FIRST MIDWEST BANCORP INC
Form 424B3
June 07, 2004

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Filed Pursuant to Rule 424(b)(3)

Registration No. 333-114406

PROSPECTUS

First Midwest Bancorp, Inc.

FIRST MIDWEST CAPITAL TRUST I

OFFER TO EXCHANGE

SERIES B 6.95% CAPITAL SECURITIES

(LIQUIDATION AMOUNT $1,000 PER CAPITAL SECURITY)

FOR ANY AND ALL OF ITS OUTSTANDING

SERIES A 6.95% CAPITAL SECURITIES

(LIQUIDATION AMOUNT $1,000 PER CAPITAL SECURITY)

FULLY, IRREVOCABLY AND UNCONDITIONALLY GUARANTEED,

ON A SUBORDINATED BASIS, AS DESCRIBED IN THIS PROSPECTUS BY

FIRST MIDWEST BANCORP, INC.

First Midwest Capital Trust I, a Delaware statutory trust, is offering to exchange up to $125,000,000 aggregate liquidation amount of its Series B 6.95% capital securities for its outstanding Series A 6.95% capital securities, of which $125,000,000 are outstanding. We refer to the Series B capital securities in this prospectus as the exchange capital securities, and we refer to the Series A capital securities as the original capital securities.

As part of this exchange offer, First Midwest Bancorp, Inc. is also offering to exchange its guarantee of First Midwest Capital Trust I s obligations under the original capital securities for a similar guarantee of First Midwest Capital Trust I s obligations under the exchange capital securities. We refer to the guarantee of First Midwest Bancorp, Inc. under the original capital securities in this prospectus as the original guarantee; and we refer to the guarantee of the exchange capital securities in this prospectus as the exchange guarantee. Unless otherwise indicated, our discussion of the guarantee in this prospectus applies to both the original and exchange guarantee. Also as part of this exchange offer, First Midwest Bancorp, Inc. is offering to exchange up to $125,000,000 of its Series B 6.95% junior subordinated deferrable interest debentures for a similar amount of its Series A 6.95% junior subordinated deferrable interest debentures. We refer to the Series B debentures in this prospectus as the exchange debentures, and we refer to the Series A debentures as the original debentures. Unless otherwise indicated, our discussion of the debentures in this prospectus refers to both the original and exchange debentures.

The terms of the exchange capital securities, debentures and guarantee are the same as the terms of the original capital securities, debentures and guarantee except that:

- the exchange capital securities, exchange debentures and exchange guarantee are registered under the Securities Act and do not have the same restrictions on transfer as the original securities;
- the distribution rate on the exchange capital securities will not have the potential to increase; and
- the interest rate on the exchange debentures will not have the potential to increase.

This prospectus and a transmittal letter describing the procedures for exchanging original capital securities for the exchange capital securities are first being mailed to all of the holders of the original capital securities on June 7, 2004. The offer expires at 5:00 p.m., New York City time, on July 7, 2004, unless extended.

There has been no public market for the exchange capital securities before this exchange offer. We do not intend to apply for a listing of the exchange capital securities on any national securities exchange or for quotation through The Nasdaq Stock Market.

You should carefully consider the Risk Factors beginning on page 16 before deciding whether to exchange your original capital securities for exchange capital securities.

These securities are not deposits or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 3, 2004.

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First Midwest and the Trust have not authorized any person to make a statement that differs from what is in this prospectus. If any person makes a statement that differs from what is in this prospectus, you should not rely on it. This prospectus is not an offer to sell, nor is it seeking an offer to buy, the capital securities in any state where such offer or sale is not permitted. The information in this prospectus is complete and accurate as of the date on the front of this prospectus but the information may change after that date.

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In this prospectus, the term First Midwest refers to First Midwest Bancorp, Inc., and, where the context requires, to First Midwest Bancorp, Inc. and its subsidiaries, First Midwest Bank and First Midwest Insurance Company. The term the Trust refers to First Midwest Capital Trust I. Unless the context otherwise requires, the terms we, our or us refer to First Midwest.

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WHERE YOU CAN FIND MORE INFORMATION;

DOCUMENTS INCORPORATED BY REFERENCE

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act and in accordance therewith we file annual, quarterly and special reports, proxy statements and other information with the SEC. You may inspect and copy any document we file at the SEC s public reference facility in Washington, D.C. Our SEC filings are also available to the public from the SEC s web site at http://www.sec.gov.

We have filed with the SEC a registration statement on Form S-4 with respect to the securities we are offering. This prospectus does not contain all the information contained in the registration statement, including its exhibits. You should refer to the registration statement, including the exhibits for further information about us and the securities we are offering. Statements we make in this prospectus about certain contracts or other documents are not necessarily complete. When we make such statements, we refer you to the copies of the contracts or documents that are filed as exhibits to the registration statement because those statements are qualified in all respects by reference to those exhibits. The registration statement, including exhibits, is on file at the offices of the SEC and may be inspected without charge.

First Midwest incorporates by reference into this prospectus the documents listed below and any future filings (including filings made after the date of this prospectus but prior to the termination of this offering) made by First Midwest with the SEC under Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, as amended:

First Midwest s Annual Report on Form 10-K for the year ended December 31, 2003;

First Midwest s Quarterly Report on Form 10-Q for the quarter ended March 31, 2004.

You may obtain a copy of these filings, at no cost, by writing or telephoning First Midwest at:

First Midwest Bancorp, Inc.

300 Park Blvd., Suite 400

Itasca, Illinois 60143-9768

(630) 875-7450

Attention: Corporate Secretary

References in this prospectus to this prospectus are deemed to include the documents incorporated by reference, which are an integral part of this prospectus. You should obtain and review carefully copies of the documents incorporated by reference. Any statement contained in the documents incorporated by reference will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in a subsequently dated document incorporated by reference or in this prospectus modifies or supersedes the statement. Information that we file later with the SEC will automatically update the information incorporated by reference and the information in this prospectus. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. The information on our website and any other website which is referred to in this prospectus is not a part of this prospectus. Any person obtaining a copy of this prospectus may obtain without charge, upon written request, a copy of the documents incorporated by reference.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus or in the documents incorporated by reference herein. This summary is not complete and may not contain all of the information that you should consider before deciding whether to participate in the exchange offer. We urge you to read this entire prospectus carefully, including the information under the heading Risk Factors and the other documents to which we have referred you, including the documents incorporated by reference herein, prior to deciding whether to participate in the exchange offer.

First Midwest Bancorp, Inc.

First Midwest Bancorp, Inc. is a bank holding company headquartered in the Chicago suburb of Itasca, Illinois. First Midwest is one of Illinois largest publicly traded banking companies with assets of $6.9 billion at December 31, 2003. First Midwest operates two wholly-owned subsidiaries: First Midwest Bank and First Midwest Insurance Company.

First Midwest has responsibility for the overall conduct, direction, and performance of these subsidiaries. It provides advice and specialized services to the subsidiaries in various financial, operational, and administrative areas; establishes company-wide policies and procedures; and serves as a source of strength in providing capital and other resources as needed. Responsibility for the management of the subsidiaries rests with their respective boards of directors and officers.

At December 31, 2003, First Midwest Bank, an Illinois banking corporation, had $6.8 billion in total assets, $4.8 billion in total deposits, and operated approximately 66 banking offices in 49 communities, primarily in suburban metropolitan Chicago.

First Midwest Bank is engaged in commercial and retail banking and offers a broad range of lending, depository, and related financial services, including accepting deposits; commercial and industrial, consumer and real estate lending; collections; trust and investment management services; safe deposit box operations; and other banking services tailored for individual, commercial and industrial, and governmental customers. First Midwest Bank also provides an electronic banking center on the internet, which affords transactional capabilities for its customers and information about its products and services to the general public.

First Midwest Bank is comprised of two divisions, a sales division (structured along commercial and retail product lines) in five geographical regions and a centralized support division providing corporate, administrative and support services through various functional departments.

For more information about First Midwest and its subsidiaries, see Selected Consolidated Financial Data . Additional information concerning First Midwest is also included in the documents incorporated by reference in this prospectus. See Where You Can Find More Information; Documents Incorporated by Reference.

First Midwest Capital Trust I

First Midwest Capital Trust I is a statutory trust created under Delaware law. The Trust s business and affairs are conducted by a property trustee, a Delaware trustee and the three individual administrative trustees, who are officers of First Midwest. The Trust exists for the exclusive purposes of:

- issuing and selling the capital securities and the common securities;
- using the proceeds from the sale of the capital securities and the common securities to acquire the 6.95% junior subordinated deferrable interest debentures due December 1, 2033 issued by First Midwest; and
- engaging in only those other activities necessary, advisable or incidental to the above.

Accordingly, the debentures will be the sole assets of the Trust, and payments under the debentures will be the sole revenues of the Trust.

First Midwest owns all of the common securities of the Trust.

Purpose of the Exchange Offer

On November 18, 2003, the Trust sold, in a private placement exempt from the registration requirements of the Securities Act of 1933, $125 million in aggregate liquidation amount of its Series A 6.95% Capital Securities (Liquidation Amount $1,000 per Capital Security), which we refer to in this prospectus as the original capital securities. Simultaneously with the private placement of the original capital securities, we and the Trust entered into a registration rights agreement with Keefe, Bruyette & Woods, Inc., Lehman Brothers Inc., Howe Barnes Investments, Inc., McDonald Investments Inc., Oppenheimer & Co. Inc., Raymond James & Associates, Inc., Sandler O Neal & Partners, L.P. and Stifel, Nicolaus & Company, Incorporated, the initial purchasers of the original capital securities. Under the registration rights agreement, we and the Trust are required to use our reasonable best efforts to cause a registration statement for substantially identical capital securities to become effective within 210 days after the issuance of the original capital securities. We refer to the securities to be registered under this exchange offer registration as exchange capital securities in this prospectus. The exchange offer is intended to satisfy the Trust s and our obligations under the registration rights agreement. After the exchange offer is complete, holders of the original capital securities will no longer be entitled to any exchange or registration rights with respect to their original capital securities.

Summary of the Exchange Offer

The Exchange Offer	We and the Trust are offering to exchange the exchange capital securities, which have been registered under the Securities Act, for your original capital securities, which were originally issued on November 18, 2003 in the initial offering. In order to be exchanged, an outstanding capital security must be properly tendered and accepted. All original capital securities that are validly tendered and not validly withdrawn will be exchanged. We and the Trust will issue exchange capital securities promptly after the expiration of the exchange offer.
Resales	We and the Trust believe that the exchange capital securities issued in the exchange offer may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act provided that:

- the exchange capital securities are being acquired in the ordinary course of your business;
- you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the exchange capital securities issued to you in the exchange offer; and
- you are not an affiliate of ours.

If any of these conditions are not satisfied and you transfer any exchange capital securities issued to you in the exchange offer without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange capital securities from these requirements, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any such liability.

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	Each broker-dealer that is issued exchange capital securities in the exchange offer for its own account in exchange for original capital securities that were acquired by that broker-dealer as a result of market-marking or other trading activities, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange capital securities. A broker-dealer may use this prospectus for an offer to resell, resale or other retransfer of the exchange capital securities issued to it in the exchange offer for a period of up to 180 days after the date of this prospectus.
Record date	We mailed this prospectus and the related exchange offer documents to registered holders of original capital securities on June 7, 2004.
Expiration date	The exchange offer will expire at 5:00 p.m., New York City time, July 7, 2004, unless we decide to extend the expiration date.
Conditions to the exchange offer	The exchange offer is subject to customary conditions, including that the exchange offer not violate applicable law or any applicable interpretation of the staff of the SEC. The exchange offer is not conditioned upon any minimum liquidation amount of the original capital securities being tendered.
Procedures for tendering original capital securities	If you wish to tender your original capital securities for exchange in this exchange offer, you must transmit to the exchange agent on or before the expiration date either:

- an original or a facsimile of a properly completed and duly executed letter of transmittal, which accompanies this prospectus, together with your original capital securities and any other documentation required by the letter of transmittal, at the address provided on the cover page of the letter of transmittal; or

- if the original capital securities you own are held of record by Cede & Co., as nominee of The Depository Trust Company, or DTC, in book-entry form and you are making delivery by book-entry transfer, a computer-generated message transmitted by means of the Automated Tender Offer Program System of DTC, or ATOP, in which you acknowledge and agree to be bound by the terms of the letter of transmittal and which, when received by the exchange agent, forms a part of a confirmation of book-entry transfer. As part of the book-entry transfer, DTC will facilitate the exchange of your original capital securities and update your account to reflect the issuance of the exchange capital securities to you. ATOP allows you to electronically transmit your acceptance of the exchange offer to DTC instead of physically completing and delivering a letter of transmittal to the exchange agent.

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	In addition, you must deliver to the exchange agent on or before the expiration date:
	• a timely confirmation of book-entry transfer of your original capital securities into the account of the exchange agent at DTC if you are effecting delivery of book-entry transfer, or
	• if necessary, the documents required for compliance with the guaranteed delivery procedures.
Special procedures for beneficial owners	If you are the beneficial owner of book-entry interests and your name does not appear on a security position listing of DTC as the holder of the book-entry interests or if you are a beneficial owner of original capital securities that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender the book-entry interest or original capital securities in the exchange offer, you should contact the person in whose name the book-entry interests or original capital securities are registered promptly and instruct that person to tender on your behalf.
Guaranteed delivery procedures	If you wish to tender your original capital securities and:
	• time will not permit your original capital securities or other required documents to reach the exchange agent by the expiration date; or
	• the procedure for book-entry transfer cannot be completed on time;
	you may tender your original capital securities by completing a notice of guaranteed delivery and complying with the guaranteed delivery procedures.
Withdrawal rights	You may withdraw the tender of your original capital securities at any time prior to 5:00 p.m., New York City time on July 7, 2004.
Federal income tax considerations	We believe that the exchange of original capital securities will not be a taxable event for United States federal income tax purposes.
Use of proceeds	We will not receive any proceeds from the issuance of exchange capital securities pursuant to the exchange offer. We will pay all of our expenses incident to the exchange offer.
Exchange agent	Wilmington Trust Company is serving as the exchange agent in connection with the exchange offer.

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Summary of Terms of the Exchange Capital Securities

The form and terms of the exchange capital securities are the same as the form and terms of the original capital securities, except that the exchange capital securities will be registered under the Securities Act. As a result, the exchange capital securities will not bear legends restricting their transfer and will not contain the registration rights and provisions for additional interest contained in the original capital securities. The exchange capital securities will be issued as were the original capital securities under the Amended and Restated Declaration of Trust of First Midwest Capital Trust I, dated as of November 18, 2003, relating to the Trust by and among us, as sponsor, Wilmington Trust Company, as property trustee, Wilmington Trust Company, as Delaware trustee, and the administrative trustees, also referred to as the declaration . The exchange capital securities and any original capital securities that remain outstanding after consummation of the exchange offer will vote together as a single class for purposes of determining whether holders of the requisite percentage in outstanding liquidation amount have taken certain actions or exercised certain rights under the declaration. Unless the context otherwise requires, we use the term capital securities in this prospectus to collectively refer to the original capital securities and the exchange capital securities.

Securities Offered	$125,000,000 aggregate liquidation amount of 6.95% exchange capital securities (liquidation amount $1,000 per capital security).
Distributions	Holders of exchange capital securities are entitled to receive cumulative cash distributions at the annual rate of 6.95% of the liquidation amount of $1,000 per capital security. Distributions accumulate from November 18, 2003 and will be paid semi-annually in arrears on June 1 and December 1 of each year, beginning on June 1, 2004. The record dates will be the 15th day of the month immediately preceding the month in which the relevant payment occurs. In the event the exchange offer is consummated prior to the first record date, May 15, 2004, each exchange capital security will pay cumulative distributions from November 18, 2003 and no distributions will be paid on any original capital security tendered for an exchange capital security. However, in the event the exchange offer is consummated after May 15, 2004, distributions will be paid on the original capital securities accumulated from November 18, 2003 to, but excluding June 1, 2004 and distributions will be paid on the exchange capital securities from June 1, 2004. The amount of each distribution will include amounts accumulated up to the date the distribution is due.
Deferral Periods	So long as no event of default under the indenture pursuant to which the debentures are issued has occurred and is continuing, we have the right, at one or more times, to defer interest payments on the debentures for up to 10 consecutive semi-annual periods. All deferrals will end on an interest payment date, and will not extend beyond December 1, 2033, the stated maturity date of the debentures.
	If we defer interest payments on the debentures, the Trust will also defer distributions on the exchange capital securities. During this deferral period, the debentures will continue to accrue interest and the capital securities will continue to accumulate distributions. During a deferral

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	period, you will also accumulate additional distributions at the annual rate of 6.95% on any accumulated and unpaid distributions, to the extent permitted by law. If the Trust defers your distributions, you will still be required to accrue interest income and include it in your gross income for federal income tax purposes, even if you are a cash basis taxpayer.
Ranking	Our obligations under the debentures are unsecured and subordinated to payment of our Senior Indebtedness, to the extent and in the manner set forth in the indenture, and will be effectively subordinated to all of the existing and future liabilities and obligations of our subsidiaries. At December 31, 2003, First Midwest had no Senior Indebtedness outstanding. Please refer to Description of Junior Subordinated Debentures Subordination of the Debentures.
Guarantee	We will, on a subordinated basis, fully, irrevocably and unconditionally guarantee:
	payment of distributions on the exchange capital securities;
	payments on liquidation of the Trust; and
	payments on maturity or earlier redemption of the exchange capital securities.
	Our guarantee does not assure the payment of distributions when the Trust does not have sufficient funds to pay the distributions and is only applicable to the extent the Trust has sufficient funds to pay the distributions. Our obligations under the guarantee are unsecured and are subordinated and junior to the payment of our Senior Indebtedness.
Distribution of Junior Subordinated Deferrable Interest Debentures	At any time, we will have the right, subject to receipt of any required regulatory approval, to liquidate the Trust and cause the debentures to be distributed to holders of exchange capital securities and common securities in liquidation of the Trust. The exchange debentures will have the same economic terms and conditions as the capital securities.
	If we elect to liquidate the Trust and thereby cause the debentures to be distributed to holders of the exchange capital securities, we will have the same rights, subject to the receipt of any required regulatory approval, to redeem such debentures as if the debentures were held by the Trust.

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In the event of the involuntary or voluntary liquidation, dissolution, winding up or termination of the Trust in which the debentures are not distributed to you, then you, as the holders of the exchange capital securities, will be entitled to receive for each exchange capital security, after satisfaction of creditors of the Trust, a liquidation amount of $1,000 plus accrued and unpaid distributions to the date of payment. The Trust will be able to make this distribution in cash only if the debentures are redeemed by us.

Maturity and Redemption

The debentures will mature on December 1, 2033, unless redeemed prior to such date. The Trust will redeem the capital securities when we pay the debentures at maturity or upon our earlier redemption of the debentures.

We may, at our option, redeem some or all of the debentures, at any time, subject to certain conditions. Such redemption right is referred to as an Optional Redemption. In addition, we may redeem the debentures at our option, in whole but not in part, at any time:

- if certain tax events occur;
- if there is a change in the Investment Company Act of 1940 that requires the Trust to register under that law; or
- if there is a change in the way the capital securities are treated for regulatory capital purposes.

Redemption in connection with any of the foregoing is referred to as a Special Event Redemption.

We may have to obtain regulatory approvals, including the approval of the Board of Governors of the Federal Reserve System, before we redeem any debentures prior to maturity. The redemption price payable upon an Optional Redemption or a Special Event Redemption is equal to the greater of (1) 100% of the principal amount of the debentures, or (2) the sum, as determined by a quotation agent, of the present values of (a) the principal amount of the debentures to be redeemed, and (b) scheduled payments of interest from the redemption date to December 1, 2033, in each case discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at an adjusted treasury rate, plus in either case accrued and unpaid interest thereon to the date of redemption.

Use of Proceeds

The Trust invested all of the proceeds from the sale of its capital securities and common securities in our debentures. We used the net proceeds from the sale of the debentures, which were approximately $123.8 million,

	after deducting the initial purchasers commissions, to pay the consideration payable in connection with our acquisition of CoVest BancShares, Inc., which was completed on December 31, 2003, and for general corporate purposes. See Use of Proceeds.
ERISA Considerations	For a discussion of certain prohibited transactions and fiduciary duty issues pertaining to purchases by or on behalf of an employee benefit plan, see ERISA Considerations.
Voting Rights	As a holder of the exchange capital securities, you will have no voting rights, except in limited circumstances. See Description of Capital Securities Limited Voting Rights of Exchange Capital Security Holders; Modification and Amendment of the Declaration.
Risk Factors	For a discussion of considerations relevant to an investment in the capital securities which should be carefully considered by you, please read Risk Factors.

RATIO OF EARNINGS TO FIXED CHARGES

Set forth below are First Midwest s consolidated ratio of earnings to fixed charges (inclusive and exclusive of interest on deposits) for each of the periods indicated:

	Three Months Ended March 31,		Year Ended December 31,				
	2004	**2003**	**2003**	**2002**	**2001**	**2000**	**1999**
Ratio of earnings to fixed charges:[1]							
Excluding interest on deposits	5.59	5.12	5.81	5.09	3.32	2.29	3.38
Including interest on deposits	2.55	2.35	2.51	2.10	1.60	1.43	1.56

(1) For the purpose of computing the ratio of earnings to fixed charges, earnings represent net income before fixed charges. Fixed charges consist of interest on outstanding debt plus one-third (the proportion deemed representative of the interest factor) of operating lease expense.

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SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data of First Midwest should be read in conjunction with management s discussion and analysis of First Midwest s results of operations and financial condition and the consolidated financial statements of First Midwest, including the related notes, included in the documents incorporated herein by reference. The selected consolidated financial data as of and for the five years ended December 31, 2003 was derived from the audited consolidated financial statements of First Midwest. The selected consolidated financial data for the three-month periods ended March 31, 2004 and 2003 was derived from our unaudited financial statements. The unaudited financial statements include all adjustments, consisting of normal recurring arrivals, which we consider necessary for a fair presentation of the financial position and the results of operations for these periods. Operating results for the three months ended March 31, 2004 are not necessarily indicative of the results that may be expected for the entire year ended December 31, 2004. See Where You Can Find More Information; Documents Incorporated by Reference.

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	Three Months Ended March 31,		Years ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
	(in thousands, except per share data and ratios)						
Operating Results:							
Net interest income	$ 56,889	$ 52,141	$ 209,754	$ 218,754	$ 204,380	$ 189,611	$ 192,664
Provision for loan losses	1,928	2,530	10,805	15,410	19,084	9,094	5,760
Noninterest income	16,686	17,698	77,207	66,531	68,076	61,960	58,237
Security gains (losses), net	1,939	66	2,988	460	790	1,238	97
(Losses) on early extinguishment of debt	(1,240)		(6,025)				
Noninterest expense	40,205	36,838	149,452	148,052	145,356	144,416	149,809
Income tax expense	8,109	7,807	30,889	32,133	26,668	23,759	24,520
Net income	$ 24,032	$ 22,730	$ 92,778	$ 90,150	$ 82,138	$ 75,540	$ 70,909
Per Share Data:[1]							
Basic earnings per share	$ 0.52	$ 0.48	$ 1.99	$ 1.88	$ 1.64	$ 1.47	$ 1.35
Diluted earnings per share	0.51	0.48	1.97	1.86	1.63	1.46	1.34
Cash dividends declared	0.22	0.19	0.79	0.70	0.65	0.59	0.53
Book value at period end	11.26	10.58	11.22	10.42	9.18	8.75	7.19
Market value at period end	34.22	25.81	32.43	26.71	29.19	23.00	21.20
Financial Ratios:							
Return on average equity	17.97%	18.39%	18.28%	18.82%	17.89%	19.17%	17.39%
Return on average assets	1.42%	1.53%	1.50%	1.53%	1.43%	1.30%	1.34%
Net interest margin tax equivalent[2]	3.97%	4.06%	3.99%	4.28%	4.10%	3.76%	4.24%
Dividend payout ratio	43.1%	39.6%	40.10%	37.63%	39.88%	40.55%	39.40%
Average equity to average asset ratio &n 10pt; FONT-FAMILY: times new roman;"> **INTEREST INCOME**							
Loans	$ 3,441	$ 3,151	$ 6,622	$ 6,313			
Interest-earning deposits	489	413	905	660			
Securities - taxable	196	120	568	256			
Total Interest Income	4,126	3,684	8,095	7,229			
INTEREST EXPENSE							
Deposits	1,332	1,072	2,616	1,975			
Total Interest Expense	1,332	1,072	2,616	1,975			
Net Interest Income	2,794	2,612	5,479	5,254			
PROVISION FOR LOAN LOSSES	338	-	338	-			
Net Interest Income after Provision for	2,456	2,612	5,141	5,254			

Loan Losses				
NON-INTEREST INCOME				
Other loan fees and service charges	85	117	175	223
Net gain from disposition of premises and equipment	18,962	-	18,962	-
Earnings on bank owned life insurance	89	-	177	-
Other	5	2	9	9
Total Non-Interest Income	19,141	119	19,323	232
NON-INTEREST EXPENSES				
Salaries and employee benefits	1,521	1,133	2,650	2,186
Net occupancy expense of premises	275	242	540	500
Equipment	127	107	267	203
Outside data processing	155	141	311	286
Advertising	19	19	51	46
Other	642	468	1,179	924
Total Non-Interest Expenses	2,739	2,110	4,998	4,145
Income before Income Taxes	18,858	621	19,466	1,341
INCOME TAXES	8,235	271	8,453	582
Net Income	$ 10,623	$ 350	$ 11,013	$ 759
Net Income per Common Share – Basic and Diluted	$ 0.83	N/A (A)	$ 0.86	N/A (A)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	12,742	N/A (A)	12,739	N/A (A)

(A) The Company completed its initial public stock offering on July 5, 2006.

See Notes to Consolidated Financial Statements

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STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)

Six Months Ended June 30, 2007 and 2006

	Common Stock	Additional Paid-in Capital	Unearned ESOP Shares	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total Equity	Comprehensive Income
				(In thousands)			
Balance at December 31, 2005	$ -	$ -	$ -	$ 43,089	$ 31	$ 43,120	
Comprehensive income:	-	-	-	-	-	-	
Net income	-	-	-	759	-	759	$ 759
Unrealized loss on securities available for sale, net of taxes of $(2)	-	-	-	-	(2)	(2)	(2)
Total comprehensive income							$ 757
Balance at June 30, 2006	$ -	$ -	$ -	$ 43,848	$ 29	$ 43,877	
Balance at December 31, 2006	$ 132	$ 57,513	$ (4,925)	$ 44,147	$ (116)	$ 96,751	
Comprehensive income:							
Net income	-	-	-	11,013	-	11,013	$ 11,013
Unrealized gain on securities available for sale, net of taxes of $1	-	-	-	-	2	2	2
Prior Service Cost – DRP, net of taxes of $6	-	-	-	-	(8)	(8)	(8)
Total comprehensive income							$ 11,007
ESOP shares earned	-	26	130	-	-	156	

Balance at June 30, 2007	$	132	$	57,539	$	(4,795)	$	55,160	$	(122)	$	107,914

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended June 30, 2007	2006
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 11,013	$ 759
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Amortization of securities premiums and (discounts), net	(93)	8
Provision for loan losses	338	-
Provision for depreciation	316	282
Amortization of deferred loan discounts, fees and costs, net	71	76
(Gain) from dispositions of premises and equipment	(18,962)	-
Earnings on bank owned life insurance	(177)	-
Increase in accrued interest receivable	(42)	(36)
Increase in other assets	(513)	(1,405)
Increase in accrued interest payable	3	-
Increase in other liabilities	8,413	152
ESOP shares earned	156	-
Net Cash Provided by (Used in) Operating Activities	523	(164)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase in loans	(21,057)	(11,931)
Purchase of securities held to maturity	(5,000)	-
Proceeds from principal repayments on securities available for sale	4	12
Proceeds from principal repayments on securities held to maturity	23,010	1,253
Purchases of FHLB stock	(195)	(42)
Purchases of premises and equipment	(75)	(900)
Proceeds from sale of premises and equipment	9,080	-
Net Cash Provided by (Used in) Investing Activities	5,767	(11,608)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (decrease) increase in deposits	(5,911)	72,660
Proceeds from short-term borrowings	4,000	-
Increase (decrease) in advance payments by borrowers for taxes and insurance	245	(172)
Net Cash (Used in) Provided by Financing Activities	(1,666)	72,488
Net Increase in Cash and Cash Equivalents	4,624	60,716
Cash and Cash Equivalents - Beginning	36,749	27,389

Cash and Cash Equivalents - Ending	$ 41,373	$ 88,105
SUPPLEMENTARY CASH FLOWS INFORMATION		
Income taxes paid	$ 981	$ 639
Interest paid	$ 2,613	$ 1,975
Supplemental disclosure of Non-Cash Investing Activities		
Loan made in conjunction with sale of premises and equipment	$ 16,341	$ -

See Notes to Consolidated Financial Statements

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NORTHEASTCOMMUNITY BANCORP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PRESENTATION

Northeast Community Bancorp, Inc. (the “Company”) is a Federally chartered corporation that was organized to be the mid-tier holding company for Northeast Community Bank (the “Bank”), in conjunction with the Bank’s reorganization from a mutual savings bank to the mutual holding company structure on July 5, 2006. The accompanying unaudited consolidated financial statements as of and for the three and six-month periods ended June 30, 2007, include the accounts of the Company and the Bank. All significant intercompany accounts and transactions have been eliminated in consolidation. The unaudited consolidated financial statements for the three and six months ended June 30, 2006 include only the accounts of the Bank because the Company was not in existence prior to July 5, 2006.

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month and six-month periods ended June 30, 2007 are not necessarily indicative of the results that may be expected for the full year or any other interim period. The December 31, 2006 consolidated statement of financial condition data was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles.

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain recorded amounts and disclosures. Accordingly, actual results could differ from those estimates. The most significant estimate pertains to the allowance for loan losses.

NOTE 2 – EARNINGS PER SHARE

Basic earnings per common share is calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings per common share is computed in a manner similar to basic earnings per common share except that the weighted average number of common shares outstanding is increased to include the incremental common shares (as computed using the treasury stock method) that would have been outstanding if all potentially dilutive common stock equivalents were issued during the period. Common stock equivalents may include restricted stock awards and stock options. Anti-dilutive shares are common stock equivalents with weighted-average exercise prices in excess of the weighted-average market value for the periods presented. The Company has not granted any restricted stock awards or stock options and, during the six-month periods ended June 30, 2007 and 2006, had no potentially dilutive common stock equivalents. Unallocated common shares held by the Employee Stock Ownership Plan (“ESOP”) are not included in the weighted-average number of common shares outstanding for purposes of calculating both basic and diluted earnings per common share until they are committed to be released.

Earnings per common share data is not presented for the three and six months ended June 30, 2006 as the Company had no shares outstanding prior to the Company’s initial public offering on July 5, 2006.

NOTE 3 – EMPLOYEE STOCK OWNERSHIP PLAN

As of December 31, 2006 and June 30, 2007, the ESOP owned 518,420 shares of the Company's common stock, which are held in a suspense account until released for allocation to participants. As of December 31, 2006 and June 30, 2007, the Company had committed to release 25,921 shares (which were subsequently allocated) and 12,961 shares, respectively. The Company recognized compensation expense of $155,729 during the six-month period ended June 30, 2007, which equals the fair value of the ESOP shares committed to be released during that period.

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NOTE 4 –OUTSIDE DIRECTOR RETIREMENT PLAN ("DRP")

Periodic expenses for the Company's DRP were as follows (In thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Service cost	$ 8	$ 8	$ 17	$ 16
Interest cost	5	5	11	9
Amortization of Prior Service Cost	5	5	10	11
Total	$ 18	$ 18	$ 38	$ 36

Effective January 1, 2006, the Bank implemented the DRP. This plan is a non-contributory defined benefit pension plan covering all non-employee directors meeting eligibility requirements as specified in the plan document. The DRP is accounted for under Statements of Financial Accounting Standards Nos. 132 and 158. The amortization of prior service cost in the three-month period and six-month period ended June 30, 2007 is also reflected as a reduction in other comprehensive income during the period.

NOTE 5 – EFFECT OF RECENT ACCOUNTING PRONOUNCEMENTS

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements", which defines fair value, establishes a framework for measuring fair value under U.S. generally accepted accounting principles ("GAAP"), and expands disclosures about fair value measurements. SFAS No. 157 applies to other accounting pronouncements that require or permit fair value measurements. The new guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007, and for interim periods within those fiscal years. We are currently evaluating the potential impact, if any, of the adoption of SFAS No. 157 on our consolidated financial position, results of operations and cash flows.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, including an amendment of FASB Statement No. 115 ("SFAS 159"). SFAS 159 creates a fair value option allowing an entity to irrevocably elect fair value as the initial and subsequent measurement attribute for certain financial assets and financial liabilities, with changes in fair value recognized in earnings as they occur. SFAS 159 also requires an entity to report those financial assets and financial liabilities measured at fair value in a manner that separates those reported fair values from the carrying amount of assets and liabilities measured using another measurement attribute in the face of the statement of financial position. Lastly, SFAS 159 requires an entity to provide information that would allow users to understand the effect on earnings of changes in the fair value on those instruments selected for the fair value election. SFAS 159 is effective for fiscal years beginning after November 15, 2007, with early adoption permitted. After evaluating the impact SFAS 159 would have on our consolidated financial statements, we have determined not to early adopt SFAS 159 at this time.

On September 7, 2006, the Emerging Issues Task Force ("EITF") reached a conclusion on EITF Issue No. 06-5, "Accounting for Purchases of Life Insurance – Determining the Amount That Could Be Realized in Accordance with FASB Technical Bulletin No. 85-4, Accounting for Purchases of Life Insurance". The scope of EITF Issue No. 06-5 consists of six separate issues relating to accounting for life insurance policies purchased by entities protecting against the loss of "key persons." The six issues are clarifications of previously issued guidance on FASB Technical Bulletin No. 85-4. EITF 06-5 is effective for fiscal years beginning after December 15, 2006. The adoption of EITF 06-5 did not have a material impact on the Company’s consolidated financial statements.

In March 2007, the FASB ratified Emerging Issues Task Force Issue No. 06-10 “Accounting for Collateral Assignment Split-Dollar Life Insurance Agreements”. EITF Issue No. 06-10 provides guidance for determining a liability for the postretirement benefit obligation as well as recognition and measurement of the associated asset on the basis of the terms of the collateral assignment agreement. EITF Issue No. 06-10 is effective for fiscal years beginning after December 15, 2007. The Company is currently assessing the impact of EITF Issue No. 06-10 on its consolidated financial position and results of operations.

In July 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109* (FIN 48), which clarifies the accounting for uncertainty in tax positions. This Interpretation requires that companies recognize in their financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provisions of FIN 48 are effective for fiscal years beginning after December 15, 2006, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. As a result of the Company's evaluation of the implementation of FIN 48, no significant income tax uncertainties were identified. Therefore, the Company recognized no adjustment for unrecognized income tax benefits at the implementation date or during the six months ended June 30, 2007. The Company had no amounts accrued for tax penalties or interest at June 30, 2007. Our policy is to record any such penalties and interest as other non-interest expense. Corporate tax returns which remain subject to examination include: Federal from 2004 to present, Massachusetts from 2004 to present, New York State from 2003 to present and New York City from 2003 to present.

In May 2007, the FASB issued FASB Staff Position ("FSP") FIN 48-1 "Definition of Settlement in FASB Interpretation No. 48" (FSP FIN 48-1). FSP FIN 48-1 provides guidance on how to determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits. FSP FIN 48-1 is effective retroactively to January 1, 2007. The implementation of this standard did not have a material impact on our consolidated financial position or results of operations.

In February 2007, the FASB issued FSP FAS 158-1, "Conforming Amendments to the Illustrations in FASB Statements No. 87, No. 88, and No 106 and to the Related Staff Implementation Guides." This FSP makes conforming amendments to other FASB statements and staff implementation guides and provides technical corrections to SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans." The conforming amendments in this FSP shall be applied upon adoption of SFAS No. 158. The adoption of FSP FAS 158-1 did not have a material impact on our consolidated financial statements or disclosures.

Note 6 - Significant Events

On June 29, 2007, the Bank completed the sale of its branch office building located at 1353-55 First Avenue, New York, New York. The purchase price for the building was $28.0 million. The Bank received $10.0 million in cash at closing. The remaining $18.0 million will be paid in two installments of $9.0 million on each of June 29, 2008 and June 29, 2009, pursuant to a zero coupon promissory note secured by a purchase money real estate mortgage, assignment and security agreement. The zero coupon note was recorded at its present value of $16.3 million.

The sale of the branch office resulted in a pre-tax gain of $19.0 million or a net gain of $10.7 million after providing for $8.3 million in income taxes. The sale also provided an increase in total assets of $19.0 million represented by increases of $9.1 million in cash and $16.3 million in loans receivable partially offset by decreases of $6.2 million in property and equipment and $263,000 in other assets. The sale provided an increase in total liabilities of $8.3 million related to the accrual of income taxes on the sale gain.

In connection with the sale of the branch office building, the Bank will enter into a 99-year lease to enable the Bank to retain a branch office at 1353-55 First Avenue. This lease will be effective upon the completion of the new building to be constructed (projected to be in 2010) and will be for less than 2 ½% of the properties available square footage. In anticipation of the sale, and the renovation of the building by its new owner, in December 2006, the Bank temporarily relocated its 1353-55 First Avenue branch office to 1470 First Avenue, New York, New York.

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

Forward-Looking Statements

This report contains forward-looking statements that are based on assumptions and may describe future plans, strategies and expectations of Northeast Community Bancorp, Inc. (the "Company"). These forward-looking statements are generally identified by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project" or si expressions. The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on the operations of the Company include, but are not limited to, changes in interest rates, national and regional economic conditions, legislative and regulatory changes, monetary and fiscal policies of the U.S. government, including policies of the U.S. Treasury and the Federal Reserve Board, the quality and composition of the loan or investment portfolios, demand for loan products, deposit flows, competition, demand for financial services in Northeast Community Bank's (the "Bank") market area, changes in real estate market values in the Bank's market area, and changes in relevant accounting principles and guidelines. Additional factors that may affect the Company's results are discussed in the Company's Registration Statement on Form S-1, as amended, under the heading "Risk Factors." These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Except as required by applicable law or regulation, the Company does not undertake, and specifically disclaims any obligation, to release publicly the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of the statements or to reflect the occurrence of anticipated or unanticipated events.

General

The Bank is a community-oriented financial institution dedicated to serving the financial services needs of consumers and businesses within its market area and its lending territory. We attract deposits from the general public and use such funds primarily to originate multifamily residential real estate loans, mixed use real estate loans and nonresidential real estate loans. We also originate a limited amount of consumer loans. In addition, we operate a loan production office in Wellesley, Massachusetts.

Overview

Net income for the three and six months ended June 30, 2007, was $10.6 million and $11.0 million, respectively, substantial increases over the $350,000 and $759,000, respectively, recorded for the same prior year periods. However, these increases were largely due to the sale of the branch office at 1353-55 First Avenue, New York, New York. The sale of the branch office provided a pre-tax gain of $19.0 million or a net gain of $10.7 million after providing for $8.3 million in income taxes. The sale also provided an increase in total assets of $19.0 million represented by increases of $9.1 million in cash and $16.3 million in loans receivable partially offset by decreases of $6.2 million in property and equipment and $263,000 in other assets. The sale provided an increase in total liabilities of $8.3 million related to the accrual of income taxes on the sale gain.

Comparison of Financial Condition at June 30, 2007 and December 31, 2006

Total assets increased by $17.9 million, or 6.2%, to $306.3 million at June 30, 2007 from $288.4 million at December 31, 2006. Cash and cash equivalents increased by $4.7 million, or 12.6%, to $41.4 million at June 30, 2007, from $36.7 million at December 31, 2006. The increase was primarily the result of the $9.1 million proceeds received from the sale of the Bank's branch office building located at 1353-55 First Avenue and the $4.0 million in short-term

Federal Home Loan Bank borrowings. Securities held to maturity decreased by $18.0 million, or 65.3%, to $9.5 million at June 30, 2007 from $27.5 million at December 31, 2006, due primarily to repayment and maturities of $23.0 million, which exceeded purchases of $5.0 million. The funds were redeployed primarily to fund increased loan originations.

Loans receivable increased by $37.0 million, or 18.4%, to $238.3 million at June 30, 2007 from $201.3 million at December 31, 2006, due to loan originations of $54.3 million exceeding loan repayments of $17.0 million. Included in loan originations is the $16.3 million present value of the promissory note the Bank received in connection with the sale of the Bank's branch office building located at 1353-55 First Avenue.

Premises and equipment decreased by $6.4 million, or 57.9%, to $4.7 million at June 30, 2007, from $11.1 million at December 31, 2006, due primarily to the sale of our First Avenue property, which had a cost basis of $6.1 million.

Deposit balances decreased by $5.9 million, or 3.1%, to $182.7 million at June 30, 2007 from $188.6 million at December 31, 2006. The decrease in deposits occurred in all deposit types, with certificates of deposits decreasing by $2.9 million, or 2.7%, regular savings decreasing by $2.5 million, or 4.2%, interest bearing checking and money market accounts decreasing by $490,000 or 2.3%, and non-interest bearing accounts decreasing by $42,000, or 2.9%. The decrease was primarily attributed to the continuing intense interest rate competition in all markets in which we operate and our strategy of offering interest rates on our deposit accounts that are in the middle of the market.

Short-term borrowings from the Federal Home Loan Bank of New York increased to $4.0 million at June 30, 2007 reflecting a decision to increase short-term liquidity.

Other liabilities increased by $8.5 million, or 736.0%, to $9.6 million at June 30, 2007 from $1.1 million at December 31, 2006. The increase was due to an increase of $7.8 million in accrued income taxes, largely the result of the $19.0 million gain from the disposition of the Bank's branch office building located at 1353-55 First Avenue, and an increase of $700,000 in other liabilities.

Stockholders' equity increased by $11.1 million, or 11.5%, to $107.9 million at June 30, 2007, from $96.8 million at December 31, 2006. This increase was primarily the result of $11.0 million in net income.

Comparison of Operating Results for the Three Months Ended June 30, 2007 and 2006

General. Net income increased by $10.3 million, or 2,935.1%, to $10.6 million for the three months ended June 30, 2007 from $350,000 for the three months ended June 30, 2006. The increase was primarily the result of the $19.0 million gain ($10.7 million net of income taxes) from the disposition of the Bank's branch office building located at 1353-55 First Avenue.

Net Interest Income. Net interest income increased by $182,000, or 7.0%, to $2.8 million for the three months ended June 30, 2007 from $2.6 million for the three months ended June 30, 2006. The increase in net interest income resulted primarily from the increased average balance of net interest-earning assets of $27.4 million, partially offset by a 44 basis point decrease in our net interest rate spread to 3.32% for the three months ended June 30, 2007 from 3.76% for the three months ended June 30, 2006. The net interest margin decreased 5 basis points to 4.20% for the three months ended June 30, 2007 from 4.25% for the three months ended June 30, 2006. The decrease in the interest rate spread and net interest margin in the second quarter of 2007 over the same period in 2006 was due mainly to the cost of our interest-bearing liabilities increasing to a greater degree than the increase in the yield earned on our interest-earning assets. The decrease in the net interest margin was mitigated somewhat by the increase in net interest-earning assets.

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The following table summarizes average balances and average yields and costs of interest-earning assets and interest-bearing liabilities for the three months ended June 30, 2007 and 2006.

	Three Months Ended June 30, 2007 Average Balance	Interest and Dividends	Yield/ Cost	2006 Average Balance	Interest and Dividends	Yield/ Cost
	(Dollars in thousands)					
Assets:						
Interest-earning assets:						
Loans	$ 213,182	$ 3,441	6.46%	$ 201,853	$ 3,151	6.24%
Securities - taxable	16,233	196	4.83	12,217	120	3.93
Other interest-earning assets	36,963	489	5.29	31,849	413	5.19
Total interest-earning assets	266,378	4,126	6.20	245,919	3,684	5.99
Allowance for loan losses	(1,204)			(1,200)		
Noninterest-earning assets	24,510			11,467		
Total assets	$ 289,684			$ 256,186		
Liabilities and Stockholders' equity:						
Interest-bearing liabilities:						
Interest-bearing demand	$ 20,705	$ 27	0.52%	$ 20,898	$ 16	0.31%
Savings and club accounts	59,236	103	0.70	69,353	121	0.70
Certificates of deposit	104,941	1,202	4.58	101,642	935	3.68
Total interest-bearing deposits	184,882	1,332	2.88	191,893	1,072	2.23
FHLB advances	88	-	-	-	-	-
Total interest-bearing liabilities	184,970	1,332	2.88	191,893	1,072	2.23
Noninterest-bearing demand	1,291			15,867		
Other liabilities	5,909			4,259		
Total liabilities	192,170			212,019		
Stockholders' equity	97,514			44,167		
Total liabilities and Stockholders' equity	$ 289,684			$ 256,186		
Net interest income		$ 2,794			$ 2,612	
Interest rate spread			3.32%			3.76%
Net interest margin			4.20%			4.25%
Net interest-earning assets	$ 81,408			$ 54,026		
	144.01%			128.15%		

Average interest-earning assets to average interest-bearing liabilities

Interest income increased by $442,000, or 12.0%, to $4.1 million for the three months ended June 30, 2007, from $3.7 million for the three months ended June 30, 2006. Interest income on loans increased by $290,000, or 9.2%, to $3.44 million for the three months ended June 30, 2007 from $3.15 million for the three months ended June 30, 2006. The average balance of the loan portfolio increased by $11.3 million to $213.2 million for the three months ended June 30, 2007 from $201.9 million for the three months ended June 30, 2006. The average yield on loans increased 22 basis points to 6.46% for the three months ended June 30, 2007 from 6.24% for the three months ended June 30, 2006.

Interest income on securities increased by $76,000, or 63.3%, to $196,000 for the three months ended June 30, 2007 from $120,000 for the three months ended June 30, 2006. The increase was primarily due to an increase in average balance of securities to $16.2 million from $12.2 million and an increase in the average yield on securities of 90 basis points to 4.83% for the three months ended June 30, 2007 from 3.93% for the three months ended June 30, 2006.

Interest on other interest-earning assets increased $76,000, or 18.4%, to $489,000 for the three months ended June 30, 2007 from $413,000 for the three months ended June 30, 2006. The increase was primarily the result of a 10 basis point increase in the yield to 5.29% for the three months ended June 30, 2007 from 5.19% for the three months ended June 30, 2006, plus an increase in average balance of other interest-earning assets to $37.0 million for the three months ended June 30, 2007 as compared to $31.8 million for the three months ended June 30, 2006. The increased average balance of other interest-earning assets was due to the deployment of the stock conversion proceeds.

Interest expense increased $260,000, or 24.3%, to $1.3 million for the three months ended June 30, 2007 from $1.1 million for the three months ended June 30, 2006. The increase in interest expense was due to generally higher deposit rates and a shift of $3.3 million of average deposits from lower interest rate passbook savings into higher interest rate certificate of deposits, which had the effect of raising the average interest cost by 65 basis points to 2.88% for the three months ended June 30, 2007 from 2.23% for the three months ended June 30, 2006. During this period, the cost of our certificate of deposits increased 90 basis points to 4.58% for the three months ended June 30, 2007 from 3.68% for the three months ended June 30, 2006. Interest expense on our other deposit products decreased by $7,000, or 5.1%, due to a $10.3 million, or 11.4% decrease in average balance partially offset by an average cost decrease in the rate of interest paid on these deposits of 4 basis points to 0.65% for the three months ended June 30, 2007 from 0.61% for the three months ended June 30, 2006.

Provision for Loan Losses. The allowance for loan losses increased by $338,000 to $1.5 million at June 30, 2007 as a result of a provision for loan losses of $338,000 during the three months ended June 30, 2007. The primary reason for this increase was the growth of the Bank's loan portfolio and the increase in non-performing loans. The allowance for loan losses as of June 30, 2007 represented 0.64% of total loans, compared to 0.59% of total loans as of June 30, 2006. See additional discussing in the comparison of operating results for the six-month period.

There were no charge-offs or recoveries during the three months ended June 30, 2007 and 2006, and there was no provision for loan losses for the three months ended June 30, 2006.

Non-interest Income. Non-interest income increased $19.0 million, or 15,984.9%, to $19.1 million for the three months ended June 30, 2007 from $119,000 for the three months ended June 30, 2006. The increase was the result of the $19.0 million gain from the disposition of the Bank's branch office building located at 1353-55 First Avenue, New York, New York. In addition, we earned $89,000 on our investment in bank-owned life insurance, which was purchased after June 30, 2006.

Non-interest Expense. Non-interest expense increased $629,000, or 29.8%, to $2.7 million for the three months ended June 30, 2007 from $2.1 million for the three months ended June 30, 2006. The increase resulted primarily from increases of $388,000 in salaries and employee benefits, $174,000 in other noninterest expense, $33,000 in net occupancy expense, $20,000 in equipment expense, and $14,000 in outside data processing.

The increase in salaries and employee benefits of $388,000, or 34.2%, to $1.5 million in 2007 from $1.1 million in 2006 was due to a $161,000 mid-year goal attainment payment made to employees, a $140,000 severance agreement made with a long-time officer, and the ESOP implemented in connection with our initial public offering. Other non-interest expense increased by $174,000, or 37.2%, to $642,000 in 2007 from $468,000 in 2006 due mainly to expenses associated with being a public company.

Occupancy expense increased by $33,000, or 13.6%, to $275,000 in 2007 from $242,000 in 2006 due to expenses related to the relocation of our 1353-55 First Avenue office. Equipment expense increased by $20,000, or 18.7%, to $127,000 in 2007 from $107,000 in 2006 due to the purchase and/or upgrade of various equipment and computer software. Outside data processing increased by $14,000, or 9.9%, to $155,000 in 2007 from $141,000 in 2006 due to increased processing cost of our ATM network.

Income Taxes. Income tax expense increased $7.9 million, or 2,938.7%, to $8.2 million for the three months ended June 30, 2007, from $271,000 for the three months ended June 30, 2006. The increase resulted primarily from the $18.2 million increase in pre-tax income in 2007 compared to 2006. The effective tax rate was 43.7% for the three months ended June 30, 2007, compared to 43.6% for the same period in 2006.

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Comparison of Operating Results for the Six Months Ended June 30, 2007 and 2006

General. Net income increased by $10.3 million, or 1,351.0%, to $11.0 million for the six months ended June 30, 2007 from $759,000 for the six months ended June 30, 2006. The increase was primarily the result of the $19.0 million gain ($10.7 million net of income taxes) from the disposition of the Bank's branch office building located at 1353-55 First Avenue.

Net Interest Income. Net interest income increased by $225,000, or 4.3%, to $5.5 million for the six months ended June 30, 2007 from $5.3 million for the six months ended June 30, 2006. The increase in net interest income resulted primarily from the increased average balance of net interest-earning assets of $33.1 million, partially offset by a 72 basis point decrease in net interest rate spread to 3.28% for the six months ended June 30, 2007 from 4.00% for the six months ended June 30, 2006. The net interest margin decreased 28 basis points to 4.13% in the current six-month period from 4.41% in the prior period. The decrease in the interest rate spread and net interest margin in the current six-month period of 2007 over the same period in 2006 was due mainly to the cost of our interest-bearing liabilities increasing to a greater degree than the increase in the yield earned on our interest earning assets.

The following table summarizes average balances and average yields and costs of interest-earning assets and interest-bearing liabilities for the six months ended June 30, 2007 and 2006.

	Six Months Ended June 30,					
	2007			2006		
	Average Balance	Interest and Dividends	Yield/ Cost	Average Balance	Interest and Dividends	Yield/ Cost
	(Dollars in thousands)					
Assets:						
Interest-earning assets:						
Loans	$ 207,726	$ 6,622	6.38%	$ 199,447	$ 6,313	6.33%
Securities - taxable	23,243	568	4.89	12,489	256	4.10
Other interest-earning assets	34,285	905	5.28	26,452	660	4.99
Total interest-earning assets	265,254	8,095	6.10	238,388	7,229	6.06
Allowance for loan losses	(1,202)			(1,200)		
Noninterest-earning assets	24,821			10,789		
Total assets	$ 288,873			$ 247,977		
Liabilities and Stockholders' equity:						
Interest-bearing liabilities:						
Interest-bearing demand	$ 20,529	$ 52	0.51%	$ 21,401	$ 31	0.29%
Savings and club accounts	59,794	206	0.69	70,492	216	0.61
Certificates of deposit	105,144	2,358	4.49	99,840	1,728	3.46
Total interest-bearing deposits	185,467	2,616	2.82	191,733	1,975	2.06
FHLB advances	44	-	-	-	-	0.00
	185,511	2,616	2.82	191,733	1,975	2.06

Total interest-bearing liabilities						
Noninterest-bearing demand	1,272			8,658		
Other liabilities	4,736			3,589		
Total liabilities	191,519			203,980		
Stockholders’ equity	97,354			43,997		
Total liabilities and Stockholders’ equity	$ 288,873			$ 247,977		
Net interest income		$ 5,479			$ 5,254	
Interest rate spread			3.28%			4.00%
Net interest margin			4.13%			4.41%
Net interest-earning assets	$ 79,743			$ 46,655		
Average interest-earning assets to average interest-bearing liabilities	142.99%			124.33%		

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Interest income increased by $866,000, or 12.0%, to $8.1 million for the six months ended June 30, 2007, from $7.2 million for the six months ended June 30, 2006. Interest income on loans increased by $309,000, or 4.9%, to $6.6 million for the six months ended June 30, 2007 from $6.3 million for the six months ended June 30, 2006. The average balance of the loan portfolio increased by $8.3 million to $207.7 million for the six months ended June 30, 2007 from $199.4 million for the six months ended June 30, 2006. The average yield on loans increased 5 basis points to 6.38% for the six months ended June 30, 2007 from 6.33% for the six months ended June 30, 2006.

Interest income on securities increased by $312,000, or 121.9%, to $568,000 for the six months ended June 30, 2007 from $256,000 for the six months ended June 30, 2006. The increase was primarily due to an increase in the average yield on securities of 79 basis points to 4.89% for the six months ended June 30, 2007 from 4.10% for the six months ended June 30, 2006, plus an increase in the average balance of securities from $12.5 million in the 2006 period to $23.2 million in the 2007 period.

Interest on other interest-earning assets increased $245,000, or 37.1%, to $905,000 for the six months ended June 30, 2007 from $660,000 for the six months ended June 30, 2006. The increase was primarily as a result of a 29 basis point increase in the yield on such assets to 5.28% for the six months ended June 30, 2007 from 4.99% for the six months ended June 30, 2006 and an increase in the average balance of other interest-earning assets to $34.3 million for the six months ended June 30, 2007 as compared to $26.5 million for the six months ended June 30, 2006. The increased average balance of other interest-earning assets was due to the deployment of the stock conversion proceeds.

Interest expense increased $641,000, or 32.5%, to $2.6 million for the six months ended June 30, 2007 from $2.0 million for the six months ended June 30, 2006. The increase in interest expense was due to generally higher deposit rates and a shift of $5.3 million of average deposits from lower interest rate passbook savings into higher interest rate certificate of deposits, which had the effect of raising the average interest cost by 76 basis points to 2.82% for the six months ended June 30, 2007 from 2.06% for the six months ended June 30, 2006. During this period, the cost of our certificates of deposit increased 103 basis points to 4.49% for the six months ended June 30, 2007 from 3.46% for the six months ended June 30, 2006. Interest expense on our other deposit products increased by $11,000, or 4.5%, due to an average cost increase in the rate of interest paid on these deposits of 10 basis points to 0.64% for the six months ended June 30, 2007 from 0.54% for the six months ended June 30, 2006, partially offset by a $11.6 million decrease in average balance.

***Provision for Loan Losses*.** The allowance for loan losses increased by $338,000 to $1.5 million at June 30, 2007 as a result of a provision for loan losses of $338,000 during the six months ended June 30, 2007. The primary reason for this increase was the growth of the Bank's loan portfolio and the increase in non-performing loans. The allowance for loan losses as of June 30, 2007 represented 0.64% of total loans compared to 0.59% of total loans as of June 30, 2006.

There were no charge-offs or recoveries during the six months ended June 30, 2007 and 2006, and there was no provision for loan losses for the six months ended June 30, 2006.

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The following table provides information with respect to our non-performing assets at the dates indicated.

	At June 30, 2007	At December 31, 2006
	(Dollars in thousands)	
Non-accrual loans	$ 1,484	$ -
Loans 90 days or more delinquent and accruing	409	2
Other non-performing loans	-	-
Total non-performing loans	$ 1,893	$ 2
Troubled debt restructurings	-	-
Troubled debt restructurings and total non-performing assets	$ 1,893	$ 2
Total non-performing loans to total loans	0.79%	0.00%
Total non-performing loans to total assets	0.62%	0.00%
Total non-performing assets and troubled debt restructurings to total assets	0.62%	0.00%

At June 30, 2007, we had two non-residential mortgage loans totaling $1.2 million that were classified as substandard and that are non-accruing. We are in the process of foreclosing on these two properties. Based upon collateral appraisals and our inspections of the condition of the properties securing these loans, $235,000 in specific loan loss reserves were established.

We also had a mixed-use mortgage loan totaling $284,000 that was classified as substandard and non-accruing. Subsequent to June 30, 2007, we obtained title to the property through foreclosure proceedings. Ultimately, we do not anticipate a loss on the disposition of this parcel of real estate owned.

At June 30, 2007, we had one multi-family mortgage loan totaling $409,000 that was more than 90 days delinquent and still accruing. We classified this loan as special mention because the borrower has agreed to a loan workout payment schedule. We do not anticipate a loss on this loan.

Non-interest Income. Non-interest income increased $19.1 million, or 8,228.9%, to $19.3 million for the six months ended June 30, 2007 from $232,000 for the six months ended June 30, 2006. The increase was primarily the result of the $19.0 million gain from the disposition of the Bank's branch office building located at 1353-55 First Avenue. In addition, we earned $177,000 on our investment in bank-owned life insurance, which was purchased after June 30, 2006.

Non-interest Expense. Non-interest expense increased $853,000, or 20.6%, to $5.0 million for the six months ended June 30, 2007 from $4.1 million for the six months ended June 30, 2006. The increase resulted primarily from increases of $464,000 in salaries and employee benefits, $255,000 in other noninterest expense, and $64,000 in equipment expense.

The increase in salaries and employee benefits of $464,000, or 21.2%, to $2.7 million in 2007 from $2.2 million in 2006 was due to a $161,000 mid-year goal attainment payment made to employees, a $140,000 severance agreement made with a long-time officer, and the ESOP implemented in connection with our initial public offering. Other non-interest expense increased by $255,000, or 27.6%, to $1.2 million in 2007 from $924,000 in 2006 due mainly to expenses associated with being a public company.

Equipment expense increased by $64,000, or 31.5%, to $267,000 in 2007 from $203,000 in 2006 due to the purchase and/or upgrade of various equipment and computer software.

Income Taxes. Income tax expense increased $7.9 million, or 1,352.4%, to $8.5 million for the six months ended June 30, 2007, from $582,000 for the six months ended June 30, 2006. The increase resulted from the $18.1 million increase in pre-tax income in 2007 compared to 2006. The effective tax rate was 43.4% for the six months ended June 30, 2007, compared to 43.4% for the same period in 2006.

Liquidity Management. Liquidity is the ability to meet current and future financial obligations of a short-term nature. Our primary sources of funds consist of deposit inflows, loan repayments, maturities and sales of securities, and borrowings from the Federal Home Loan Bank of New York. While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and loan prepayments are greatly influenced by general interest rates, economic conditions and competition.

We regularly adjust our investments in liquid assets based upon our assessment of: (1) expected loan demands; (2) expected deposit flows; (3) yields available on interest-earning deposits and securities; and (4) the objectives of our asset/liability management policy.

Our most liquid assets are cash and cash equivalents. The levels of these assets depend on our operating, financing, lending, and investing activities during any given period. Cash and cash equivalents totaled $41.4 million at June 30, 2007 and consist primarily of deposits at other financial institutions and miscellaneous cash items. Securities classified as available for sale and whose fair value exceeds our cost provide an additional source of liquidity. Total securities classified as available for sale were $356,000 at June 30, 2007.

At June 30, 2007, we had $17.1 million in loan commitments outstanding, consisting of $11.2 million of real estate loan commitments, $3.3 million in unused real estate equity lines of credit, $1.6 million in unused loans in process, $750,000 in unused commercial business lines of credit, and $211,000 in consumer lines of credit. Certificates of deposit due within one year of June 30, 2007 totaled $66.6 million. This represented 65.1% of certificates of deposit at June 30, 2007. We believe the large percentage of certificates of deposit that mature within one year reflects customers' hesitancy to invest their funds for long periods in the current interest rate environment. If these maturing deposits do not remain with us, we will be required to seek other sources of funds, including other certificates of deposit and borrowings. Depending on market conditions, we may be required to pay higher rates on such deposits or other borrowings than we currently pay on the certificates of deposit due on or before June 30, 2008. We believe, however, based on past experience, a significant portion of our certificates of deposit will remain with us. We have the ability to attract and retain deposits by adjusting the interest rates offered.

Our primary investing activities are the origination of loans and the purchase of securities. Our primary financing activities consist of activity in deposit accounts and Federal Home Loan Bank advances. At June 30, 2007, we had the ability to borrow $12.0 million from the Federal Home Loan Bank of New York, which included two available overnight lines of credit of $6.0 million each. At June 30, 2007, we had $4.0 million in Federal Home Loan Bank short-term advances outstanding. The overall level of interest rates affects deposit flows, the interest rates and products offered by us and our local competitors and other factors. We generally manage the pricing of our deposits to be competitive and to maintain or increase our core deposit relationships depending on our level of real estate loan commitments outstanding. Occasionally, we offer promotional rates on certain deposit products to attract deposits or to lengthen repricing time frames.

Capital Management. The Bank is subject to various regulatory capital requirements administered by the Office of Thrift Supervision, including a risk-based capital measure. The risk-based capital guidelines include both a definition of capital and a framework for calculating risk-weighted assets by assigning balance sheet assets and off-balance sheet items to broad risk categories. At June 30, 2007, the Bank exceeded all of our regulatory capital requirements. The Bank is considered "well capitalized" under regulatory guidelines.

Off-Balance Sheet Arrangements. In the normal course of operations, we engage in a variety of financial transactions that, in accordance with U.S. generally accepted accounting principles, are not recorded in our financial statements. These transactions involve, to varying degrees, elements of credit, interest rate and liquidity risk. Such transactions are used primarily to manage customers' requests for funding and take the form of loan commitments, letters of credit and lines of credit.

For the six months ended June 30, 2007 and the year ended December 31, 2006, we engaged in no off-balance sheet transactions reasonably likely to have a material effect on our financial condition, results of operations or cash flows.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Qualitative Aspects of Market Risk. The Company's most significant form of market risk is interest rate risk. We manage the interest rate sensitivity of our interest-bearing liabilities and interest-earning assets in an effort to minimize the adverse effects of changes in the interest rate environment. Deposit accounts typically react more quickly to changes in market interest rates than mortgage loans because of the shorter maturities of deposits. As a result, sharp increases in interest rates may adversely affect our earnings while decreases in interest rates may beneficially affect our earnings. To reduce the potential volatility of our earnings, we have sought to improve the match between asset and liability maturities and rates, while maintaining an acceptable interest rate spread. Our strategy for managing interest rate risk emphasizes: originating mortgage real estate loans that reprice to market interest rates in three to five years; purchasing securities that typically reprice within a three year time frame to limit exposure to market fluctuations; and, where appropriate, offering higher rates on long term certificates of deposit to lengthen the repricing time frame of our liabilities. We currently do not participate in hedging programs, interest rate swaps or other activities involving the use of derivative financial instruments.

We have an Asset/Liability Committee, comprised of our chief executive officer, chief financial officer, chief mortgage officer, chief retail banking officer and treasurer, whose function is to communicate, coordinate and control all aspects involving asset/liability management. The committee establishes and monitors the volume, maturities, pricing and mix of assets and funding sources with the objective of managing assets and funding sources to provide results that are consistent with liquidity, growth, risk limits and profitability goals.

Our goal is to manage asset and liability positions to moderate the effects of interest rate fluctuations on net interest income and net income.

Quantitative Aspects of Market Risk. We use an interest rate sensitivity analysis prepared by the Office of Thrift Supervision to review our level of interest rate risk. This analysis measures interest rate risk by computing changes in net portfolio value of our cash flows from assets, liabilities and off-balance sheet items in the event of a range of assumed changes in market interest rates. Net portfolio value represents the market value of portfolio equity and is equal to the market value of assets minus the market value of liabilities, with adjustments made for off-balance sheet items. These analyses assess the risk of loss in market risk-sensitive instruments in the event of a sudden and sustained 100 to 300 basis point increase or 100 and 200 basis point decrease in market interest rates with no effect given to any steps that we might take to counter the effect of that interest rate movement.

The following table presents the change in our net portfolio value at March 31, 2007 that would occur in the event of an immediate change in interest rates based on Office of Thrift Supervision assumptions, with no effect given to any steps that we might take to counteract that change. The Bank expects that its net portfolio value at June 30, 2007 is materially consistent with the table below.

	Net Portfolio Value (Dollars in thousands)			Net Portfolio Value as % of Portfolio Value of Assets	
Basic Point ("bp") Change in Rates	**Amount**	**Change**	**% Change**	**NPV Ratio**	**Change (bp)**
300	$71,826	$(3,607)	(5)%	27.14%	(44)
200	73,064	(2,369)	(3)	27.32	(27)

100	74,268	(1,165)	(2)	27.46	(12)
0	75,433	-	-	27.58	-
(100)	76,313	880	1	27.61	3
(200)	76,870	1,437	2	27.54	(5)

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We and the Office of Thrift Supervision use various assumptions in assessing interest rate risk. These assumptions relate to interest rates, loan prepayment rates, deposit decay rates and the market values of certain assets under differing interest rate scenarios, among others. As with any method of measuring interest rate risk, certain shortcomings are inherent in the methods of analyses presented in the foregoing tables. For example, although certain assets and liabilities may have similar maturities or periods to repricing, they may react in different degrees to changes in market interest rates. Also, the interest rates on certain types of assets and liabilities may fluctuate in advance of changes in market interest rates, while interest rates on other types may lag behind changes in market rates. Additionally, certain assets, such as adjustable-rate mortgage loans, have features that restrict changes in interest rates on a short-term basis and over the life of the asset. Further, in the event of a change in interest rates, expected rates of prepayments on loans and early withdrawals from certificates could deviate significantly from those assumed in calculating the table. Prepayment rates can have a significant impact on interest income. Because of the large percentage of loans we hold, rising or falling interest rates have a significant impact on the prepayment speeds of our earning assets that in turn affect the rate sensitivity position. When interest rates rise, prepayments tend to slow. When interest rates fall, prepayments tend to rise. Our asset sensitivity would be reduced if prepayments slow and vice versa. While we believe these assumptions to be reasonable, there can be no assurance that assumed prepayment rates will approximate actual future loan repayment activity.

Item 4. Controls and Procedures

The Company's management, including the Company's principal executive officer and principal financial officer, have evaluated the effectiveness of the Company's "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Based upon their evaluation, the principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the Securities and Exchange Commission (the "SEC") (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Item 4T. Controls and Procedures

Not applicable

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be party to various legal proceedings incident to our business. At June 30, 2007, we were not a party to any pending legal proceedings that we believe would have a material adverse effect on our financial condition, results of operations or cash flows.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2006, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially affect our business, financial condition and/or operating results.

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Item 2. **Unregistered Sales of Equity Securities and Use of Proceeds**

Not applicable

Item 3. **Defaults Upon Senior Securities**

Not applicable

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

The Annual Meeting of Stockholders of the Company was held on May 17, 2007. By a vote of 12,628,206 for, 0 against, 0 abstentions, the meeting was adjourned until June 5, 2007. The final results of the matters presented at the meeting are as follows:

1. The following individuals were elected as directors, each for a three-year term:

	Votes For	Votes Withheld
Arthur M. Levine	11,375,847	647,768
Kenneth A. Martinek	11,355,537	668,078
John F. McKenzie	11,397,226	626,389

2. The Northeast Community Bancorp, Inc. 2007 Equity Incentive Plan was not adopted based upon the following vote:

Including shares held by Northeast Community Bancorp, MHC:

For: 9,844,333; Against: 1,062,843; Abstain: 65,330

Not including shares held by Northeast Community Bancorp, MHC:

For: 2,570,583; Against: 1,062,843; Abstain: 65,330

There were a total of 1,051,109 broker non-votes relating to this matter.

3. The appointment of Beard Miller Company, LLP as independent registered public accounting firm for the Company for the fiscal year ending December 31, 2007 was ratified by stockholders by the following vote:

For: 11,919,005; Against: 70,918; Abstain: 33,692

Item 5. **Other Information**

None

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Item 6. **Exhibits**

31.1	CEO certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	CFO certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	CEO and CFO certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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Signatures

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

	Northeast Community Bancorp, Inc.	
Date: August 14, 2007	By:	/s/ Kenneth A. Martinek Kenneth A. Martinek President and Chief Executive Officer
Date: August 14, 2007	By:	/s/ Salvatore Randazzo Salvatore Randazzo Executive Vice President and Chief Financial Officer

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