

RENASANT CORP
Form 10-Q
August 09, 2006
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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, 2006

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 000-12154

RENASANT CORPORATION

(Exact name of the 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, P.O. Box 709, Tupelo, Mississippi 38802-0709

(Address of principal executive offices) (Zip code)

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

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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 or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer
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, 10,354,917 shares outstanding as of July 31, 2006.

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RENASANT CORPORATION

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(in thousands, except share data)

(unaudited)

	June 30, 2006	December 31, 2005
Assets		
Cash and due from banks	\$ 67,282	\$ 69,335
Interest-bearing balances with banks	7,373	26,528
Cash and cash equivalents	74,655	95,863
Securities available for sale	434,567	399,034
Mortgage loans held for sale	36,519	33,496
Loans, net of unearned income	1,729,861	1,646,223
Allowance for loan losses	(18,990)	(18,363)
Net loans	1,710,871	1,627,860
Premises and equipment, net	42,424	42,162
Intangible assets, net	99,159	100,832
Other assets	105,138	98,455
Total assets	\$ 2,503,333	\$ 2,397,702
Liabilities and shareholders equity		
Liabilities		
Deposits		
Noninterest-bearing	\$ 272,686	\$ 250,270
Interest-bearing	1,710,780	1,618,181
Total deposits	1,983,466	1,868,451
Federal funds purchased	41,700	
Federal Home Loan Bank advances	137,405	191,481
Junior subordinated debentures	64,284	64,365
Other borrowed funds	9,281	10,659
Other liabilities	26,154	27,306
Total liabilities	2,262,290	2,162,262
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; 11,489,549 shares issued; 10,344,917 and 10,289,510 shares outstanding at June 30, 2006, and December 31, 2005, respectively	57,448	57,448
Treasury stock, at cost	(26,020)	(26,988)
Additional paid-in capital	112,213	111,756
Retained earnings	105,682	96,903

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Accumulated other comprehensive income (loss)	(8,280)	(3,679)
Total shareholders' equity	241,043	235,440
Total liabilities and shareholders' equity	\$ 2,503,333	\$ 2,397,702

See Notes to Condensed Consolidated Financial Statements

Table of Contents**RENASANT CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(in thousands, except share data)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Interest income				
Loans	\$ 32,083	\$ 27,307	\$ 62,575	\$ 51,837
Securities:				
Taxable	4,322	3,306	7,925	6,801
Tax-exempt	917	1,133	1,850	2,297
Other	275	154	1,064	260
Total interest income	37,597	31,900	73,414	61,195
Interest expense				
Deposits	13,676	8,139	26,000	15,046
Borrowings	2,979	3,306	5,964	6,376
Total interest expense	16,655	11,445	31,964	21,422
Net interest income	20,942	20,455	41,450	39,773
Provision for loan losses	(360)	847	708	1,444
Net interest income after provision for loan losses	21,302	19,608	40,742	38,329
Noninterest income				
Service charges on deposit accounts	4,527	4,167	8,951	8,041
Fees and commissions	3,659	2,965	6,662	5,470
Insurance commissions	868	906	1,690	1,737
Trust revenue	630	611	1,260	1,236
Securities gains (losses)	4	(32)	25	70
BOLI income	383	402	784	806
Gains on sales of mortgage loans	674	673	1,434	1,366
Other	288	259	1,660	1,128
Total noninterest income	11,033	9,951	22,466	19,854
Noninterest expense				
Salaries and employee benefits	12,301	11,520	24,513	22,979
Data processing	1,053	962	2,035	2,006
Net occupancy	1,737	1,181	3,550	2,796
Equipment	951	1,041	1,924	2,031
Professional fees	615	656	1,307	1,307
Advertising	904	958	1,683	1,698
Intangible amortization	414	571	845	1,157
Other	4,084	3,968	8,093	7,846
Total noninterest expense	22,059	20,857	43,950	41,820
Income before income taxes	10,276	8,702	19,258	16,363

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Income taxes	3,233	2,495	5,714	4,697
Net income	\$ 7,043	\$ 6,207	\$ 13,544	\$ 11,666
Basic earnings per share	\$ 0.68	\$ 0.60	\$ 1.31	\$ 1.12
Diluted earnings per share	\$ 0.67	\$ 0.59	\$ 1.29	\$ 1.11

See Notes to Condensed Consolidated Financial Statements

Table of Contents**RENASANT CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in thousands)

(unaudited)

	Six Months Ended June 30,	
	2006	2005
Operating activities		
Net cash provided by operating activities	\$ 11,172	\$ 24,933
Investing activities		
Purchases of securities available for sale	(100,244)	(10,488)
Proceeds from sales of securities available for sale	29,262	25,409
Proceeds from call/maturities of securities available for sale	27,943	34,768
Net increase in loans	(85,655)	(78,351)
Proceeds from sales of premises and equipment	57	590
Purchases of premises and equipment	(2,303)	(4,321)
Net cash paid in business combination		(19,328)
Net cash used in investing activities	(130,940)	(51,721)
Financing activities		
Net increase in noninterest-bearing deposits	22,416	6,481
Net increase in interest-bearing deposits	92,599	58,056
Net increase (decrease) in short-term borrowings	40,322	(41,645)
Proceeds from long-term debt		150,043
Repayment of long-term debt	(53,436)	(98,217)
Purchase of treasury stock		(4,534)
Cash paid for dividends	(4,766)	(4,476)
Cash received on exercise of options	1,425	2,095
Net cash provided by financing activities	98,560	67,803
Net increase (decrease) in cash and cash equivalents	(21,208)	41,015
Cash and cash equivalents at beginning of period	95,863	56,025
Cash and cash equivalents at end of period		