

Edgar Filing: CAPITAL BANCORP INC - Form 425

CAPITAL BANCORP INC
Form 425
February 06, 2007

Filed Pursuant to Rule 425

Filing Person: Renasant Corporation

Subject Company: Capital Bancorp, Inc.

Commission File No. 000-51114

On February 5, 2007, management of Renasant Corporation made a presentation to the employees of Capital Bancorp, Inc. regarding the proposed merger of Capital Bancorp, Inc. with and into Renasant Corporation. The presentation was accompanied by a series of electronic slides that included information pertaining to Renasant Corporation. A copy of the slides follows below.

February 5, 2007

Forward Looking Statements

This presentation contains forward looking statements with respect to financial condition, results of operations and business of Renasant Corporation (Renasant) and Capital Bancorp, Inc. (Capital). These forward looking statements include, but are not limited to, statements about (i) the expected benefits of the transaction between Renasant and Capital and between Renasant Bank and Capital Bank, including future financial and operating results, cost savings, enhanced revenues and expected market position of the combined company that may be realized from the transaction and (ii) Renasant

and Capital's plans, objectives, expectations and intentions and other statements contained in this presentation that are not historical facts. Other statements identified by words such as expects,

anticipates,

intends,

plans,

believes,

seeks,

estimates,

targets,

projects

or words of

similar meaning generally are intended to identify forward looking statements. These statements are based upon the current beliefs and expectations of Renasant's

and Capital's management and are

inherently subject to significant business, economic and competitive risks and uncertainties, many of which are beyond their respective control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual

results

may

differ

materially

from

those

indicated

or

implied

in

the

forward

looking

statements. Neither

Renasant

nor Capital assume any obligation to update forward looking statements.

Financial information of Renasant Corporation and Capital Bancorp presented herein as of and for the year ended December 31, 2006 is unaudited. Audited financial information for both companies will be available in their respective Annual Reports on Form 10-K

for
the
year
ended
December
31,
2006,
which
will
be
filed
with
the
Securities
and

Exchange Commission at a later date. In connection with the proposed merger, Renasant and Capital intend to file relevant materials with the Securities and Exchange Commission, including a registration statement on Form S-4 that will contain a proxy statement/prospectus.

This proxy statement/prospectus will be mailed to the shareholders of Capital.

INVESTORS AND SECURITY HOLDERS OF CAPITAL ARE URGED TO READ THESE MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT RENASANT, CAPITAL AND THE PROPOSED MERGER. The proxy statement/prospectus and other relevant materials (when they become available), and any other documents filed by Renasant or Capital with the SEC, may be obtained free of charge at the SEC's website at www.sec.gov.

In addition, investors may obtain free copies of the documents filed with the SEC by Renasant by directing a written request to Renasant Corporation, 209 Troy Street, Tupelo, Mississippi 38802 Attention: Investor Relations, and free copies of the documents filed with the SEC by Capital by directing a written request to Capital Bancorp, Inc., 1816 Hayes Street, Nashville, Tennessee 37203. Renasant, Capital and their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies from the shareholders

of
Capital
in
connection
with
the
proposed
transaction.
Information
about
the
directors
and
executive
officers
of
Renasant
is

set
forth
in
the
proxy
statement
for
Renasant
Corporation's
2006

annual meeting of shareholders,
as filed with the SEC on March 9, 2006. Information about the directors and executive officers of Capital is set forth in the proxy statement for Capital Bancorp, Inc.'s 2006 annual meeting of shareholders, as filed with the SEC on April 13, 2006. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus when it becomes available.

Additional Information About the Transaction

Founded in 1904 as The Peoples Bank & Trust
Company
by Tupelo and Lee County, Mississippi
Businessmen
The Peoples Holding Company, the parent of The
Peoples Bank & Trust Company and The Peoples
Insurance Agency, was formed in 1982

Changed name to Renasant Corporation, Renasant
Bank and Renasant Insurance in 2005
Renasant Corporation History: [Who We Are](#)

Increased Annual Cash Dividend for 19 Consecutive
Years

Renasant operates 63 banking, mortgage and
insurance offices

in

38

cities

within

Mississippi,

Tennessee and Alabama

As of December 2006, Renasant has approximately

\$2.6 billion in assets and 850 employees within our

tri-state footprint

Renasant Corporation History: [Who We Are](#)

Renasant Core Values: **What We Believe**

Our Vision ..

To be the financial services advisor and provider of choice in each community we serve.

Our Mission

To provide quality financial services and advice by:

Understanding, then meeting the needs of our clients

Providing optimum return to our shareholders

Creating security and opportunity for our employees

Being good citizens in our communities

Renasant Markets Prior to 2001

Renasant Key Markets Prior to 2001

Key Markets

Available Deposits

Market Growth

Market Share

Tupelo

\$1.3 Billion

8%
24%
DeSoto County
1.0 Billion
8%
8%
Total
\$2.3 Billion

January
2001
to
December
2003

Renasant
Corporation:
Initiatives
Capital Management
Tender Offer
Shareholder Repurchase
Cash Dividend Increase

Improve Profitability

ROA

.93% in 2000 compared to 1.33% in 2003

ROE

9.49% in 2000 compared to 13.41% in 2003

Noninterest Income

Improve Asset Quality

Image Change

Market Change: More than a Bank

Appeal to more Affluent Clientele

Blue Collar Bank to Small Business / High Net Worth

Increase Services Per Client and Client Wallet Share

Enhanced Technology

January
2004
to
Present

Renasant Growth: Expansion
Mergers
2004
Renasant Bancshares
Assets: \$226 Million
Deposits: \$185 Million
Loans: \$172 Million

Offices: Germantown, Cordova, TN

2005

Heritage Financial Holding Corporation

Assets: \$540 Million

Deposits: \$381 Million

Loans: \$391 Million

Offices: Birmingham (3), Huntsville (2),

Decatur (3), Alabama

De Novo

2005

Nashville, TN -

Limited Service Bank

2005

Oxford, MS

Full Service Bank

2005

East Memphis

Full Service Bank

2006

Collierville

Full Service Bank

Renasant Bank Offices
Current Market
Target Market
Corporate Headquarters
Renasant Insurance Offices
TENNESSEE
MISSISSIPPI

ALABAMA

FLORIDA

Jackson

Madison

Tuscaloosa

Oxford

Brentwood

Murfreesboro

Nashville

Huntsville

Birmingham

Decatur

Corinth

Tupelo

Memphis

Cordova

Germantown

Hernando

Horn Lake

Southaven

Louisville

Columbus

Starkville

Mobile

Pensacola

Panama City

Grenada

Current Growth Markets

Key Growth Markets-

Current

Gulf Shores

Franklin

Destin

Approximately 70% of

loans and 60% of

deposits are held in

the yellow key

market areas.

Chattanooga

Knoxville

Pro
Forma
Franchise
CPBB Branch
RNST Branch
Balance Sheet
Source: SNL Financial and Company filings.

Financial data as of 12/31/2006.

Does not include purchase accounting adjustments.

Renasant
Capital
Corporation
Bancorp
Combined

Offices:

63

7

70

Assets:

\$2,611,356

\$564,442

\$3,175,798

Gross Loans:

1,865,434

465,682

2,331,116

Deposits:

2,108,965

464,952

2,573,917

Renasant Attractive Markets
Current
Key Markets
Available Deposits
Deposit Growth
Deposit Share
Tupelo

1.3 Billion
8%
24%
DeSoto County
1.2 Billion
8%
5%
Birmingham
14.7 Billion
8%
1%
Decatur
1.1 Billion
3%
13%
Huntsville/Madison
5.5 Billion
8%
3%
Germantown
1.3 Billion
10%
15%
Oxford
.5 Billion
12%
0%
Collierville
.5 Billion
10%
0%
Memphis/Cordova
21 Billion
10%
0%
Nashville/Brentwood
13.5 Billion
11%
0%
Total
60.6 Billion

Renasant Growth: Markets

Alabama

Birmingham -

Top 10 Southeastern Technology centers

Over 400 technology companies

Eighth best place in nation for entrepreneurs
Huntsville -

Inc. Magazine highest concentration of companies listed on
its 500 fastest growing private companies

#1
Mid-market
in
the
south
for
2005
-
Southern
Business
&
Development Magazine

B.R.A.C.
5,000 Military / 10,000 Civilian Families to
relocate here
Decatur -

Home to 20 fortune 500 Companies

Morgan County ranked #1 in total announced capital
investment
in Alabama

Tennessee
Memphis -

Largest cargo airport in the world

Third largest rail center

Fourth largest inland port
Nashville -

Ranked first
in
Expansion
Managements
2005
listing
of
Top 50 Hot
expansion locations in the country

Average household income in the Williamson County
Brentwood area is currently \$98,000 and is projected to
reach \$110,000 by 2009

In this same period home ownership is expected to total
approximately 56,000, up 23 % from the current 45,000
home owners
Renasant Growth: Markets

Renasant Growth: Markets
Mississippi
DeSoto County -

36
th
fastest growing County in the U.S.

Oxford -

14
th
in the nation in economic
strength of micropolitan area
Tupelo -

18
th
in the nation in economic
strength of micropolitan area

Ranked 2
nd
in the Nation as most active micropolitan
area for new and expanding industries.

Renasant Growth: Strategies
Loans

Key Hires of Commercial Relationship Officers

HELOC referrals from Mortgage Lending Division
Core

Deposits

High Performance Business and Consumer Checking

Renasant Relationship Account

Cash Management Services

Wealth
Management

Private
Client
Financial
Services

Center-
One

Stop
Shop
staffed

with
CPA,
CFP,

Trust
Relationship Officer, and Lender

Mortgage
Lending

Expanding wholesale in Memphis and Nashville

Expanding retail in Memphis, Birmingham and Nashville
Insurance

Strategic Alliances

Bank Integration

Renasant Focus: New Products & Services
Mortgage
Lending

Reverse Mortgage

Professional Mortgage Program

7 Year HELOC
Convenience
Banking

Free Internet Banking with Bill Pay

E-Statements

Renasant Advantage

Renasant Focus: New Products & Services
Deposits

Renasant Relationship Account

Liquid CD

Health Savings Account
Treasury
Management

Remote Capture

Retail Lockbox

Positive Pay

Enhanced Business Internet Banking

Outbound Data Exchange

Multi-bank Reporting

2001 to 2006

2,611,356
2,397,702
1,415,214
1,344,512
1,254,727
1,707,545
1,211,940

1,200,000

1,460,000

1,720,000

1,980,000

2,240,000

2,500,000

Dec '00

Dec '01

Dec '02

Dec '03

Dec '04

Dec '05

Dec '06

Assets

Renasant Assets

Selected Compounded Annual Growth Rates (CAGR)

Selected Compounded Annual Growth Rates (CAGR)

0%

5%

10%

15%

20%

Assets
Loans
Deposits
Net Income
EPS
6 Year CAGR

32,287

40,216

45,943

27,973

31,893

24,389

18,529

1.55

1.96

2.31

2.13

2.06

1.70

1.83

10,000

20,000

30,000

40,000

50,000

Dec '00

Dec '01

Dec '02

Dec '03

Dec '04

Dec '05

Dec '06

1.00

2.00

3.00

4.00

Non-int Inc

Non-int Inc/Avg Assets

Renasant Non-interest Income

As a Percent of Total Revenues:

29% in 2000

35% in 2006

Renasant Fee Income Composition

Service Charges

= 42% vs. 48%

Fees & Commissions

= 30% vs. 20%

Insurance = 8% vs. 13%

Trust = 6% vs. 4%

Gains on Mortgage Loans = 7% vs. 3%

Other = 7% vs. 12%

December 31, 2006 vs. December 31, 2000

0.62
0.20
0.38
0.85
0.42
0.78
0.76

0.07
0.32
0.42
0.49
0.20
0.00
0.25
0.50
0.75
1.00
Dec '00
Dec '01
Dec '02
Dec '03
Dec '04
Dec '05
'Dec 06
Nonperforming Loan Ratio
Net Charge-off Ratio
Renasant Asset Quality
0.88
0.72

Renasant listing, **RNST**, on the NASDAQ (May 2, 2005)
Member of the NASDAQ Global Select Market (July 1, 2006)
Renasant Value: Stock

Doubled in Assets, Loans, Deposits and Net Income
Net charge-offs down from 72 bps in 2000 to < 20 bps in
2006
Non-performing loans down from 88 bps in 2000 to 62
bps in 2006
Increased Key Market Demographics
Renasant

Performance:

2001

2006

\$0.63
\$0.58
\$0.50
\$0.46
\$0.43
\$0.55
\$0.39

0.00
0.25
0.50
0.75
1.00
2000
2001
2002
2003
2004
2005
2006

Dividends Per Share
Renasant Dividends
Per
Share
19 Consecutive
Years of Dividend
Increases
6 Year CAGR =
8.32%

Name
Title
Experience
E. Robinson McGraw
Chairman and CEO
Renasant Bank &
Renasant Corporation

36 years
Frank J. Cianciola
President-
Renasant Tennessee
29 years
Stephen M. Corban
Senior Executive Vice President-
25 years
General Counsel
James W. Gray
Senior Executive Vice President-CIO
27 years
Stuart R. Johnson
Senior Executive Vice President-CFO
28 years
Harold H. Livingston
Senior Executive Vice President-
Chief Credit Officer
33 years
Larry R. Mathews
President-Renasant Alabama
29 years
Claude H. Springfield, III
Senior Executive Vice President-
Chief Credit Policy Officer
36 years
C. Mitchell Waycaster
President-
Renasant Mississippi
26 years
Average Years of Experience
30 years
Renasant's Capable Management Team

Renasant Growth: Strategies
Expansion Plans

Birmingham, AL

Huntsville, AL

Oxford, MS

Nashville, TN

East Tennessee

Florida

Atlanta, GA

AND

Renasant: Why CBT and RNST Together?

Shared Core Values and Culture

Big Bank Solutions / Small Bank Care

Larger Lending Limits

Expanded Product Selection

Client Focused Banking

Trust / Insurance / Treasury Management
Leverage Lower Cost Deposits

Proforma
Additional Capital
Expansion and Growth Opportunities
Autonomy
Expectations
Outstanding Management and Lending Team
Dividends and Stock Liquidity

Renasant: Why CBT and RNST Together?
AND

Name

Title

Rick Hart

President of Renasant Bank of Tennessee and
Member of Executive Management Team

John Gregory

Executive Vice President and

Member of Executive Management Team
Executive Management Team Additions

Proforma Nashville Market
Renasant Branch

Capital Branches

Proforma Renasant Markets
Current
Key Markets
Available Deposits
Deposit Growth
Deposit Share
Tupelo

1.3 Billion
8%
24%
DeSoto County
1.2 Billion
8%
5%
Birmingham
14.7 Billion
8%
1%
Decatur
1.1 Billion
3%
13%
Huntsville/Madison
5.5 Billion
8%
3%
Germantown
1.3 Billion
10%
15%
Oxford
.5 Billion
12%
0%
Collierville
.5 Billion
10%
0%
Memphis/Cordova
21 Billion
10%
0%
Nashville MSA
28.6 Billion
11%
1%
Total
75.7 Billion

43.30%
21.18%
35.52%
MS
TN
AL
54.38%

19.10%

26.51%

MS

TN

AL

Distribution of Renasant Loans

December 31, 2006

Proforma

Approximately 70% of
loans are held in key
market areas.

Approximately 78% of
loans are held in key
market areas.

52.28%
18.18%
29.54%
MS
TN
AL
63.83%

14.13%

22.04%

MS

TN

AL

Distribution of Renasant Deposits

December 31, 2006

Proforma

Approximately 60% of
deposits are held in key
market areas.

Approximately 68% of
deposits are held in key
market areas.

Renasant Corporation
NASDAQ: RNST
www.renasantbank.com
www.renasant.com