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, 2011

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 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 29, 2011, 25,061,068 shares of the registrant's common stock, $5.00 par value per share, were outstanding. The registrant has no other classes of securities outstanding.

RENASANT CORPORATION AND SUBSIDIARIES

Form 10-Q

For the quarterly period ended June 30, 2011

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Renasant Corporation and Subsidiaries
Consolidated Balance Sheets

(In Thousands, Except Share Data)

	(Unaudited) June 30, 2011	December 31, 2010
Assets		
Cash and due from banks	$ 59,584	$ 47,705
Interest-bearing balances with banks	177,581	244,964
Cash and cash equivalents	237,165	292,669
Securities held to maturity (fair value of $257,513 and $228,157, respectively)	252,688	230,786
Securities available for sale, at fair value	581,022	603,686
Mortgage loans held for sale	11,511	27,704
Loans, net of unearned income:		
Covered under loss-share agreements	377,149	333,681
Not covered under loss-share agreements	2,185,490	2,190,909
Total loans, net of unearned income	2,562,639	2,524,590
Allowance for loan losses	(47,571)	(45,415)
Loans, net	2,515,068	2,479,175
Premises and equipment, net	52,151	51,424
Other real estate owned and repossessions:		
Covered under loss-share agreements	59,802	54,715
Not covered under loss-share agreements	68,384	71,833
Total other real estate owned and repossessions	128,186	126,548
Goodwill	184,879	184,879
Other intangible assets, net	6,207	6,988
FDIC loss-share indemnification asset	149,739	155,657
Other assets	140,584	137,811
Total assets	$4,259,200	$4,297,327
Liabilities and shareholders' equity		
Liabilities		
Deposits		
Noninterest-bearing	$ 458,686	$ 368,798
Interest-bearing	3,018,733	3,099,353
Total deposits	3,477,419	3,468,151
Short-term borrowings	16,066	15,386
Long-term debt	247,001	301,050
Other liabilities	38,579	43,231
Total liabilities	3,779,065	3,827,818
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, 25,061,068 and 25,043,112 shares outstanding, respectively	133,579	133,579
Treasury stock, at cost	(26,899)	(27,187)
Additional paid-in capital	217,583	217,011
Retained earnings	167,322	162,547
Accumulated other comprehensive loss	(11,450)	(16,441)
Total shareholders' equity	480,135	469,509
Total liabilities and shareholders' equity	$4,259,200	$4,297,327

See Notes to Consolidated Financial Statements.

Renasant Corporation and Subsidiaries
Consolidated Statements of Income (Unaudited)

(In Thousands, Except Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Interest income				
Loans	$ 36,169	$31,678	$ 72,041	$ 64,107
Securities				
Taxable	5,374	5,238	10,969	11,137
Tax-exempt	2,069	1,413	4,199	2,748
Other	163	52	369	97
Total interest income	43,775	38,381	87,578	78,089
Interest expense				
Deposits	8,776	10,446	18,858	20,779
Borrowings	2,377	4,255	5,002	9,220
Total interest expense	11,153	14,701	23,860	29,999
Net interest income	32,622	23,680	63,718	48,090
Provision for loan losses	5,350	7,000	10,850	13,665
Net interest income after provision for loan losses	27,272	16,680	52,868	34,425
Noninterest income				
Service charges on deposit accounts	5,082	5,361	9,962	10,451
Fees and commissions	4,548	3,409	8,686	7,130
Insurance commissions	783	830	1,615	1,664
Trust revenue	650	632	1,263	1,216
Gains on sales of securities	4	2,049	16	2,049
Other-than-temporary-impairment losses on securities available for sale	(15,445)	—	(15,445)	(11,787)
Non-credit related portion of other-than-temporary impairment on securities, recognized in other comprehensive income	15,183	—	15,183	11,627
Net impairment losses on securities	(262)	—	(262)	(160)
BOLI income	883	738	1,478	1,312
Gains on sales of mortgage loans held for sale	949	994	2,100	2,323
Gain on acquisition	—	—	8,774	—
Other	697	331	1,467	843
Total noninterest income	13,334	14,344	35,099	26,828
Noninterest expense				
Salaries and employee benefits	16,173	13,052	32,410	26,249
Data processing	1,657	1,580	3,445	3,006
Net occupancy and equipment	3,362	2,926	6,596	5,857
Other real estate owned	2,122	959	5,633	1,695
Professional fees	1,206	881	2,104	1,747
Advertising and public relations	1,269	978	2,432	1,868
Intangible amortization	510	470	1,025	946
Communications	1,405	1,047	2,839	2,133
Merger-related expenses	—	—	1,325	—
Extinguishment of debt	—	—	1,903	—
Other	4,851	4,295	9,566	8,321
Total noninterest expense	32,555	26,188	69,278	51,822
Income before income taxes	8,051	4,836	18,689	9,431
Income taxes	2,294	1,040	5,379	2,028
Net income	$ 5,757	$ 3,796	$ 13,310	$ 7,403
Basic earnings per share	$ 0.23	$ 0.18	$ 0.53	$ 0.35
Diluted earnings per share	$ 0.23	$ 0.18	$ 0.53	$ 0.35
Cash dividends per common share	$ 0.17	$ 0.17	$ 0.34	$ 0.34

See Notes to Consolidated Financial Statements.

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Renasant Corporation and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

(In Thousands)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Operating activities		
Net cash provided by operating activities	$ 72,148	$ 47,163
Investing activities		
Purchases of securities available for sale	(48,586)	(210,233)
Proceeds from sales of securities available for sale	—	91,744
Proceeds from call/maturities of securities available for sale	84,781	134,017
Purchases of securities held to maturity	(56,684)	(28,712)
Proceeds from sales of securities held to maturity	13,033	—
Proceeds from call/maturities of securities held to maturity	21,917	6,380
Net decrease in loans	2,447	56,581
Purchases of premises and equipment	(2,747)	(1,365)
Proceeds from sales of premises and equipment	77	8
Net cash received in acquisition	148,443	—
Net cash provided by investing activities	162,681	48,420
Financing activities		
Net increase in noninterest-bearing deposits	79,792	8,347
Net (decrease) increase in interest-bearing deposits	(293,531)	103,765
Net increase (decrease) in short-term borrowings	680	(5,115)
Repayment of long-term debt	(68,994)	(153,042)
Cash paid for dividends	(8,535)	(7,186)
Cash received on exercise of stock-based compensation	255	229
Net cash used in financing activities	(290,333)	(53,002)
Net (decrease) increase in cash and cash equivalents	(55,504)	42,581
Cash and cash equivalents at beginning of period	292,669	148,560
Cash and cash equivalents at end of period	$ 237,165	$ 191,141
Supplemental disclosures		
Noncash transactions:		
Transfers of loans to other real estate	$ 27,828	$ 16,602

See Notes to Consolidated Financial Statements.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note A – Significant Accounting Policies
(In Thousands, Except Share Data)

Basis of Presentation: Renasant Corporation (referred to herein as the "Company") owns and operates Renasant Bank ("Renasant Bank" or the "Bank") and Renasant Insurance, Inc. The Company offers a diversified range of financial and insurance services to its retail and commercial customers through its subsidiaries and full service offices located throughout north and north central Mississippi, west and middle Tennessee, north and north central Alabama and north Georgia.

The accompanying unaudited consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information regarding the Company's accounting policies, refer to the audited consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

The Company has evaluated subsequent events that have occurred after June 30, 2011 through the date of issuance of its financial statements for consideration of recognition or disclosure.

Impact of Recently-Issued Accounting Standards and Pronouncements: In January 2010, the Financial Accounting Standards Board ("FASB") issued an update to Accounting Standards Codification Topic ("ASC") 820, "Fair Value Measurements and Disclosures," ("ASC 820") that requires a reporting entity to present separately information about purchases, sales, issuances and settlements in the reconciliation for fair value measurements using Level 3 inputs. These disclosures are effective for interim and annual reporting periods beginning after December 15, 2010. See Note J, "Fair Value Measurements," in these Notes to Consolidated Financial Statements for further disclosures regarding the Company's adoption of this update.

In July 2010, FASB issued an update to ASC 310, "Receivables," ("ASC 310") that requires enhanced and additional disclosures that will provide financial statement users with greater transparency about a reporting entity's allowance for credit losses and the credit quality of its financial receivables. A reporting entity must provide disclosures that facilitate financial statement users' evaluation of the nature of credit risk inherent in its portfolio of financing receivables, explaining how that risk is analyzed and assessed in arriving at the allowance for credit losses, and detailing the changes and reasons for those changes in the allowance for credit losses. To achieve those objectives, a reporting entity should provide disclosures by portfolio segment and/or by class of financing receivable. This update to ASC 310 amends existing disclosures to require a reporting entity to provide a rollforward schedule of the allowance for credit losses on a portfolio segment basis, with the ending balance further segregated by impairment method. A reporting entity must also present nonaccrual, past due 90 days or more and still accruing and impaired financing receivables by class. Additional disclosures include (i) credit quality indicators of financing receivables at the end of the reporting period presented by class, (ii) the aging of past due financing receivables at the end of the reporting period presented by class, (iii) the nature and extent of troubled debt restructurings that occurred during the period presented by class and their effect on the allowance for credit losses, (iv) the nature and extent of financing receivables modified as troubled debt restructurings within the previous twelve months that defaulted during the reporting period presented by class and their effect on the allowance for credit losses, and (v) significant purchases and sales of financing receivables during the reporting period presented by portfolio segment. The disclosures as of the end of a reporting period became effective for the Company's financial statements at December 31, 2010. The disclosures about activity that occurs during a reporting period became effective for the Company's financial statements beginning on January 1, 2011. See Note D, "Loans and the Allowance for Loan Losses," in these Notes to Consolidated Financial Statements for disclosures reflecting the Company's adoption of this update. An update issued in January 2011 temporarily deferred the effective date for the disclosures related to troubled debt restructurings to be concurrent with the effective date of the then-proposed update which is discussed in the following paragraph.

Note A – Significant Accounting Policies (continued)

In April 2011, FASB issued an update to ASC 310 that clarifies which loan modifications constitute troubled debt restructurings in conformity with ASC 310 and is intended to assist creditors in determining whether a modification of the terms of a receivable meets the criteria to be considered a troubled debt restructuring, both for purposes of recording an impairment loss and for disclosure of troubled debt restructurings. In evaluating whether a restructuring constitutes a troubled debt restructuring, a creditor must separately conclude that the restructuring both constitutes a concession by the creditor to the borrower and the borrower is experiencing financial difficulties. This update to ASC 310 is effective for interim and annual reporting periods beginning on or after June 15, 2011 and applied retrospectively to troubled debt restructurings occurring on or after the beginning of the fiscal year of adoption. See Note D, “Loans and the Allowance for Loan Losses,” in these Notes to Consolidated Financial Statements for disclosures reflecting the Company’s adoption of this update.

In June 2011, FASB issued an update to ASC 220, “Comprehensive Income,” (“ASC 220”) that eliminates the option to present components of other comprehensive income as part of the Statements of Changes in Shareholders’ Equity. This update requires that all nonowner changes in shareholders’ equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In a single continuous statement, the entity is required to present the components of net income and total net income, the components of other comprehensive income and a total for other comprehensive income, along with the total of comprehensive income in that statement. In the two-statement approach, the first statement should present total net income and its components followed consecutively by a second statement that should present total other comprehensive income, the components of other comprehensive income, and the total of comprehensive income. Regardless of whether an entity chooses to present comprehensive income in a single continuous statement or in two separate but consecutive statements, the entity is required to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. This update to ASC 220 is effective for interim and annual reporting periods beginning on or after December 15, 2011 and should be applied retrospectively. The Company is currently in the process of evaluating the impact of adopting this update on its financial statements.

Note B – FDIC-Assisted Acquisitions
(In Thousands)

FDIC-Assisted Acquisition of Certain Assets and Liabilities of American Trust Bank

On February 4, 2011, the Bank entered into a purchase and assumption agreement with loss-share agreements with the FDIC to acquire specified assets and assume specified liabilities of American Trust Bank, a Georgia-chartered bank headquartered in Roswell, Georgia (“American Trust”). American Trust operated 3 branches in the northwest region of Georgia.

In connection with the acquisition, the Bank entered into loss-share agreements with the FDIC that covered $73,657 of American Trust loans (the “covered loans”). The Bank will share in the losses on the asset pools (including single family residential mortgage loans and commercial loans) covered under the loss-share agreements. Pursuant to the terms of the loss-share agreements, the FDIC is obligated to reimburse the Bank for 80% of all eligible losses with respect to covered loans, beginning with the first dollar of loss incurred. The Bank has a corresponding obligation to reimburse the FDIC for 80% of eligible recoveries with respect to covered loans.

The acquisition of American Trust resulted in a pre-tax gain of $8,774. Due to the difference in tax bases of the assets acquired and liabilities assumed, the Company recorded a deferred tax liability of $3,356, resulting in an after-tax gain of $5,418. Acquisition costs related to the American Trust acquisition of $1,325 were recognized as other noninterest expense in the Consolidated Statements of Income for the six months ended June 30, 2011.

Note B – FDIC-Assisted Acquisitions (continued)

The following table sets forth the fair values of the assets acquired and liabilities assumed by the Bank in the acquisition of American Trust as of February 4, 2011:

Assets Acquired	
Cash and due from banks	$148,443
Securities available for sale	7,060
Federal Home Loan Bank stock	1,192
Loans	74,399
FDIC loss-share indemnification asset	11,926
Core deposit intangible	229
Other assets	4,256
Total assets acquired	247,505
Liabilities Assumed	
Deposits:	
Noninterest-bearing	10,096
Interest-bearing	212,911
Total deposits	223,007
Advances from the Federal Home Loan Bank	15,020
Accrued expenses and other liabilities	704
Total liabilities assumed	238,731
Net assets acquired	8,774
Deferred tax liability	3,356
Net assets assumed, including deferred tax liability	$ 5,418

The Company's operating results for the three and six months ended June 30, 2011 include the operating results of the assets acquired and liabilities assumed in the American Trust acquisition subsequent to the February 4, 2011 closing date. The significance of the fair value adjustments recorded as well as the nature of the loss-share agreements in connection with an FDIC-assisted transaction are integral to accurately assessing the impact of the acquired operations on the operations of the Company. Disclosure of pro forma financial information is made more difficult by the troubled nature of American Trust prior to the date of the acquisition. Therefore, the Company has determined that pro forma financial information in relation to the acquisition of American Trust is neither practical nor meaningful.

FDIC-Assisted Acquisition of Certain Assets and Liabilities of Crescent Bank & Trust

On July 23, 2010 the Bank acquired specified assets and assumed specified liabilities of Crescent Bank & Trust Company, a Georgia-chartered bank headquartered in Jasper, Georgia ("Crescent"), from the FDIC, as receiver for Crescent. For more information regarding the Crescent acquisition, please refer to Note B, "FDIC-Assisted Acquisition of Certain Assets and Liabilities of Crescent Bank & Trust," in the Notes to Consolidated Financial Statements of the Company in Item 8, Financial Statements and Supplementary Data, of the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note C – Securities
(In Thousands)

The amortized cost and fair value of securities held to maturity were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
June 30, 2011				
Obligations of other U.S. Government agencies and corporations	$ 42,421	$ 200	$ —	$ 42,621
Obligations of states and political subdivisions	210,267	5,116	(491)	214,892
	$252,688	$ 5,316	$ (491)	$257,513
December 31, 2010				
Obligations of other U.S. Government agencies and corporations	$ 24,703	$ —	$ (404)	$ 24,299
Obligations of states and political subdivisions	206,083	1,408	(3,633)	203,858
	$230,786	$ 1,408	$ (4,037)	$228,157

In light of the ongoing fiscal uncertainty in state and local governments, the Company analyzed its exposure to potential losses in its security portfolio. Management reviewed the underlying credit rating and analyzed the financial condition of the respective issuers. Based on this analysis, the Company sold certain securities representing obligations of state and political subdivisions that were classified as held to maturity. The securities sold showed significant credit deterioration in that an analysis of the financial condition of the respective issuers showed the issuers were operating at net deficits with little to no financial cushion to offset future contingencies. These securities had a carrying value of $13,017 and the Company recognized a net gain of $16 on the sale during the six months ended June 30, 2011.

The amortized cost and fair value of securities available for sale were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
June 30, 2011				
Obligations of other U.S. Government agencies and corporations	$ 47,652	$ 137	$ (259)	$ 47,530
Mortgage-backed securities	484,862	16,663	(477)	501,048
Trust preferred securities	33,410	61	(28,937)	4,534
Other equity securities	27,467	443	—	27,910
	$593,391	$ 17,304	$(29,673)	$581,022
December 31, 2010				
Obligations of other U.S. Government agencies and corporations	$ 73,656	$ 266	$ (1,170)	$ 72,752
Mortgage-backed securities	489,068	10,819	(3,377)	496,510
Trust preferred securities	32,452	150	(28,019)	4,583
Other equity securities	29,674	167	—	29,841
	$624,850	$ 11,402	$(32,566)	$603,686

There were no sales of securities available for sale for the six months ended June 30, 2011. Gross gains on sales of securities available for sale for the six months ended June 30, 2010 were $2,568, compared to gross losses on sales of securities available for sale of $519 for the same period.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note C – Securities (continued)

The amortized cost and fair value of securities at June 30, 2011, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because issuers may call or prepay obligations with or without call or prepayment penalties.

	Held to Maturity		Available for Sale	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	$ 6,252	$ 6,282	$ —	$ —
Due after one year through five years	37,663	38,249	2,991	3,006
Due after five years through ten years	83,756	85,203	44,661	44,524
Due after ten years	125,017	127,779	33,410	4,534
Mortgage-backed securities	—	—	484,862	501,048
Other equity securities	—	—	27,467	27,910
	$252,688	$257,513	$593,391	$581,022

The following table presents the age of gross unrealized losses and fair value by investment category:

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Held to Maturity:						
June 30, 2011						
Obligations of other U.S Government agencies and corporations	$ —	$ —	$ —	$ —	$ —	$ —
Obligations of states and political subdivisions	29,518	(491)	—	—	29,518	(491)
Total	$ 29,518	$ (491)	$ —	$ —	$ 29,518	$ (491)
December 31, 2010						
Obligations of other U.S Government agencies and corporations	$ 15,104	$ (404)	$ —	$ —	$ 15,104	$ (404)
Obligations of states and political subdivisions	97,367	(3,633)	—	—	97,367	(3,633)
Total	$112,471	$ (4,037)	$ —	$ —	$112,471	$ (4,037)
Available for Sale:						
June 30, 2011						
Obligations of other U.S Government agencies and corporations	$ 22,225	$ (259)	$ —	$ —	$ 22,225	$ (259)
Mortgage-backed securities	59,837	(477)	—	—	59,837	(477)
Trust preferred securities	—	—	1,473	(28,937)	1,473	(28,937)
Other equity securities	—	—	—	—	—	—
Total	$ 82,062	$ (736)	$1,473	$(28,937)	$ 83,535	$(29,673)
December 31, 2010						
Obligations of other U.S Government agencies and corporations	$ 39,513	$ (1,170)	$ —	$ —	$ 39,513	$ (1,170)
Mortgage-backed securities	148,867	(3,359)	2,254	(18)	151,121	(3,377)
Trust preferred securities	—	—	1,433	(28,019)	1,433	(28,019)
Other equity securities	—	—	—	—	—	—
Total	$188,380	$ (4,529)	$3,687	$(28,037)	$192,067	$(32,566)

Note C – Securities (continued)

The Company evaluates its investment portfolio for other-than-temporary-impairment ("OTTI") on a quarterly basis. Impairment is assessed at the individual security level. The Company considers an investment security impaired if the fair value of the security is less than its cost or amortized cost basis.

When impairment of an equity security is considered to be other-than-temporary, the security is written down to its fair value and an impairment loss is recorded as a loss within noninterest income in the Consolidated Statements of Income. When impairment of a debt security is considered to be other-than-temporary, the security is written down to its fair value. The amount of OTTI recorded as a loss within noninterest income depends on whether an entity intends to sell the debt security and whether it is more likely than not that the entity will be required to sell the security before recovery of its amortized cost basis. If an entity intends to, or has decided to, sell the debt security or more likely than not will be required to sell the security before recovery of its amortized cost basis, OTTI must be recognized in earnings in an amount equal to the entire difference between the security's amortized cost basis and its fair value. If an entity does not intend to sell the debt security and it is not more likely than not that the entity will be required to sell the security before recovery of its amortized cost basis, OTTI is separated into the amount representing credit loss and the amount related to all other market factors. The amount related to credit loss is recognized in earnings. The amount related to other market factors is recognized in other comprehensive income, net of applicable taxes.

The Company holds investments in pooled trust preferred securities and those from a single issuer. The investments in pooled trust preferred securities had a cost basis of $30,410 and $29,452 and a fair value of $1,473 and $1,433 at June 30, 2011 and December 31, 2010, respectively. The investment in pooled trust preferred securities consists of four securities representing interests in various tranches of trusts collateralized by debt issued by over 321 financial institutions. Management's determination of the fair value of each of its holdings in pooled trust preferred securities is based on the current credit ratings, the known deferrals and defaults by the underlying issuing financial institutions and the degree to which future deferrals and defaults would be required to occur before the cash flow for the Company's tranches is negatively impacted. In addition, management continually monitors key credit quality and capital ratios of the issuing institutions. This determination is further supported by quarterly valuations of each security obtained by the Company performed by third parties. The Company does not intend to sell the investments and it is not more likely than not that the Company will be required to sell the investments before recovery of the investments' amortized cost, which may be maturity. At June 30, 2011, management did not, and does not currently, believe such securities will be settled at a price less than the amortized cost of the investment, but the Company did conclude that it was probable that there had been an adverse change in estimated cash flows for two of the four pooled trust preferred securities. Accordingly, the Company recognized a credit related impairment loss on these securities of $262 for the three months ended June 30, 2011.

The following table provides information regarding the Company's investments in pooled trust preferred securities at June 30, 2011:

Name	Single/ Pooled	Class/ Tranche	Amortized Cost	Fair Value	Unrealized Loss	Lowest Credit Rating	Issuers Currently in Deferral or Default	Projected Additional Deferrals or Defaults
XXIV	Pooled	B-2	$ 12,733	$ 122	$(12,611)	Caa3	41%	11%
XXVI	Pooled	B-2	5,662	309	(5,353)	Ca	36%	6%
XXIII	Pooled	B-2	10,770	940	(9,830)	Ca	29%	4%
XIII	Pooled	B-2	1,245	102	(1,143)	Ca	32%	14%
			$ 30,410	$1,473	$(28,937)			

The following table provides a summary of the cumulative credit related losses recognized in earnings for which a portion of OTTI has been recognized in other comprehensive income:

	2011	2010
Balance at January 1	$(3,075)	$ —
Additions related to credit losses for which OTTI was not previously recognized	(262)	(160)
Increases in credit loss for which OTTI was previously recognized	—	—
Balance at June 30	$(3,337)	$(160)

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Note D – Loans and the Allowance for Loan Losses
(In Thousands)

The following is a summary of loans:

	June 30, 2011	December 31, 2010
Commercial, financial, agricultural	$ 267,576	$ 265,276
Lease financing	414	533
Real estate – construction	87,542	82,361
Real estate – 1-4 family mortgage	839,959	872,382
Real estate – commercial mortgage	1,304,677	1,239,843
Installment loans to individuals	62,492	64,225
Gross loans	2,562,660	2,524,620
Unearned income	(21)	(30)
Loans, net of unearned income	2,562,639	2,524,590
Allowance for loan losses	(47,571)	(45,415)
Net loans	$2,515,068	$2,479,175

Loans acquired in FDIC-assisted acquisitions were recorded, as of their respective acquisition dates, at fair value. The fair value of these loans represents the expected discounted cash flows to be received over the lives of the loans, taking into account the Company's estimate of future credit losses on the loans. These loans were excluded from the calculation of the allowance for loan losses and no provision for loan losses was recorded for these loans during the six months ended June 30, 2011 or for the year ended December 31, 2010 because the fair value measurement incorporates an estimate of losses on acquired loans. The Company will continue to monitor future cash flows on these loans; to the extent future cash flows deteriorate below initial projections, the Company may be required to reserve for these loans in the allowance for loan losses through future provision for loan losses.

In these Notes to Consolidated Financial Statements, the Company refers to loans subject to the loss-share agreements as "covered loans" or "loans covered under loss-share agreements" and loans that are not subject to the loss-share agreements as "not covered loans" or "loans not covered by loss-share agreements."

A summary of loans acquired in FDIC-assisted acquisitions at fair value follows:

	Impaired Covered Loans	Other Covered Loans	Not Covered Loans	Total Loans
June 30, 2011				
Commercial, financial, agricultural	$ 48	$ 24,185	$ —	$ 24,233
Real estate – construction	3,376	6,942	—	10,318
Real estate – 1-4 family mortgage	15,818	103,690	79	119,587
Real estate – commercial mortgage	58,877	163,999	—	222,876
Installment loans to individuals	—	214	6,031	6,245
Total	$78,119	$299,030	$6,110	$383,259
December 31, 2010				
Commercial, financial, agricultural	$ 10	$ 20,911	$ 3	$ 20,924
Real estate – construction	8,313	7,250	—	15,563
Real estate – 1-4 family mortgage	20,293	102,225	—	122,518
Real estate – commercial mortgage	67,445	107,128	—	174,573
Installment loans to individuals	—	106	8,052	8,158
Total	$96,061	$237,620	$8,055	$341,736

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Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note D – Loans and the Allowance for Loan Losses (continued)

Allowance for Loan Losses

The allowance for loan losses is established through a provision for loan losses charged to earnings resulting from measurements of inherent credit risk in the loan portfolio and estimates of probable losses or impairments of individual loans. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. The following table provides a rollforward of the allowance for loan losses for the periods presented:

	Commercial	Real Estate - Construction	Real Estate - 1-4 Family Mortgage	Real Estate - Commercial Mortgage	Installment and Other [(1)]	Total
Three Months Ended June 30, 2011						
Allowance for loan losses:						
Beginning balance	$ 3,282	$ 1,735	$ 21,107	$ 20,410	$ 971	$ 47,505
Provision for loan losses	1,662	192	1,620	1,879	(3)	5,350
Charge-offs	(1,139)	(569)	(3,084)	(823)	(33)	(5,648)
Recoveries	36	31	221	52	24	364
Ending balance	$ 3,841	$ 1,389	$ 19,864	$ 21,518	$ 959	$ 47,571
Six Months Ended June 30, 2011						
Allowance for loan losses:						
Beginning balance	$ 2,625	$ 2,115	$ 20,870	$ 18,779	$ 1,026	$ 45,415
Provision for loan losses	2,322	41	5,272	3,244	(29)	10,850
Charge-offs	(1,284)	(798)	(6,615)	(1,374)	(89)	(10,160)
Recoveries	178	31	337	869	51	1,466
Ending balance	$ 3,841	$ 1,389	$ 19,864	$ 21,518	$ 959	$ 47,571
June 30, 2011						
Individually evaluated for impairment	$ 754	$ 16	$ 8,264	$ 7,938	$ —	$ 16,972
Collectively evaluated for impairment	3,087	1,373	11,600	13,580	959	30,599
Loans acquired with deteriorated credit quality	—	—	—	—	—	—
Ending balance	$ 3,841	$ 1,389	$ 19,864	$ 21,518	$ 959	$ 47,571
Three Months Ended June 30, 2010						
Allowance for loan losses:						
Beginning balance	$ 2,088	$ 3,996	$ 19,035	$ 15,223	$ 752	$ 41,094
Provision for loan losses	150	1,078	5,115	661	(4)	7,000
Charge-offs	(166)	(2,983)	(3,573)	(430)	(79)	(7,231)
Recoveries	18	(10)	234	5	36	283
Ending balance	$ 2,090	$ 2,081	$ 20,811	$ 15,459	$ 705	$ 41,146
Six Months Ended June 30, 2010						
Allowance for loan losses:						
Beginning balance	$ 4,855	$ 4,494	$ 15,593	$ 12,577	$ 1,626	$ 39,145
Provision for loan losses	(2,561)	968	10,359	5,672	(773)	13,665
Charge-offs	(243)	(3,418)	(5,455)	(2,801)	(194)	(12,111)
Recoveries	39	37	314	11	46	447
Ending balance	$ 2,090	$ 2,081	$ 20,811	$ 15,459	$ 705	$ 41,146
June 30, 2010						
Individually evaluated for impairment	$ 410	$ 548	$ 10,080	$ 5,998	$ —	$ 17,036
Collectively evaluated for impairment	1,680	1,533	10,731	9,461	705	24,110
Loans acquired with deteriorated credit quality	—	—	—	—	—	—
Ending balance	$ 2,090	$ 2,081	$ 20,811	$ 15,459	$ 705	$ 41,146

(1) Includes lease financing receivables.

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Note D – Loans and the Allowance for Loan Losses (continued)

The following table provides recorded investment in loans, net of unearned income, based on the Company's impairment methodology for the periods presented:

	Commercial	Real Estate - Construction	Real Estate - 1-4 Family Mortgage	Real Estate - Commercial Mortgage	Installment and Other [(1)]	Total
June 30, 2011						
Individually evaluated for impairment	$ 9,134	$ 4,287	$ 80,437	$ 97,793	$ —	$ 191,651
Collectively evaluated for impairment	234,209	72,937	639,935	984,008	56,640	1,987,729
Loans acquired with deteriorated credit quality	24,233	10,318	119,587	222,876	6,245	383,259
Ending balance	$ 267,576	$ 87,542	$ 839,959	$1,304,677	$ 62,885	$2,562,639
December 31, 2010						
Individually evaluated for impairment	$ 7,361	$ 8,837	$ 94,883	$ 81,288	$ —	$ 192,369
Collectively evaluated for impairment	236,991	57,961	654,981	983,982	56,570	1,990,485
Loans acquired with deteriorated credit quality	20,924	15,563	122,518	174,573	8,158	341,736
Ending balance	$ 265,276	$ 82,361	$ 872,382	$1,239,843	$ 64,728	$2,524,590

(1) Includes lease financing receivables.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note D – Loans and the Allowance for Loan Losses (continued)

Credit Quality

For commercial and commercial real estate secured loans, internal risk-rating grades are assigned by lending, credit administration or loan review personnel, based on an analysis of the financial and collateral strength and other credit attributes underlying each loan. Management analyzes the resulting ratings, as well as other external statistics and factors such as delinquency, to track the migration performance of the portfolio balances of commercial and commercial real estate secured loans. Loan grades range between 1 and 9, with 1 being loans with the least credit risk. Loans that migrate toward the “Pass” grade (those with a risk rating between 1 and 4) or within the “Pass” grade generally have a lower risk of loss and therefore a lower risk factor. The “Watch” grade (those with a risk rating of 5) is utilized on a temporary basis for “Pass” grade loans where a significant risk-modifying action is anticipated in the near term. Loans that migrate toward the “Substandard” grade (those with a risk rating between 6 and 9) generally have a higher risk of loss and therefore a higher risk factor applied to those related loan balances. The following table presents the Company’s loan portfolio by risk-rating grades:

	Pass	Watch	Substandard	Total
June 30, 2011				
Commercial, financial, agricultural	$ 177,476	$ 3,608	$ 5,525	$ 186,609
Real estate – construction	52,386	4,145	142	56,673
Real estate – 1-4 family mortgage	105,706	38,755	41,683	186,144
Real estate – commercial mortgage	842,846	59,422	38,371	940,639
Total	$1,178,414	$105,930	$ 85,721	$1,370,065
December 31, 2010				
Commercial, financial, agricultural	$ 184,125	$ 3,536	$ 3,825	$ 191,486
Real estate – construction	40,129	6,528	2,309	48,966
Real estate – 1-4 family mortgage	121,896	47,911	46,972	216,779
Real estate – commercial mortgage	856,819	49,408	31,880	938,107
Total	$1,202,969	$107,383	$ 84,986	$1,395,338

For portfolio balances of consumer, consumer mortgage and certain other similar loan types, allowance factors are determined based on historical loss ratios by portfolio for the preceding eight quarters and may be adjusted by other qualitative criteria. The following table presents the performing status of the Company’s loan portfolio not subject to risk rating:

	Performing	Non-Performing	Total
June 30, 2011			
Commercial, financial, agricultural	$ 56,734	$ —	$ 56,734
Lease financing	414	—	414
Real estate – construction	20,551	—	20,551
Real estate – 1-4 family mortgage	528,708	5,520	534,228
Real estate – commercial mortgage	141,103	59	141,162
Installment loans to individuals	56,128	119	56,247
Total	$803,638	$ 5,698	$809,336
December 31, 2010			
Commercial, financial, agricultural	$ 52,866	$ —	$ 52,866
Lease financing	533	—	533
Real estate – construction	17,832	—	17,832
Real estate – 1-4 family mortgage	527,086	5,999	533,085
Real estate – commercial mortgage	127,068	95	127,163
Installment loans to individuals	55,996	71	56,067
Total	$781,381	$ 6,165	$787,546

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note D – Loans and the Allowance for Loan Losses (continued)

Past Due and Nonaccrual Loans

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Generally, the recognition of interest on mortgage and commercial loans is discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Consumer and other retail loans are typically charged-off no later than 120 days past due. In all cases, loans are placed on nonaccrual status or charged-off at an earlier date if collection of principal or interest is considered doubtful. Loans may be placed on nonaccrual regardless of whether or not such loans are considered past due. All interest accrued for the current year, but not collected, for loans that are placed on nonaccrual or charged-off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The following table provides an aging of past due loans, segregated by class:

	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Current Loans	Total Loans	Accruing 90 Days or More Past Due
June 30, 2011						
Commercial, financial, agricultural	$ 2,434	$ 6,502	$ 8,936	$ 258,640	$ 267,576	$ 1,326
Lease financing	—	—	—	414	414	—
Real estate – construction	630	7,132	7,762	79,780	87,542	226
Real estate – 1-4 family mortgage	16,951	43,706	60,657	779,302	839,959	6,138
Real estate – commercial mortgage	13,152	66,212	79,364	1,225,313	1,304,677	12,095
Installment loans to individuals	422	1,050	1,472	61,020	62,492	480
Unearned income	—	—	—	(21)	(21)	—
Total	$ 33,589	$124,602	$158,191	$2,404,448	$2,562,639	$20,265
December 31, 2010						
Commercial, financial, agricultural	$ 2,916	$ 3,869	$ 6,785	$ 258,491	$ 265,276	$ 224
Lease financing	—	—	—	533	533	—
Real estate – construction	667	11,419	12,086	70,275	82,361	128
Real estate – 1-4 family mortgage	22,255	45,971	68,226	804,156	872,382	4,794
Real estate – commercial mortgage	8,905	46,152	55,057	1,184,786	1,239,843	2,016
Installment loans to individuals	751	205	956	63,269	64,225	34
Unearned income	—	—	—	(30)	(30)	—
Total	$ 35,494	$107,616	$143,110	$2,381,480	$2,524,590	$ 7,196

The following table presents nonaccrual loans, including those that are not considered past due, segregated by class:

	June 30, 2011	December 31, 2010
Commercial, financial, agricultural	$ 6,215	$ 5,508
Lease financing	—	—
Real estate – construction	6,905	11,980
Real estate – 1-4 family mortgage	50,283	60,203
Real estate – commercial mortgage	57,109	50,719
Installment loans to individuals	599	645
Gross loans	$121,111	$ 129,055

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note D – Loans and the Allowance for Loan Losses (continued)

Impaired Loans

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Impairment is measured on a loan-by-loan basis for commercial and construction loans above a minimum dollar amount threshold by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price or the fair value of the collateral if the loan is collateral dependent. Large groups of smaller balance homogeneous loans are evaluated collectively for impairment. When the ultimate collectability of an impaired loan's principal is in doubt, wholly or partially, all cash receipts are applied to principal. Once the recorded balance has been reduced to zero, future cash receipts are applied to interest income, to the extent any interest has been foregone, and then they are recorded as recoveries of any amounts previously charged-off. For impaired loans, a specific reserve is established to adjust the carrying value of the loan to its estimated net realizable value.

Impaired loans recognized in conformity with ASC 310, segregated by class, were as follows:

	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment[(1)]
June 30, 2011				
With a related allowance recorded:				
Commercial, financial, agricultural	$ 2,020	$ 2,021	$ 754	$ 2,117
Real estate – construction	108	108	16	108
Real estate – 1-4 family mortgage	39,059	39,294	8,264	31,798
Real estate – commercial mortgage	34,655	35,385	7,938	34,801
Total	$ 75,842	$ 76,808	$ 16,972	$ 68,824
With no related allowance recorded:				
Commercial, financial, agricultural	$ 2,848	$ 3,544	$ —	$ 2,425
Real estate – construction	6,720	18,736	—	5,283
Real estate – 1-4 family mortgage	32,895	56,011	—	29,682
Real estate – commercial mortgage	72,522	114,151	—	66,799
Total	$114,985	$192,442	$ —	$ 104,189
Totals	$190,827	$269,250	$ 16,972	$ 173,013
December 31, 2010				
With a related allowance recorded:				
Commercial, financial, agricultural	$ 2,298	$ 2,547	$ 549	$ 2,684
Real estate – construction	181	181	20	906
Real estate – 1-4 family mortgage	42,889	43,654	10,349	44,756
Real estate – commercial mortgage	26,582	27,775	6,611	28,784
Total	$ 71,950	$ 74,157	$ 17,529	$ 77,130
With no related allowance recorded:				
Commercial, financial, agricultural	$ 10	$ 10	$ —	$ 10
Real estate – construction	8,313	8,313	—	8,315
Real estate – 1-4 family mortgage	26,611	29,086	—	30,455
Real estate – commercial mortgage	68,132	68,132	—	69,989
Total	$103,066	$105,541	$ —	$ 108,769
Totals	$175,016	$179,698	$ 17,529	$ 185,899

(1) Average recorded investment reported on a year-to-date basis.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note D – Loans and the Allowance for Loan Losses (continued)

Restructured Loans

Restructured loans are those for which concessions have been granted to the borrower due to a deterioration of the borrower's financial condition. Such concessions may include reduction in interest rates or deferral of interest or principal payments. In evaluating whether to restructure a loan, management analyzes the long-term financial condition of the borrower, including guarantor and collateral support, to determine whether the proposed concessions will increase the likelihood of repayment of principal and interest.

The following table presents restructured loans segregated by class:

	Number of Loans	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
June 30, 2011			
Commercial, financial, agricultural	1	$ 172	$ 125
Lease financing	—	—	—
Real estate – construction	—	—	—
Real estate – 1-4 family mortgage	22	24,561	23,236
Real estate – commercial mortgage	15	16,431	16,629
Installment loans to individuals	1	184	180
Total	39	$ 41,348	$ 40,170
December 31, 2010			
Commercial, financial, agricultural	1	$ 172	$ 125
Lease financing	—	—	—
Real estate – construction	—	—	—
Real estate – 1-4 family mortgage	26	21,854	21,116
Real estate – commercial mortgage	11	11,080	11,193
Installment loans to individuals	1	184	181
Total	39	$ 33,290	$ 32,615

Changes in the Company's restructured loans were as follows:

	Number of Loans	Recorded Investment
Totals at January 1, 2011	39	$ 32,615
Additional loans with concessions	11	11,336
Reductions due to:		
Reclassified as nonperforming	(9)	(2,546)
Transfer to other real estate owned	—	—
Charge-offs	—	—
Principal paydowns		(603)
Lapse of concession period	(2)	(632)
Totals at June 30, 2011	39	$ 40,170

The allocated allowance for loan losses attributable to restructured loans was $6,514 and $5,138 at June 30, 2011 and December 31, 2010, respectively. The Company had $1,058 and $1,122 in remaining availability under commitments to lend additional funds on these restructured loans at June 30, 2011 and December 31, 2010, respectively.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note D – Loans and the Allowance for Loan Losses (continued)

Loans Acquired with Deteriorated Credit Quality

Certain loans acquired in connection with prior acquisitions (excluding FDIC-assisted acquisitions) exhibited, at the date of acquisition, evidence of deterioration of the credit quality since origination, and it was probable that all contractually required payments would not be collected. The amount of such loans included in the Consolidated Balance Sheets under the line item "Loans - Not covered under loss-share agreements" at June 30, 2011 were as follows:

Real estate – 1-4 family mortgage	$1,232
Real estate – commercial mortgage	1,780
Total outstanding balance	3,012
Nonaccretable difference	(732)
Cash flows expected to be collected	2,280
Accretable yield	(88)
Fair value	$2,192

Changes in the accretable yield of these loans were as follows:

Balance at January 1, 2011	$ 172
Additions	—
Reclassifications from nonaccretable difference	69
Accretion	(153)
Balance at June 30, 2011	$ 88

The following table presents the fair value of loans covered by loss-share agreements determined to be impaired at the time of acquisition and determined not to be impaired at the time of acquisition at June 30, 2011:

	Impaired Loans	Non-impaired Loans	Total Covered Loans
Contractually-required principal and interest	$146,695	$ 376,914	$ 523,609
Nonaccretable difference[(1)]	(66,902)	(68,736)	(135,638)
Cash flows expected to be collected	79,793	308,178	387,971
Accretable yield[(2)]	(1,674)	(9,148)	(10,822)
Fair value	$ 78,119	$ 299,030	$ 377,149

(1) Represents contractual principal and interest cash flows of $125,038 and $10,600, respectively, not expected to be collected.

(2) Represents future interest payments of $5,927 expected to be collected and purchase discount of $4,895.

Changes in the accretable yield of covered loans were as follows:

	Impaired Loans	Non-impaired Loans	Total Covered Loans
Balance at January 1, 2011	$(3,626)	$ (15)	$ (3,641)
Additions through acquisition	—	(3,405)	(3,405)
Reclassifications from nonaccretable difference	—	—	—
Accretion	1,952	199	2,151
Balance at June 30, 2011	$(1,674)	$ (3,221)	$ (4,895)

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note E – Other Real Estate and Repossessions
(In Thousands)

The following table provides details of the Company's other real estate owned and repossessions ("OREO") covered and not covered under a loss-share agreement:

	Covered OREO	Not Covered OREO	Total OREO
June 30, 2011			
Residential real estate	$12,724	$ 11,481	$ 24,205
Commercial real estate	10,682	13,108	23,790
Residential land development	10,786	38,050	48,836
Commercial land development	25,610	5,526	31,136
Other	—	219	219
Total other real estate and repossessions	$59,802	$ 68,384	$128,186
December 31, 2010			
Residential real estate	$12,029	15,445	27,474
Commercial real estate	8,360	18,266	26,626
Residential land development	13,280	33,172	46,452
Commercial land development	21,046	4,501	25,547
Other	—	449	449
Total other real estate owned and repossessions	$54,715	$ 71,833	$126,548

Changes in the Company's OREO covered and not covered under a loss-share agreement were as follows:

	Covered OREO	Not Covered OREO	Total OREO
Balance at January 1, 2011	$54,715	$ 71,833	$126,548
Transfers of loans	12,585	15,242	27,827
Capitalized improvements	—	37	37
Impairments	—	(1,624)	(1,624)
Dispositions	(7,496)	(17,738)	(25,234)
Other	(2)	634	632
Balance at June 30, 2011	$59,802	$ 68,384	$128,186

Other real estate owned with a cost basis of $25,234 was sold during the six months ended June 30, 2011, resulting in a net loss of $1,836. Other real estate owned with a cost basis of $8,964 was sold during the six months ended June 30, 2010, resulting in a net loss of $387.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note F – FDIC Loss-Share Indemnification Asset
(In Thousands)

As part of the loan portfolio fair value estimation in connection with the Crescent and American Trust acquisitions, the Bank established a FDIC loss-share indemnification asset, which represents the present value of the estimated losses on loans to be reimbursed by the FDIC. The estimated losses were based on the same cash flow estimates used in determining the fair value of the loans. The FDIC loss-share indemnification asset will be reduced as losses are recognized on loans and loss-share payments are received from the FDIC. Realized losses in excess of estimates as of the dates of the respective acquisitions will increase the FDIC loss-share indemnification asset. Conversely, if realized losses are less than these estimates, the portion of the FDIC loss-share indemnification asset no longer expected to result in a payment from the FDIC will be amortized to interest income using the effective interest method.

Changes in the loss-share indemnification asset were as follows:

Balance at January 1, 2011	$155,657
Additions through acquisition	11,926
Reimbursable expenses claimed	—
Reimbursements received	(18,144)
Accretion	300
Balance at June 30, 2011	$149,739

Note G - Employee Benefit and Deferred Compensation Plans
(In Thousands, Except Share Data)

The plan expense for the Company-sponsored noncontributory defined benefit pension plan (“Pension Benefits”) and post-retirement health and life plans (“Other Benefits”) for the periods presented was as follows:

	Pension Benefits		Other Benefits	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2011	2010	2011	2010
Service cost	$ —	$ —	$ 9	$ 10
Interest cost	222	247	15	23
Expected return on plan assets	(329)	(252)	—	—
Prior service cost recognized	—	5	—	—
Recognized actuarial loss	75	93	33	29
Recognized curtailment loss	—	—	—	—
Net periodic benefit (income) cost	$ (32)	$ 93	$ 57	$ 62

	Six Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Service cost	$ —	$ —	$ 18	$ 19
Interest cost	458	494	38	46
Expected return on plan assets	(616)	(504)	—	—
Prior service cost recognized	—	10	—	—
Recognized actuarial loss	152	186	72	59
Recognized curtailment loss	—	—	—	—
Net periodic benefit (income) cost	$ (6)	$ 186	$ 128	$ 124

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note G - Employee Benefit and Deferred Compensation Plans (continued)

In January 2011 and 2010, the Company granted stock options which generally vest and become exercisable in equal installments of 33 1/3% upon completion of one, two and three years of service measured from the grant date. The fair value of stock option grants is estimated on the grant date using the Black-Scholes option-pricing model. The Company employed the following assumptions with respect to its stock option grants in 2011 and 2010 for the six month periods ended June 30, 2011 and 2010:

	2011 Grant	2010 Grant
Shares granted	170,000	138,500
Dividend yield	4.02%	4.74%
Expected volatility	36%	34%
Risk-free interest rate	1.97%	2.48%
Expected lives	6 years	6 years
Weighted average exercise price	$ 16.91	$ 14.22
Weighted average fair value	$ 3.93	$ 3.01

In addition, the Company awarded 7,500 shares of time-based restricted stock and 34,500 shares of performance-based restricted stock in January 2011. The time-based restricted stock is earned 100% upon completion of three years of service measured from the grant date. The performance-based restricted stock is earned, if at all, if the Company meets or exceeds financial performance results defined by the board of directors for the year. The fair value of the restricted stock grants on the date of the grants was $16.91 per share.

During the six months ended June 30, 2011, the Company reissued 17,956 shares from treasury in connection with the exercise of stock-based compensation. The Company recorded total stock-based compensation expense of $605 and $267 for the six months ended June 30, 2011 and 2010, respectively.

Note H – Segment Reporting
(In Thousands)

The Company’s internal reporting process is currently organized into four segments that account for the Company’s principal activities: the delivery of financial services through its community banks in Mississippi, Tennessee and Alabama and the delivery of insurance services through its insurance agency. In order to give the Company’s regional management a more precise indication of the income and expenses they can control, the results of operations for the geographic regions of the community banks and for the insurance company reflect the direct revenues and expenses of each respective segment. The Company believes this management approach will enable its regional management to focus on serving customers through loan originations and deposit gathering. Indirect revenues and expenses, including but not limited to income from the Company’s investment portfolio, as well as certain costs associated with data processing and back office functions, are not allocated to the Company’s segments. Rather, these revenues and expenses are shown in the “Other” column along with the operations of the holding company and eliminations which are necessary for purposes of reconciling to the consolidated amounts. The operations of Crescent and American Trust are included in the operations of the Tennessee community bank. Management believes future strategic opportunities in eastern Tennessee will result from the operations acquired in Georgia.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note H – Segment Reporting (continued)

The following table provides financial information for the Company's operating segments for the periods presented:

	Community Banks					
	Mississippi	Tennessee	Alabama	Insurance	Other	Consolidated
Three Months Ended June 30, 2011						
Net interest income	$ 13,127	$ 14,111	$ 6,657	$ 29	$ (1,317)	$ 32,607
Provision for loan losses	704	2,525	2,121	—	—	5,350
Noninterest income	7,142	2,604	1,803	798	1,002	13,349
Noninterest expense	7,915	9,022	3,489	733	11,396	32,555
Income before income taxes	11,650	5,168	2,850	94	(11,711)	8,051
Income taxes	3,343	1,727	829	38	(3,643)	2,294
Net income (loss)	$ 8,307	3,441	$ 2,021	$ 56	$ (8,068)	$ 5,757
Total assets	$1,510,273	$1,948,891	$785,087	$ 9,197	$ 5,752	$4,259,200
Goodwill	2,265	133,316	46,515	2,783	—	184,879
Three Months Ended June 30, 2010						
Net interest income	$ 12,871	$ 7,321	$ 5,517	$ 31	$ (2,060)	$ 23,680
Provision for loan losses	462	6,051	487	—	—	7,000
Noninterest income	7,288	1,344	1,810	863	3,039	14,344
Noninterest expense	8,081	4,821	4,022	730	8,534	26,188
Income before income taxes	11,616	(2,207)	2,818	164	(7,555)	4,836
Income taxes	2,660	(507)	645	65	(1,823)	1,040
Net income (loss)	$ 8,956	$ (1,700)	$ 2,173	$ 99	$ (5,732)	$ 3,796
Total assets	$1,545,202	$1,288,331	$746,352	$ 8,603	$ 5,384	$3,593,872
Goodwill	2,265	133,316	46,520	2,783	—	184,884
Six Months Ended June 30, 2011						
Net interest income	$ 26,168	$ 27,182	$ 13,570	$ 61	$ (3,908)	$ 63,073
Provision for loan losses	2,735	5,229	2,886	—	—	10,850
Noninterest income	14,296	13,234	3,767	1,941	1,876	35,114
Noninterest expense	16,121	18,649	8,533	1,456	24,519	69,278
Income before income taxes	21,608	16,538	5,918	546	(25,921)	18,689
Income taxes	6,305	4,647	1,719	212	(7,504)	5,379
Net income (loss)	$ 15,303	$ 11,891	$ 4,199	$ 334	$(18,417)	$ 13,310
Total assets	$1,510,273	$1,948,891	$785,087	$ 9,197	$ 5,752	$4,259,200
Goodwill	2,265	133,316	46,515	2,783	—	184,879
Six Months Ended June 30, 2010						
Net interest income	$ 26,137	$ 14,990	$ 10,703	$ 64	$ (3,804)	$ 48,090
Provision for loan losses	2,738	9,197	1,730	—	—	13,665
Noninterest income	14,646	2,824	3,851	1,920	3,587	26,828
Noninterest expense	15,798	9,458	7,999	1,465	17,102	51,822
Income before income taxes	22,247	(841)	4,825	519	(17,319)	9,431
Income taxes	5,101	(193)	1,106	202	(4,188)	2,028
Net income (loss)	$ 17,146	$ (648)	$ 3,719	$ 317	$(13,131)	$ 7,403
Total assets	$1,545,202	$1,288,331	$746,352	$ 8,603	$ 5,384	$3,593,872
Goodwill	2,265	133,316	46,520	2,783	—	184,884

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note I - Derivative Instruments
(In Thousands)

Beginning in the first quarter of 2011, the Company began entering into derivative instruments that are not designated as hedging instruments to help its commercial customers manage their exposure to interest rate fluctuations. To mitigate the interest rate risk associated with these customer contracts, the Company enters into an offsetting derivative contract position. The Company manages its credit risk, or potential risk of default by its commercial customers, through credit limit approval and monitoring procedures. At June 30, 2011, the Company had notional amounts of $20,815 on interest rate contracts with corporate customers and $20,815 in offsetting interest rate contracts with other financial institutions to mitigate the Company's rate exposure on its corporate customers' contracts.

In May 2010, the Company terminated two interest rate swaps, each designated as a cash flow hedge, designed to convert the variable interest rate on an aggregate of $75,000 of loans to a fixed rate. As of the termination date, there were $1,679 of deferred gains related to the swaps, which are being amortized into interest income over the designated hedging periods ending in August 2012 and August 2013. Deferred gains related to the swaps of $303 and $55 were amortized into net interest income for the six months ended June 30, 2011 and 2010, respectively.

The Company enters into interest rate lock commitments with its customers to mitigate the interest rate risk associated with the commitments to fund fixed-rate residential mortgage loans. The notional amount of commitments to fund fixed-rate mortgage loans was $23,495 and $31,685 at June 30, 2011 and December 31, 2010, respectively. The Company also enters into forward commitments to sell residential mortgage loans to secondary market investors. The notional amount of commitments to sell residential mortgage loans to secondary market investors was $22,371 at June 30, 2011. These mortgage loan commitments are recorded at fair value, with gains and losses arising from changes in the valuation of the commitments reflected under the line item "Gains on sales of mortgage loans held for sale" on the Consolidated Statements of Income and do not qualify for hedge accounting.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note I - Derivative Instruments (continued)

The following table provides details on the Company's derivative financial instruments:

	June 30, 2011		December 31, 2010	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivative assets:				
Not designated as hedging instruments:				
Interest rate swaps	Other Assets	$ 1,093	Other Assets	$ 941
Interest rate lock commitments	Other Assets	470	Other Assets	316
Totals		$ 1,563		$ 1,257
Derivative liabilities:				
Not designated as hedging instruments:				
Interest rate swaps	Other Liabilities	$ 1,093	Other Liabilities	$ 941
Forward commitments	Other Liabilities	31	Other Liabilities	—
Totals		$ 1,124		$ 941
Totals not designated as hedging instruments		$ 439		$ 316

The effect of the Company's derivative financial instruments on the Consolidated Statements of Income was as follows:

	Income Statement Location	Three Months Ended June 30,	
		2011	2010
Derivatives designated as cash flow hedging instruments:			
Interest rate swaps	Interest Income on Loans	$ —	$ 216
Interest rate swaps	Interest Expense on Borrowings	—	—
Total		$ —	$ 216
Derivatives not designated as hedging instruments:			
Interest rate swaps	Interest Income on Loans	$ 111	$ —
Interest rate lock commitments	Gains on Mortgage Loans Held for Sale	354	12
Forward commitments	Gains on Mortgage Loans Held for Sale	(31)	—
Total		$ 434	$ 12

	Income Statement Location	Six Months Ended June 30,	
		2011	2010
Derivatives designated as cash flow hedging instruments:			
Interest rate swaps	Interest Income on Loans	$ —	$ 552
Interest rate swaps	Interest Expense on Borrowings	—	225
Total		$ —	$ 327
Derivatives not designated as hedging instruments:			
Interest rate swaps	Interest Income on Loans	$ 160	$ —
Interest rate lock commitments	Gains on Mortgage Loans Held for Sale	154	105
Forward commitments	Gains on Mortgage Loans Held for Sale	(31)	—
Total		$ 283	$ 105

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note J –Fair Value Measurements
(In Thousands)

Fair Value Measurements and the Fair Level Hierarchy

ASC 820 provides guidance for using fair value to measure assets and liabilities and also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to a valuation based on quoted prices in active markets for identical assets and liabilities (Level 1), moderate priority to a valuation based on quoted prices in active markets for similar assets and liabilities and/or based on assumptions that are observable in the market (Level 2), and the lowest priority to a valuation based on assumptions that are not observable in the market (Level 3).

The following methods and assumptions are used by the Company to estimate the fair values of the Company's financial assets and liabilities that are measured on a recurring basis:

Securities available for sale: Securities available for sale consist primarily of debt securities such as obligations of U.S. Government agencies and corporations, mortgage-backed securities and trust preferred securities. For securities available for sale, fair values for debt securities are based on quoted market prices, where available, or a discounted cash flow model. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. The fair value of equity securities traded in an active market is based on quoted market prices; for equity securities not traded in an active market, fair value approximates their historical cost.

Derivative instruments: Interest rate swaps are extensively traded in over-the-counter markets at prices based upon projections of future cash payments/receipts discounted at market rates. The fair value of the Company's interest rate swaps is determined based upon discounted cash flows. The fair value of the mortgage loan commitments is based on readily available quoted market prices, obtained in the open market from mortgage investors. These fair values reflect the values of mortgage loans having similar terms and characteristics to the mortgage loan commitments entered into by the Company.

Certain assets may be recorded at fair value on a nonrecurring basis. These nonrecurring fair value adjustments typically are a result of the application of the lower of cost or market accounting or a write-down occurring during the period. The following methods and assumptions are used by the Company to estimate the fair values of the Company's financial assets and liabilities measured on a nonrecurring basis:

Mortgage loans held for sale: Mortgage loans held for sale are carried at the lower of cost or fair value. If fair value is used, it is determined using current secondary market prices for loans with similar characteristics, that is, using Level 2 inputs. Mortgage loans held for sale were carried at cost on the Consolidated Balance Sheets at June 30, 2011 and December 31, 2010.

Impaired loans: Loans considered impaired are reserved for at the time the loan is identified as impaired taking into account the fair value of the collateral less estimated selling costs. Collateral may be real estate and/or business assets including but not limited to equipment, inventory and accounts receivable. The fair value of real estate is determined based on appraisals by qualified licensed appraisers. The fair value of the business assets is generally based on amounts reported on the business's financial statements. Appraised and reported values may be adjusted based on changes in market conditions from the time of valuation and management's knowledge of the client and the client's business. Since not all valuation inputs are observable, these nonrecurring fair value determinations are classified as Level 3. Impaired loans are reviewed and evaluated on at least a quarterly basis for additional impairment and adjusted accordingly, based on the same factors previously identified. Impaired loans covered under loss-share agreements were recorded at their fair value upon the acquisition date, and no fair value adjustments were necessary through June 30, 2011 or for the year ended December 31, 2010.

Other real estate owned: OREO is comprised of commercial and residential real estate obtained in partial or total satisfaction of loan obligations. OREO not covered under loss-share agreements acquired in settlement of indebtedness is recorded at the fair value of the real estate less estimated costs to sell. Subsequently, it may be necessary to record nonrecurring fair value adjustments for declines in fair value. Fair value, when recorded, is determined based on appraisals by qualified licensed appraisers and adjusted for management's estimates of costs to sell. Accordingly, values for OREO are classified as Level 3. OREO covered under loss-share agreements were recorded at their fair value upon their acquisition date, and no fair value adjustments were necessary through June 30, 2011 or for the period from its acquisition date to December 31, 2010.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note J –Fair Value Measurements (continued)

The following table presents assets and liabilities that are measured at fair value on a recurring basis:

	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Totals
June 30, 2011				
Financial assets:				
Securities available for sale:				
Obligations of other U.S. Government agencies and corporations	$ —	$ 47,530	$ —	$ 47,530
Mortgage-backed securities	—	501,048	—	501,048
Trust preferred securities	—	3,061	1,473	4,534
Other equity securities	—	—	27,910	27,910
Total securities available for sale	—	551,639	29,383	581,022
Derivative instruments:				
Interest rate swaps	—	1,093	—	1,093
Interest rate lock commitments	—	470	—	470
Total derivative instruments	—	1,563	—	1,563
Total financial assets	$ —	$553,202	$ 29,383	$582,585
Financial liabilities:				
Derivative instruments:				
Interest rate swaps	$ —	1,093	$ —	1,093
Forward commitments	—	31	—	31
Total derivative instruments	—	1,124	—	1,124
Total financial liabilities	$ —	$ 1,124	$ —	$ 1,124
December 31, 2010				
Securities available for sale:				
Obligations of other U.S. Government agencies and corporations	$ —	$ 72,752	$ —	$ 72,752
Mortgage-backed securities	—	496,510	—	496,510
Trust preferred securities	—	3,150	1,433	4,583
Other equity securities	—	—	29,841	29,841
Total securities available for sale	—	572,412	31,274	603,686
Derivative instruments:				
Interest rate swaps	—	941	—	941
Interest rate lock commitments	—	316	—	316
Total derivative instruments	—	1,257	—	1,257
Total financial assets	$ —	$573,669	$ 31,274	$604,943
Financial liabilities:				
Derivative instruments:				
Interest rate swaps	$ —	$ 941	$ —	$ 941
Total derivative instruments	—	941	—	941
Total financial liabilities	$ —	$ 941	$ —	$ 941

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note J –Fair Value Measurements (continued)

The following table provides a reconciliation for assets and liabilities measured at fair value on a recurring basis using Level 3 inputs during the six months ended June 30, 2011:

	Securities available for sale		
	Trust preferred securities	Other equity securities	Total
Balance at January 1, 2011	$ 1,433	$ 29,841	$31,274
Transfers in and/or out of Level 3	—	—	—
Realized losses included in net income	(256)	(59)	(315)
Unrealized gains (losses) included in other comprehensive income	(918)	276	(642)
Additions through acquisition	—	1,194	1,194
Purchases	1,214	—	1,214
Settlements	—	(3,342)	(3,342)
Balance at June 30, 2011	$ 1,473	$ 27,910	$29,383

The following table presents assets measured at fair value on a nonrecurring basis that were still held in the Consolidated Balance Sheets at those respective dates:

	Level 1	Level 2	Level 3	Totals
June 30, 2011				
Impaired loans	$ —	$ —	$75,842	$75,842
Other real estate owned	—	—	7,185	7,185
December 31, 2010				
Impaired loans	$ —	$ —	$78,954	$78,954
Other real estate owned	—	—	15,150	15,150

Impaired loans not covered under loss-share agreements with a carrying value of $75,842 and $78,954 had an allocated allowance for loan losses of $16,972 and $17,529 at June 30, 2011 and December 31, 2010, respectively. The allocated allowance is based on the carrying value of the impaired loan and the fair value of the underlying collateral less estimated costs to sell.

OREO not covered under loss-share agreements with a carrying amount of $8,643 was written down to $7,185, resulting in a loss of $1,458, which was included in the results of operations for the six months ended June 30, 2011. OREO with a carrying amount of $18,816 was written down to $15,150, resulting in a loss of $3,666, which was included in the results of operations for the year ended December 31, 2010.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note J –Fair Value Measurements (continued)

Fair Value of Financial Instruments

The carrying amounts and estimated fair values of the Company’s financial instruments, including those assets and liabilities that are not measured and reported at fair value on a recurring basis or nonrecurring basis, were as follows:

	June 30, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Cash and cash equivalents	$ 237,165	$ 237,165	$ 292,669	$ 292,669
Securities held to maturity	252,688	257,513	230,786	228,157
Securities available for sale	581,022	581,022	603,686	603,686
Mortgage loans held for sale	11,511	11,511	27,704	27,704
Loans covered under loss-share agreements	377,149	381,647	333,681	334,096
Loans not covered under loss-share agreements	2,185,490	2,154,374	2,145,494	2,123,169
FDIC loss-share indemnification asset	149,740	149,740	155,657	155,657
Derivative instruments	1,563	1,563	1,257	1,257
Financial liabilities				
Deposits	3,477,419	3,477,117	3,468,151	3,468,574
Short-term borrowings	16,066	16,066	15,386	15,386
Federal Home Loan Bank advances	121,151	126,040	175,119	181,909
Junior subordinated debentures	75,851	24,177	75,931	25,073
TLGP Senior Note	50,000	51,123	50,000	50,361
Derivative instruments	1,124	1,124	941	941

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value. The methodologies for estimating the fair value of financial assets and liabilities that are measured at fair value on a recurring or nonrecurring basis are discussed above.

Cash and cash equivalents: Cash and cash equivalents consists of cash and due from banks and interest-bearing balances with banks. The carrying amount reported in the Consolidated Balance Sheets for cash and cash equivalents approximates fair value based on the short-term nature of these assets.

Securities held to maturity: For securities held to maturity, fair values for debt securities are based on quoted market prices, where available, or a discounted cash flow model. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

Loans covered under loss-share agreements: The fair value of loans covered under loss-share agreements is based on the net present value of future cash proceeds expected to be received using discount rates that are derived from current market rates and reflect the level of interest risk in the covered loans.

Loans not covered under loss-share agreements: For variable-rate loans not covered under loss-share agreements that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. Fair values of fixed-rate loans not covered under loss-share agreements, including mortgages, commercial, agricultural and consumer loans, are estimated using a discounted cash flow analysis based on interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

FDIC loss-share indemnification asset: The fair value of the FDIC loss-share indemnification asset is based on the net present value of future cash flows expected to be received from the FDIC under the provisions of the loss-share agreements using a discount rate that is based on current market rates for the underlying covered loans. Current market rates are used in light of the uncertainty of the timing and receipt of the loss-share reimbursement from the FDIC.

Deposits: The fair values disclosed for demand deposits, both interest-bearing and noninterest-bearing, are, by definition, equal to the amount payable on demand at the reporting date. The fair values of certificates of deposit and individual retirement accounts are estimated using a discounted cash flow based on currently effective interest rates for similar types of accounts.

Note J –Fair Value Measurements (continued)

Short-term borrowings: Short-term borrowings consist of treasury, tax and loan notes and securities sold under agreements to repurchase. The fair value of these short-term borrowings approximates the carrying value of the amounts reported in the Consolidated Balance Sheets for each respective account.

Federal Home Loan Bank advances: The fair value for FHLB advances is determined by discounting the future cash flows using the current market rate.

Junior subordinated debentures: The fair value for the Company's junior subordinated debentures is determined by discounting the future cash flows using the current market rate.

TLGP Senior Note: The fair value for the Company's senior note guaranteed by the FDIC under the Temporary Liquidity Guarantee Program ("TLGP") is determined by discounting the future cash flows using the current market rate.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note K – Other Comprehensive Income
(In Thousands)

The components of other comprehensive income were as follows:

	Three Months Ended June 30,	
	2011	2010
Net income	$ 5,757	$ 3,796
Other comprehensive income:		
Unrealized holding gains on securities, net of tax expense of $8,905 and $1,497	14,377	2,416
Non-credit related portion of other-than-temporary impairment on securities, net of tax benefit of $5,807	(9,376)	—
Reclassification adjustment for gains realized in net income, net of tax expense of $38 and $901	(62)	(1,454)
Net change in unrealized losses on securities	4,940	962
Unrealized holding gains on derivative instruments, net of tax expense of $105	—	170
Reclassification adjustment for gains realized in net income, net of tax expense of $59 and $21	(94)	(34)
Net change in unrealized gains on derivative instruments	(94)	136
Net change in defined benefit pension and post-retirement benefit plans, net of tax expense of $41 and $49	66	79
Other comprehensive income	4,912	1,177
Comprehensive income	$10,669	$ 4,973

	Six Months Ended June 30,	
	2011	2010
Net income	$13,310	$ 7,403
Other comprehensive income:		
Unrealized holding gains on securities, net of tax expense of $9,077 and $6,076	14,655	9,809
Non-credit related portion of other-than-temporary impairment on securities, net of tax benefit of $5,807 and $4,447	(9,376)	(7,180)
Reclassification adjustment for gains realized in net income, net of tax expense of $148 and $897	(238)	(1,448)
Net change in unrealized losses on securities	5,041	1,181
Unrealized holding gains on derivative instruments, net of tax expense of $98	—	158
Reclassification adjustment for gains realized in net income, net of tax expense of $116 and $21	(187)	(34)
Net change in unrealized gains on derivative instruments	(187)	124
Net change in defined benefit pension and post-retirement benefit plans, net of tax expense of $85 and $97	137	157
Other comprehensive income	4,991	1,462
Comprehensive income	$18,301	$ 8,865

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Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

Note K – Other Comprehensive Income (continued)

The accumulated balances for each component of other comprehensive income, net of tax, were as follows

	June 30, 2011	June 30, 2010
Net unrealized gains (losses) on securities	$ 3,097	$ 6,298
Net non-credit related portion of other-than-temporary impairment on securities	(9,376)	(7,180)
Net unrealized gains on derivative instruments	626	1,003
Net unrecognized defined benefit pension and post-retirement benefit plans obligations	(5,797)	(6,115)
Total accumulated other comprehensive loss	$(11,450)	$(5,994)

Note L – Net Income Per Common Share
(In Thousands, Except Share Data)

Basic and diluted net income per common share were as follows:

	Three Months Ended June 30,	
	2011	2010
Basic		
Net income applicable to common stock	$ 5,757	$ 3,796
Average common shares outstanding	25,059,081	21,088,942
Net income per common share - basic	$ 0.23	$ 0.18
Diluted		
Net income applicable to common stock	$ 5,757	$ 3,796
Average common shares outstanding	25,059,081	21,088,942
Effect of dilutive stock-based compensation	123,422	135,894
Average common shares outstanding - diluted	25,182,503	21,224,836
Net income per common share - diluted	$ 0.23	$ 0.18

	Six Months Ended June 30,	
	2011	2010
Basic		
Net income applicable to common stock	$ 13,310	$ 7,403
Average common shares outstanding	25,055,623	21,085,983
Net income per common share - basic	$ 0.53	$ 0.35
Diluted		
Net income applicable to common stock	$ 13,310	$ 7,403
Average common shares outstanding	25,055,623	21,085,983
Effect of dilutive stock-based compensation	127,592	133,679
Average common shares outstanding - diluted	25,183,215	21,219,662
Net income per common share - diluted	$ 0.53	$ 0.35

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(In Thousands, Except Share Data)

This Form 10-Q may contain or incorporate by reference statements regarding Renasant Corporation (referred to herein as the "Company", "we", "our", or "us") which may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements usually include words such as "expects," "projects," "proposes," "anticipates," "believes," "intends," "estimates," "strategy," "plan," "potential," "possible" and other similar expressions. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties and that actual results may differ materially from those contemplated by such forward-looking statements.

Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include (1) the Company's ability to efficiently integrate its acquisitions of Crescent Bank & Trust Company and American Trust Bank (described below) into its operations, retain the customers of these institutions and grow the acquired franchises; (2) the effect of economic conditions and interest rates on a national, regional or international basis; (3) the timing of the implementation of changes in operations to achieve enhanced earnings or effect cost savings; (4) competitive pressures in the consumer finance, commercial finance, insurance, financial services, asset management, retail banking, mortgage lending and auto lending industries; (5) the financial resources of, and products available to, competitors; (6) changes in laws and regulations, including changes in accounting standards; (7) changes in policy by regulatory agencies; (8) changes in the securities and foreign exchange markets; (9) the Company's potential growth, including its entrance or expansion into new markets, and the need for sufficient capital to support that growth; (10) changes in the quality or composition of the Company's loan or investment portfolios, including adverse developments in borrower industries or in the repayment ability of individual borrowers; (11) an insufficient allowance for loan losses as a result of inaccurate assumptions; (12) general economic, market or business conditions; (13) changes in demand for loan products and financial services; (14) concentration of credit exposure; (15) changes or the lack of changes in interest rates, yield curves and interest rate spread relationship; and (16) other circumstances, many of which are beyond management's control. Management undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time.

Overview

Renasant Corporation owns and operates Renasant Bank ("Renasant Bank" or the "Bank") and Renasant Insurance, Inc. The Company offers a diversified range of financial and insurance services to its retail and commercial customers through its subsidiaries and full service offices located throughout north and north central Mississippi, west and middle Tennessee, north and north central Alabama and north Georgia.

On February 4, 2011, the Bank acquired specified assets and assumed specified liabilities of American Trust Bank, a Georgia-chartered bank headquartered in Roswell, Georgia ("American Trust"), from the FDIC, as receiver for American Trust. American Trust operated, and the Company acquired and retained, 3 branches in the northwest region of Georgia. The Bank acquired assets with a fair value of $247,505, including loans with a fair value of $74,399, and assumed liabilities with a fair value of $238,731, including deposits with a fair value of $223,007. At the acquisition date, approximately $73,657 of acquired loans were covered by loss-share agreements between the FDIC and the Bank. The acquisition of American Trust resulted in a pre-tax gain of $8,774. For more information regarding this transaction, please refer to Note B, "FDIC-Assisted Acquisitions," in the Notes to Consolidated Financial Statements included in Item 1, "Financial Statements."

On July 23, 2010, the Bank acquired specified assets and assumed specified liabilities of Crescent Bank & Trust Company, a Georgia-chartered bank headquartered in Jasper, Georgia ("Crescent"), from the Federal Deposit Insurance Corporation (the "FDIC"), as receiver for Crescent. Crescent operated, and the Company acquired and retained, 11 branches in the northwest region of Georgia. The Bank acquired assets with a fair value of $959,307, including loans with a fair value of $371,100, and assumed liabilities with a fair value of $917,096, including deposits with a fair value of $890,103. At the acquisition date, approximately $361,472 of acquired loans and $50,168 of other real estate owned were covered by loss-share agreements between the FDIC and the Bank. For more information regarding this transaction, please refer to Note B, "FDIC-Assisted Acquisition of Certain Assets and Liabilities of Crescent Bank & Trust," in the Notes to Consolidated Financial Statements included in Item 8, "Financial Statements and Supplementary Data," in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

Financial Condition

The Company's total assets were $4,259,200 at June 30, 2011 as compared to $4,297,327 on December 31, 2010.

Cash and cash equivalents decreased to $237,165 at June 30, 2011 from $292,669 at December 31, 2010. Cash and cash equivalents represented 5.57% of total assets at June 30, 2011 compared to 6.81% of total assets at December 31, 2010.

Investments

The following table shows the carrying value of our securities portfolio by investment type, and the percentage of such investment type relative to the entire securities portfolio, for the periods presented:

	June 30, 2011	Percentage of Portfolio	December 31, 2010	Percentage of Portfolio
Obligations of other U.S. Government agencies and corporations	$ 89,951	10.79%	$ 97,455	11.68%
Mortgage-backed securities	501,048	60.10	496,510	59.50
Obligations of states and political subdivisions	210,267	25.22	206,083	24.70
Trust preferred securities	4,534	0.54	4,583	0.54
Other equity securities	27,910	3.35	29,841	3.58
Total investments	$833,710	100.00%	$ 834,472	100.00%

The balance of our investment portfolio at June 30, 2011 was $833,710 compared to $834,472 at December 31, 2010. During the first six months of 2011, we purchased $105,270 in investment securities. The purchases were primarily mortgage-backed securities and collateralized mortgage obligations ("CMO's"), which in the aggregate made up approximately 46.15% of the purchases. CMO's are included in the "Mortgage-backed securities" line item in the above table. The mortgage-backed securities and CMO's held in our investment portfolio are primarily issued by government sponsored entities. U.S. Government Agency securities and municipal securities accounted for approximately 26.81% and 27.04%, respectively, of the remainder of the securities purchased in the first six months of 2011. The carrying value of securities sold during the first six months of 2011, totaled $13,017, consisting solely of municipal securities. Maturities and calls of securities during the first six months of 2011 totaled $106,698. At June 30, 2011, unrealized losses of $29,637 were recorded on investment securities with a carrying value of $83,535.

Loans

The table below sets forth the balance of loans outstanding by loan type:

	June 30, 2011	Percentage of Total Loans	December 31, 2010	Percentage of Total Loans
Commercial, financial, agricultural	$ 267,576	10.44%	$ 265,276	10.51%
Lease financing	393	0.02	503	0.02
Real estate – construction	87,542	3.42	82,361	3.26
Real estate – 1-4 family mortgage	839,959	32.78	872,382	34.56
Real estate – commercial mortgage	1,304,677	50.91	1,239,843	49.11
Installment loans to individuals	62,492	2.43	64,225	2.54
Total loans, net of unearned income	$2,562,639	100.00%	$2,524,590	100.00%

At June 30, 2011, loans increased $38,049 from December 31, 2010 which is primarily a result of the acquisition of American Trust. The loans acquired in the American Trust acquisition were, for the most part, covered under loss-share agreements with the FDIC. For loans covered under the loss-share agreements (referred to as "covered loans"), the FDIC will reimburse the Bank 80% of the losses incurred on these loans.

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The following table provides a breakdown of loans covered and not covered under a loss-share agreement:

	June 30, 2011			December 31, 2011		
	Covered Loans	Not Covered Loans	Total Loans	Covered Loans	Not Covered Loans	Total Loans
Commercial, financial, agricultural	$ 24,233	$ 243,343	$ 267,576	$ 20,921	$ 244,355	$ 265,276
Lease financing	—	393	393	—	503	503
Real estate – construction:						
Residential	4,202	38,330	42,532	6,476	31,143	37,619
Commercial	6,116	33,301	39,417	9,087	30,638	39,725
Condominiums	—	5,593	5,593	—	5,017	5,017
Total real estate – construction	10,318	77,224	87,542	15,563	66,798	82,361
Real estate – 1-4 family mortgage:						
Primary	21,914	340,502	362,416	19,786	343,712	363,498
Home equity	22,621	161,438	184,059	21,454	161,973	183,427
Rental/investment	46,435	138,455	184,890	51,065	148,308	199,373
Land development	28,538	80,056	108,594	30,214	95,870	126,084
Total real estate – 1-4 family mortgage	119,508	720,451	839,959	122,519	749,863	872,382
Real estate – commercial mortgage:						
Owner-occupied	105,699	518,971	624,670	71,455	522,288	593,743
Non-owner occupied	47,036	448,203	495,239	24,863	432,872	457,735
Land development	70,141	114,627	184,768	78,254	110,111	188,365
Total real estate – commercial mortgage	222,876	1,081,801	1,304,677	174,572	1,065,271	1,239,843
Installment loans to individuals	214	62,278	62,492	106	64,119	64,225
Total loans, net of unearned income	$377,149	$2,185,490	$2,562,639	$333,681	$2,190,909	$2,524,590

During the six months of 2011, loans in our Alabama and Georgia regions increased $26,606 and $55,404, respectively, while loans in our Mississippi and Tennessee region decreased $17,729 and $24,844, respectively, from December 31, 2010. The increase in the Georgia region is due primarily to the American Trust acquisition.

Loan concentrations are considered to exist when there are amounts loaned to a number of borrowers engaged in similar activities which would cause them to be similarly impacted by economic or other conditions. At June 30, 2011, there were no concentrations of loans exceeding 10% of total loans which are not disclosed as a category of loans separate from the categories listed above.

Mortgage loans held for sale were $11,511 at June 30, 2011 compared to $27,704 at December 31, 2010. Originations of mortgage loans to be sold totaled $185,652 for the first six months of 2011 as compared to $214,385 for the same period in 2010. Gains and losses are realized at the time consideration is received and all other criteria for sales treatment have been met. These loans are typically sold within thirty days after the loan is funded. Although loan fees and some interest income are derived from mortgage loans held for sale, the main source of income is gains from the sale of mortgage loans in the secondary market.

Deposits

The Company relies on deposits as its major source of funds. Total deposits were $3,477,419 at June 30, 2011 compared to $3,468,151 at December 31, 2010. Noninterest-bearing deposits were $458,686 at June 30, 2011 compared to $368,798 at December 31, 2010, while interest-bearing deposits were $3,018,733 at June 30, 2011 compared to $3,099,353 at December 31, 2010. The acquisition of American Trust increased noninterest-bearing and interest-bearing deposits by $8,585 and $120,692, respectively, at June 30, 2011 compared to December 31, 2010. Deposits in the Mississippi region increased $39,086 in the first six months of 2011, while deposits in the Alabama and Tennessee regions decreased $46,779 and $62,329, respectively, in the first six months of 2011. Deposits in our Georgia markets increased $79,289 at June 30, 2011 since December 31, 2010 due to the American Trust acquisition.

Borrowed Funds

Total borrowings, which include federal funds purchased, treasury, tax and loan notes, securities sold under agreements to repurchase, advances from the Federal Home Loan Bank (“FHLB”), debt guaranteed by the FDIC under its Temporary Liquidity Guarantee Program and junior subordinated debentures, were $263,067 at June 30, 2011 compared to $316,436 at December 31, 2010. FHLB advances were $121,151 at June 30, 2011 compared to $175,119 at December 31, 2010. The Company assumed $15,020 in long-term FHLB advances in connection with the American Trust acquisition, all of which were repaid during the first quarter of 2011. The Company repaid $50,000 of long-term FHLB borrowings during the first three months of 2011 and incurred prepayment penalties of $1,903.

Results of Operations

Three Months Ended June 30, 2011 as Compared to the Three Months Ended June 30, 2010

Net income for the three month period ended June 30, 2011 was $5,757, which represents an increase of $1,961, or 51.67%, from net income of $3,796 for the three month period ended June 30, 2010. Basic and diluted earnings per share increased $0.05 to $0.23 for the three month period ended June 30, 2011 as compared to $0.18 for the prior year.

Net Interest Income

Net interest income, the difference between interest earned on assets and the cost of interest-bearing liabilities, is the largest component of our net income. The primary concerns in managing net interest income are the mix and the repricing of rate-sensitive assets and liabilities. Net interest income increased 37.70% to $32,607 for the second quarter of 2011 compared to $23,680 for the same period in 2010. Net interest margin, the tax equivalent net yield on earning assets, increased to 3.76% for the first six months of 2011 from 3.15% for the same period in 2010. Net interest margin and net interest income are influenced by several factors, primarily changes in interest rates, competition and the shape of the interest rate yield curve.

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The following table sets forth average balance sheet data, including all major categories of interest-earning assets and interest-bearing liabilities, together with the interest earned or interest paid and the average yield or average rate paid on each such category for the periods presented:

	Three Months Ended June 30,					
	2011			2010		
	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
Assets						
Interest-earning assets:						
Loans[1]	$2,575,890	$36,347	5.66%	$2,304,663	$31,904	5.55%
Securities:						
Taxable[2]	648,978	5,473	3.37	584,312	5,290	3.63
Tax-exempt	214,757	3,308	6.16	150,378	2,344	6.23
Interest-bearing balances with banks	200,071	163	0.33	121,861	52	0.17
Total interest-earning assets	3,639,696	45,291	4.99	3,161,214	39,590	5.02
Cash and due from banks	67,037			50,617		
Intangible assets	191,320			190,639		
FDIC loss-share indemnification asset	150,312			—		
Other assets	246,165			213,655		
Total assets	$4,294,530			$3,616,125		
Liabilities and shareholders' equity						
Interest-bearing liabilities:						
Deposits:						
Interest-bearing demand[3]	$1,421,044	3,085	0.87	$1,009,194	3,066	1.22
Savings deposits	214,190	195	0.36	144,202	286	0.79
Time deposits	1,437,575	5,496	1.53	1,233,779	7,094	2.31
Total interest-bearing deposits	3,072,809	8,776	1.15	2,387,175	10,446	1.76
Borrowed funds	261,060	2,377	3.64	468,196	4,255	3.67
Total interest-bearing liabilities	3,333,869	11,153	1.34	2,855,371	14,701	2.07
Noninterest-bearing deposits	468,170			315,242		
Other liabilities	15,595			32,553		
Shareholders' equity	476,896			412,959		
Total liabilities and shareholders' equity	$4,294,530			$3,616,125		
Net interest income/net interest margin		$34,138	3.76%		$24,889	3.15%

(1) Includes mortgage loans held for sale and shown net of unearned income.

(2) U.S. Government and some U.S. Government Agency securities are tax-exempt in the states in which we operate.

(3) Interest-bearing demand deposits include interest-bearing transactional accounts and money market deposits.

The average balances of nonaccruing loans are included in the table above. Interest income and weighted average yields on tax-exempt loans and securities have been computed on a fully tax-equivalent basis assuming a federal tax rate of 35% and a state tax rate of 3.3%, which is net of federal tax benefit.

Interest income, on a tax equivalent basis, was $45,291 for the second quarter of 2011 compared to $39,590 for the same period in 2010. The increase in interest income was driven primarily by an increase in the average balance of interest earning assets offset by a slight decline in the yield on interest-earning assets. The tax equivalent yield on interest-earning assets decreased 3 basis points in the second quarter of 2011 compared to the second quarter of 2010. The change in the mix of interest-earning assets from higher yielding loans to lower yielding interest bearing cash balances further contributed to the decline in tax equivalent yield.

The following table presents the percentage of total average earning assets, by type and yield, for the three months ended June 30 for each of the years presented:

	Percentage of Total		Yield	
	2011	2010	2011	2010
Loans	70.77%	72.90%	5.66%	5.55%
Securities	23.73	23.24	4.07	4.16
Other	5.50	3.86	0.33	0.17
Total earning assets	100.00%	100.00%	4.99%	5.02%

Interest expense was $11,153 for the second quarter of 2011, a decrease of $3,548, or 24.13%, as compared to the same period in 2010. The decrease in interest expense was due to the decrease in the cost of interest-bearing liabilities as a result of the declining interest rate environment and a change in the mix of our interest-bearing liabilities in which we utilized lower cost deposits to replace higher costing liabilities. The cost of interest-bearing liabilities was 1.34% for the second quarter of 2011 as compared to 2.07% for the same period in 2010.

The following table presents the Company's funding sources which consists of total average deposits and borrowed funds, by type, and total cost of funds, for the second quarter for each of the years presented:

	Percentage of Total		Cost of Funds	
	2011	2010	2011	2010
Noninterest-bearing demand	12.31%	9.94%	— %	— %
Interest-bearing demand	37.38	31.83	0.87	1.22
Savings	5.63	4.55	0.36	0.79
Time deposits	37.81	38.91	1.53	2.31
Federal Home Loan Bank advances	3.21	10.19	4.17	3.74
Other borrowed funds	3.66	4.58	3.18	3.52
Total deposits and borrowed funds	100.00%	100.00%	1.17%	1.86%

Noninterest Income

Noninterest income was $13,349 for the three months ended June 30, 2011, a decrease of $995, or 6.94%, as compared to 2010.

Charges for deposit services, the primary contributor to noninterest income, were $5,082 and $5,361 for the second quarter of 2011 and 2010, respectively. The operations of Crescent and American Trust increased service charges on deposit accounts by $361 during the second quarter of 2011. Overdraft fees, the largest component of service charges on deposits, were $4,519 for the three month period ended June 30, 2011 compared to $4,832 for the same period in 2010.

Fees and commissions (which includes fees charged for both deposit services and loan services) increased 33.41% to $4,548 during the second quarter of 2011 as compared to $3,409 for the second quarter of 2010. The operations of Crescent and American Trust increased fees and commissions by $369 during the second quarter of 2011. Fees charged on loans include origination, underwriting, documentation and other administrative fees. Loan fees were $1,807 during the second quarter of 2011 as compared to $1,238 for the second quarter of 2010. With respect to fees related to deposit services, interchange fees on debit card transactions continue to be a strong source of noninterest income. For the second quarter of 2011, fees associated with debit card usage were $1,855, an increase of 21.50% as compared to $1,527 for the same period of 2010. The Company also provides specialized products and services to our customers through our Financial Services division. Specialized products include fixed and variable annuities, mutual funds, and stocks offered through a third party provider. Revenues generated from the sale of all of these products, which are included in the Consolidated Statements of Income in the account line "Fees and commissions," were $490 for the second quarter of 2011 compared to $279 for the same period of 2010.

The trust department operates on a custodial basis which includes administration of benefit plans, as well as accounting and money management for trust accounts. The trust department manages a number of trust accounts inclusive of personal and corporate benefit accounts, self-directed IRA's, and custodial accounts. Fees for managing these accounts are based on changes in market values of the assets under management in the account, with the amount of the fee depending on the type of account. Trust revenue was $650 for the second quarter of 2011 compared to $632 for the same period in 2010. The market value of trust assets under management was $443,232 and $420,487 at June 30, 2011 and 2010, respectively.

On June 29, 2011, the Company announced that Renasant Bank had entered into a definitive purchase agreement to acquire the Birmingham, Alabama-based trust department of RBC Bank (USA), which services clients in Alabama and Georgia. Under the terms of the transaction, prior to the closing RBC Bank (USA) will transfer its assets under management with an approximate market value of $680,000, comprised of personal and institutional clients with over 200 trust, custodial and escrow accounts, to a wholly-owned subsidiary, and Renasant Bank will acquire all of the ownership interests in the subsidiary. The transition from RBC Bank (USA) to Renasant for client accounts and personnel is expected to be completed during the third quarter of 2011.

For the three months ended June 30, 2011, the Company recognized net other-than-temporary-impairment losses of $262 related to investments in pooled trust preferred securities. Gains on sales of securities for the three months ended June 30, 2011 were $4, resulting from the sale of approximately $7,988 in securities, compared to gains on sales of securities for the three months ended June 30, 2010 of $2,049, resulting from the sale of approximately $89,695 in securities.

Gains on the sale of mortgage loans held for sale for the second quarter of 2011 were $949, a decrease of 4.53%, from the second quarter of 2010. The decrease in gains on the sale of mortgage loans is attributable to higher volumes of loans sold during 2010 compared to 2011. Originations of mortgage loans to be sold totaled $89,142 for the second quarter of 2011 as compared to $112,814 for the same period in 2010.

Noninterest Expense

Noninterest Expense to Average Assets	
2011	2010
3.04%	2.90%

Noninterest expense was $32,555 and $26,188 for the second quarter of 2011 and 2010, respectively, an increase of $6,367, or 24.31%. The operations of Crescent and American Trust increased noninterest expenses by $5,292 during the second quarter of 2011.

Salaries and employee benefits increased $3,121, or 23.91%, to $16,173 during the second quarter of 2011 as compared to $13,052 for the second quarter of 2010. The operations of Crescent and American Trust increased salaries and employee benefits $1,985 during the second quarter of 2011.

Data processing costs increased $77 to $1,657 for the second quarter of 2011 as compared to the second quarter of 2010. The increase in data processing costs is reflective of increased loan and deposit processing from growth in the number of loans and deposits and from the completion of the Crescent conversion which occurred in the first quarter of 2011. The American Trust conversion was completed during the second quarter of 2011.

Net occupancy and equipment expense for the second quarter of 2011 was $3,362, up $436 from the second quarter of 2010. This increase is attributable to occupancy costs associated with the operations of Crescent and American Trust partially offset by lower depreciation expense.

Expenses related to other real estate owned for the second quarter of 2011 were $2,122, an increase of $1,163 compared to the same period in 2010. Expenses on other real estate owned for the three months ended June 30, 2011 include a $655 write down of the carrying value to fair value on certain pieces of property held in other real estate owned. Other real estate owned with a cost basis of $10,893 was sold during the three months ended June 30, 2011, resulting in a net loss of $205.

Professional fees include fees for legal and accounting services as well as fees we pay our directors. Professional fees were $1,206 and $881 for the second quarter of 2011 and 2010, respectively. The higher levels of professional fees are attributable to legal fees associated with loan workouts and foreclosure proceedings.

Advertising and public relations expense was $1,269 for the second quarter of 2011 compared to $978 for the second quarter of 2010. This increase is attributable to advertising and marketing costs associated with our expansion into our north Georgia markets.

Amortization of intangible assets increased $40 to $510 for the second quarter of 2011 compared to $470 for the second quarter of 2010. This amortization relates to finite-lived intangible assets which are being amortized over the useful lives as determined at acquisition. These finite-lived intangible assets have remaining estimated useful lives ranging from one to ten years.

Communication expenses are those expenses incurred for communication to clients and between employees. Communication expenses were $1,405 for the second quarter of 2011 as compared to $1,047 for the second quarter of 2010.

Other noninterest expense was $4,851 and $4,295 for the second quarter of 2011 and 2010, respectively.

Efficiency Ratio	
2011	2010
68.59%	66.75%

The efficiency ratio, shown above for the second quarter for each year, is one measure of productivity in the banking industry. This ratio is calculated to measure the cost of generating one dollar of revenue. That is, the ratio is designed to reflect the percentage of one dollar which must be expended to generate that dollar of revenue. The Company calculates this ratio by dividing noninterest expense by the sum of net interest income on a fully taxable equivalent basis and noninterest income. We remain committed to aggressively managing our costs within the framework of our business model.

Income Taxes

Income tax expense for the second quarter of 2011 was $2,294 as compared to $1,040 for the second quarter of 2010. The effective tax rates for those periods were 28.49% and 21.51%, respectively. The increase in the effective tax rate for the second quarter of 2011 as compared to the same period in 2010 is attributable to higher levels of taxable income.

Six Months Ended June 30, 2011 as Compared to the Six Months Ended June 30, 2010

Net income for the six month period ended June 30, 2011 was $13,310, an increase of $5,907, or 79.80%, from net income of $7,403 for the same period in 2010. Basic and diluted earnings per share were $0.53 for the six month period ended June 30, 2011, as compared to basic and diluted earnings per share of $0.35 for the comparable period a year ago.

The following table sets forth average balance sheet data, including all major categories of interest-earning assets and interest-bearing liabilities, together with the interest earned or interest paid and the average yield or average rate paid on each such category for the six months ended June 30, 2011 and 2010:

	Six Months Ended June 30,					
	2011			2010		
	Average Balance	Interest Income/ Expense	Yield/ Rate	Average Balance	Interest Income/ Expense	Yield/ Rate
Assets						
Interest-earning assets:						
Loans[(1)]	$2,572,980	$72,408	5.68%	$2,329,415	$64,572	5.59%
Securities:						
Taxable[(2)]	654,360	11,159	3.41	570,950	11,286	3.95
Tax-exempt	218,341	6,726	6.16	145,453	4,535	6.24
Interest-bearing balances with banks	241,826	369	0.31	115,100	97	0.17
Total interest-earning assets	3,687,507	90,662	4.95	3,160,918	80,490	5.13
Cash and due from banks	72,881			53,295		
Intangible assets	191,529			190,875		
FDIC loss-share indemnification asset	155,687			—		
Other assets	248,206			167,337		
Total assets	$4,355,810			$3,617,888		
Liabilities and shareholders’ equity						
Interest-bearing liabilities:						
Deposits:						
Interest-bearing demand[(3)]	$1,394,654	$ 6,073	0.88	$ 984,486	$ 5,862	1.20
Savings	209,284	441	0.42	128,605	437	0.68
Time deposits	1,506,512	12,344	1.65	1,247,017	14,480	2.34
Total interest-bearing deposits	3,110,450	18,858	1.22	2,360,108	20,779	1.78
Borrowed funds	275,550	5,002	3.64	499,252	9,220	3.74
Total interest-bearing liabilities	3,386,000	23,860	1.42	2,859,360	29,999	2.12
Noninterest-bearing deposits	472,116			312,878		
Other liabilities	24,153			33,061		
Shareholders’ equity	473,541			412,589		
Total liabilities and shareholders’ equity	$4,355,810			$3,617,888		
Net interest income/net interest margin		$66,802	3.65%		$50,491	3.21%

(1) Includes mortgage loans held for sale and shown net of unearned income.

(2) U.S. Government and some U.S. Government Agency securities are tax-free in the states in which we operate.

(3) Interest-bearing demand deposits include interest-bearing transactional accounts and money market deposits.

The average balances of nonaccruing loans are included in this table. Interest income and weighted average yields on tax-exempt loans and securities have been computed on a fully tax-equivalent basis assuming a federal tax rate of 35% and a state tax rate of 3.3%, which is net of federal tax benefit.

Net Interest Income

Net interest income increased 32.47% to $63,703 for the first six months of 2011 compared to $48,090 for the same period in 2010. On a tax equivalent basis, net interest margin for the six month period ending June 30, 2011 was 3.65% compared to 3.21% for the same period in 2010.

Interest income, on a tax equivalent basis, increased 12.64% to $90,662 for the first six months of 2011 from $80,490 for the same period in 2010. The increase in interest income was driven primarily by an increase in the average balance of interest earning assets from the FDIC assisted acquisitions offset by a decline in the yield on interest-earning assets. The average balance of interest-earning assets increased $526,589 for the six months ended June 30, 2011 as compared to the same period in 2010. The tax equivalent yield on earning assets decreased 18 basis points to 4.95% for the first six months of 2011 compared to 5.13% for the same period in 2010. The tax equivalent yield on the investment portfolio was 4.09% for the first six months of 2011, down 33 basis points from 4.42% in the corresponding period in 2009. The decline in yield on the investment portfolio was a result of the call or maturity of securities within the Company's portfolio that had higher rates than the rates on the securities that the Company purchased with the proceeds. These rates were lower due to a generally lower interest rate environment.

The following table presents the percentage of total average earning assets, by type and yield, for the six months ended June 30 for each of the years presented:

	Percentage of Total		Yield	
	2011	2010	2011	2010
Loans	69.78%	73.70%	5.68%	5.59%
Securities	23.67	22.66	4.10	4.42
Other	6.55	3.64	0.31	0.17
Total earning assets	100.00%	100.00%	4.95%	5.13%

Interest expense decreased 20.46% to $23,860 for the six months ended June 30, 2011 as compared to $29,999 for the same period in 2010. This decrease primarily resulted from reductions in the cost of deposits and in the volume of borrowed funds. The average balance of interest-bearing deposits, which had an average cost of 1.22%, increased $750,342 for the six months ended June 30, 2011 as compared to the same period in 2010. The increase in the average balance of the interest bearing deposits is primarily attributable to the FDIC-assisted acquisitions. The average balance of borrowed funds, which had an average cost of 3.64%, decreased $223,702 for the six months ended June 30, 2011 as compared to the same period in 2010. Overall, the cost of interest-bearing liabilities decreased 70 basis points to 1.42% for the first six months of 2011 compared to 2.12% for the same period in 2010.

Noninterest Income

Noninterest income was $35,114 for the six month period ended June 30, 2011 compared to $26,828 for the same period in 2010, an increase of $8,286, or 30.89%. The acquisition of American Trust resulted in a bargain purchase gain of $8,774 which is reflected in the noninterest income for the first six months of 2011.

Service charges on deposits were $9,962 and $10,451 for the first six months of 2011 and 2010, respectively. Overdraft fees were $8,838 for the six month period ended June 30, 2011 compared to $9,385 for the same period in 2010.

Fees and commissions were $8,686 for the six month period ended June 30, 2011 compared to $7,130 for the same period in 2010. Fees charged for loan services were $3,340 for the first six months of 2011 compared to $2,673 for the same period in 2010. For the first six months of 2011, fees associated with debit card usage were $3,551, up 14.89% from $3,091 for the same period in 2010. Revenues generated from the sale of all specialized products by the Financial Services division totaled $934 for the first six months of 2011 compared to $623 for the same period of 2010. Revenue generated by the trust department for managing accounts was $1,263 for the first six months of 2011 as compared to $1,216 for the same period in 2010.

Income earned on insurance products was $1,615 and $1,664 for the six months ending June 30, 2011 and 2010, respectively. Contingency income is a bonus received from the insurance underwriters and is based both on commission income and claims experience on our client's policies during the previous year. Increases and decreases in contingency income are reflective of corresponding increases and decreases in the amount of claims paid by insurance carriers. Contingency income, which is included in "Other noninterest income" in the Consolidated Statements of Income, was $321 and $253 for the six months ending June 30, 2011 and 2010, respectively.

Losses on the securities portfolio for the first six months of 2011 totaled $246 due primarily from the recognition of other-than-temporary-impairment losses of $262 related to investments in pooled trust preferred securities. For the same period in 2010, the Company recognized securities gains of $1,889. The Company sold securities totaling $89,695 in the first six months of 2010 which resulted in a gain of $2,049 offset partially by the recognition of other-than-temporary-impairment losses of $160 related to investments in pooled trust preferred securities.

Gains from sales of mortgage loans held for sale were $2,100 for the six months ended June 30, 2011 compared to $2,323 for the same period in 2010.

Noninterest Expense

Noninterest expense was $69,278 for the six month period ended June 30, 2011 compared to $51,822 for the same period in 2010, a decrease of $17,456, or 33.68%. The additional expense from the operations of the FDIC-assisted acquisitions is the primary reason for the increase in total noninterest expenses, and the components thereof, during the first six months of 2011 compared to the same period in 2010. Total noninterest expenses for the first six months of 2011 also includes $1,325 of acquisition-related expenses associated with the American Trust acquisition and a prepayment penalty totaling $1,903 associated with the payoff of $50,000 of FHLB advances.

Salaries and employee benefits for the six month period ended June 30, 2011 were $32,410 compared to $26,249 for the same period last year.

Data processing costs for the six month period ended June 30, 2011 were $3,445, an increase of $439 compared to $3,006 for the same period last year.

Net occupancy and equipment expense for the six month period ended June 30, 2011 increased $739 to $6,596 over the comparable period for the prior year.

Expenses related to other real estate owned for the first six months of 2011 were $5,633 compared to $1,695 for the same period in 2010. Expenses on other real estate owned for the six months ending June 30, 2011 include a $1,624 write down of the carrying value to fair value on certain pieces of property held in other real estate owned. Other real estate owned with a cost basis of $25,234 was sold during the six months ended June 30, 2011, resulting in a net loss of $1,836.

Advertising and public relations expense was $2,432 for the six months ending June 30, 2011 compared to $1,868 for the same period in 2010.

Amortization of intangible assets was $1,025 for the six months ended June 30, 2011 compared to $946 for the six months ended June 30, 2010.

Communication expense was $2,839 for the six months ended June 30, 2011 compared to $2,133 for the same period in 2010.

Noninterest expense as a percentage of average assets was 3.21% for the six month period ended June 30, 2011 and 2.89% for the comparable period in 2010. The net overhead ratio was 1.57% and 1.50% for the first six months of 2011 and 2010, respectively. Our efficiency ratio increased to 67.99% for the six month period ended June 30, 2011 compared to 67.02% for the same period of 2010.

Income Taxes

Income tax expense was $5,379 for the six month period ended June 30, 2011 compared to $2,028 for the same period in 2010. The effective tax rates for the six month periods ended June 30, 2011 and 2010 were 28.78% and 21.50%, respectively. The increase in the effective tax rate for the six months ended June 30, 2011 as compared to the same period in 2010 is attributable to higher levels of taxable income.

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Risk Management

The management of risk is an on-going process. Primary risks that are associated with the Company include credit, interest rate and liquidity risk. Credit and interest rate risk are discussed below, while liquidity risk is discussed in the next subsection under the heading "Liquidity and Capital Resources."

Credit Risk and Allowance for Loan Losses

The allowance for loan losses is available to absorb probable credit losses inherent in the entire loan portfolio. The appropriate level of the allowance is based on a quarterly analysis of the loan portfolio and represents an amount that management deems adequate to provide for inherent losses, including collective impairment as recognized under Accounting Standards Codification Topic ("ASC") 450, "Contingencies." Other considerations in establishing the allowance include the risk rating of individual credits, the size and diversity of the portfolio, economic conditions reflected within industry segments, the unemployment rate in our markets, loan segmentation, historical losses that are inherent in the loan portfolio and the results of periodic credit reviews by internal loan review and regulators.

The provision for loan losses charged to operating expense is an amount which, in the judgment of management, is necessary to maintain the allowance for loan losses at a level that is believed to be adequate to meet the inherent risks of losses in our loan portfolio. Factors considered by management in determining the amount of provision for loan losses to charge to current operations include the internal risk rating of individual credits, historical and current trends in net charge-offs, trends in nonperforming loans, trends in past due loans, trends in the market values of underlying collateral securing loans and the current economic conditions in the market in which we operate.

Loans acquired in the Crescent and American Trust acquisitions were recorded, as of their respective acquisition dates, at fair value. The fair value of these loans represents the expected discounted cash flows to be received over the lives of the loans, taking into account the Company's estimate of future credit losses on the loans. Because the fair value measurement incorporates an estimate of losses on acquired loans, these loans were excluded from the calculation of the allowance for loan losses and no provision for loan losses was recorded for these loans during the six months ended June 30, 2011 or for the period from the acquisition date of these loans to December 31, 2010. The Company will continue to monitor future cash flows on these loans; to the extent future cash flows deteriorate below initial projections, the Company may be required to reserve for these loans in the allowance for loan losses through future provision for loan losses.

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The table below reflects the activity in the allowance for loan losses, in thousands, for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Balance at beginning of period	$47,505	$41,094	$45,415	$39,145
Provision for loan losses	5,350	7,000	10,850	13,665
Charge-offs				
Commercial, financial, agricultural	1,139	166	1,284	243
Lease financing	—	—	—	—
Real estate – construction	569	2,983	798	3,418
Real estate – 1-4 family mortgage	3,084	3,573	6,615	5,455
Real estate – commercial mortgage	823	430	1,374	2,801
Installment loans to individuals	33	79	89	194
Total charge-offs	5,648	7,231	10,160	12,111
Recoveries				
Commercial, financial, agricultural	36	18	178	39
Lease financing	—	—	—	—
Real estate – construction	31	(10)	31	37
Real estate – 1-4 family mortgage	221	234	337	314
Real estate – commercial mortgage	52	5	869	11
Installment loans to individuals	24	36	51	46
Total recoveries	364	283	1,466	447
Net charge-offs	5,284	6,948	8,694	11,664
Balance at end of period	$47,571	$41,146	$47,571	$41,146
Net charge-offs to average loans (annualized)	0.82%	1.21%	0.68%	1.01%
Allowance for loan losses to:				
Loans			2.18%	1.82%
Nonperforming loans			91.52%	63.63%

The following table provides further details of the Company's net charge-offs (recoveries) of loans secured by real estate for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Real estate – construction:				
Residential	$ 542	$ 258	$ 771	$ 646
Commercial	(4)	—	(4)	—
Condominiums	—	2,735	—	2,735
Total real estate – construction	538	2,993	767	3,381
Real estate – 1-4 family mortgage:				
Primary	411	1,554	854	1,633
Home equity	827	329	907	739
Rental/investment	867	439	1,297	764
Land development	758	1,017	3,220	2,005
Total real estate – 1-4 family mortgage	2,863	3,339	6,278	5,141
Real estate – commercial mortgage:				
Owner-occupied	407	167	607	1,251
Non-owner occupied	(3)	211	(718)	1,489
Land development	367	47	616	50
Total real estate – commercial mortgage	771	425	505	2,790
Total net-charge-offs of loans secured by real estate	$ 4,172	$ 6,919	$7,550	$11,312

The following table quantifies the amount of the specific reserves component of the allowance for loan losses and the amount of the allowance determined by applying allowance factors to graded loans for the periods presented:

	June 30, 2011	December 31, 2010
Specific reserves for impaired loans	$16,972	$ 17,529
Allocated reserves for remaining portfolio	30,599	27,886
Total	$47,571	$ 45,415

Nonperforming loans are those on which the accrual of interest has stopped or loans which are contractually past due 90 days on which interest continues to accrue. Generally, the accrual of interest is discontinued when the full collection of principal or interest is in doubt or when the payment of principal or interest has been contractually 90 days past due, unless the obligation is both well secured and in the process of collection. Restructured loans are those for which concessions have been granted to the borrower due to a deterioration of the borrower's financial condition. Such concessions may include reduction in interest rates or deferral of interest or principal payments. In evaluating whether to restructure a loan, management analyzes the long-term financial condition of the borrower, including guarantor and collateral support, to determine whether the proposed concessions will increase the likelihood of repayment of principal and interest.

Due to the significant difference in the accounting for the loans and other real estate owned covered by loss-share agreements ("covered assets") and loss mitigation offered under the loss-share agreements with the FDIC, the Company believes that excluding the covered assets from its asset quality measures provides a more meaningful presentation of the Company's asset quality. Purchased impaired loans had evidence of deterioration in credit quality prior to acquisition, and thus the fair value of these loans as of the acquisition date included an estimate of credit losses. These loans, as well as acquired loans with no evidence of credit deterioration at acquisition, are accounted for on a pool basis, and these pools are considered to be performing. Purchased impaired loans were not classified as nonperforming assets at June 30, 2011 or December 31, 2010 as the loans are considered to be performing under ASC 310-30, "Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality" ("ASC 310-30"). As a result, interest income, through the accretion of the difference between the carrying value of the loans and the expected cash flows, is being recognized on all purchased loans accounted for under ASC 310-30.

The following table provides a detail of the Company's nonperforming assets covered and not covered under loss-share agreements:

	Covered Assets	Not Covered Assets	Total Assets
June 30, 2011			
Nonaccruing loans	$ 78,780	$ 42,331	$121,111
Accruing loans past due 90 days or more	10,619	9,646	20,265
Total nonperforming loans	89,399	51,977	141,376
Other real estate owned	59,802	68,384	128,186
Total nonperforming assets	$149,201	$ 120,361	$269,562
Nonperforming loans to total loans			5.52%
Nonperforming assets to total assets			6.33%
Allowance for loan losses to total loans			1.86%
December 31, 2010			
Nonaccruing loans	$ 82,393	$ 46,662	$129,055
Accruing loans past due 90 days or more	—	7,196	7,196
Total nonperforming loans	82,393	53,858	136,251
Other real estate owned	54,715	71,833	126,548
Total nonperforming assets	$137,108	$ 125,691	$262,799
Nonperforming loans to total loans			5.40%
Nonperforming assets to total assets			6.12%
Allowance for loan losses to total loans			1.80%

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The asset quality measures surrounding the Company's nonperforming loans and nonperforming assets discussed in the remainder of this section exclude covered assets relating to the Crescent and American Trust acquisitions.

The following table shows the principal amounts of nonperforming and restructured loans for the periods presented:

	June 30, 2011	June 30, 2010	December 31, 2010
Nonaccruing loans	$42,331	$53,868	$ 46,662
Accruing loans past due 90 days or more	9,646	10,794	7,196
Total nonperforming loans	51,977	64,662	53,858
Restructured loans	40,170	29,245	32,615
Total nonperforming and restructured loans	$92,147	$93,907	$ 86,473
Nonperforming loans to total loans – period end	2.38%	2.86%	2.46%

All loans where information exists about possible credit problems that would cause us to have serious doubts about the borrower's ability to comply with the current repayment terms of the loan have been reflected in the table above. At June 30, 2011, we did not hold any other interest-bearing assets that would be included in the table above if such assets were loans.

The following table presents nonperforming loans by loan category for each of the periods presented.

	June 30, 2011	June 30, 2010	December 31, 2010
Commercial, financial, agricultural	$ 3,365	$ 3,791	$ 2,422
Lease financing	—	—	—
Real estate – construction	334	1,943	333
Real estate – 1-4 family mortgage	27,339	37,231	35,893
Real estate – commercial mortgage	19,875	21,501	14,539
Installment loans to individuals	1,064	196	671
Total	$51,977	$64,662	$ 53,858

The following table provides further details of the Company's nonperforming loans secured by real estate for the periods presented:

	June 30, 2011	June 30, 2010	December 31, 2010
Real estate – construction:			
Residential	$ 334	$ 1,943	$ 333
Commercial	—	—	—
Condominiums	—	—	—
Total real estate – construction	334	1,943	333
Real estate – 1-4 family mortgage:			
Primary	5,643	6,615	6,514
Home equity	1,261	846	829
Rental/investment	9,251	12,764	10,942
Land development	11,184	17,006	17,608
Total real estate – 1-4 family mortgage	27,339	37,231	35,893
Real estate – commercial mortgage:			
Owner-occupied	6,346	11,585	6,336
Non-owner occupied	10,375	2,682	4,300
Land development	3,154	7,234	3,903
Total real estate – commercial mortgage	19,875	21,501	14,539
Total nonperforming loans secured by real estate	$47,548	$60,675	$ 50,765

Management has evaluated the aforementioned loans and other loans classified as nonperforming and believes that all nonperforming loans have been adequately reserved for in the allowance for loan losses at June 30, 2011. Management also continually monitors past due loans for potential credit quality deterioration. Total loans past due 30-89 days were $17,527 at June 30, 2011 as compared to $21,520 at December 31, 2010 and $35,552 at June 30, 2010.

As shown above, restructured loans totaled $40,170 at June 30, 2011 as compared to $32,615 at December 31, 2010 and $29,245 at June 30, 2010. At June 30, 2011, total loans restructured that included an interest rate concession represented 80.34% of total restructured loans, while loans restructured by a concession in payment or terms represented the remainder. The following table provides further details of the Company's restructured loans secured by real estate for the periods presented:

	June 30, 2011	June 30, 2010	December 31, 2010
Commercial, financial, agricultural	$ 125	$ 747	$ 125
Real estate – construction:			
Residential	—	674	—
Commercial	—	—	—
Condominiums	—	—	—
Total real estate – construction	—	674	—
Real estate – 1-4 family mortgage:			
Primary	6,159	1,680	4,313
Home equity	—	—	—
Rental/investment	3,594	2,348	1,969
Land development	13,483	16,314	14,834
Total real estate – 1-4 family mortgage	23,236	20,342	21,116
Real estate – commercial mortgage:			
Owner-occupied	7,863	3,440	3,844
Non-owner occupied	6,329	1,669	5,510
Land development	2,437	2,189	1,839
Total real estate – commercial mortgage	16,629	7,298	11,193
Installment loans to individuals	180	184	181
Total restructured loans	$40,170	$29,245	$ 32,615

Changes in the Company's restructured loans were as follows:

Balance at January 1, 2011	$ 32,615
Additional loans with concessions	11,336
Reductions due to:	
Reclassified as nonperforming	(2,546)
Transfer to other real estate owned	—
Charge-offs	—
Paydowns	(603)
Lapse of concession period	(632)
Balance at June 30, 2011	$ 40,170

Other real estate owned and repossessions consist of properties acquired through foreclosure or acceptance of a deed in lieu of foreclosure. These properties are carried at the lower of cost or fair market value based on appraised value less estimated selling costs. Losses arising at the time of foreclosure of properties are charged against the allowance for loan losses. Reductions in the carrying value subsequent to acquisition are charged to earnings and are included under the line item “Other real estate owned” in the Consolidated Statements of Income. Other real estate owned with a cost basis of $17,738 was sold during the six months ended June 30, 2011, resulting in a net loss of $1,590.

The following table provides details of the Company’s other real estate owned and repossessions:

	June 30, 2011	December 31, 2010
Residential real estate	$11,481	$ 15,445
Commercial real estate	13,108	18,266
Residential land development	38,050	33,172
Commercial land development	5,526	4,501
Other	219	449
Total other real estate owned and repossessions	$68,384	$ 71,833

Changes in the Company’s other real estate owned and repossessions were as follows:

Balance at January 1, 2011	$ 71,833
Transfers of loans	15,242
Capitalized improvements	37
Impairments	(1,624)
Dispositions	(17,738)
Other	634
Balance at June 30, 2011	$ 68,384

Interest Rate Risk

Market risk is the risk of loss from adverse changes in market prices and rates. The majority of assets and liabilities of a financial institution are monetary in nature and therefore differ greatly from most commercial and industrial companies that have significant investments in fixed assets and inventories. Our market risk arises primarily from interest rate risk inherent in lending and deposit-taking activities. Management believes the most significant impact on the Company’s financial results stems from our ability to react to changes in interest rates. To that end, management actively monitors and manages our interest rate risk exposure.

We have an Asset/Liability Committee (“ALCO”) which is authorized by the Board of Directors to monitor our interest rate sensitivity and to make decisions relating to that process. The ALCO’s goal is to structure our asset-liability composition to maximize net interest income while managing interest rate risk so as to minimize the adverse impact of changes in interest rates on net interest income and capital. Profitability is affected by fluctuations in interest rates. A sudden and substantial change in interest rates may adversely impact our earnings because the interest rates borne by assets and liabilities do not change at the same speed, to the same extent or on the same basis. We monitor the impact of changes in interest rates on our net interest income and economic value of equity (“EVE”) using rate shock analysis. Net interest income simulations measure the short-term earnings exposure from changes in market rates of interest in a more rigorous and explicit fashion. Our current financial position is combined with assumptions regarding future business to calculate net interest income under varying hypothetical rate scenarios. The EVE measures our long-term earnings exposure from changes in market rates of interest. EVE is defined as the present value of assets minus the present value of liabilities at a point in time. A decrease in EVE due to a specified rate change indicates a decline in the long-term earnings capacity of the balance sheet assuming that the rate change remains in effect over the life of the current balance sheet.

The following rate shock analysis depicts the estimated impact on net interest income and EVE of immediate changes in interest rates at the specified levels at:

	Percentage Change In:			
	Net Interest Income[2]		Economic Value of Equity [3]	
Change in Interest Rates[1] (In Basis Points)	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
+200	0.25%	(3.25%)	15.44%	10.70%
+100	0.28%	(3.37%)	12.96%	6.63%
-100	(1.25%)	(1.12%)	(7.78%)	(4.94%)

(1) On account of the present position of the target federal funds rate, the Company did not perform an analysis assuming a downward movement in rates of 200 bps.

(2) The percentage change in this column represents net interest income for 12 months in a stable interest rate environment versus the net interest income in the various rate scenarios.

(3) The percentage change in this column represents our EVE in a stable interest rate environment versus the EVE in the various rate scenarios.

The preceding measures assume no change in the size or asset/liability compositions of the balance sheet. Thus, the measures do not reflect actions the ALCO may undertake in response to such changes in interest rates. The above results of the interest rate shock analysis are within the parameters set by the Board of Directors. The scenarios assume instantaneous movements in interest rates in increments of 100 and 200 basis points. With the present position of the target federal funds rate, the declining rate scenarios seem improbable. Furthermore, it has been the Federal Reserve's policy to adjust the target federal funds rate incrementally over time. As interest rates are adjusted over a period of time, it is our strategy to proactively change the volume and mix of our balance sheet in order to mitigate our interest rate risk. The computation of the prospective effects of hypothetical interest rate changes requires numerous assumptions regarding characteristics of new business and the behavior of existing positions. These business assumptions are based upon our experience, business plans and published industry experience. Key assumptions employed in the model include asset prepayment speeds, competitive factors, the relative price sensitivity of certain assets and liabilities and the expected life of non-maturity deposits. Because these assumptions are inherently uncertain, actual results will differ from simulated results.

Beginning in the first quarter of 2011, the Company began entering into derivative instruments not designated as hedging instruments to help its commercial customers manage their exposure to interest rate fluctuations. To mitigate the interest rate risk associated with these customer contracts, the Company enters into an offsetting derivative contract position. The Company manages its credit risk, or potential risk of default by its commercial customers, through credit limit approval and monitoring procedures. At June 30, 2011, the Company had notional amounts of $20,815 on interest rate contracts with corporate customers and $20,815 in offsetting interest rate contracts with other financial institutions to mitigate the Company's rate exposure on its corporate customers' contracts.

The Company enters into interest rate lock commitments with its customers to mitigate the interest rate risk associated with the commitments to fund fixed-rate residential mortgage loans. Under the interest rate lock commitments, interest rates for a mortgage loan are locked in with the customer for a period of time, typically thirty days. Once an interest rate lock commitment is entered into with a customer, the Company also enters into forward commitments to sell the residential mortgage loan to secondary market investors. As such, the Company does not incur risk if the interest rate lock commitment in the pipeline fails to close.

For more information about the Company's derivative financial instruments, see Note I, "Derivative Instruments," in the Notes to Consolidated Financial Statements of the Company in Item 1, "Financial Statements," in this report.

Liquidity and Capital Resources

Liquidity management is the ability to meet the cash flow requirements of customers who may be either depositors wishing to withdraw funds or borrowers needing assurance that sufficient funds will be available to meet their credit needs.

Core deposits, which are deposits excluding time deposits, are a major source of funds used by the Bank to meet cash flow needs. Maintaining the ability to acquire these funds as needed in a variety of markets is the key to assuring the Bank's liquidity. Management continually monitors the liquidity and non-core dependency ratios to ensure compliance with ALCO targets.

Our investment portfolio is another alternative for meeting liquidity needs. These assets generally have readily available markets that offer conversions to cash as needed. Securities within our investment portfolio are also used to secure certain deposit types and short-term borrowings. At June 30, 2011, securities with a carrying value of approximately $460,663 were pledged to secure public fund deposits and as collateral for short-term borrowings as compared to $348,392 at December 31, 2010. Higher levels of public fund deposits at June 30, 2011 as compared to December 31, 2010 resulted in the increase in the amount of pledged investment securities at June 30, 2011.

Other sources available for meeting liquidity needs include federal funds purchased and advances from the FHLB. Interest is charged at the prevailing market rate on federal funds purchased and FHLB advances. There were no outstanding federal funds purchased at June 30, 2011 or December 31, 2010. Funds obtained from the FHLB are used primarily to match-fund real estate loans and other longer-term fixed rate loans in order to minimize interest rate risk and may be used to meet day to day liquidity needs, primarily when the cost of such borrowing compares favorably to the rates that we would be required to pay to attract deposits. At June 30, 2011, the balance of our outstanding advances with the FHLB was $121,151. The total amount of the remaining credit available to us from the FHLB at June 30, 2011 was $868,133. We also maintain lines of credit with other commercial banks totaling $85,000. These are unsecured lines of credit maturing at various times within the next twelve months. There were no amounts outstanding under these lines of credit at June 30, 2011 or December 31, 2010.

The following table presents the percentage of total average deposits and borrowed funds, by type, and total cost of funds, as of June 30 for each of the years presented:

	Percentage of Total		Cost of Funds	
	2011	2010	2011	2010
Noninterest-bearing demand	12.24%	9.86%	— %	— %
Interest-bearing demand	36.15	31.03	0.88	1.20
Savings	5.42	4.06	0.42	0.68
Time deposits	39.05	39.31	1.65	2.34
Federal Home Loan Bank advances	3.52	11.13	4.11	3.71
Other borrowed funds	3.62	4.61	3.18	3.80
Total deposits and borrowed funds	100.00%	100.00%	1.25%	1.91%

Our strategy in choosing funds is focused on attempting to mitigate interest rate risk, and thus we utilize funding sources that are commensurate with the interest rate risk associated with the assets. Accordingly, management targets growth of noninterest bearing deposits. While we do not control the types of deposit instruments our clients choose, we do influence those choices with the rates and the deposit specials we offer. For example, we could obtain time deposits based on our aggressiveness in pricing and length of term. We constantly monitor our funds position and evaluate the effect various funding sources have on our financial position.

Cash and cash equivalents were $237,165 at June 30, 2011 compared to $191,141 at June 30, 2010. Cash provided by investing activities for the six months ended June 30, 2011 was $162,681 compared to $48,420 for the same period of 2010. The net cash proceeds received from the acquisition of American Trust were $148,443 for the six months ended June 30, 2011. Purchases of investment securities were $105,270 for the six months ending June 30, 2011 compared to $238,945 for the six months ending June 30, 2010. Proceeds from the sale, maturity or call of securities within our investment portfolio were $119,731 for the six months ended June 30, 2011 compared to $232,141 for the six months ended June 30, 2010. Cash provided by a net decrease in loans for the six months ended June 30, 2011 was $2,447 compared to $56,581 for the same period in 2010.

Cash used in financing activities for the six months ended June 30, 2011 was $290,333 compared to $53,002 for the same period of 2010. Cash used to reduce long-term debt was $68,994 for the six months ended June 30, 2011. Cash flows of $112,112 from the generation of deposits during the six months ended June 30, 2010 were primarily used to reduce total borrowings by $158,157.

Restrictions on Cash, Bank Dividends, Loans or Advances

The Company’s liquidity and capital resources, as well as its ability to pay dividends to our shareholders, are substantially dependent on the ability of Renasant Bank to transfer funds to the Company in the form of dividends, loans and advances. Under Mississippi law, a Mississippi bank may not pay dividends unless its earned surplus is in excess of three times capital stock. A Mississippi bank with earned surplus in excess of three times capital stock may pay a dividend, subject to the approval of the Mississippi Department of Banking and Consumer Finance. Accordingly, the approval of this supervisory authority is required prior to Renasant Bank paying dividends to the Company.

Federal Reserve regulations also limit the amount Renasant Bank may loan to the Company unless such loans are collateralized by specific obligations. At June 30, 2011, the maximum amount available for transfer from Renasant Bank to the Company in the form of loans was $39,947. There were no loans outstanding from Renasant Bank to the Company at June 30, 2011. These restrictions did not have any impact on the Company's ability to meet its cash obligations in the first six months of 2011, nor does management expect such restrictions to materially impact the Company's ability to meet its currently-anticipated cash obligations.

Off-Balance Sheet Transactions

The Company enters into loan commitments and standby letters of credit in the normal course of its business. Loan commitments are made to accommodate the financial needs of the Company's customers. Standby letters of credit commit the Company to make payments on behalf of customers when certain specified future events occur. Both arrangements have credit risk essentially the same as that involved in extending loans to customers and are subject to the Company's normal credit policies. Collateral (e.g., securities, receivables, inventory, equipment, etc.) is obtained based on management's credit assessment of the customer.

Loan commitments and standby letters of credit do not necessarily represent future cash requirements of the Company in that while the borrower has the ability to draw upon these commitments at any time, these commitments often expire without being drawn upon. The Company's unfunded loan commitments and standby letters of credit outstanding at June 30, 2011 and December 31, 2010 were as follows:

	June 30, 2011	December 31, 2010
Loan commitments	$357,269	$ 325,309
Standby letters of credit	30,823	28,105

The Company closely monitors the amount of remaining future commitments to borrowers in light of prevailing economic conditions and adjusts these commitments as necessary. The Company will continue this process as new commitments are entered into or existing commitments are renewed.

Market risk resulting from interest rate changes on particular off-balance sheet financial instruments may be offset by other on- or off-balance sheet transactions. Interest rate sensitivity is monitored by the Company for determining the net effect of potential changes in interest rates on the market value of both on- and off-balance sheet financial instruments.

Contractual Obligations

There have not been any material changes outside of the ordinary course of business to any of the contractual obligations disclosed in our Annual Report on Form 10-K for the year ended December 31, 2010.

Shareholders' Equity and Regulatory Matters

Shareholders' Equity

Total shareholders' equity of the Company at June 30, 2011 increased to $480,135 compared to $469,509 at December 31, 2010. The change in shareholders' equity was attributable to earnings retention offset by dividends declared and changes in accumulated other comprehensive income.

On July 8, 2009, the Company filed a shelf registration statement with the Securities and Exchange Commission ("SEC"). The shelf registration statement, which the SEC declared effective on July 13, 2009, allows the Company to raise capital from time to time, up to an aggregate of $150,000, through the sale of common stock, preferred stock, warrants and units, or a combination thereof, subject to market conditions. Specific terms and prices will be determined at the time of any offering under a separate prospectus supplement that the Company will be required to file with the SEC at the time of the specific offering. The proceeds of the sale of securities, if and when offered, will be used for general corporate purposes as described in any prospectus supplement and could include the expansion of the Company's banking, insurance and wealth management operations as well as other business opportunities.

The following table sets forth the Company's book value per share, tangible book value per share, capital ratio and tangible capital ratio for the periods presented:

	June 30, 2011	December 31, 2010
Book value per share	$19.16	$ 18.75
Tangible book value per share	11.53	11.09
Capital ratio	11.27%	10.93%
Tangible capital ratio	7.11%	6.76%

Regulatory Matters

Renasant Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require Renasant Bank to maintain minimum balances and ratios. All banks are required to have core capital (Tier I) of at least 4% of risk-weighted assets, Tier I leverage of 4% of average assets, and total capital of 8% of risk-weighted assets (as such ratios are defined in Federal regulations). To be categorized as well capitalized, banks must maintain minimum Tier I leverage, Tier I risk-based and total risk-based ratios of 5%, 6%, and 10%, respectively. At June 30, 2011, Renasant Bank met all capital adequacy requirements to which it is subject.

At June 30, 2011, the most recent notification from the FDIC categorized Renasant Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the Bank's category.

The following table includes the capital ratios and capital amounts for the Company and the Bank at June 30, 2011:

	Actual		Minimum Capital Requirement to be Well Capitalized		Minimum Capital Requirement to be Adequately Capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Tier I Capital to Average Assets						
Renasant Corporation	$373,499	9.10%	$205,172	5.00%	$164,138	4.00%
Renasant Bank	364,988	8.91%	204,795	5.00%	163,836	4.00%
Tier I Capital to Risk-Weighted Assets						
Renasant Corporation	$373,499	13.58%	$165,019	6.00%	$110,013	4.00%
Renasant Bank	364,988	13.29%	164,742	6.00%	109,828	4.00%
Total Capital to Risk-Weighted Assets						
Renasant Corporation	$408,041	14.83%	$275,031	10.00%	$220,025	8.00%
Renasant Bank	399,473	14.55%	274,570	10.00%	219,656	8.00%

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our market risk since December 31, 2010. For additional information regarding our market risk, see our Annual Report on Form 10-K for the year ended December 31, 2010.

Item 4. CONTROLS AND PROCEDURES

Based on their evaluation as of the end of the period covered by this quarterly report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are effective for ensuring that information the Company is required to disclose in reports that it files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. There were no changes in the Company’s internal control over financial reporting during the fiscal quarter covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1A. RISK FACTORS

Information regarding risk factors appears in Part I, Item 1A, “Risk Factors,” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2010. There have been no material changes in the risk factors disclosed in our Annual Report on Form 10- K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

The Company did not repurchase any shares of its outstanding stock during the three month period ended June 30, 2011.

Please refer to the information discussing restrictions on the Company’s ability to pay dividends under the heading “Liquidity and Capital Resources” in Part I, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of this report, which is incorporated by reference herein.

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Item 6. EXHIBITS

Exhibit Number	Description
(3)(i)	Articles of Incorporation of Renasant Corporation, as amended(1)
(3)(ii)	Bylaws of Renasant Corporation, as amended(2)
(4)(i)	Articles of Incorporation of Renasant Corporation, as amended(1)
(4)(ii)	Bylaws of Renasant Corporation, as amended(2)
(31)(i)	Certification of the Chief Executive Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31)(ii)	Certification of the Chief Financial Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32)(i)	Certification of the Chief Executive Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32)(ii)	Certification of the Chief Financial Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(101)	The following materials from Renasant Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 were formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of June 30, 2011 and December 31, 2010, (ii) Consolidated Statements of Income for the three and six months ended June 30, 2011 and 2010, (iii) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2011 and 2010 and (iv) Notes to Consolidated Financial Statements (Unaudited).

(1) Filed as exhibit 3.1 to the Company's Form 10-Q filed with the Securities and Exchange Commission on May 9, 2005 and incorporated herein by reference.

(2) Filed as exhibit 3(ii) to the Company's Form 10-Q filed with the Securities and Exchange Commission on May 10, 2011 and incorporated herein by reference.

The Company does not have any long-term debt instruments under which securities are authorized exceeding ten percent of the total assets of the Company and its subsidiaries on a consolidated basis. The Company will furnish to the Securities and Exchange Commission, upon their request, a copy of all long-term debt instruments.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RENASANT CORPORATION

August 9, 2011

/s/ E. Robinson McGraw
E. Robinson McGraw
Chairman, President &
Chief Executive Officer
(Principal Executive Officer)

/s/ Stuart R. Johnson
Stuart R. Johnson
Executive Vice President and
Chief Financial Officer
(Principal Financial and Accounting Officer)

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EXHIBIT INDEX

Exhibit Number	Description
(31)(i)	Certification of the Chief Executive Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31)(ii)	Certification of the Chief Financial Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32)(i)	Certification of the Chief Executive Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32)(ii)	Certification of the Chief Financial Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(101)	The following materials from Renasant Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 were formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of June 30, 2011 and December 31, 2010, (ii) Consolidated Statements of Income for the three and six months ended June 30, 2011 and 2010, (iii) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2011 and 2010 and (iv) Notes to Consolidated Financial Statements (Unaudited).

Exhibit (31)(i)

CERTIFICATIONS

I, E. Robinson McGraw, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2011 of Renasant Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2011

/s/ E. Robinson McGraw

E. Robinson McGraw
Chairman of the Board, Director,
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit (31)(ii)

CERTIFICATIONS

I, Stuart R. Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2011 of Renasant Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2011

/s/ Stuart R. Johnson
Stuart R. Johnson
Executive Vice President and
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit (32)(i)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Renasant Corporation (the "Company") for the period ended June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, E. Robinson McGraw, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: August 9, 2011

/s/ E. Robinson McGraw
E. Robinson McGraw
Chairman of the Board, Director,
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit (32)(ii)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Renasant Corporation (the "Company") for the period ended June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stuart R. Johnson, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: August 9, 2011

/s/ Stuart R. Johnson
Stuart R. Johnson
Executive Vice President and
Chief Financial Officer
(Principal Financial and Accounting Officer)