

RENASANT CORP
Form 10-Q
August 11, 2008

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 June 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 incorporation or organization) **64-0676974** (I.R.S. Employer 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.

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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, 20,954,627 shares outstanding as of July 31, 2008.

RENASANT CORPORATION

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Renasant Corporation and Subsidiaries

Condensed Consolidated Balance Sheets

(In Thousands, Except Share Data)

	(unaudited) June 30, 2008	December 31, 2007
Assets		
Cash and due from banks	\$ 99,353	\$ 84,391
Interest-bearing balances with banks	13,858	15,402
Cash and cash equivalents	113,211	99,793
Securities available for sale	741,154	539,590
Mortgage loans held for sale	43,487	37,468
Loans, net of unearned income	2,541,012	2,586,593
Allowance for loan losses	(26,647)	(26,372)
Net loans	2,514,365	2,560,221
Premises and equipment, net	47,863	47,553
Intangible assets, net	194,688	197,314
Other assets	127,428	130,348
Total assets	\$ 3,782,196	\$ 3,612,287
Liabilities and shareholders equity		
Liabilities		
Deposits		
Noninterest-bearing	\$ 305,877	\$ 299,394
Interest-bearing	2,161,301	2,248,427
Total deposits	2,467,178	2,547,821
Short-term borrowings	203,413	370,456
Long-term debt	599,226	177,717
Junior subordinated debentures	76,174	76,215
Other liabilities	32,410	41,005
Total liabilities	3,378,401	3,213,214
Shareholders equity		
Preferred stock, \$.01 par value 5,000,000 shares authorized; no shares issued and outstanding		
Common stock, \$5.00 par value 75,000,000 shares authorized, 22,790,797 shares issued; 20,954,627 and 20,841,365 shares outstanding at June 30, 2008 and December 31, 2007, respectively	113,954	113,954
Treasury stock, at cost	(30,057)	(31,413)
Additional paid-in capital	184,962	184,856
Retained earnings	141,893	132,774
Accumulated other comprehensive loss	(6,957)	(1,098)
Total shareholders equity	403,795	399,073
Total liabilities and shareholders equity	\$ 3,782,196	\$ 3,612,287

See notes to condensed consolidated financial statements.

Renasant Corporation and Subsidiaries

Condensed Consolidated Statements of Income (Unaudited)

(In Thousands, Except Share Data)

	Three Months		Six Months Ended	
	Ended		June 30,	
	June 30,	2007	2008	2007
	2008		2008	2007
Interest income				
Loans	\$ 41,831	\$ 37,472	\$ 88,161	\$ 73,325
Securities				
Taxable	7,366	4,579	13,009	8,682
Tax-exempt	1,157	1,107	2,350	2,218
Other	111	383	328	1,026
Total interest income	50,465	43,541	103,848	85,251
Interest expense				
Deposits	15,964	19,070	35,826	37,051
Borrowings	6,999	2,952	13,363	6,020
Total interest expense	22,963	22,022	49,189	43,071
Net interest income	27,502	21,519	54,659	42,180
Provision for loan losses	2,200	800	4,825	1,550
Net interest income after provision for loan losses	25,302	20,719	49,834	40,630
Noninterest income				
Service charges on deposit accounts	5,750	4,919	11,183	9,763
Fees and commissions	4,481	4,060	8,246	7,788
Insurance commissions	838	918	1,695	1,728
Trust revenue	670	680	1,296	1,247
Securities gains (losses)		(1)		78
BOLI income	355	523	752	929
Gains on sales of mortgage loans	1,311	1,225	2,832	2,371
Other	385	543	1,643	1,640
Total noninterest income	13,790	12,867	27,647	25,544
Noninterest expense				
Salaries and employee benefits	14,849	13,083	29,567	26,010
Data processing	1,303	1,265	2,610	2,467
Net occupancy	2,220	1,845	4,414	3,625
Equipment	1,193	991	2,372	1,942
Professional fees	895	715	1,734	1,292
Advertising and marketing	829	777	1,556	1,556
Intangible amortization	578	391	1,162	785
Other	5,831	4,300	11,081	8,191
Total noninterest expense	27,698	23,367	54,496	45,868
Income before income taxes	11,394	10,219	22,985	20,306
Income taxes	3,409	3,132	6,723	6,257
Net income	\$ 7,985	\$ 7,087	\$ 16,262	\$ 14,049

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Basic earnings per share	\$ 0.38	\$ 0.42	\$ 0.78	\$ 0.86
Diluted earnings per share	\$ 0.38	\$ 0.41	\$ 0.77	\$ 0.85
Cash dividends per common share	\$ 0.17	\$ 0.16	\$ 0.34	\$ 0.32

See notes to condensed consolidated financial statements.

Renasant Corporation and Subsidiaries

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In Thousands)

	Six Months Ended June 30,	
	2008	2007
Operating activities		
Net cash provided by operating activities	\$ 28,379	\$ 19,497
Investing activities		
Purchases of securities available for sale	(306,950)	(122,098)
Proceeds from sales of securities available for sale		49,539
Proceeds from call/maturities of securities available for sale	95,189	32,668
Net decrease (increase) in loans	31,835	(152,079)
Proceeds from sales of premises and equipment	31	
Purchases of premises and equipment	(2,725)	(3,371)
Net cash used in investing activities	(182,620)	(195,341)
Financing activities		
Net increase in noninterest-bearing deposits	6,483	3,099
Net (decrease) increase in interest-bearing deposits	(86,981)	111,290
Net (decrease) increase in short-term borrowings	(167,043)	9,334
Proceeds from long-term debt	426,440	
Repayment of long-term debt	(4,868)	(7,577)
Purchase of treasury stock	(2,004)	
Cash paid for dividends	(7,143)	(5,440)
Cash received on exercise of stock-based compensation	2,102	401
Tax benefit from stock-based compensation	673	168
Proceeds from equity offering		58,529
Net cash provided by financing activities	167,659	169,804
Net increase (decrease) in cash and cash equivalents	13,418	(6,040)
Cash and cash equivalents at beginning of period	99,793	98,201
Cash and cash equivalents at end of period	\$ 113,211	\$ 92,161
Supplemental disclosures		
Transfers of loans to other real estate	\$ 10,227	\$ 421