FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
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FILER

MINDEN BANCSHARES INC

CIK:**889553**| IRS No.: **720980704** | State of Incorp.:**LA** | Fiscal Year End: **1231**
Type: **10QSB** | Act: **34** | File No.: **000-21658** | Film No.: **96662787**
SIC: **6021** National commercial banks

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U. S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

(X) QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1996

( ) TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO

Commission file number 000-21658

MINDEN BANCSHARES, INC.
(Exact name of small business issuer as specified in its charter)

Louisiana	72-0980704
(State or other jurisdiction of Incorporation or organization)	(IRS Employer Identification No.)
401 Main Street, Minden, Louisiana	71055
(Address of principal executive offices)	(Zip Code)

(318) 377-4283
(Registrant's telephone number, including area code)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such report,), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:
280,549 as of October 31, 1996

Transitional Small Business Disclosure Format (Check one):
Yes No X

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FORM 10-QSB

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PART II

Item 6. Exhibits and Reports on Form 8-K 25

PART I - Financial Information

ITEM 1. FINANCIAL STATEMENTS

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MINDEN BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 1996 AND DECEMBER 31, 1995
(UNAUDITED)

ASSETS	September 1996	December 1995
(in thousands, except per share data)		
Cash and Cash Equivalents:		
Cash and Due From Banks	$13,018	$11,121
Federal Funds Sold	16,000	21,500
Total	29,018	32,621
Securities		
Held to Maturity (Cost)	14,653	14,443
Available for Sale (Fair Value)	79,939	74,082
Total	94,592	88,525
Federal Reserve Bank and Federal Home Loan Bank Stock	1,195	1,037
Loans, Less Allowance for Loan Losses of $3,353 & $3,397	110,340	95,984
Accrued Interest Receivable	2,365	2,328
Bank Premises and Equipment	3,130	3,198
Real Estate Owned Other Than Bank Premises	287	376
Other Assets	3,156	2,942
Total Assets	$244,083	$227,011
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Demand	$37,182	$35,698
Savings and Interest-Bearing Demand	74,324	70,510
Time	98,775	89,888
Total Deposits	210,281	196,096
Securities Sold Under Repurchase Agreement	5,320	5,802
Accrued Interest Payable	838	787
Other Liabilities	793	137
Note Payable	180	180
Total Liabilities	217,412	203,002
Stockholders' Equity:		
Common Stock, par value $2.50 per share; 500,000 shares authorized; 309,816 shares issued; 280,549 and 280,658 shares outstanding	775	775
Additional Paid-In Capital	11,205	11,205
Undivided Profits	16,272	13,078
Net Unrealized Gain (Loss) on Available for Sale Securities	(284)	239
Treasury Stock-At Cost	(1,297)	(1,288)
Total Stockholders' Equity	26,671	24,009
Total Liabilities and Stockholders' Equity	$244,083	$227,011

See accompanying notes.
</TABLE>
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MINDEN BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS & NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995
(UNAUDITED)

	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
Interest Income:	(in thousands, except per share data)			
Interest and Fees on Loans	$2,757	$2,312	$7,773	$6,251
Securities:				
Held to Maturity (non-taxable)	186	164	555	466
Available for Sale	1,248	1,111	3,506	3,384
Federal Funds Sold	227	338	762	719
Federal Reserve Stock and Other	16	15	51	43
Interest-Bearing Balances with Banks	17	9	76	43
Total Interest Income	4,451	3,949	12,723	10,906
Interest Expense:				
Savings and Interest-Bearing Demand Deposits	542	488	1,570	1,354
Time Deposits	1,278	1,145	3,701	2,975
Securities Sold Under Repurchase Agreement and Other	80	71	224	213
Total Interest Expense	1,900	1,704	5,495	4,542
Net Interest Income	2,551	2,245	7,228	6,364
Provision for Loan Losses	0	0	0	0
Net Interest Income After Provision for Loan Los	2,551	2,245	7,228	6,364
Other Income:				
Service Charges	407	373	1,154	977
Trust Department Fees	3	3	38	25
Other Operating Income	146	116	424	276
Total Other Income	556	492	1,616	1,278
Operating Expenses:				
Salaries and Employee Benefits	696	636	2,088	1,716
Occupancy Expense	99	98	387	272
Furniture and Equipment Expense	78	60	191	174
Other Operating Expenses	436	366	1,122	1,083
FDIC Insurance	0	46	26	228
Stationery, Supplies and Printing	74	96	144	276
Total Operating Expense	1,383	1,302	3,958	3,749
Income Before Income Taxes	1,724	1,435	4,886	3,893
Income Taxes	536	443	1,510	1,196
Net Income	$1,188	$992	$3,376	$2,697
Earnings Per Share	$4.23	$3.54	$12.03	$9.61
Dividends Declared Per Share	$0.00	$0.00	$0.65	$0.50

</TABLE>
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MINDEN BANCSHARES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1995
(UNAUDITED)

	1996	1995
Cash Flows from Operating Activities:	(in thousands)	
Net Income	$3,376	$2,697
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	253	227
(Gain) Loss on Sale of ORE	(18)	(13)
(Increase) Decrease in Accrued Interest Receivable	(37)	(80)
Write-down on Real Estate Owned Other than Bank Premises	0	4
(Increase) Decrease in Other Assets	(51)	(2,031)
Increase (Decrease) in Accrued Interest Payable	51	350

Increase (Decrease) in Other Liabilities	656	589
Total Adjustments	854	(954)
Net Cash Provided (Used) by Operating Activities	4,230	1,743
Cash Flows from Investing Activities:		
Proceeds from Sales and Maturities of Investment Securities	42,680	12,554
Purchase of Investment Securities	(49,698)	(8,887)
Proceeds from Sales of ORE	190	47
Purchase of three branches-property	0	(1,050)
Purchase of Equipment	(78)	(250)
Net (Increase) Decrease in Loans	(14,439)	(28,973)
Net Cash (Used) by Investing Activities	(21,345)	(26,559)
Cash Flows from Financing Activities:		
Dividends Paid	(182)	(140)
Net Increase (Decrease) in Demand Deposits	1,484	12,210
Net Increase (Decrease) in Savings and Interest-Bearing Demand Deposits	3,814	14,901
Net Increase (Decrease) in Time Deposits	8,887	20,564
Net Increase (Decrease) in Securities Sold Under Repurchase Agreements	(482)	(2,129)
Purchase of Treasury Stock	(9)	(9)
Net Cash Provided by Financing Activities	13,512	45,397
Net Increase (Decrease) in Cash and Cash Equivalents	(3,603)	20,581
Cash and Cash Equivalents at Beginning of Period	32,621	11,658
Cash and Cash Equivalents at End of Period	$29,018	$32,239
Cash Payments: Interest	$5,444	$4,175
Income Taxes	$1,457	$1,050

See accompanying notes.
</TABLE>

MINDEN BANCSHARES, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements

(Unaudited)

September 30, 1996

1. Basis of Presentation

The unaudited interim consolidated financial statements of Minden Bancshares, Inc. and subsidiary are prepared in accordance with generally accepted accounting principles for interim financial information except as described below:

On March 24, 1995, Minden Bank & Trust Company ("Minden Bank"), wholly owned subsidiary of Minden Bancshares, Inc. ("the Company"), acquired three branches in Shreveport, Louisiana, from Hibernia National Bank ("Hibernia"), formerly Pioneer Bank & Trust Company ("Pioneer"). The U. S. Justice Department required the disposal of these three Pioneer branches before it would approve the merger of Hibernia and Pioneer. The acquisition was recorded as follows:

ASSETS	($Thousands)
Cash on Hand	$ 1,088
Available for Investment	12,041
Net loans	21,166
Facilities and equipment	1,120
Other assets	2,147
Total Assets	$37,562
LIABILITIES	
Non-interest bearing deposits	$ 5,884

Interest bearing deposits	30,060
Total Deposits	$35,944
Securities sold under repurchase agreements	1,483
Other liabilities	135
Total Liabilities	$37,562

The acquisition was recorded and is being reported as a purchase of assets and not as the purchase of a business due to the unavailability of prior financial reporting and inadequate branch accounting records maintained by Pioneer.

In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial position and the results of operations for the interim periods presented have been included.

2. Statement of Cash Flows

For purposes of the Consolidated Statements of Cash Flows, the Company has defined cash equivalents as those amounts included in the balance sheets captions Cash and due from banks and Federal funds sold. Cash flows from loans and deposits of the Company's bank subsidiary are reported on a net basis.

3. Investment Securities

The specific identification method is used to determine realized gains and losses on sales of investment securities which is included in other operating income.

Debt securities available for sale are carried at fair market value by means of valuation account in accordance with SFAS 115. At September 30, 1996, the fair market value of securities available for sale was $431 thousand less than amortized cost and at December 31, 1995, the fair market value of securities available for sale was $362 thousand more than amortized cost.

Debt securities held to maturity are carried at cost, adjusted for the amortization of premiums and accretion of discount. The amortized cost and estimated market value of securities held to maturity at September 30, 1996, and December 31, 1995, are as follows:

Securities Held to Maturity
($Thousands)

	Book Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
September 30, 1996	14,653	150	157	14,646
December 31, 1995	14,443	90	55	14,478

4. Earnings per Common Share

The earnings per common share are computed by dividing the net income for the interim periods by the weighted average number of common shares outstanding. The weighted average number of shares outstanding in the third quarter, 1996, and 1995, were 280,573 and 280,665 respectively, and for the first nine months of 1996 and 1995, were 280,623 and 280,704 respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS
<TABLE>
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MINDEN BANCSHARES, INC. AND SUBSIDIARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
CONSOLIDATED INCOME SUMMARY
AND SELECTED FINANCIAL DATA

(in thousands, except per share and ratio data)

	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
Interest income	$4,451	$3,949	$12,723	$10,906
Interest expense	1,900	1,704	5,495	4542
Net interest income	2,551	2,245	7,228	6,364
Provision for possible loan losses	0	0	0	0
Net interest income after provision	2,551	2,245	7,228	6,364
Noninterest income	556	492	1,616	1278
Noninterest expense	1,383	1,302	3,958	3749
Income before taxes	1,724	1,435	4,886	3,893
Income tax expense	536	443	1,510	1,196
Net Income	$1,188	$992	$3,376	$2,697
Earnings per share <F1>	$4.23	$3.54	$12.03	$9.61
Dividends declared per share	$0.00	$0.00	$0.65	$0.50
Average shares outstanding	280.6	280.7	280.6	280.7
Book value per share	$95.07	$83.43	$95.07	$83.43
Selected Quarter End Balances:				
Loans	$113,694	$95,198		
Deposits	$210,281	$192,939		
Debt	$5,500	$5,579		
Equity	$26,671	$23,415		
Total Assets	$244,083	$223,444		
Selected Average Balances:				
Loans	$112,298	$92,189	$106,523	$84,382
Deposits	$210,238	$189,335	$204,429	$174,699
Debt	$6,745	$6,745	$6,738	$7,100
Equity	$26,419	$22,993	$25,377	$22,150
Total Assets	$245,015	$220,433	$238,040	$205,064
Selected Ratios (%)				
Return on average assets	1.92%	1.79%	1.89%	1.76%
Return on average equity	17.84%	17.12%	17.72%	16.28%
Net interest margin (taxable equivalent)	4.52%	4.34%	4.45%	4.42%
Tier 1 risk-based capital	22.16%	17.53%		
Total risk-based capital	23.43%	18.82%		
Tier 1 Leverage	10.25%	9.65%		

<F1> Earnings per share is based on the weighted average number of shares outstanding in the resp
</TABLE>

OVERVIEW

The Company's third quarter 1996 net income totaled $1,188 thousand, ($4.23 per share) up 20 percent from $992 thousand ($3.54 per share) in the third quarter, 1995. For the first nine months of 1996, net income was $3,376 thousand ($12.03 per share) up 25 percent from $2,697 thousand ($9.61 per share) in the first nine months of 1995.

The return on average assets was 1.92 percent for the third quarter, 1996, an increase of 7 percent from the third quarter, 1995 of 1.79 percent. For the first nine months of 1996, the return on average assets was 1.89 percent as compared to 1.76 percent for the same period last year.

The return on average equity was 17.84 percent for the third quarter, 1996, an increase of 4 percent over the third quarter, 1995 of 17.12 percent. For the first nine months of 1996, the return on average equity was 17.72 percent as compared to 16.28 percent in the prior year.

The 1996 third quarter earnings benefited from a 14 percent increase in net interest income, a 13 percent increase in other income and was detrimented by a 6 percent increase in noninterest expense when compared to the 1995 third quarter. The first nine months of 1996 earnings benefited from a 14 percent increase in net interest income over the prior year period, a 26 percent increase in noninterest income while being detrimented by 6 percent increase in noninterest expense.

Total assets at September 30, 1996 increased to $244,083 thousand, up 9 percent from a year ago and up 8 percent from

December 31, 1995.

RESULTS OF OPERATIONS

NET INTEREST INCOME

(in thousands)	Third Quarter 1996	Third Quarter 1995	Nine Months 1996	Nine Months 1995
Total Interest Income	$4,451	$3,949	$12,723	$10,906
Total Interest Expense	1,900	1,704	5,495	4,542
Net Interest Income	2,551	2,245	7,228	6,364
Taxable-Equivalent Adjustment to Interest Income	73	65	215	188
Net Interest Income- Taxable Equivalent Basis <F2>	$2,624	$2,310	$7,443	$6,552
AVERAGE BALANCES (in thousands):				
Interest-Earning Assets <F3>	$230,088	$205,436	$222,802	$192,513
Interest-Bearing Liabilities	$179,347	$162,799	$174,704	$152,062
Interest-Free Funds	50,741	42,637	48,098	40,451
Total Investible Funds	$230,088	$205,436	$222,802	$192,513
AVERAGE INTEREST RATES (fully taxable): <F2>				
Yield On:				
Interest-Earning Assets <F3>	7.80%	7.63%	7.74%	7.57%
Interest-Bearing Liabilities	4.20%	4.15%	4.19%	3.99%
Spread on Interest-Bearing Funds	3.60%	3.48%	3.55%	3.58%
Contribution of Interest-Free Funds	0.91%	0.86%	0.90%	0.84%
Net Yield on Interest-Earning Assets	4.52%	4.34%	4.45%	4.42%

<F2> Reflects adjustment to the net interest income amount included in the Statement of Income to permit comparisons of yields on tax-exempt and taxable assets.

<F3> Based upon amortized cost of all investment securities. Adjustments to fair market value for available-for-sale investment securities amounted to a negative $296 thousand for the third quarter, 1996, and $39 thousand positive for the first nine months, 1996 as compared to a positive $123 thousand for the third quarter, 1995, and a positive $1,841 thousand for the first nine months of 1995.

Net Interest Income

The Company's net interest income for the 1996 third quarter was $2,551 thousand, an increase of 14 percent from $2,245 thousand in the 1995 third quarter. Net interest income for the first nine months of 1996, was $7,228 thousand, an increase of 14 percent over the first nine months of 1995 of $6,364 thousand. Increases in loan and deposit volume have contributed to the increase in net interest income for both periods of 1996 over 1995.

Average Interest-Earning Assets

Average interest-earning assets were $230,088 thousand for the 1996 third quarter, $24,652 thousand higher than the 1995 third quarter. For the first nine months of 1996, interest earning assets averaged $222,802 thousand, an increase of 16 percent over the prior year of $192,513 thousand. Average loans increased by $20,109 thousand for third quarter, 1996, over the prior year, and by $22,141 thousand in the first nine months of 1996 over the first nine months, 1995. Average investment securities increased by $9,753 during the third quarter, 1996 over the prior year and by $4,652 during the first nine months, 1996 over 1995. During the third quarter, 1996, average Federal funds sold decreased by $6,502 thousand from the prior year and increased by $2,684 thousand in the first nine months, 1996 over the prior year period.

Average Interest-Bearing Liabilities

Average interest-bearing liabilities for the 1996 third quarter were $179,347 thousand, compared to $162,799 thousand for the same period last year, and were $174,704 for the first nine months of 1996 as compared to $152,062 for the prior year. Average time deposits for the 1996 third quarter were $97,487, an average of $10,112 thousand over the same period last year and average time deposits for the first nine months, 1996 were $94,673 thousand as compared to $152,062 thousand in the prior year period. Average savings and interest-bearing demand deposits for the 1996 third quarter were $75,115 thousand, an increase of $6,436 thousand over the same period last year, and were $73,293 thousand in the first nine months, 1996 as compared to $64,795 in the prior year period.

Net Yield on Interest-Earning Assets

The net yield on interest-earning assets was 4.52 percent in the third quarter of 1996, an increase of 18 basis points from 4.34 percent in the same period last year, and was 4.45 percent in the first nine months, 1996 as compared to the prior year periods of 4.42 percent. The major contributing factors have been the continued deposit growth accompanied by a favorable loan growth.

Management expects that the net yield on earning assets will remain constant or increase slightly during the balance of 1996.

PROVISION FOR LOAN LOSSES

The Company made no provision for loan losses in 1996 or 1995. Management does not anticipate any provision for loan losses during 1996. A discussion of the Company's loan portfolio, net charge-off and recoveries, and allowances for loan losses appears on pages 15 - 18.

<TABLE>
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OTHER INCOME

(in thousands)	Third Quarter 1996	Third Quarter 1995	First Nine Months 1996	First Nine Months 1995
Service Charges	$407	$373	$1,154	$977
Trust Fees	3	3	38	25
Other Operating Income	146	116	424	276
Total Other Income	$556	$492	$1,616	$1,278

</TABLE>

Other income for the 1996 third quarter was $556 thousand, up $64 thousand from the same period last year. For the first nine months of 1996, other income was $1,616 thousand, an increase of $338 thousand over the same period last year.

The increase in other income for both periods of 1996 over 1995 have resulted from increased volume and fee structures.

<TABLE>
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OPERATING EXPENSES

(in thousands)	Third Quarter 1996	Third Quarter 1995	First Nine Months 1996	First Nine Months 1995
Salaries and Employee Benefits	$696	$636	$2,088	$1,716
Occupancy Expense	99	98	387	272
Furniture and Equipment Expense	78	60	191	174
Other Operating Expenses	436	366	1,122	1083
FDIC Insurance	0	46	26	228
Stationary, Supplies and Printing	74	96	144	276
Total Operating Expenses	$1,383	$1,302	$3,958	$3,749

</TABLE>

Operating expenses for the 1996 third quarter were $1,383 thousand, up from $1,302 thousand in the 1995 third quarter, an increase of $81 thousand. Operating expenses for the first nine months of 1996 were $3,958 thousand, an increase of $209 thousand from $3,749 thousand in the comparable period last year. The increase in operating expenses in the third quarter and the first nine months, 1996 as compared to the same periods in the prior year were due to the acquisition of the three Shreveport, Louisiana branches in March, 1995, along with continued growth.

Salaries and employee benefits in the 1996 third quarter were $696 thousand, compared to $636 thousand in the same period last year. Salaries and employee benefits in the 1996 first nine months were $2,088 thousand as compared to $1,716 thousand in the same period last year. The increases for both periods in 1996 over 1995, were due to staffing of the three Shreveport branches acquired in March, 1995 along with increased main office support staff.

Occupancy expense and furniture and equipment expense for the 1996 third quarter were $177 thousand as compared to $158 thousand for the same period last year. Occupancy expense and furniture and equipment expense for the 1996 first nine months were $578 thousand as compared to $446 thousand for the same period last year. The increase in the third quarter 1996 as compared to the third quarter, 1995 was due to equipment replacement and upgrades. The increase in the first nine months 1996 over 1995 was due to replacement of main office heating and air conditioning system in the first quarter, 1996.

Other operating expenses were $436 thousand for the 1996 third quarter as compared to $366 thousand for the same period last year. Other operating expenses in the 1996 first nine months were $1,122 thousand as compared to $1,083 thousand for the same period last year. The increases for both periods are attributable primarily to increased shareholder advalorem assessment for 1996.

The decreases in FDIC insurance for both periods is due to lower rates established in second half of 1995.

INCOME TAXES

In the 1996 third quarter, the Company recorded income tax expense of $536 thousand, compared to $443 thousand for the same period last year. In the 1996 first nine months income tax expense was $1,510 thousand as compared to $1,196 thousand in the same period last year.

The effective tax rate was 31.1 percent for the 1996 third quarter as compared to 30.9 percent for the same period last year. The effective tax rate was 30.9 percent for the first nine months of 1996, as compared to 30.7 percent for the same period last year. The higher effective tax rate in both periods of 1996, as compared to the same period last year reflects difference in the composition of the Company's pre-tax income in both years.

RECENT ACCOUNTING PRONOUNCEMENTS

In March of 1995, the Financial Accounting Standard Board (FASB) issued SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, effective for fiscal years beginning after December 15, 1995. SFAS 121 requires that impairment losses be recorded on long-lived assets used in operations, including related goodwill. SFAS 121 also addresses the accounting for long-lived assets which are to be disposed of. Management does not expect the effect of SFAS 121 to be material.

In May of 1995, the Financial Accounting Standard Board (FASB) issued FAS No. 122, Accounting for Mortgage Servicing Rights, effective for fiscal years beginning after December 15, 1995. SFAS 122 will not have an effect on the operating results of Minden Bancshares because neither it nor its subsidiary bank provides this type of service.

CREDIT PORTFOLIO

Loan Portfolio

The Company's loans outstanding, totaled $113,694 thousand at September 30, 1996 as compared to $95,198 thousand at September 30, 1995 and $99,381 thousand at December 31, 1995. The increases over both prior periods have been due to increased loan demand.

The following table sets forth the loan classifications at September 30, 1996, December 31, 1995, and September 30, 1995:

(in thousands)	Sept. 30, 1996	Dec 31, 1995	Sept. 30, 1995
Commercial, Financial and Agricultural Loans	$30,819	$29,676	$30,208
Construction Loans Secured by Real Estate	3,338	2,722	1,775
Other Loans Secured by Real Estate	59,706	50,651	48,552
Installment and Single Payment Loans	17,916	15,148	14,429
Other Loans	2,101	1,502	602
Total Loans	113,880	99,699	95,566
Less Unearned Discount	186	318	368
Total Loans Net of Unearned Discount	$113,694	$99,381	$95,198

Non-performing Assets

The following table sets forth the non-performing assets at September 30, 1996, December 31, 1995 and September 30, 1995:

(in thousands)	Sept. 30, 1996	Dec. 31, 1995	Sept. 30, 1995
Non-Accrual Loans	$418	$403	$428
Past-Due Loans	340	174	839
Restructured Loans	0	69	65
Total Non-performing Loans	758	646	1,332
Other Real Estate Owned	287	376	605
Total Non-performing Assets	$1,045	$1,022	$1,937

In addition to the non-performing loans discussed above, management has identified other loans for which payments are current that are subject to potential future classification as nonperforming. As of September 30, 1996, these loans totaled $216 thousand as compared to $285 thousand a year ago and $204 thousand at December 31, 1995.

Loans are placed on non-accrual status when they become ninety (90) days past due unless there is sufficient evidence that they will be brought current in the very near future. When loans are placed on non-accrual status, all accrued interest is reversed against earnings. Past due loans are those loans past due 90 days or more on which there is sufficient evidence that they will be brought current in the very near future. Restructured loans are those on which the original terms have been renegotiated to provide for an extension of the original payment period and/or a reduction or deferral of interest-principal due to deterioration in the financial position of the borrower.

Non-accrual loans are returned to accrual status only when they are brought fully current with respect to interest and principal and management estimates the loans to be fully collectible as to interest and principal. Interest income on non-accrual loans which would have reported on an accrual basis would have amounted to $11 thousand for the 1996 third quarter and $10 thousand for the 1995 third quarter. Interest income on non-accrual loans which would have been reported on an accrual basis would have amounted to $34 thousand for the first nine months of 1996, and $40 thousand for the first nine months of 1995. There was no interest income on restructured loans included in net income in the 1996 third quarter while $4 thousand was included in net income for the 1995 third quarter. Interest income on restructured loans included in net income amounted to $4 thousand for the first nine months of 1996, and $11 thousand for the first nine months of 1995.

Other real estate owned represents properties acquired as loan satisfactions which are recorded at the lower of the investment in the loan with respect to which the assets were acquired, or the fair value of each property, with the initial write-downs charged to the reserve for loan losses. Subsequent write-downs of such properties are reflected as such on the income statement and gains and losses on disposal are accordingly reflected on the income statement. Other real estate currently includes former branch located at 324 Homer Road which was closed January 4, 1995. The former branch was capitalized at its depreciated value of $241 thousand and was written down to $150 thousand in the fourth quarter, 1995.

Allowance for Loan Losses

The allowance for loan losses is available to absorb potential credit losses from the entire loan portfolio. The appropriate level of the allowance is based on analyses of the loan portfolio and reflects an amount which, in management's judgment, is adequate to provide for potential losses. The analyses include consideration of such factors as the risk rating of individual credits, the size and diversity of the portfolio, particularly in terms of industry, economic and political conditions, prior loss experience and results of periodic credit reviews of the portfolio. Based upon the results of these analyses, the allowance for losses is increased, from time to time, by charges to income to the extent management considers appropriate.

The accompanying table reflects the activity in the allowance for loan losses for the three months ended September 30, 1996, and 1995, and nine months ended September 30, 1996, and 1995.

<TABLE>

<S>	<C> Third Quarter	<C>	<C> First Nine Months	<C>
(in thousands)	1996	1995	1996	1995
Balance at Beginning of Period	$3,353	$3,409	$3,396	$3,395
Charge-Offs				
Commercial, Financial and Agricultural	0	20	78	20
Real Estate - Construction	0	0	0	0
Real Estate - Mortgage	0	0	0	67
Installment Loans to Individuals	60	43	93	68
Total	60	63	171	155
Recoveries				
Commercial Financial and Agricultural	0	13	0	34
Real Estate - Construction	0	0	0	0
Real Estate - Mortgage	32	14	74	74
Installment Loans to Individuals	29	22	55	47
Total	61	49	129	155
Net Recoveries (Charge-Offs)	1	(14)	(42)	0
Additions Charged to Operations	0	0	0	0
Balance at End of Period	$3,354	$3,395	$3,354	$3,395

</TABLE>

The following table reflects the allowance coverage ratios at September 30, 1996, December 31, 1995 and September 30, 1995.

For the Quarter Ended:	Sept. 30, 1996	Dec. 31, 1995	Sept. 30, 1995
Allowance for Loan Losses to:			
Loans at Period-End	2.95%	3.42%	3.57%
Average Loans (Nine Months)	2.99%	3.51%	4.02%
Non-performing Loans	442.48%	525.85%	254.88%
Non-performing Assets	320.96%	332.39%	175.27%
Total Net Charge-Offs (annualized) to:			
Loans at Period-End	0.00%	0.00%	(0.06%)

Average Loans (Nine Months)	0.00%	0.00%	(0.06%)
Allowance for Loan Losses	0.12%	(0.06%)	(1.65%)

Management deems its allowance for loan losses at September 30, 1996, to be adequate. Although the Company considers that it has sufficient reserves to absorb losses that may currently exist in the portfolio but are not yet identifiable, the precise loss content of the loan portfolio is less definable when the prospects for the economy are uncertain. The Company anticipates that industry regulators will continue to advocate strong reserves for loan losses at banking corporations. Due to continuing economic uncertainties and regulatory considerations, the Company will continue to reassess the adequacy of its allowance for loan losses and make provisions accordingly.

CAPITAL

Total stockholders' equity at September 30, 1996, was $26,671 thousand, up from $24,009 thousand at December 31, 1995 and $23,415 thousand at September 30, 1995. Stockholders' equity at September 30, 1996, reflects negative impact of $284 thousand for net unrealized losses on securities available for sale.

Risk-Based Capital Ratios

In January, 1989, the Federal Reserve Board ("FRB") issued risk-based capital guidelines which require banking organizations to maintain certain ratios of "Qualifying Capital" to "risk-weighted assets." "Qualifying Capital" is classified into Tier 1 and Tier 2 Capital. Tier 1 Capital applicable to the Company consists only of common equity. Tier 2 Capital applicable to the Company consists only of qualifying allowance for loan losses. The amount of Tier 2 Capital may not exceed Tier 1 Capital. In calculating "risk-weighted assets", certain risk percentages, as specified by the FRB, are applied to particular categories of both on- and off-balance sheet assets. Effective December 31, 1992, the guidelines require that banking organizations maintain a minimum ratio of Tier 1 Capital to risk-weighted assets of 4 percent and a minimum ratio of Tier 1 and Tier 2 Capital ("Total Capital") to risk-weighted assets of 8 percent (the "final risk-based guidelines"). At September 30, 1996, the Company's Tier 1 Capital to risk-weighted assets ratio was 22.16 percent and the Total Capital to risk-weighted assets ratio was 23.43 percent.

Leverage Ratios

The Tier 1 leverage ratio is defined as Tier 1 Capital (as defined under the risk-based capital guidelines) divided by average total assets (net of allowance for loan losses). The minimum leverage ratio is 3 percent for banking organizations that do not anticipate significant growth and that have well-diversified risk, excellent asset quality, high liquidity and good earnings. Other banking organizations are expected to have ratios of at least 4 percent to 5 percent, depending upon their particular condition and growth plans. Higher capital ratios could be required if warranted by the particular circumstances, or risk profile, of a given banking organization. The FRB has not advised the Company of any specific minimum Tier 1 leverage ratio applicable to it.

The table which follows sets for the Company's Tier 1 and Tier 2 Capital, risk weighted assets, including off balance sheet items, and the Company's risk-based capital ratios under the final guidelines as well as Tier 1 leverage ratios.

Capital and Ratios

(in thousands), except ratios	Sept. 30, 1996	Dec 31, 1995	Sept. 30, 1995
Tier 1 Capital			
Common Stockholders' Equity	$24,983	$21,661	$21,278
Tier 2 Capital			
Reserve for Possible Loan Losses	$1,434	$1,628	$1,567
Total Qualifying Capital	$26,417	$23,289	$22,845
Risk Weighted Assets	$112,762	$126,390	$121,403

Tier 1 Capital Ratio	22.16%	17.14%	17.53%
Total Capital Ratio	23.43%	18.43%	18.82%
Tier 1 Leverage Ratio	10.25%	9.52%	9.65%

Common Stock Dividends

For the third quarters of 1996 and 1995, the Board of Directors of the Company declared no dividends. Dividends declared by the Board of Directors were $0.65 and $0.50 for the first nine months of 1996 and 1995 respectively. Future dividend policies will be determined by the Board of Directors in light of earnings and financial condition of the Company and its subsidiary and other factors, including applicable governmental regulations and policies.

LIQUIDITY MANAGEMENT

The objective of liquidity management is to ensure the availability of sufficient cash flows to meet all financial commitments and to capitalize on investment opportunities. Liquidity management addresses the Company's ability to meet deposit withdrawals on demand or at contractual maturity, to service indebtedness and to make new loans and investments as opportunities arise. The Company monitors and reviews its asset and liability mix on a routine basis.

The primary sources of liquidity include cash and due from banks, federal funds sold and investment securities. Additionally, the bank subsidiary has the ability to borrow and purchase federal funds on a short term basis from other financial institutions as a source of liquidity should the need arise.

The loan to deposit ratio averaged 53.41 percent during the 1996 third quarter and 48.69 percent during the 1995 third quarter. Cash on hand and due from banks averaged $10,876 thousand in the 1996 third quarter and $9,457 thousand in the 1995 third quarter. Federal Funds sold averaged $17,283 thousand in the 1996 third quarter and $23,785 thousand in the 1995 third quarter.

At September 30, 1996, investment securities at amortized cost totaled $95,023 thousand, of which $29,814 thousand or 31.4 percent mature or reprice within one year, $51,144 thousand mature or reprice within two to five years, and $13,193 thousand mature in over five years. The Company does not anticipate any events which would require liquidity beyond that which is available from the above referenced sources.

SUPERVISION AND REGULATION

Dividends

Substantially all of the funds used by the Company to pay dividends to its shareholders are derived from dividends paid to it by its subsidiary bank, which are subject to certain legal restrictions. Under Louisiana law, state chartered banks cannot pay dividends in excess of current year earnings plus undistributed earnings of the prior year without the prior approval of the Commissioner of Financial Institutions. Under Federal law, dividends by state chartered banks in excess of current year earnings plus undistributed earnings of the two prior years would require FRB approval.

In addition to the dividend restrictions described above, the FRB and the Federal Deposit Insurance Corporation ("FDIC") have authority under the Financial Institutions Supervisory Act to prohibit or to limit the payment of dividends by banking organizations they supervise, including the Company and its bank subsidiary if, in the banking regulators' opinions, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organization.

Other

On December 19, 1991, the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") was enacted. Among other things, FDICIA provided increased funding for the Bank Insurance Fund ("BIF") of the FDIC by granting authority for special assessments against insured deposits through a general risk-based assessment system. FDICIA also contains provisions limiting activities and business methods of depository institutions. FDICIA provides for expanded regulation of depository institutions and their affiliates, including parent holding companies, by such institutions' appropriate Federal banking regulator.

Effective November 2, 1992, the FDIC implemented a transitional risk-related premium system ("RRPS") beginning in 1993. Under the RRPS, each insured institution is assigned to one of three capital groups and to one of three supervisory subgroups for purposes of determining the assessment rate. The capital group assignments are based on "Call Reports" submitted six months in advance of the assessment period and supervisory subgroup assignments will be determined from the most recent "Report of Examination" by the respective agency submitted by quarter ending three months prior to assessment period.

The FDIC completed the recapitalization of the BIF in May, 1995, and has lowered the rate structure for the stronger capitalized banks and those with higher supervisory ratings. The proposed new rates for the BIF are 0.00 percent for the highest ratings to 0.31 percent for the lowest ratings. The existing SAIF premium rates which are 0.23 percent to 0.31 percent will be reduced following the one-time SAIF assessment to fully fund the SAIF in the fourth quarter, 1996. The portion of Minden Bank's deposits acquired in the acquisition of the failed Oak Tree Federal Savings Bank Branch in Minden in August, 1994, are insured through the SAIF. Minden Bank has the most favorable rates available in 1996, 0.00 percent for BIF and 0.23 percent for SAIF deposits. Minden Bank's one-time assessment will be $23 thousand for which provision has already been made in its 1996 financial statements. Beginning in January, 1997 the BIF will be assessed $1.29 per $100 of deposits and SAIF will be assessed at $6.44 per $100 of deposits in addition to any other assessments which may occur.

<TABLE>
<S> <C> <C> <C> <C> <C> <C>

MINDEN BANCSHARES, INC. AND SUBSIDIARY
Consolidated Net Interest Income and Average Balances
Three Months Ended September 30, 1996 and 1995
(Thousands)

	1996			1995		
	Average Balance	Interest	Rate (Annualized)	Average Balance	Interest	Rate (Annualized)
ASSETS						
Interest Bearing Balances Due from Banks	$1,423	$18	5.02%	$417	$6	5.71%
Federal Funds Sold	17,283	227	5.21%	23,785	338	5.64%
Investment Securities <F4>	97,899	1,506	6.10%	88,146	1,275	5.74%
Federal Reserve Bank and Federal Home Loan Bank Stocks	1,185	16	5.36%	899	18	7.94%
Loans	112,298	2,757	9.74%	92,189	2,312	9.95%
Total Interest-Earning Assets <F4>	230,088	$4,524	7.80%	205,436	$3,949	7.63%
Allowance for Loan Losses	(3,360)			(3,416)		
Cash and Due from Banks	9,453			9,040		
Other Assets <F4>	8,834			9,373		
Total Assets <F4>	$245,015			$220,433		
LIABILITIES						
Savings and Interest-Bearing Demand	$75,115	$542	2.86%	$68,679	$488	2.82%
Time Deposits	97,487	1,278	5.20%	87,375	1,145	5.20%
Total Interest-Bearing Deposits	172,602	1,820	4.18%	156,054	1,633	4.15%
Securities Sold Under Repurchase Agreements	6,565	76	4.59%	6,475	65	3.98%
Long-Term Debt	180	4	8.91%	270	6	8.81%
Total Interest-Bearing Liabilities	179,347	$1,900	4.20%	162,799	$1,704	4.15%

Demand Deposits	37,636			33,281		
Other Liabilities	1,613			1,360		
Total Liabilities	218,596			197,440		
STOCKHOLDERS' EQUITY						
Common Stockholders' Equity	26,419			22,993		
Total Liabilities and Stockholders' Equity <F4>	$245,015			$220,433		
SPREAD ON INTEREST-BEARING FUNDS			3.60%			3.48%
NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING ASSETS		$2,624	4.52%		$2,245	4.34%

<F4> Based upon amortized cost of investment securities
Taxable equivalent earnings
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MINDEN BANCSHARES, INC. AND SUBSIDIARY
Consolidated Net Interest Income and Average Balances
Nine Months Ended September 30, 1996 and 1995
(Thousands)

	1996			1995		
	Average Balance	Interest	Rate (Annualized)	Average Balance	Interest	Rate (Annualized)
ASSETS						
Interest Bearing Balances Due from Bank	$1,874	$75	5.33%	$1,311	$41	4.18%
Federal Funds Sold	19,376	762	5.24%	16,692	719	5.76%
Investment Securities <F5>	93,892	4,277	6.07%	89,240	3,850	5.77%
Federal Reserve Bank and Federal Home Loan Bank Stocks	1,137	51	5.98%	888	45	6.78%
Loans	106,523	7,773	9.72%	84,382	6,251	9.90%
Total Interest-Earning Assets <F5>	222,802	$12,938	7.74%	192,513	10,906	7.57%
Allowance for Loan Losses	(3,398)			(3,411)		
Cash and Due from Banks	9,837			7,578		
Other Assets <F5>	8,799			8,384		
Total Assets <F5>	$238,040			$205,064		
LIABILITIES						
Savings and Interest-Bearing Demand	$73,293	$1,570	2.85%	$64,795	$1,354	2.79%
Time Deposits	94,673	3,701	5.21%	80,167	2,975	4.96%
Total Interest-Bearing Deposits	167,966	5,271	4.18%	144,962	4,329	3.99%
Securities Sold Under Repurchase Agreements	6,558	213	4.33%	6,830	195	3.82%
Long-Term Debt	180	11	8.25%	270	18	8.91%
Total Interest-Bearing Liabilities	174,704	$5,495	4.19%	152,062	$4,542	3.99%
Demand Deposits	36,463			29,737		
Other Liabilities	1,496			1,115		
Total Liabilities	212,663			182,914		
STOCKHOLDERS' EQUITY						
Common Stockholders' Equity <F5>	25,377			22,150		
Total Liabilities and Stockholders' Equity <F5>	$238,040			$205,064		

	========		========	
SPREAD ON INTEREST-BEARING FUNDS		3.55%		3.58%
NET INTEREST INCOME AND NET YIELD ON INTEREST-EARNING ASSETS	$7,443	4.45%	$6,364	4.42%
	========		========	

<F5> Based upon amortized cost of investment securities
Taxable equivalent earnings
</TABLE>

PART II - Other Information

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

11 Computation of earnings per share

(This computation is provided in Note 4 to the Financial Statements on Page 8 and Page 9 under Management's Discussion and Analysis)

(1) 27 Financial Data Schedule

(b) Reports on Form 8-K

None

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 hereunto duly authorized.

MINDEN BANCSHARES, INC.

November 13, 1996 BY: s/ Jack E. Byrd, Jr.
Jack E. Byrd, Jr.
President and CEO

November 13, 1996 BY: s/ Robert W. Hines, Jr.
Robert W. Hines, Jr.
Vice-President and
Chief Financial Officer

Financial Data Schedule

EXHIBIT 27

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