

RENASANT CORP
Form 10-Q
November 10, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 2008

Or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 001-13253

RENASANT CORPORATION

(Exact name of registrant as specified in its charter)

MISSISSIPPI
(State or other jurisdiction of

64-0676974
(I.R.S. Employer

incorporation or organization)

Identification Number)

209 Troy Street, Tupelo, Mississippi 38804

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 662-680-1001

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, \$5.00 Par Value, 21,015,958 shares outstanding as of October 31, 2008.

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RENASANT CORPORATION

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Renasant Corporation and Subsidiaries

Condensed Consolidated Balance Sheets

(In Thousands, Except Share Data)

	(unaudited) September 30, 2008	December 31, 2007
Assets		
Cash and due from banks	\$ 91,041	\$ 84,391
Interest-bearing balances with banks	15,007	15,402
Cash and cash equivalents	106,048	99,793
Securities available for sale	708,406	539,590
Mortgage loans held for sale	35,976	37,468
Loans, net of unearned income	2,525,424	2,586,593
Allowance for loan losses	(28,024)	(26,372)
Net loans	2,497,400	2,560,221
Premises and equipment, net	47,527	47,553
Intangible assets, net	194,022	197,314
Other assets	135,830	130,348
Total assets	\$ 3,725,209	\$ 3,612,287
Liabilities and shareholders equity		
Liabilities		
Deposits		
Noninterest-bearing	\$ 287,850	\$ 299,394
Interest-bearing	2,124,318	2,248,427
Total deposits	2,412,168	2,547,821
Short-term borrowings	201,795	370,456
Long-term debt	592,377	177,717
Junior subordinated debentures	76,154	76,215
Other liabilities	36,448	41,005
Total liabilities	3,318,942	3,213,214
Shareholders equity		
Preferred stock, \$.01 par value 5,000,000 shares authorized; no shares issued and outstanding		
Common stock, \$.05 par value 75,000,000 shares authorized, 22,790,797 shares issued; 21,013,427 and 20,841,365 shares outstanding at September 30, 2008 and December 31, 2007, respectively	113,954	113,954
Treasury stock, at cost	(29,094)	(31,413)
Additional paid-in capital	185,010	184,856
Retained earnings	145,865	132,774
Accumulated other comprehensive loss	(9,468)	(1,098)

Total shareholders equity	406,267	399,073
Total liabilities and shareholders equity	\$ 3,725,209	\$ 3,612,287

See notes to condensed consolidated financial statements.

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Renasant Corporation and Subsidiaries

Condensed Consolidated Statements of Income (Unaudited)

(In Thousands, Except Share Data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Interest income				
Loans	\$ 40,955	\$ 49,712	\$ 129,116	\$ 123,038
Securities				
Taxable	7,822	5,428	20,830	14,110
Tax-exempt	1,115	1,239	3,466	3,456
Other	112	257	440	1,283
Total interest income	50,004	56,636	153,852	141,887
Interest expense				
Deposits	14,358	24,486	50,184	61,538
Borrowings	7,705	5,452	21,068	11,471
Total interest expense	22,063	29,938	71,252	73,009
Net interest income	27,941	26,698	82,600	68,878
Provision for loan losses	3,000	1,313	7,825	2,863
Net interest income after provision for loan losses	24,941	25,385	74,775	66,015
Noninterest income				
Service charges on deposit accounts	5,861	5,239	17,044	15,002
Fees and commissions	4,198	4,104	12,444	11,892
Insurance commissions	920	930	2,615	2,658
Trust revenue	597	806	1,893	2,053
Securities gains				78
BOLI income	398	570	1,150	1,499
Gains on sales of mortgage loans	1,352	1,201	4,184	3,572
Other	318	596	1,961	2,236
Total noninterest income	13,644	13,446	41,291	38,990
Noninterest expense				
Salaries and employee benefits	15,250	15,010	44,817	41,020
Data processing	1,289	1,425	3,899	3,892
Net occupancy	2,219	2,163	6,633	5,788
Equipment	1,180	1,106	3,552	3,048
Professional fees	897	645	2,631	1,937
Advertising and marketing	863	887	2,419	2,443
Intangible amortization	610	610	1,772	1,395
Other	5,476	4,843	16,557	13,034
Total noninterest expense	27,784	26,689	82,280	72,557
Income before income taxes	10,801	12,142	33,786	32,448

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Income taxes	3,243	3,845	9,966	10,102
Net income	\$ 7,558	\$ 8,297	\$ 23,820	\$ 22,346
Basic earnings per share	\$ 0.36	\$ 0.39	\$ 1.14	\$ 1.25
Diluted earnings per share	\$ 0.36	\$ 0.39	\$ 1.13	\$ 1.23
Cash dividends per common share	\$ 0.17	\$ 0.17	\$ 0.51	\$ 0.49

See notes to condensed consolidated financial statements.

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Renasant Corporation and Subsidiaries

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In Thousands)

	Nine Months Ended September 30,	
	2008	2007
Operating activities		
Net cash provided by operating activities	\$ 55,592	\$ 52,549
Investing activities		
Purchases of securities available for sale	(316,575)	(149,051)
Proceeds from sales of securities available for sale		51,986
Proceeds from call/maturities of securities available for sale	134,545	53,203
Net decrease (increase) in loans	34,743	(252,117)
Proceeds from sales of premises and equipment	39	144
Purchases of premises and equipment	(3,569)	(4,802)
Net cash paid in business combination		(52,712)
Net cash used in investing activities	(150,817)	(353,349)
Financing activities		
Net (decrease) increase in noninterest-bearing deposits	(11,544)	4,611
Net (decrease) increase in interest-bearing deposits	(123,964)	59,782
Net (decrease) increase in short-term borrowings	(168,661)	182,522
Proceeds from long-term debt	438,940	70,100
Repayment of long-term debt	(24,184)	(68,836)
Purchases of treasury stock	(2,004)	(4,005)
Cash paid for dividends	(10,729)	(9,022)
Cash received on exercise of stock-based compensation	2,830	713
Excess tax benefit from stock-based compensation	796	256
Proceeds from equity offering		58,126
Net cash provided by financing activities	101,480	294,247
Net increase (decrease) in cash and cash equivalents	6,255	(6,553)
Cash and cash equivalents at beginning of period	99,793	