

RENASANT CORP
Form 10-Q
August 09, 2012
Table of Contents

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, 2012

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)

Edgar Filing: RENASANT CORP - Form 10-Q

Mississippi
(State or other jurisdiction of
incorporation or organization)

64-0676974
(I.R.S. Employer
Identification No.)

209 Troy Street, Tupelo, Mississippi
(Address of principal executive offices)

38804-4827
(Zip Code)

(662) 680-1001

(Registrant's telephone number, including area code)

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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

As of July 31, 2012, 25,113,894 shares of the registrant's common stock, \$5.00 par value per share, were outstanding. The registrant has no other classes of securities outstanding.

Table of Contents

Renasant Corporation and Subsidiaries

Form 10-Q

For the Quarterly Period Ended June 30, 2012

CONTENTS

	Page
<u>PART I Financial Information</u>	
<u>Item 1. Financial Statements (Unaudited)</u>	
<u>Consolidated Balance Sheets</u>	1
<u>Consolidated Statements of Income</u>	2
<u>Consolidated Statements of Comprehensive Income</u>	3
<u>Condensed Consolidated Statements of Cash Flows</u>	4
<u>Notes to Consolidated Financial Statements</u>	5
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	36
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	60
<u>Item 4. Controls and Procedures</u>	60
<u>PART II Other Information</u>	
<u>Item 1A. Risk Factors</u>	61
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	61
<u>Item 6. Exhibits</u>	62
<u>SIGNATURES</u>	63
<u>EXHIBIT INDEX</u>	64

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS**

Renasant Corporation and Subsidiaries

Consolidated Balance Sheets

(In Thousands, Except Share Data)

	(Unaudited) June 30, 2012	December 31, 2011
Assets		
Cash and due from banks	\$ 69,893	\$ 85,684
Interest-bearing balances with banks	126,513	123,333
Cash and cash equivalents	196,406	209,017
Securities held to maturity (fair value of \$305,183 and \$344,618, respectively)	290,050	332,410
Securities available for sale, at fair value	386,671	463,931
Mortgage loans held for sale	25,386	28,222
Loans, net of unearned income:		
Covered under loss-share agreements	289,685	339,462
Not covered under loss-share agreements	2,392,349	2,241,622
Total loans, net of unearned income	2,682,034	2,581,084
Allowance for loan losses	(44,779)	(44,340)
Loans, net	2,637,255	2,536,744
Premises and equipment, net	57,958	54,498
Other real estate owned:		
Covered under loss-share agreements	37,951	43,156
Not covered under loss-share agreements	58,384	70,079
Total other real estate owned, net	96,335	113,235
Goodwill	184,879	184,879
Other intangible assets, net	6,739	7,447
FDIC loss-share indemnification asset	54,473	107,754
Other assets	176,225	163,871
Total assets	\$ 4,112,377	\$ 4,202,008
Liabilities and shareholders equity		
Liabilities		
Deposits		
Noninterest-bearing	\$ 539,237	\$ 531,910
Interest-bearing	2,866,959	2,880,327
Total deposits	3,406,196	3,412,237

Edgar Filing: RENASANT CORP - Form 10-Q

Short-term borrowings	7,700	11,485
Long-term debt	162,279	243,224
Other liabilities	44,668	47,860
Total liabilities	3,620,843	3,714,806
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, 26,715,797 shares issued; 25,113,894 and 25,066,068 shares outstanding, respectively	133,579	133,579
Treasury stock, at cost	(26,038)	(26,815)
Additional paid-in capital	217,640	217,477
Retained earnings	174,874	171,108
Accumulated other comprehensive loss, net of taxes	(8,521)	(8,147)
Total shareholders' equity	491,534	487,202
Total liabilities and shareholders' equity	\$ 4,112,377	\$ 4,202,008

See Notes to Consolidated Financial Statements.

Table of Contents

Renasant Corporation and Subsidiaries

Consolidated Statements of Income (Unaudited)

(In Thousands, Except Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Interest income				
Loans	\$ 34,016	\$ 36,245	\$ 68,298	\$ 72,189
Securities				
Taxable	3,735	5,342	7,745	10,905
Tax-exempt	2,173	2,069	4,301	4,199
Other	54	163	139	369
Total interest income	39,978	43,819	80,483	87,662
Interest expense				
Deposits	4,969	8,776	10,388	18,858
Borrowings	1,599	2,377	3,842	5,002
Total interest expense	6,568	11,153	14,230	23,860
Net interest income	33,410	32,666	66,253	63,802
Provision for loan losses	4,700	5,350	9,500	10,850
Net interest income after provision for loan losses	28,710	27,316	56,753	52,952
Noninterest income				
Service charges on deposit accounts	4,495	5,036	9,020	9,877
Fees and commissions	4,322	3,118	8,250	6,049
Insurance commissions	842	792	1,740	1,629
Wealth management revenue	1,551	1,139	3,493	2,195
Gains on sales of securities	869	4	1,773	16
Other-than-temporary-impairment losses on securities available for sale		(15,445)		(15,445)
Non-credit related portion of other-than-temporary impairment on securities, recognized in other comprehensive income		15,183		15,183
Net impairment losses on securities		(262)		(262)
BOLI income	654	883	1,765	1,478
Gains on sales of mortgage loans held for sale	2,390	949	3,671	2,100
Gain on acquisition				8,774
Other	1,115	721	2,913	1,519
Total noninterest income	16,238	12,380	32,625	33,375
Noninterest expense				
Salaries and employee benefits	19,871	16,173	38,520	32,410
Data processing	2,211	1,657	4,251	3,445
Net occupancy and equipment	3,582	3,367	7,197	6,585
Other real estate owned	3,370	2,122	7,369	5,633
Professional fees	1,015	1,208	1,986	2,022
Advertising and public relations	1,302	1,124	2,499	2,120
Intangible amortization	349	510	707	1,025

Communications	926	1,212	2,029	2,374
Merger-related expenses				