



Quarterly Financial Report

March 31, 2022

Unaudited

CENTURY NEXT
FINANCIAL CORPORATION

Company Information

Century Next Financial Corporation is the holding company for Century Next Bank (the “Bank”) which conducts business from its main office in Ruston, Louisiana. The Company was formed in 2010 and is subject to the regulatory oversight of the Board of Governors of the Federal Reserve System. The Bank is a wholly-owned subsidiary and is an insured federally-chartered covered savings association subject to the regulatory oversight of the Office of the Comptroller of the Currency. The Bank was established in 1905 and is headquartered in Ruston, Louisiana. The Bank is a full-service bank with four locations in Louisiana including two banking offices in Ruston, one banking office in Monroe, one banking office in West Monroe, and four locations in Arkansas including two banking offices in Crossett and one banking office in Hamburg. The Bank emphasizes professional and personal banking service directed primarily to small and medium-sized businesses, professionals, and individuals. The Bank provides a full range of banking services including its primary business of real estate lending to residential and commercial customers.

The corporate headquarters are located at 505 North Vienna Street, Ruston, Louisiana 71270.

The common stock of Century Next Financial Corporation trades on the OTCQX under the symbol CTUY.

CENTURY NEXT
FINANCIAL CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (unaudited)

(In thousands, except share data)

	March 31, 2022	December 31, 2021
ASSETS		
Cash and balances due from banks	\$ 7,360	\$ 6,036
Interest-bearing deposits in banks	36,674	66,076
Total cash and cash equivalents	<u>44,034</u>	<u>72,112</u>
Debt securities:		
Available-for-sale	13,894	10,008
Held-to-maturity (including \$2,171 and \$2,402 at fair value)	2,347	2,443
Total Debt Securities	<u>16,241</u>	<u>12,451</u>
Federal Home Loan Bank stock	1,535	1,534
Other equity investments	429	429
Loans:		
Loans, net of unearned income	467,553	441,138
Loans held for sale	1,068	1,409
Allowance for loan losses	(5,423)	(5,240)
Net Loans	<u>463,198</u>	<u>437,307</u>
Accrued interest receivable	1,672	1,780
Premises and equipment, net of accumulated depreciation of \$5,404 and \$5,327	9,549	9,538
Other foreclosed assets	-	30
Intangible assets	3,845	3,907
Other assets	18,877	14,382
TOTAL ASSETS	<u><u>\$ 559,380</u></u>	<u><u>\$ 553,470</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits		
Noninterest-bearing	\$ 79,537	\$ 77,917
Interest-bearing	400,016	396,562
Total Deposits	<u>479,553</u>	<u>474,479</u>
Advances from borrowers for insurance and taxes	118	94
Long-term borrowings	14,454	14,454
Accrued interest payable	43	42
Other liabilities	4,169	4,093
Total Liabilities	<u>498,337</u>	<u>493,162</u>
Stockholders' equity:		
Common Stock, \$.01 par value – 9,000,000 shares authorized; 1,810,295 and 1,807,816 issued and outstanding	18	18
Additional paid-in capital	34,193	33,975
Unearned ESOP Shares (34,379 and 35,389 shares)	(283)	(292)
Retained earnings	27,711	26,619
Accumulated other comprehensive income (loss)-net of taxes, \$(158) and \$(3)	(596)	(12)
Total Stockholders' Equity	<u>61,043</u>	<u>60,308</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 559,380</u></u>	<u><u>\$ 553,470</u></u>
Book Value per share	<u><u>\$ 33.72</u></u>	<u><u>\$ 33.36</u></u>

CONSOLIDATED STATEMENTS OF INCOME (unaudited)

<i>(In thousands, except share data)</i>	Three Months Ended March 31	
	2022	2021
INTEREST INCOME		
Loans (including fees)	\$ 5,681	\$ 5,911
Debt securities:		
Taxable	49	8
Tax-exempt	4	2
Other	26	16
Total Interest Income	5,760	5,937
INTEREST EXPENSE		
Deposits	494	644
Long-term debt	70	68
Total Interest Expense	564	712
Net Interest Income	5,196	5,225
Provision for loan losses	126	202
Net Interest Income After Loan Loss Provision	5,070	5,023
NON-INTEREST INCOME		
Service charges on deposit accounts	375	252
Loan servicing release fees	287	367
Net gain(loss) on sale of loans	(87)	16
Net gain(loss) on sale of foreclosed assets	1	(8)
Other	342	325
Total Non-interest Income	918	952
NON-INTEREST EXPENSE		
Salaries and employee benefits	2,849	2,739
Occupancy and equipment	304	309
Data processing	248	230
Directors' expense	129	93
Advertising	211	198
Legal and professional	72	31
Audit and examination fees	71	68
Office supplies	17	23
FDIC deposit insurance	44	32
Foreclosed assets	(2)	20
Amortization of Intangibles	61	62
Other operating expense	570	530
Total Non-interest Expense	4,574	4,335
Income Before Taxes	1,414	1,640
Income Taxes	322	353
NET INCOME	\$ 1,092	\$ 1,287
Basic Earnings per Share	\$ 0.62	\$ 0.74
Diluted Earnings per Share	\$ 0.62	\$ 0.73

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

<i>(In thousands)</i>	Three Months Ended March	
	31	
	2022	2021
Net income	\$ 1,092	\$ 1,287
Other comprehensive income gain (loss), net of tax		
Unrealized gains (losses) on securities:		
Unrealized holding gain (losses) arising during the period	(584)	-
Less: reclassification adjustments for gains (losses) included in net income	-	-
Net change in unrealized gains (losses) on securities	(584)	-
Other comprehensive income gain (loss), net of tax	(584)	-
Comprehensive income	\$ 508	\$ 1,287

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (unaudited)
Three Months Ended March 31, 2022 and 2021

<i>(In thousands)</i>	Common Stock Amount	Additional Paid-In Capital	Unearned ESOP Shares	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balance December 31, 2020	\$ 17	\$ 30,900	\$ (325)	\$ 5	\$ 24,923	\$ 55,520
Comprehensive income:						
Net income	-	-	-	-	1,287	1,287
Unrealized gains (losses) on securities available for sale, net of tax	-	-	-	-	-	-
Total comprehensive income						<u>1,287</u>
ESOP shares released	-	20	8	-	-	28
Amortization of awards under RRP	-	1	-	-	-	1
401k share repurchase (90 shares)	-	(3)	-	-	-	(3)
Issuance of common shares to 401k (2,834 shares)	-	74	-	-	-	74
Balance March 31, 2021	<u>\$ 17</u>	<u>\$ 30,992</u>	<u>\$ (317)</u>	<u>\$ 5</u>	<u>\$ 26,210</u>	<u>\$ 56,907</u>
Balance, December 31, 2021	\$ 18	\$ 33,975	\$ (292)	\$ (12)	\$ 26,619	\$ 60,308
Comprehensive income:						
Net income	-	-	-	-	1,092	1,092
Unrealized gains (losses) on securities available for sale, net of tax	-	-	-	(584)	-	(584)
Total comprehensive income						<u>508</u>
ESOP shares released	-	26	9	-	-	35
Stock option expense	-	47	-	-	-	47
Amortization of awards under RRP	-	60	-	-	-	60
401k share repurchase (70 shares)	-	(2)	-	-	-	(2)
Issuance of common shares to 401k (2,549 shares)	-	87	-	-	-	87
Balance, March 31, 2022	<u>\$ 18</u>	<u>\$ 34,193</u>	<u>\$ (283)</u>	<u>\$ (596)</u>	<u>\$ 27,711</u>	<u>\$ 61,043</u>

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CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

<i>(In thousands)</i>	Three Months Ended March 31	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 1,092	\$ 1,287
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for possible loan losses	126	202
Depreciation and amortization	140	155
Amortization of purchase accounting valuations	61	61
Stock-based compensation expense, net of tax benefits	133	21
ESOP shares released	9	8
Net loss (gain) on sale of loans	87	(16)
Net (gain) loss on sale of foreclosed assets	(1)	8
Income from change in cash surrender value of life insurance	(53)	(47)
Deferred income tax benefit -Current Year	(52)	(44)
Net amortization (accretion)-premium (discount)/fair value adjustments to investments	762	-
Decrease in loans held for sale	254	1,119
Increase in foreclosed assets	(21)	(26)
Increase in interest receivable and other assets	(4,865)	(510)
Increase in accrued interest payable and other liabilities	77	1,181
Total adjustments	(3,343)	2,112
Net cash (used) provided by operating activities	(2,251)	3,399
Cash flows from investing activities:		
Proceeds from sales and maturities of investment securities	232	14
Purchases of investment securities	(4,784)	(7,275)
Net purchase of FHLB stock and other equity investments	(1)	(1)
Proceeds from sales of foreclosed assets	52	62
Proceeds from life insurance claims	-	20
Purchase of fixed assets	(151)	(147)
Net increase in loans	(26,358)	(13,426)
Net cash used by investing activities	(31,010)	(20,753)
Cash flows from financing activities:		
Net increase in demand deposits and savings accounts	8,924	26,287
Net decrease in time deposits	(3,850)	(5,946)
Increase in advances from borrowers for insurance and taxes	24	9
Proceeds from issuance of common stock to 401k participants	87	74
Expenditures for repurchase of 401k shares from participants	(2)	(3)
Net cash provided by financing activities	5,183	20,421
Net (decrease) increase in cash and cash equivalents	(28,078)	3,067
Cash and cash equivalents, at beginning of period	72,112	61,426
Cash and cash equivalents, at end of period	\$ 44,034	\$ 64,493
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest on deposits and borrowed funds	\$ 563	\$ 712
Income taxes	\$ -	\$ -