Voting Common Stock will be owned directly by the Company's shareholders in the same proportion as their ownership of shares of Company Voting Common Stock and shares of Company Non-Voting Common Stock, respectively, immediately prior to the reorganization.

Procedures to Receive Bank Common Stock. After the completion of the reorganization, Computershare will mail Transmittal Materials to those shareholders of record whose shares are represented either in whole or in part by a Company Certificate or Company Certificates. The Transmittal Materials will describe how these record holders may submit to Computershare their Company Certificates. Company shareholders holding Company Certificates must deliver to Computershare properly completed and executed Transmittal Materials, including any Company Certificates, to receive a certificate representing an equivalent number of shares of Bank Voting Common Stock or shares of Bank Non-Voting Common Stock. Upon the receipt of such properly completed and executed Transmittal Materials, including any Company Certificates, Computershare will issue to these record holders a certificate representing an equivalent number of shares of Bank Voting Common Stock or Bank Non-Voting Common Stock, as applicable, or will credit the accounts of these record holders with an equivalent number of such shares in book-entry form, as elected by record holders in their Transmittal Materials.

Table of Contents

Record holders of Company Voting Common Stock or Company Non-Voting Common Stock whose shares are held only in book-entry form will not receive Transmittal Materials from Computershare. The book-entry shares owned by these record holders will be automatically converted into an equivalent number of shares of Bank Voting Common Stock or Bank Non-Voting Common Stock in book-entry form, and their accounts will be credited accordingly.

Assumption of Equity-Based Plans and Awards, and Employee Benefit Plans. The Bank will assume and continue the Company's equity plan and will also assume all stock-based awards that were granted by the Company and that are outstanding under that plan. As a result, each of the Company's outstanding stock-based awards will be converted into similar stock-based awards that cover the same number of shares of Bank Voting Common Stock, and with the same terms and conditions, including the same vesting, exercisability and other restrictions, which will not be affected by the reorganization. In addition, the Bank will assume all of the Company's employee benefit plans, including retirement, health and welfare plans and fringe benefit arrangements for its employees.

Assumption of Change in Control Obligations. The Bank will assume the Company's change in control obligations under its agreement with Richard Wayne, President and Chief Executive Officer, and Mr. Wayne will continue to be subject to the obligations and restrictive covenants included in the agreement. The reorganization is not a "change in control" under this agreement. No payments will be due under this agreement as a result of the reorganization.

Management and Operations After the Reorganization. After completion of the reorganization, the business of the Bank will remain unchanged. The Bank will continue to have the same directors, with the same terms of service, after the reorganization as the Company had immediately prior thereto. Officers of the Company immediately prior to the reorganization will hold the same positions and titles with the Bank following the reorganization, and it is expected that the employees of the Bank will continue in their respective capacities. The offices and other business premises of the Bank will likewise continue to be occupied by the Bank.

The Amended and Restated Articles of Incorporation and Amended and Restated Bylaws of the Bank will be substantially similar to the Amended and Restated Articles of Incorporation and Amended and Restated Bylaws of the Company as in effect immediately prior to the time of the reorganization. Immediately following the reorganization, the Bank will have the same outstanding capital stock with the same rights and privileges as the outstanding capital stock of the Company immediately prior to the reorganization. Immediately after the reorganization, the Bank will have substantially the same consolidated assets, liabilities and shareholders' equity as the Company.

After the reorganization, the Bank's board of directors will have the same corporate governance and oversight committees, including the Nominating and Corporate Governance Committee, the Audit Committee, the Compensation Committee, and the Risk Management Committee, as the Company's board of directors had immediately prior to the reorganization, including the same committee charters and committee chairmen as were in place prior to the reorganization.

Regulation of the Bank After the Reorganization. After completion of the reorganization, the Bank will continue to be subject to regulation by the MBFI and the FDIC. The Company is currently subject to regulation by the FRB. Following the reorganization, the Bank will not be subject to FRB regulation (except such regulations as are made applicable to the Bank by law and regulations of the FDIC). In addition, in June 2010, the Bank and the Company entered into certain commitments with the FRB. At the time the reorganization is effected and there is no longer a bank holding company, these commitments no longer will be deemed applicable. In connection with the reorganization, the Bank instead intends to replace these commitments with certain standards relating to its capital levels and asset portfolio composition, which would be incorporated into its policies and procedures. These newly established standards are designed to help ensure the Bank will continue to operate in a safe and sound manner, but may permit more growth in the Bank's loan portfolio as compared to operating under the existing commitments.

Table of Contents

Impact of Reorganization on Regulatory Capital and Operating Results. In connection with the proposed reorganization, subject to the non-objection of the FRB, the Company intends to redeem the \$16.5 million unpaid principal balance of junior subordinated debentures issued by the Company in connection with the issuance of trust preferred securities by its three Delaware statutory trust subsidiaries, and the Bank will assume the Company's obligations under the \$15.1 million unpaid principal balance of 6.75% Fixed-to-Floating Rate Subordinated Notes due July 1, 2026. As a result of these transactions, the Bank's Tier 1 and Total capital is expected to be reduced by approximately \$24.5 million and \$9.7 million, respectively. On a pro forma basis as of December 31, 2018 after giving effect to these transactions, the Bank's Tier 1 Capital to Total Risk Weighted Assets, Total Capital to Total Risk Weighted Assets, and Tier 1 Capital to Average Consolidated Assets ratios would have been 15.6%, 17.8%, and 12.0%, respectively, and the Bank will be considered "well capitalized" under all regulatory capital definitions. In addition, the redemption of the junior subordinated debentures is expected to result in a reduction in net income at the Company level of approximately \$5.1 million, after tax, during the quarter in which the redemption occurs, due to the write-off of the carrying value discount on the debentures that was recognized in connection with the merger of FHB Formation LLC with and into the Company in December 2010. See "The Reorganization and the Plan of Merger—Effects of the Reorganization—Impact of Reorganization on Regulatory Capital and Operating Results" on page 20.

Recommendation of the Company's Board of Directors (page 20)

After careful consideration, the Company's board of directors determined that the plan of merger and the transactions contemplated by the plan of merger, constituting the reorganization, are advisable and in the best interests of the Company and its shareholders and adopted the plan of merger. The Company's board of directors recommends that you vote "**FOR**" the reorganization proposal. For the factors considered by the Company's board of directors in reaching its decision to adopt the plan of merger, see "The Reorganization and Plan of Merger—Reasons for the Reorganization; Recommendation of the Company's Board of Directors" on page 20.

The board of directors also recommends that you vote for "**FOR**" the adjournment proposal.

Special Meeting of Shareholders (page 16)

The Company will hold a special meeting of its shareholders on [MEETING DATE], at 10:00 a.m., local time, at the offices of Goodwin Procter LLP located at 100 Northern Avenue, Boston, Massachusetts 02210. At the special meeting, shareholders will be asked to vote to approve the reorganization proposal and the adjournment proposal. Shareholder approval of the reorganization proposal is required to complete the reorganization. The Company will not transact any business at the special meeting other than to conduct a shareholder vote on the reorganizational proposal and adjournment proposal, except for business properly brought before the special meeting or any adjournment or postponement thereof.

You may vote at the special meeting if you owned shares of Company Voting Common Stock or Company Non-Voting Common Stock at the close of business on the record date, **[RECORD DATE]**. On that date, there were 8,229,922 shares of Company Voting Common Stock and 811,946 shares of Company Non-Voting Common Stock outstanding and entitled to vote at the special meeting. You may cast one vote for each share of Company Voting Common Stock and one vote for each share of Company Non-Voting Common Stock you owned on the record date.

Holders of at least a majority of the outstanding shares of each of (i) Company Voting Common Stock and (ii) Company Non-Voting Common Stock must be present, in person or by properly executed proxy, to constitute a quorum at the special meeting. Abstentions will be counted for the purpose of determining whether a quorum is present at the special meeting. Broker non-votes will not be counted for the purpose of determining whether a quorum is present at the special meeting. If a quorum of each of the Company Voting Common Stock and the Company Non-Voting Common Stock is present, the reorganization proposal will require the affirmative vote of holders of at least a majority of the outstanding shares of Company Voting Common Stock and at least a majority of the outstanding shares of Company Non-Voting Common Stock, voting as separate classes, entitled to vote at the special meeting. The adjournment proposal will require the affirmative vote of a majority of the votes cast by holders of Company Voting Common Stock at the special meeting. Holders of Company Non-Voting Common Stock are not being asked to vote on the adjournment proposal.

Even if you expect to attend the special meeting, the Company recommends that you promptly complete and return your proxy card in the enclosed return envelope or vote by Internet or telephone.

Table of Contents

Interests of Company Executive Officers and Directors in the Reorganization (page 25)

The executive officers and directors of the Company will hold the same offices with the Bank after the reorganization as they held with the Company prior to the reorganization, and will continue to be entitled to the same compensation and equity-based and other incentive awards as they were immediately prior to the reorganization. As such, other than their interests as Company shareholders, the executive officers and directors of the Company do not have any material interests in the reorganization.

Material United States Federal Income Tax Consequences of the Reorganization (page 30)

The Company and the Bank intend that the reorganization be treated as a reorganization under Section 368(a) of the Code, for United States federal income tax purposes. It is expected that, for United States federal income tax purposes, you generally will not recognize any gain or loss with respect to the conversion of your shares of Company Voting Common Stock or Company Non-Voting Common Stock to shares of Bank Voting Common Stock or Bank Non-Voting Common Stock in the reorganization.

You should read “Material United States Federal Income Tax Consequences of the Reorganization” on page 30 for a more complete discussion of the federal income tax consequences of the reorganization. Tax matters can be complicated and the tax consequences of the reorganization to you will depend on your particular tax situation and could vary from the general consequences described above. We strongly recommend that you consult your tax advisor to understand fully the tax consequences of the reorganization to you.

Regulatory Approvals Required for the Reorganization (page 26)

To complete the reorganization, the Bank must receive the prior approval of the FDIC. The application for approval of the reorganization was approved by the FDIC on March 7, 2019. The reorganization will also require the MBFI to approve or not object to certain steps in the reorganization, including the issuance of Bank Voting Common Stock and Bank Non-Voting Common Stock and the adoption of the Amended and Restated Articles of Incorporation of the Bank, and provide the MBFI with notice of the adoption of the Amended and Restated Bylaws of the Bank. In addition, the Company and the Bank will file articles of merger with the MBFI and the Maine Secretary of State, and the Company and the Bank will comply with any obligations to make filings with the SEC and the FDIC relating to the reorganization under the Exchange Act.

Conditions to the Reorganization (page 25)

Completion of the reorganization depends on a number of conditions being satisfied or waived, including the following:

• approval of the plan of merger by the Company's shareholders;

• all approvals and authorizations of, filings and registrations with, and notifications to, all governmental authorities required for the consummation of the reorganization, including the FDIC and the MBFI must have been obtained or made by the Company and the Bank, and must be in full force and effect and all waiting periods require by law must have been expired or been terminated;

• all required and advisable third-party consents and approvals must have been obtained;

• the shares of Bank Voting Common Stock must have been registered with the FDIC pursuant to the Exchange Act;

• the shares of Bank Voting Common Stock must have been authorized for listing on NASDAQ;

• the board of directors of the Company must have received evidence in form and substance reasonably satisfactory to it that holders of Company Voting Common Stock and Company Non-Voting Common Stock will not recognize gain or loss for United States federal income tax purposes as a result of the reorganization; and

• the completion of the reorganization must not be illegal or otherwise prohibited and no order, statute, law, regulation, judgment or restraining order preventing the completion of the reorganization shall be in effect.

Neither the Company nor the Bank can guarantee that the conditions to the reorganization will be satisfied or waived or that the reorganization will be completed in a timely manner or at all.

Table of Contents

Termination and Amendment of the Plan of Merger (page 25)

Pursuant to its terms, at any time prior to the completion of the reorganization, the plan of merger may be terminated and the reorganization abandoned for any reason by resolution of either of the Company's or the Bank's board of directors.

The plan of merger may be amended or modified at any time, whether before or after its approval by the Company's shareholders, by mutual agreement as authorized by the Company's and the Bank's boards of directors, except that, without prior Company shareholder approval, no amendment may be made after the special meeting that changes the amount or kind of shares the Company shareholders will receive under the plan of merger or that changes any of the other terms of plan of merger if the change would adversely affect such shareholders in any material respect.

Appraisal Rights (page 27)

The Company is a Maine corporation that is governed by the Maine Business Corporation Act (the "MBCA"). In accordance with Section 1303 of the MBCA, the holders of shares of Company Voting Common Stock are not entitled to appraisal or dissenters' or rights in connection with the reorganization, as such shares are listed on the NASDAQ.

Holders of shares of Company Non-Voting Common Stock who do not vote in favor of the reorganization proposal will have the right to seek appraisal of the fair value of their shares of Company Non-Voting Common Stock if the reorganization is completed, but only if they strictly comply with Maine law procedures explained in this proxy statement/offering circular. See "The Reorganization and Plan of Merger – Appraisal Rights" beginning on page 27.

Description of Bank Voting Common Stock and Bank Non-Voting Common Stock and Comparison of Shareholders' Rights (page 33)

The rights of Company shareholders who become Bank shareholders as a result of the reorganization will continue to be governed by Maine law. After the reorganization is completed, the Amended and Restated Articles of Incorporation and the Amended and Restated Bylaws of the Bank, rather than the existing Articles of Incorporation and existing Bylaws of the Company, will govern your rights as a Bank shareholder. The material differences between these organizational documents and the rights of shareholders of the Company and shareholders of the Bank, as well as a description of the Bank Voting Common Stock and Bank Non-Voting Common Stock to be issued in the reorganization, are set forth in more detail under the section "Description of Bank Capital Stock and Comparison of Shareholders' Rights" beginning on page 32.

Table of Contents

Risk Factors

By approving the reorganization, at the effective time, Company shareholders will receive Bank Voting Common Stock in exchange for their Company Voting Common Stock and will receive Bank Non-Voting Common Stock in exchange for their Company Non-Voting Common Stock. As a result, Company shareholders will be investing in Bank Voting Common Stock and Bank Non-Voting Common Stock. An investment in these securities in connection with the reorganization involves risks. The following risks and other information in this document should be carefully considered before deciding how to vote your shares. These risks may adversely affect the Bank's financial condition, results of operations or liquidity. Many of these risks are beyond the Bank's control, though efforts are made to manage those risks while optimizing financial results. These risks are not the only ones the Bank faces. Additional risks and uncertainties that the Bank is not aware of or that it currently deems immaterial may also materially and adversely affect its business and operation.

Because the operations of the Company are conducted through the Bank, the risks faced by the Bank are substantially the same as those faced by the Company.

For a description of such risks, see “Item 1A. Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2018 which was filed with the SEC on September 13, 2018 and which is incorporated herein by reference. In addition, risks that are specific to the reorganization and/or the Bank are described below.

There is no assurance that the Bank will realize the anticipated benefits of the reorganization.

The Company and the Bank believe that the reorganization will improve the Bank’s operating efficiency by eliminating redundant corporate infrastructure and activities, and eliminating a second level of supervision and oversight that comes with being a registered bank holding company. In addition, the regulatory commitments regarding capital levels, asset composition, and sources of funding to which the Company and the Bank have adhered since 2010 will be replaced by standards to be incorporated into our policies and procedures. These newly established standards are designed to help ensure the Bank would continue to operate in a safe and sound manner, but may permit more growth in the Bank’s loan portfolio as compared to operating under the existing commitments. The Company and the Bank believe that these changes will result in an increase in loan capacity in future periods, as well as a decrease in the costs associated with holding excess cash. There is no assurance that these benefits will actually result from the reorganization. For more information, see “The Reorganization and Plan of Merger—Regulation of the Bank after the Reorganization” beginning on page 23.

The reorganization will result in a reduction of the Bank’s regulatory capital ratios and affect its operating results.

In connection with the reorganization, the Company intends to redeem the \$16.5 million unpaid principal balance of junior subordinated debentures issued by the Company in connection with the issuance of trust preferred securities by its three Delaware statutory trust subsidiaries, and the Bank will assume the Company's obligations under the \$15.1 million unpaid principal balance of 6.75% Fixed-to-Floating Rate Subordinated Notes due July 1, 2026. As a result of these transactions, the Bank's Tier 1 and Total capital is expected to be reduced by approximately \$24.5 million and \$9.7 million, respectively. On a pro forma basis as of December 31, 2018 after giving effect to these transactions, the Bank's Tier 1 Capital to Total Risk Weighted Assets, Total Capital to Total Risk Weighted Assets, and Tier 1 Capital to Average Consolidated Assets ratios would have been 15.6%, 17.8%, and 12.0%, respectively. While the Bank will continue to be considered "well capitalized" under all regulatory capital definitions as a result of the reorganization, all of the Bank's regulatory capital ratios will be reduced as a result of the reorganization. In addition, the redemption of the junior subordinated debentures is expected to result in a reduction in net income at the Company level of approximately \$5.1 million, after tax, during the quarter in which the redemption occurs, due to the write-off of the carrying value discount on the debentures that was recognized in connection with the merger of FHB Formation LLC with and into the Company in December 2010. For more information, see "The Reorganization and Plan of Merger—Effects of the Reorganization— Impact of the Reorganization on the Bank's Regulatory Capital and Operating Results" on page 23.

Table of Contents

The reorganization is subject to the receipt of consents and approvals from government entities that may impose conditions that could have an adverse effect on the Bank.

Before the reorganization may be completed, various approvals or consents must be obtained from federal and state governmental entities. These governmental entities may impose conditions on the completion of the reorganization or require changes to the terms of the reorganization. Although the Company does not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the reorganization or imposing additional costs on or limiting the revenues of the Bank following the reorganization, any of which might have a material adverse effect on the Bank following the reorganization. For more information, see “The Reorganization and Plan of Merger—Regulatory Approvals Required for the Reorganization” beginning on page 26.

The reorganization may fail to qualify as a reorganization for federal tax purposes, resulting in your recognition of taxable gain or loss.

The Company and the Bank intend the reorganization to qualify as a “reorganization” within the meaning of Section 368(a) of the Code. If the reorganization fails to qualify as such a reorganization, Company shareholders generally would recognize gain or loss on each share of Company Voting Common Stock or Company Non-Voting Common Stock surrendered in an amount equal to the difference between such shareholders’ adjusted tax basis in that share and the fair market value of one share of the Bank Voting Common Stock or Bank Non-Voting Common Stock received in exchange for that share upon completion of the reorganization.

The Bank may need to raise additional capital in the future to continue to grow, but that capital may not be available when needed.

Federal and state bank regulators require the Bank to maintain adequate levels of capital to support operations. At December 31, 2018, the Bank’s regulatory capital ratios were at “well capitalized” levels under regulatory guidelines. Prior to the reorganization, the Company was able to raise capital and contribute the proceeds to the Bank as its subsidiary; following the reorganization, the Bank will have no holding company on which to rely for funding. Because the Bank will be a publicly traded company, a likely source of additional funds is the capital markets, accomplished generally through the issuance of equity, including common stock, preferred stock, warrants, depository shares, stock purchase contracts or stock purchase units, and the issuance of senior debt or subordinated debt. The Bank’s ability to raise additional capital, including senior debt or subordinated debt, if needed, will depend, among other things, on conditions in the equity and/or debt markets at that time, which are outside of its control, and its financial performance. Other than common stock, any issuance of equity or debt by the Bank will require the prior approval of the MBFI, and may be accompanied by delays associated with obtaining such approval.

The Bank cannot assure you that access to such external capital and liquidity sources will be available to it on acceptable terms or at all. Any occurrence that may limit its access to the capital markets, such as a decline in the confidence of its depositors or counterparties participating in the capital markets, may materially and adversely affect its capital costs and its ability to raise capital and, in turn, its liquidity.

The price of the Bank Voting Common Stock will be affected by a variety of factors, many of which are outside the Bank's control.

Stock price volatility may make it more difficult for investors to sell shares of the Bank Voting Common Stock at times and prices they find attractive. The price of Bank Voting Common Stock may fluctuate significantly in response to a variety of factors, including, among other things:

- actual or anticipated variations in quarterly results of operations;
- recommendations or changes in recommendations by securities analysts;
- operating and stock price performance of other financial services companies that investors deem comparable to the Bank;
- news reports relating to trends, concerns and other issues in the financial services industry;
- perceptions in the marketplace about the Bank and/or its competitors;
- new technology used, or services offered, by competitors;

Table of Contents

significant acquisitions or business combinations, strategic partnerships, joint ventures, or capital commitments by or involving the Bank or its competitors; and

changes in governmental regulations.

General market fluctuations, industry factors and general economic and political conditions and events such as economic slowdowns, expected or actual interest rate changes, credit loss trends and various other factors and events could adversely affect the price of Bank Voting Common Stock.

The Bank cannot guarantee that it will pay dividends to common shareholders in the future.

The Bank's shareholders are only entitled to receive dividends on its common stock as the Bank's board of directors may declare out of funds legally available for such payments. Although the Company has historically declared such dividends and no changes to the Company's dividend policy are expected as a result of the reorganization, the Bank is not required to pay dividends and may reduce or eliminate dividends paid to shareholders in the future. The Bank's ability to pay dividends to its shareholders is subject to the restrictions set forth in Maine law, as well as by the FDIC. There can be no assurance that the Bank will pay dividends to its common shareholders in the future.

The trading volume of Bank Voting Common Stock may not provide adequate liquidity for investors.

Although shares of Bank Voting Common Stock are expected to be listed on NASDAQ, the average daily trading volume in the common stock may be less than that of larger financial services companies. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of a sufficient number of willing buyers and sellers of the common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which the Bank has no control. Significant sales of Bank Voting Common Stock in a brief period of time, or the expectation of these sales, could adversely affect the liquidity of the common stock in the marketplace and/or cause a decline in the price of the common stock.

Future issuances of additional equity securities could result in dilution of existing shareholders' equity ownership and may adversely affect the market price of the Bank's stock.

In connection with the reorganization, the Bank will assume all of the obligations of the Company with respect to outstanding equity-based awards under the Company's employee and director equity-based incentive plans. In the

future, the Bank may grant additional restricted stock awards or other equity-based awards to retain, compensate and/or motivate its employees and directors. Further, in connection with the Bank's growth strategy, it may in the future issue shares of Bank Voting Common Stock to acquire additional banks, bank holding companies, and/or other businesses related to the financial services industry. Resales of substantial amounts of Bank Voting Common Stock in the public market and the potential of such sales could adversely affect the prevailing market price of the Bank Voting Common Stock and impair its ability to raise additional capital through the sale of equity securities. These assumed obligations and potential future issuances of the Bank's securities may dilute the voting and economic interests of existing shareholders.

Bank Common Stock is not an insured deposit.

Neither shares of Bank Voting Common Stock nor shares of Bank Non-Voting Common Stock are bank deposits and, therefore, losses in value are not insured by the FDIC, any other deposit insurance fund or by any other public or private entity. Investment in shares of Bank Voting Common Stock or Bank Non-Voting Common Stock is inherently risky for the reasons described in this "Risk Factors" section of this proxy statement/offering circular and in the section captioned "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2018, which was filed with the SEC on September 13, 2018, and is subject to the same market forces and investment risks that affect the price of common stock in any other publicly traded company, including the possible loss of some or all principal invested.

Table of Contents

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this proxy statement/offering circular may not be based upon historical facts and are “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements may be identified by their reference to a future period or periods or by the use of forward-looking terminology such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “foresee,” “hope,” “intend,” “may,” “plan,” “will,” or “would” or future or conditional verb tenses and variations or negatives of such terms. These forward-looking statements include, but are not limited to, statements about the financial condition, results of operations and business of the Company and the Bank; the benefits of the reorganization, including future financial and operating results and cost savings that may be realized from the reorganization; the respective plans, objectives, expectations and intentions of the Company or the Bank; and other statements that are not historical facts. These forward-looking statements are based on current beliefs and expectations of the parties’ management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the parties’ control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward looking statements:

the ability of the Company and the Bank to satisfy the conditions to the completion of the reorganization, including the receipt of Company shareholder approval and the receipt of regulatory approvals required for the reorganization on the terms expected in the plan of merger;

the ability of the Company and the Bank to meet expectations regarding the timing, completion and accounting and tax treatments of the reorganization;

the possibility that any of the anticipated benefits of the reorganization will not be realized or will not be realized as expected;

the failure of the reorganization to close for any other reason;

the effect of the reorganization on the Company’s operating results;

the possibility that the reorganization may be more expensive to complete than anticipated, including as a result of unexpected factors or events;

changes in general, national or regional economic conditions;

volatility in the securities markets generally or in the market price of the Bank Voting Common Stock specifically;

changes in loan default and charge-off rates;

changes in the financial performance and/or condition of borrowers;

changes in customer borrowing and savings habits;

changes in interest rates;

changes in regulations applicable to the financial services industry;

changes in accounting or regulatory guidance applicable to banks; and

competition.

Additional factors that could cause the Bank's results to differ materially from those described in the forward looking statements can be found in "Risk Factors" beginning on page 12 of this proxy statement/offering circular and in the Company's filings with the SEC, including the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2018 and updated by the Company's Quarterly Reports on Form 10-Q and other filings submitted to the SEC.

You are cautioned not to place undue reliance on the forward looking statements, which speak only as of the date of this proxy statement/offering circular or the date of any document incorporated by reference in this proxy statement/offering circular. All subsequent written and oral forward looking statements concerning the reorganization or other matters addressed in this proxy statement/offering circular and attributable to the Company or the Bank or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, neither the Company nor the Bank undertake no obligation to update these forward looking statements to reflect events or circumstances after the date of this proxy statement/offering circular or to reflect the occurrence of unanticipated events.

Table of Contents

Special Meeting of Shareholders

The Company is mailing this proxy statement/offering circular to you, as a shareholder of the Company, on or about [MAILING DATE], 2019. With this document, the Company is sending you a notice of the Company's special meeting of shareholders and a form of proxy that is solicited by the Company's board of directors.

Date, Time and Place of the Special Meeting

The special meeting of shareholders will be held on [MEETING DATE] at 10:00 a.m., Eastern time, at the offices of Goodwin Procter LLP located at 100 Northern Avenue, Boston, Massachusetts 02210.

Actions to be Taken at the Special Meeting

At the special meeting, shareholders of the Company as of the record date will be asked to consider and vote on the following proposals:

1. To consider and vote upon a proposal to approve the plan of merger; and
2. To consider and vote upon an adjournment of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the special meeting to vote in favor of approval of the plan of merger.

Record Date

If you were a shareholder of record of Company Voting Common Stock or Company Non-Voting Common Stock as of the close of business on [RECORD DATE], the record date, you are entitled to receive notice of the special meeting and to vote the shares that you held as of the close of business on the record date, if any.

Attendance at the Special Meeting

All shareholders of record at the close of business on the record date, or their designated proxies, are authorized to attend the special meeting. Each shareholder of record and proxy will be asked to present a valid government-issued photo identification, such as a driver's license or passport, before being admitted. If you are not a shareholder of record but you hold your shares in "street name," you should provide proof of beneficial ownership as of the record date, such as an account statement reflecting your stock ownership as of the record date, a copy of the voting instruction card provided by your broker, bank or other nominee, or other similar evidence of ownership. We reserve the right to determine the validity of any purported proof of beneficial ownership. If you do not have proof of ownership, you may not be admitted to the special meeting. Cameras, recording devices and other electronic devices will not be permitted, and attendees may be subject to security inspections and other security precautions.

Quorum

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of each of (i) Company Voting Common Stock and (ii) Company Non-Voting Common Stock entitled to vote at the special meeting is necessary to constitute a quorum for the transaction of business at the special meeting. As of the record date, there were 8,229,922 shares of Company Voting Common Stock and 811,946 shares of Company Non-Voting Common Stock outstanding and entitled to vote at the special meeting. Each share of Company Voting Common Stock and each share of Company Non-Voting Common Stock outstanding on the record date is entitled to one vote on each matter properly submitted at the special meeting. Abstentions will be counted for pu