
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 March 31, 2005

or

Transition Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 000-12154

RENASANT CORPORATION

(Exact name of the registrant as specified in its charter)

MISSISSIPPI
(State or other jurisdiction of
incorporation or organization)

64-0676974
(I.R.S. Employer
Identification Number)

209 Troy Street, P. O. Box 709, Tupelo, Mississippi 38802-0709
(Address of principal executive offices) (Zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). YES NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, \$5 Par Value, 10,385,075 shares outstanding as of April 30, 2005.

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RENASANT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	March 31, 2005	December 31, 2004
Assets		
Cash and due from banks	\$ 57,236	\$ 52,096
Interest-bearing balances with banks	11,385	3,929
Cash and cash equivalents	68,621	56,025
Securities available for sale	425,196	371,581
Mortgage loans held for sale	32,623	2,714
Loans, net of unearned income	1,572,103	1,141,480
Allowance for loan losses	(18,012)	(14,403)
Net loans	1,554,091	1,127,077
Premises and equipment, net	40,353	33,998
Intangible assets	101,406	50,424
Other assets	97,874	65,726
Total assets	<u>\$2,320,164</u>	<u>\$1,707,545</u>
Liabilities and shareholders' equity		
Liabilities		
Deposits		
Noninterest-bearing	\$ 238,651	\$ 200,922
Interest-bearing	1,502,350	1,117,755
Total deposits	1,741,001	1,318,677
Federal funds purchased	10,066	51,500
Federal Home Loan Bank advances	243,044	109,756
Junior subordinated debentures	64,486	20,619
Other borrowed funds	6,734	9,672
Other liabilities	23,941	18,279
Total liabilities	2,089,272	1,528,503
Shareholders' equity		
Common stock, \$5 par value –15,000,000 shares authorized, 11,489,550 shares issued; 10,412,775 and 9,046,997 shares outstanding at March 31, 2005, and December 31, 2004, respectively	57,448	50,600
Treasury stock, at cost	(21,944)	(21,621)
Additional paid-in capital	112,054	67,545
Retained earnings	84,992	81,720
Accumulated other comprehensive income	(1,658)	798
Total shareholders' equity	230,892	179,042
Total liabilities and shareholders' equity	<u>\$2,320,164</u>	<u>\$1,707,545</u>

See Notes to Condensed Consolidated Financial Statements

RENASANT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except share data)

	Three months ended March 31	
	2005	2004
Interest income		
Loans	\$ 24,530	\$ 13,287
Securities:		
Taxable	3,495	3,106
Tax-exempt	1,164	1,115
Other	106	76
Total interest income	29,295	17,584
Interest expense		
Deposits	6,907	4,178
Borrowings	3,070	956
Total interest expense	9,977	5,134
Net interest income	19,318	12,450
Provision for loan losses	597	505
Net interest income after provision for loan losses	18,721	11,945
Noninterest income		
Service charges on deposit accounts	3,874	3,700
Fees and commissions	2,505	1,671
Insurance commissions	831	820
Trust revenue	625	464
Securities gains	102	89
BOLI income	404	285
Merchant discounts	2	356
Gains on sales of mortgage loans	693	128
Other	867	658
Total noninterest income	9,903	8,171
Noninterest expense		
Salaries and employee benefits	11,459	7,593
Data processing	1,044	1,163
Net occupancy	1,615	855
Equipment	990	711
Professional fees	651	302
Advertising	740	494
Intangible amortization	586	123
Other	3,878	2,445
Total noninterest expense	20,963	13,686
Income before income taxes	7,661	6,430
Income taxes	2,202	1,783
Net income	\$ 5,459	\$ 4,647
Basic earnings per share	\$ 0.52	\$ 0.57
Diluted earnings per share	\$ 0.52	\$ 0.57

See Notes to Condensed Consolidated Financial Statements

RENASANT CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except share data)

	Three months ended March 31	
	2005	2004
Operating activities		
Net cash provided by operating activities	\$ 16,089	\$ 5,327
Investing activities		
Purchases of securities available for sale	(7,144)	(63,604)
Proceeds from sales of securities available for sale	25,075	18,308
Proceeds from call/maturities of securities available for sale	18,032	34,582
Net increase in loans	(56,600)	(20,045)
Proceeds from sales of premises and equipment	568	12
Purchases of premises and equipment	(2,278)	(1,189)
Net cash paid in business combination	(19,328)	—
Net cash used in investing activities	(41,675)	(31,936)
Financing activities		
Net increase in noninterest-bearing deposits	12,037	41,758
Net increase in interest-bearing deposits	29,324	22,336
Net decrease in short-term borrowings	(22,053)	(10,601)
Proceeds from long-term debt	102,410	—
Repayment of long-term debt	(80,798)	(2,631)
Purchase of treasury stock	(987)	(245)
Cash paid for dividends	(2,187)	(1,638)
Cash received on exercise of options	436	—
Net cash provided by financing activities	38,182	48,979
Net increase in cash and cash equivalents	12,596	22,370
Cash and cash equivalents at beginning of year	56,025	53,479
Cash and cash equivalents at end of year	\$ 68,621	\$ 75,849
Supplemental disclosures		
Transfers of loans to other real estate	\$ 4,772	\$ 138

See Notes to Condensed Consolidated Financial Statements

RENASANT CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
MARCH 31, 2005

(in thousands, except share data)

Summary of Significant Accounting Policies

Business: Renasant Corporation (formerly known as The Peoples Holding Company and referred to herein as the “Company”), a Mississippi corporation, owns and operates Renasant Bank (formerly known as The Peoples Bank & Trust Company), a Mississippi-chartered bank with operations in Mississippi, Tennessee and Alabama, and Renasant Insurance, Inc. (formerly known as The Peoples Insurance Agency, Inc.), a wholly-owned subsidiary of Renasant Bank with operations in Mississippi. On March 31, 2005, Renasant Bank of Tennessee, a Tennessee-chartered bank and wholly-owned subsidiary of the Company, was merged into Renasant Bank. The Company has full service offices located throughout north Mississippi, southwest Tennessee and north Alabama.

On December 16, 2004, the board of directors of the Company approved a plan to change the name of the Company from “The Peoples Holding Company” to “Renasant Corporation”. The change of the Company’s name was approved by the shareholders at the annual meeting held on April 19, 2005. Effective April 19, 2005, the Company’s name was changed to Renasant Corporation.

On July 1, 2004, the Company completed its acquisition of Renasant Bancshares, Inc. (“Renasant Bancshares”). On January 1, 2005, the Company completed its acquisition of Heritage Financial Holding Corporation (“Heritage”). The financial condition and results of operations for Renasant and Heritage are included in the Company’s financial statements since the respective dates of each acquisition.

Basis of Presentation: The accompanying unaudited condensed consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with generally accepted accounting principles for interim financial information and 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 consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2004.

Certain amounts in prior periods have been reclassified to conform to the current presentation, and all dollar amounts are in thousands, except share data.

Note 2 Shareholders’ Equity

We are currently operating under a share buy-back plan authorized by the Company’s board of directors in September 2002 which allows for the purchase of 1,175,657 shares of our outstanding common stock, subject to a monthly purchase limit of \$2,000 of our common stock. This plan will remain in effect until all authorized shares are repurchased or until otherwise instructed by the board of directors. As of March 31, 2005, 962,977 shares of our common stock had been purchased and 212,680 shares remained authorized under this plan. The reacquired common shares are held as treasury shares and may be reissued for various corporate purposes. During the first quarter of 2005, the Company reissued 27,227 shares from treasury for the exercise of stock options.

Treasury Share Transactions for 2005

	<u>Total shares repurchased</u>	<u>Average repurchase price per share</u>	<u>Total shares reissued</u>	<u>Average reissue price per share</u>
January	11,700	\$ 31.96	—	\$ —
February	7,200	31.42	3,627	24.375
March	12,138	31.57	23,600	24.375

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The Company declared a cash dividend for the first quarter of 2005 of \$0.21 per share as compared to \$0.20 per share for the first quarter of 2004. Total cash dividends paid to shareholders by the Company were \$2,187 and \$1,638 for the three month periods ended March 31, 2005 and 2004, respectively.

Note 3 Comprehensive Income

For the three month periods ended March 31, 2005 and 2004, total comprehensive income was \$3,003 and \$5,416, respectively. Total comprehensive income consists of net income and the change in the unrealized gain (loss) on securities available for sale.

Note 4 Employee Benefit Plans

The following table provides the components of net pension cost and other benefit cost recognized for the three month periods ended March 31, 2005 and 2004:

	Three Months Ended March 31			
	Pension Benefits		Other Benefits	
	2005	2004	2005	2004
Service cost	\$ —	\$ —	\$ 18	\$ 16
Interest cost	242	240	17	16
Expected return on plan assets	(327)	(312)	—	—
Prior service cost recognized	8	8	1	1
Recognized loss	92	91	13	5
Net periodic benefit costs	\$ 15	\$ 27	\$ 49	\$ 38

Note 5 Net Income Per Common Share

Basic and diluted net income per common share calculations are as follows:

	Three Months Ended March 31	
	2005	2004
Basic:		
Net income applicable to common stock	\$ 5,459	\$ 4,647
Average common shares outstanding	10,406,243	8,191,530
Net income per common share-basic	\$ 0.52	\$ 0.57
Diluted:		
Net income	\$ 5,459	\$ 4,647
Average common shares outstanding	10,406,243	8,191,530
Stock awards	154,087	21,003
Average common shares outstanding-diluted	10,560,330	8,212,533
Net income per common share-diluted	\$ 0.52	\$ 0.57

Basic net income per common share is calculated by dividing net income by the weighted-average number of common shares outstanding for the period. Diluted net income per common share reflects the pro forma dilution assuming outstanding unexercised stock options and warrants were exercised into common shares.

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Note 6 Segment Reporting

Financial Accounting Standards Board Statement No. 131, "Disclosures About Segments of an Enterprise and Related Information," requires public companies to report certain financial and descriptive information about their reportable operating segments (as defined by management) and certain enterprise-wide financial information about products and services, geographic areas, and major customers.

The Company's internal reporting process is organized into four segments that account for the Company's principal activities: the delivery of financial services through its community banks in Mississippi (Mississippi Region), Tennessee (Tennessee Region) and Alabama (Alabama Region) and the delivery of insurance services through its insurance agency (Renasant Insurance). In order to more closely match expenses with revenues at the community bank level, direct and indirect expenses and revenues are allocated to the segments based on various factors, including percentage of loans, percentage of deposits, full-time employees, number of accounts serviced and actual sales. All of the Company's products are offered to similar classes of customers and markets, are distributed using the same methods and operate in similar regulatory environments.

The following table provides financial information for our operating segments. The "Other" column in the following table represents financial information of the holding company and eliminations which are necessary for purposes of reconciling to the consolidated amounts.

	Community Bank					Consolidated
	Mississippi Region	Tennessee Region	Alabama Region	Renasant Insurance	Other	
At or for the three month period ended March 31, 2005:						
Net interest income	\$ 13,251	\$ 2,243	\$ 4,667	\$ —	\$ (843)	\$ 19,318
Provision for loan losses	203	104	290	—	—	597
Noninterest income	7,134	169	1,450	1,156	(6)	9,903
Noninterest expense	13,854	1,758	4,507	673	171	20,963
Income before income taxes	6,329	550	1,320	483	(1,021)	7,661
Income tax expense	1,772	155	515	153	(393)	2,202
Net income (loss)	4,557	395	805	330	(628)	5,459
Total assets	1,533,057	278,251	500,692	5,057	3,107	2,320,164
Goodwill	2,265	39,253	46,860	2,783	—	91,161
At or for the three month period ended March 31, 2004:						
Net interest income	\$ 12,478	\$ —	\$ —	\$ —	\$ (28)	\$ 12,450
Provision for loan losses	505	—	—	—	—	505
Noninterest income	6,961	—	—	1,210	—	8,171
Noninterest expense	12,810	—	—	703	173	13,686
Income before income taxes	6,124	—	—	507	(201)	6,430
Income tax expense	1,717	—	—	154	(88)	1,783
Net income (loss)	4,407	—	—	353	(113)	4,647
Total assets	1,443,404	—	—	5,042	20,823	1,469,269
Goodwill	2,265	—	—	2,783	—	5,048

Note 7 Mergers and Acquisitions

On January 1, 2005, the Company completed its acquisition of Heritage Financial Holding Corporation ("Heritage"), a bank holding company headquartered in Decatur, Alabama. Heritage was the parent of Heritage Bank and operated eight banking offices in Alabama. The acquisition allows the Company to expand its geographical footprint into the key markets of Birmingham, Decatur and Huntsville, Alabama.

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The Company issued 1,369,589 shares of its common stock and paid approximately \$23,055 in cash for 100% of the voting equity interests in Heritage. The common stock issued by the Company was registered under the Securities Act of 1933, as amended. The aggregate transaction value, including the value of Heritage's options assumed by the Company, was \$75,658. At January 1, 2005, Heritage had total assets of approximately \$540,296, total loans of approximately \$389,740, total deposits of approximately \$380,998, and total stockholders' equity of approximately \$28,842. In connection with the acquisition, the Company recorded approximately \$52,084 in intangible assets. The intangible assets are not deductible for income tax purposes.

In December 2003, the American Institute of Certified Public Accountants issued Statement of Position 03-3 "Accounting for Certain Loans and Debt Securities Acquired in a Transfer" ("SOP 03-3"). SOP 03-3 prohibits the carryover of an allowance for loan losses on certain loans acquired in a purchase business combination. Increases in expected cash flows to be collected from the contractual cash flows will be recognized as an adjustment of the loan's yield over its remaining life, while decreases in expected cash flows will be recognized as an impairment. This accounting guidance became effective for loans acquired in fiscal years subsequent to December 15, 2004. The Company applied the guidance under SOP 03-3 to the loans acquired in connection with the acquisition of Heritage. As a result, the Company reduced the balance of \$18,839 of Heritage loans acquired by a specific credit reserve of \$5,742 from the allowance for loan losses. These loans are now carried at a balance which management believes, based on the facts and circumstances surrounding each respective loan at the date of acquisition, represents their future cash flows. Management continually monitors these loans individually as part of its normal credit review and monitoring procedures for changes in the estimated future cash flows. At March 31, 2005, none of the allowance for loan losses was allocated to these loans.

The following table summarizes the allocation of purchase price to assets and liabilities acquired based on their fair values on January 1, 2005:

Allocation of Purchase Price for Heritage Financial Holding Corporation

Purchase Price:

Shares issued to Heritage common shareholders	1,369,589	
Purchase price per share	\$ 33.10	
		<hr/>
Value of stock paid		\$45,333
Cash paid		23,055
Fair value of Heritage options assumed		6,081
Transaction costs		1,189
		<hr/>
Total Purchase Price		\$75,658

Net Assets Acquired:

Heritage's stockholders' equity	\$ 28,842	
Increase (decrease) to net assets as a result of fair value adjustments to assets acquired and liabilities assumed:		
Investments	(885)	
Loans, net of unearned income	(485)	
Fixed assets	(861)	
Core deposits intangible	4,590	
Non-compete agreements	634	
Deposits	35	
FHLB advances	(1,363)	
Trust preferred securities	(1,638)	
Deferred income taxes	(71)	
Increase (decrease) to net assets as a result of implementation of SOP 03-3		
Loans	(5,742)	
Allowance for loan losses	5,742	
		<hr/>
Total Net Assets Acquired		28,798
		<hr/>
Goodwill resulting from merger		\$46,860

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Since the acquisition of Heritage was completed on January 1, 2005, the actual results are indicative of the pro forma results. As such, no pro forma information is included herein.

Note 8 Subsequent Event

At the Company's 2005 Annual Meeting of Shareholders held on April 19, 2005, the Company's shareholders approved an amendment to the Company's Articles of Incorporation to increase the number of authorized shares of the Company's common stock from 15,000,000 shares to 75,000,000 shares. At the meeting, the Company's shareholders also approved an amendment to the Company's Articles of Incorporation to authorize 5,000,000 shares of preferred stock, with a par value of \$01 per share. The company's board of directors will determine, in its sole discretion, the rights, preferences and other terms of the shares the preferred stock at the time of the issuance of such shares. As a result of these actions, the Company now has a total of 80,000,000 shares of stock authorized, of which 75,000,000 shares are common stock and 5,000,000 shares are preferred stock.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (dollar amounts in thousands, except per share data)

This Form 10-Q may contain, or incorporate by reference, statements 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. Prospective investors are cautioned that any such forward-looking statements are not guarantees for 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 significant fluctuations in interest rates, inflation, economic recession, significant changes in the federal and state legal and regulatory environment, significant underperformance in our portfolio of outstanding loans, and competition in our markets. We undertake 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 (formerly known as The Peoples Holding Company and referred to herein as the "Company", "we," "our," or "us"), a Mississippi corporation, owns and operates Renasant Bank (formerly known as The Peoples Bank & Trust Company), a Mississippi-chartered bank with operations in Mississippi, Tennessee and Alabama, and Renasant Insurance, Inc. (formerly known as The Peoples Insurance Agency, Inc.), with operations in Mississippi. Renasant Insurance, Inc. is a wholly owned subsidiary of Renasant Bank. The Company has full service offices located throughout north Mississippi, southwest Tennessee and north Alabama.

On July 1, 2004, we completed our acquisition of Renasant Bancshares, Inc. ("Renasant Bancshares"), the parent company of Renasant Bank of Tennessee, which expanded our footprint into Tennessee. On March 31, 2005, Renasant Bank of Tennessee merged into Renasant Bank. On January 1, 2005, we completed our acquisition of Heritage Financial Holding Corporation ("Heritage"), the parent company of Heritage Bank, which expanded our footprint into Alabama. The financial condition and results of operations for both acquisitions are included in the Company's financial statements since the date of relevant acquisition.

Financial Condition

Total assets for the Company increased to \$2,320,164 on March 31, 2005 from \$1,707,545 on December 31, 2004, representing an increase of 35.88%. The acquisition of Heritage contributed total assets of \$540,296. The information contained in the ensuing paragraphs further discusses the increase in assets.

Cash and cash equivalents increased \$12,596 from \$56,025 at December 31, 2004, to \$68,621 at March 31, 2005, and represented 2.96% of total assets at March 31, 2005, compared to 3.28% of total assets at December 31, 2004.

Our investment portfolio increased from \$371,581 at December 31, 2004 to \$425,196 at March 31, 2005. The acquisition of Heritage contributed investment securities with a balance of \$94,866. The decline in the investment portfolio excluding the contribution from the Heritage acquisition was a result of the Company utilizing the cash flow from its investment portfolio to partially fund loan growth generated during the first quarter of 2005.

Mortgage loans held for sale were \$32,623 at March 31, 2005 compared to \$2,714 at December 31, 2004. The increase in mortgage loans held for sale is directly attributable to the mortgage loan operations of Heritage acquired on January 1, 2005. Originations of mortgage loans to be sold totaled \$90,710 for the first three months of 2005 as compared to \$45,331 for the full year of 2004. Mortgage loans to be sold are locked in at the contractual rate upon closing, thereby eliminating any interest rate risk for the Company. 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 some interest income is derived from mortgage loans held for sale, the main source of income is gains from the sale of the mortgage loans in the secondary market.

The loan balance, net of unearned income, at March 31, 2005, was \$1,572,103 representing an increase of \$430,623, or 37.72%, from \$1,141,480 at December 31, 2004. The acquisition of Heritage contributed total loans of \$389,740. Excluding Heritage's loans, loans increased \$40,883 from December 31, 2004.

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Excluding the impact on the loan portfolio from the Heritage acquisition, the growth in loans during the first three months of 2005 is attributed in part to loan production from our Tennessee region. Loans in the Tennessee region grew \$13,865 during the first three months of 2005. The Mississippi region continued to experience growth primarily in its DeSoto County market. DeSoto County, located just south of Memphis, Tennessee, continues to be one of the fastest growing counties in both Mississippi and the nation. The table below sets forth loans outstanding, according to loan type, net of unearned income.

	March 31, 2005	December 31, 2004
Commercial, financial, agricultural	\$ 228,305	\$ 175,571
Lease financing	10,763	10,809
Real estate – construction	159,155	96,404
Real estate – 1-4 family mortgages	531,347	375,698
Real estate – commercial mortgages	537,800	395,048
Installment loans to individuals	104,733	87,950
	<hr/>	<hr/>
Total loans, net of unearned income	\$1,572,103	\$1,141,480

Loan concentrations are considered to exist when there are amounts loaned to a large number of borrowers engaged in similar activities who would be similarly impacted by economic or other conditions. At March 31, 2005, we had no significant concentrations of loans other than presented in the categories in the table above.

Intangible assets increased \$50,982 to \$101,406 at March 31, 2005 from \$50,424 at December 31, 2004. The increase reflects \$46,860, \$4,590, and \$634 of goodwill, core deposits intangible, and noncompete agreements, respectively, recorded January 1, 2005, in connection with the acquisition of Heritage. The core deposits intangible and noncompete agreements are being amortized over their estimated useful lives of ten and five years, respectively.

Other assets increased \$32,148 from \$65,726 at December 31, 2004, to \$97,874 at March 31, 2005. This increase is primarily attributable to the Heritage acquisition. The increase also includes increases in Bank Owned Life Insurance (“BOLI”), deferred tax assets and accrued interest receivable.

Total deposits increased \$422,324 to \$1,741,001 at March 31, 2005 from \$1,318,677 on December 31, 2004. The acquisition of Heritage contributed total deposits of \$380,998, including money market and savings accounts of \$46,735 and time deposits of \$221,924. Excluding Heritage’s deposits, total deposits increased \$41,326, or 3.13%, from December 31, 2004 due to growth in money market and savings accounts and time deposits. Excluding Heritage, the balance of money market and savings accounts increased \$5,778, or 10.75%, to \$543,247 at March 31, 2005. Time deposits, excluding Heritage, increased \$20,017 to \$614,581 at March 31, 2005 as compared to December 31, 2004 as our use of public funds increased \$15,051 over the same period.

We continue to utilize advances from the Federal Home Loan Bank (FHLB) to fund our loan portfolio. In order to mitigate interest rate risk, long term fixed rate loans have been match-funded with FHLB borrowings. Advances from the FHLB increased from \$133,288 to \$243,044 at March 31, 2005 compared to \$109,756 at December 31, 2004. The acquisition of Heritage increased our FHLB advances by \$91,135. At March 31, 2005, the weighted average maturity of the long-term portion of our FHLB advances was 3 years and 9 months while the weighted average rate was 3.45%.

During January 2005, we formed PHC Statutory Trust II for the purpose of issuing corporation-obligated mandatory redeemable capital securities to third-party investors and investing the proceeds from the sale of such capital securities solely in floating rate junior debentures of the Company. The \$31,000 issue provided us funds for the cash portion of the Heritage acquisition. The 30-year junior subordinated debentures pay interest quarterly equal to the three month LIBOR plus 187 basis points. In connection with the Heritage acquisition, we assumed \$10,000 in fixed-rate junior subordinated debentures issued by Heritage. These junior subordinated debentures have similar characteristics to our debentures and, as such, qualify as Tier 1 capital for regulatory purposes.

Shareholders’ equity increased \$51,850, or 28.96%, to \$230,892 at March 31, 2005 compared to \$179,042 at December 31, 2004, primarily as a result of the Heritage acquisition which increased shareholders’ equity \$51,415.

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Other factors contributing to the change in capital include current year earnings, treasury stock purchases, cash dividends declared, and unrealized security portfolio gains.

Results of Operations

Summary

Net income for the three month period ended March 31, 2005, was \$5,459 an increase of \$812, or 17.47%, from net income of \$4,647 for the same period in 2004. Basic and diluted earnings per share for the three month period ended March 31, 2005, were \$.52, a decrease of 8.77% from basic and diluted earnings per share of \$.57 for the comparable period a year ago. The acquisitions of Renasant Bancshares and Heritage each had a \$0.02 per share dilutive impact on earnings for the first three months of 2005.

Net income for the first three months of 2005 was negatively impacted by \$244, or \$.02 per share, in after-tax merger expenses related to the Heritage acquisition. These expenses consist primarily of conversion-related expenses. The Company also incurred \$160, or \$.02 per share, in after-tax costs associated with changing the name of our subsidiary bank and insurance company which further reduced our net income for the first three months of 2005.

The annualized return on average assets and the annualized return on average equity are presented in the table below:

	Three Months Ended March 31,	
	2005	2004
Return on average assets	0.93%	1.29%
Return on average tangible assets	1.04	1.32
Return on average equity	9.40	13.27
Return on average tangible equity	17.71	14.10

The annualized returns on average tangible assets and average tangible equity exclude the effects of intangible assets and related amortization expenses.

Net Interest Income

Net interest income is the difference between interest earned on earning assets and the cost of interest-bearing liabilities, which are two of the largest components contributing to our net income. The primary concerns in managing net interest income are the mix and the repricing of rate-sensitive assets and liabilities. While the current interest rate environment has been unfavorable for net interest income, several factors have lessened the impact on the Company of the interest rate environment, including increases in loans, risk-based loan pricing, and a shift from time deposits to less costly transaction deposits.

Net interest income for the three month periods ended March 31, 2005 and 2004, was \$19,318 and \$12,450, respectively. On a tax equivalent basis, net interest margin for the three month period ended March 31, 2005, declined to 3.92% from 4.09% for the comparable period in 2004. The decline in our margin is primarily due to the acquisitions of Renasant Bancshares and Heritage, both of which had lower net margins than the Company.

Interest income grew 66.60% to \$29,295 for the three month period ended March 31, 2005 from \$17,584 for the same period in 2004. The growth in interest income was driven by volume, as the average balance in interest earning assets for March 31, 2005 increased \$740,610 as compared to the same period in 2004, while the tax equivalent yield on earning assets increased 22 basis points to 5.89%. The increase in the average balance of earning assets was primarily due to the acquisitions of Renasant Bancshares and Heritage. These acquisitions contributed interest income of \$3,165 and \$6,772, respectively, for the first three months of 2005.

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Interest expense increased \$4,843 to \$9,977 for the three months ended March 31, 2005 as compared to \$5,134 for the same period in 2004. Interest expense increased as the average balance of interest bearing liabilities increased as a result of the Renasant Bancshares and Heritage acquisitions. The Company issued junior subordinated debentures in connection with these acquisitions and assumed Heritage's outstanding junior subordinated debentures. The cost of interest-bearing liabilities increased to 2.18% for the first three months in 2005 from 1.85% for the same period in 2004.

See Note 2 - Significant Accounting Policies to the Condensed Consolidated Financial Statements for discussion and analysis of the Company's mortgage loans held for sale portfolio and recognition of related income.

Provision for Loan Losses

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 adequate to meet the inherent risks of losses on our current portfolio of loans. The appropriate level of the allowance is based on a quarterly analysis of the loan portfolio which includes consideration of such factors as the risk rating of individual credits, the size and diversity of the portfolio, economic conditions, prior loss experience, and the results of periodic credit reviews by internal loan review and regulators.

The provision for loan losses was \$597 and \$505 for the three months ended March 31, 2005 and 2004, respectively. Accruing loans past due 90 days or more as a percentage of total loans were .19% and .44% at March 31, 2005 and 2004, respectively, while nonaccrual loans as a percentage of total loans were .24% and .61% for the same periods, respectively. Nonaccrual loans at March 31, 2005, were \$3,807, down \$1,606 as compared to the balance at March 31, 2004. As disclosed in previous filings, one large credit relationship had previously represented over one-half of our nonaccrual loans. In the first quarter of 2005, we foreclosed on the collateral securing this relationship. As a result, the nonaccrual balance was reduced \$4,129 as we bring to final resolution this one problem credit relationship. The \$4,908 increase in other real estate owned and repossessions was primarily a result of the foreclosure. The acquisition of Heritage increased the March 31, 2005 nonaccrual loan balance by \$2,392.

For the first three months of 2005, net charge-offs were \$1,186, or 0.31% annualized as a percentage of average loans. Net charge-offs for the same period in 2004 were \$463, or 0.21% annualized as a percentage of average loans. The foreclosure on the collateral securing the one credit relationship, as discussed in more detail in the preceding paragraph, resulted in a partial charge-off of \$605, or .16% of average loans, during the first quarter of 2005 with an additional \$296 expected to be charged-off in the second quarter of 2005. All amounts charged-off related to this one credit relationship had been fully reserved in the allowance for loan losses.

There have been no material changes in assumptions or estimation techniques as compared to prior periods that have impacted the determination of the current period allowance for loan losses. The allowance for loan losses as a percentage of loans was 1.14% at the March 31, 2005 as compared to 1.26% at December 31, 2004. The reduction of the allowance for loan losses was caused by our improved credit quality and growth in the loan portfolio. Statement of Position 03-3, *Accounting for Certain Loans or Debt Securities Acquired in a Transfer*, ("SOP 03-3"), issued by the American Institute of Certified Public Accountants ("AICPA") prohibits the carryover of an allowance for loan loss for loans acquired in which acquirer concludes that the acquirer will not collect the contractual payments. As such, we reduced the balance of \$18,839 of Heritage loans acquired by a specific credit reserve of \$5,742 from the allowance for loan losses. These loans are now carried at a balance which we believe, based on the facts and circumstances surrounding each respective loan at the date of acquisition, represent their future cash flows. We continually monitor these loans as part of our normal credit review and monitoring procedures for changes in the estimated future cash flows.

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The tables below present information and ratios regarding loans, net charge-offs, the allowance for loan losses and nonperforming loans.

	Loans March 31,		Net Charge-offs Three Months Ended March 31,	
	2005	2004	2005	2004
Commercial, financial, agricultural	\$ 228,305	\$ 139,960	\$ 165	\$ 378
Lease financing	10,763	11,785	—	—
Real estate – construction	159,155	59,361	98	—
Real estate – 1-4 family mortgages	531,347	309,029	617	54
Real estate – commercial mortgages	537,800	277,517	84	—
Installment loans to individuals	104,733	84,832	222	31
Total loans, net of unearned income	\$1,572,103	\$882,484	\$ 1,186	\$ 463

	2004				
	2005 1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
Balance at beginning of period	\$ 14,403	\$ 16,309	\$ 13,152	\$ 13,274	\$ 13,232
Addition from acquisitions	4,198	—	2,845	—	—
Loans charged-off	1,413	1,982	470	681	484
Recoveries of loans previously charged-off	(227)	(158)	(146)	(71)	(21)
Net charge-offs	1,186	1,824	324	610	463
Provision for loan losses	597	(82)	636	488	505
Balance at end of period	\$ 18,012	\$ 14,403	\$ 16,309	\$ 13,152	\$ 13,274
Nonaccruing loans	\$ 3,807	\$ 6,443	\$ 5,626	\$ 5,566	\$ 5,413
Accruing loans 90 days past due or more	3,002	2,228	2,054	1,848	3,891
Total nonperforming loans	6,809	8,671	7,680	7,414	9,304
Other real estate owned and repossessions	7,232	2,324	2,516	1,901	1,661
Total nonperforming assets	\$ 14,041	\$ 10,995	\$ 10,196	\$ 9,315	\$ 10,965
Allowance for loan losses to total loans	1.14%	1.26%	1.45%	1.45%	1.50%
Reserve coverage ratio	264.53	166.30	212.36	177.39	142.67
Net charge-offs to average loans	0.08	0.17	0.03	0.07	0.05
Nonperforming loans to total loans	0.43	0.76	0.68	0.82	1.05
Nonperforming assets to total assets	0.60	0.64	0.60	0.65	0.75

In determining the amount of provision to charge to operations, management considers the risk rating of individual credits, the size and diversity of the loan portfolio, current trends in net charge-offs, trends in non-performing loans, trends in past due loans and current economic conditions in the markets in which we operate.

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 as of March 31, 2005, and December 31, 2004:

	March 31, 2005	December 31, 2004
Specific reserves	\$ 1,443	\$ 2,786
Allocated reserves based on loan grades	16,548	11,617
Unallocated reserves	21	—
Total reserves	\$18,012	\$ 14,403

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Noninterest Income

Noninterest income was \$9,903 for the three month period ended March 31, 2005 compared to \$8,171 for the same period in 2004, an increase of 21.20%. For the three month period ended March 31, 2005, Renasant Bancshares and Heritage contributed \$169 and \$1,450, respectively, to noninterest income.

Service charges on deposits were \$3,874 for the first three months of 2005, an increase of \$174, or 4.70%, over \$3,700 for the three month period ended March 31, 2004. Service charges represent the largest component of noninterest income. Overdraft fees were \$3,208 for the three month period ended March 31, 2005, an increase of \$230, or 7.75%, compared to the same period in 2003. This increase is also attributed to non-public transaction deposit growth. The fee charged for insufficient funds remained the same throughout 2003 and 2004.

Fees and commissions were \$2,505 and \$1,671 for the three month periods ended March 31, 2005 and 2004, respectively. For the three month period ended March 31, 2005, mortgage loan fees (application and origination fees) were \$881 compared to \$374, respectively, for the same period of 2004. This increase occurred because of the acquisition of Heritage's mortgage loan business.

The Financial Services division of the Company focuses on providing specialized products and services to our customers. Specialized products include fixed and variable annuities, mutual funds, and stocks offered through a third party provider. Fixed annuities consist of a line of twelve products. We use six insurance carriers, all of which have an A. M. Best rating of an "A" or better. Mutual funds offered by the Company originate primarily from five fund families. Revenues generated from the sale of these products totaled \$249 for the first three months of 2005 as compared to \$198 for the same period in 2004. Revenues from these products are reported in the Condensed Consolidated Statements of Income in the account line "Fees and commissions."

Our emphasis on specialized products and services is designed to better serve the needs of our clients. The trust department operates on a custodial basis which includes administration of benefit plans, accounting and money management for trust accounts. The trust department of the Company 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 generated based on the contractual terms of the accounts. Trust revenue for the first three months of 2005 was \$625 as compared to \$464 for the same period of 2004. The market value of assets under management as of March 31, 2005 was \$423,028 an increase of approximately 5.92% from the prior year.

Gains from sales of mortgage loans increased to \$693 for the three months ended March 31, 2005 compared to \$128 for the same period in 2004. The increase in gains from sales of mortgage loans is due to increase in mortgage loan volumes attributable to Heritage's mortgage loan business.

Revenues from merchant discounts decreased \$354 from \$356 for the three months ended March 31, 2004 as compared to the same period in 2005. In the second quarter of 2004, we sold our interest in and rights to future revenue on credit card merchant agreements involving point of sale based credit card, debit card and other card-based transaction processing services, electronic payment and settlement services to Nova Information Systems, Inc. ("Nova"). As such, we will no longer continue to receive merchant discount revenue. We will receive referral fees from Nova, although such fees will likely be significantly less than our merchant discount revenue.

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Other noninterest income includes contingency income related to our insurance subsidiary, which was \$308 for the three month period ended March 31, 2005, a decrease of \$57 from \$365 for the same period of 2004. Contingency income is based on both the premium volume with each individual insurance company and the amount of claims paid from each of those companies. Income fluctuates if the claims experience changes from year to year. Also included in other noninterest income is \$264, representing our share of proceeds from the sale of the Pulse network to Discover.

Noninterest Expense

Noninterest expense was \$20,963 for the three month period ended March 31, 2005, compared to \$13,686 for the same period in 2004, an increase of \$7,277. The operations of Renasant Bancshares and Heritage increased noninterest expenses by \$6,265, including \$399 of merger related expenses.

Salaries and employee benefits for the three month period ended March 31, 2005, were \$11,459, or \$3,866 greater than the same period last year. The acquisition of Renasant Bancshares and Heritage increased salaries and employee benefits by \$3,253 for the three month period ended March 31, 2005. The balance of the increase in salaries and employee benefits is due to duplicate staff at our headquarters and in our Alabama operations needed to facilitate the consolidation of back office functions related to the merger, strategic hiring of commercial lending and wealth management personnel in our new markets and increases in health care and pension costs. The duplicate positions to facilitate the back office consolidation were eliminated early in the second quarter of 2005.

Data processing costs for the three month period ended March 31, 2005, were \$1,044, a decrease of \$119 compared to the same period last year. The decrease resulted from continued efficiencies in our back office processing. Net occupancy expense and equipment expense for the three month period ended March 31, 2005, increased \$760 and \$279, respectively, from \$855 and \$711, respectively, over the comparable period for the prior year, primarily due to additional depreciation and expenses related to Renasant Bancshares and Heritage and our de novo branches.

Amortization of intangible assets increased \$463 to \$586 for the three months ended March 31, 2005 compared to \$123 for the same period in 2004. The increase is due to the amortization of the finite-lived intangible assets recorded as a result of the Renasant Bancshares and Heritage acquisitions. These intangible assets are being amortized over their estimated useful lives, which range between 5-10 years.

In February 2005, we changed the name of our subsidiary bank, The Peoples Bank & Trust Company, to "Renasant Bank", and our insurance agency, "The Peoples Insurance Agency", to Renasant Insurance, Inc. As a result of the name change, we incurred approximately \$262 in marketing, legal and printing costs during the first three months of 2005.

Noninterest expense as a percentage of average assets was 3.58% for the three month period ended March 31, 2005, and 3.80% for the comparable period in 2004. We anticipate a continued positive impact on the future through our investments in personnel, technology, and programs such as High Performance Checking. The net overhead ratio was 1.90% and 1.55% for the first three months of 2005 and 2004, respectively. The net overhead ratio is defined as noninterest expense less noninterest income, expressed as a percent of average assets. Our efficiency ratio increased to 70.65% for the three month period ended March 31, 2005, compared to 63.99% for the same period of 2004. The net overhead and efficiency ratios were negatively impacted by the merger costs and costs associated with the name change. We anticipate improvements in these ratios as we improve our operating efficiencies and take advantage of the income opportunities provided in our new markets of Tennessee and Alabama.

Income tax expense was \$2,202 for the three month period ended March 31, 2005, (with an effective tax rate of 28.74%) compared to \$1,783 (with an effective tax rate of 27.73%) for the same period in 2004. We continue to seek investing opportunities in assets whose earnings are given favorable tax treatment.

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.

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Core deposits are a major source of funds used to meet cash flow needs. Maintaining the ability to acquire these funds as needed in a variety of markets is the key to assuring liquidity. When evaluating the movement of these funds, even during large interest rate changes, it is apparent that we continue to attract deposits that can be used to meet cash flow needs. Management continues to monitor the liquidity and potentially volatile liabilities ratios to ensure compliance with Asset-Liability Committee targets.

Our security portfolio is another alternative for meeting liquidity needs. These assets have readily available markets that offer conversions to cash as needed. Within the next twelve months the securities available for sale portfolio is forecasted to generate cash flow equal to 8.91% of the carrying value of the total securities portfolio. Other sources available for meeting liquidity needs include federal funds purchased and advances from the FHLB. Interest is charged at the market federal funds rate on federal funds purchased and FHLB advances. Federal funds purchased at March 31, 2005 totaled \$10,066. Funds obtained from the FHLB are used primarily to match-fund real estate loans in order to minimize interest rate risk, and may be used to meet day to day liquidity needs. The total amount of remaining credit available to us from the FHLB was \$146,167. As of March 31, 2005, our outstanding balance with the FHLB was \$243,044. We also maintain lines of credits with other commercial banks totaling \$35,000. These are unsecured lines of credit maturing at various times within the next twelve months. At March 31, 2005, there were no amounts outstanding under these lines of credits.

For the three months ended March 31, 2005, our total cost of funds, including noninterest bearing demand deposit accounts, was 1.94%, up from 1.62% for the same period in 2004. Noninterest bearing demand deposit accounts made up approximately 11.01% of our average total deposits and borrowed funds at March 31, 2005 as compared to 12.93% at March 31, 2004. Interest bearing transaction accounts, money market accounts and savings accounts made up approximately 31.36% of our funds and had an average cost of 0.89%. Another significant source of funds was time deposits, making up 39.79% of the total deposits and borrowed funds with an average cost of 2.67% for the three months ended March 31, 2005, compared to 40.37% of the total with an average cost of 2.40% for the same period in 2004. FHLB advances, typically used for clients who prefer longer-term fixed rate loans, made up approximately 12.01% of our average total deposits and borrowed funds with an average cost of 2.86%.

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 non-interest bearing deposits. While we do not control the types of deposit instruments our clients choose, we do influence those choices with the rates we offer and with the deposit specials we offer. For example, public funds may be readily obtained based on our aggressiveness in pricing. We constantly monitor our funds position and evaluate the effect various funding sources have on our financial position.

Cash and cash equivalents were \$68,621 at March 31, 2005, compared to \$56,025 at December 31, 2004. Cash used in investing activities for the three months ended March 31, 2005, was \$41,675, compared to \$31,936 for the same period of 2004. The primary contribution to this increase was due to a net increase in loans of \$56,600 funded by the proceeds from the sale and maturity of our investment portfolio of \$43,107.

Cash provided by financing activities for the three months ended March 31, 2005, was \$38,182, compared to \$48,979 for the same period of 2004. In January 2005, the Company issued \$31,959 in junior subordinated debentures for the primary purpose of funding for the cash portion of the Heritage acquisition. The funds provided by the issuance of the subordinated debentures represents the majority of the decrease in financing activities borrowings.

The Company acquired Renasant Bancshares on July 1, 2004. The aggregate transaction value, including deal charges and the dilutive impact of Renasant Bancshares' options and warrants assumed by the Company, was approximately \$60,290. In accordance with the merger agreement, the Company delivered to Renasant Bancshares shareholders either cash, Company common stock, or a combination of cash and Company common stock, in exchange for the shares of Renasant Bancshares common stock owned by a shareholder. The cash portion of the merger consideration was \$26,128, and was funded with proceeds from issuance of the junior subordinated debentures under PHC Statutory Trust I and a special dividend from Renasant Bank. The Company issued 802,094 shares of its common stock in the transaction, totaling approximately \$27,720. These shares were registered under the Securities Act of 1933, as amended.

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The Company completed the acquisition of Heritage on January 1, 2005. The aggregate transaction value, including deal charges and the dilutive impact of Heritage's options assumed by the Company, was approximately \$75,658. In accordance with the merger agreement, the Company delivered to Heritage shareholders either cash, Company common stock, or a combination of cash and Company common stock, in exchange for the shares of Heritage common stock owned by a shareholder. The cash portion of the merger consideration was \$23,055, and was funded with proceeds from issuance of \$31,959 in junior subordinated debentures to PHC Statutory Trust II. The Company issued 1,369,589 shares of its common stock in the transaction, totaling approximately \$45,333. These shares were registered under the Securities Act of 1933, as amended.

We are 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 our financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, we must meet specific capital guidelines that involve quantitative measures of our assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. Our 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 us to maintain minimum balances and ratios. All banks are required to have core capital (Tier I) of at least 4% of risk-weighted assets, 4% of average assets, and total capital of 8% of risk-weighted assets (as such ratios are defined in Federal regulations). As of March 31, 2005, we met all capital adequacy requirements to which we are subject. As of March 31, 2005, the most recent notification from the Federal Deposit Insurance Corporation categorized us as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, we must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios of 10%, 6%, and 5%, respectively. In the opinion of management, there are no conditions or events since the last notification that have changed our rating as well capitalized.

The following table includes our capital ratios and the capital ratios of our banking subsidiary as of March 31, 2005:

	<u>Consolidated</u>	<u>Bank</u>
Tier I Leverage (to average assets)	8.59%	8.30%
Tier I Capital (to risk-weighted assets)	11.85%	11.46%
Total Capital (to risk-weighted assets)	12.96%	12.57%

Management recognizes the importance of maintaining a strong capital base. As the above ratios indicate, we exceed the requirements for a well capitalized bank. The Company's liquidity and capital resources are substantially dependent on the ability of our Bank to transfer funds to the Company in the form of dividends, loans and advances.

Book value per share was \$22.17 and \$19.79 at March 31, 2005 and December 31, 2004, respectively.

Off Balance Sheet Arrangements

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, and equipment) is obtained based on management's credit assessment of the customer.

The Company's unfunded loan commitments (unfunded loans and unused lines of credit) and standby letters of credit outstanding at March 31, 2005 were approximately \$251,112 and \$15,123 respectively, compared to \$219,087 and \$15,468, respectively, at December 31, 2004.

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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- or off-balance sheet financial instruments.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our disclosures about market risk since December 31, 2004. For additional information, see our Form 10-K for the year ended December 31, 2004.

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 timely alerting them to material information required to be included in our periodic SEC reports. 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 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table summarizes the Company's purchases of its own securities for the three month period ended March 31, 2005:

Period	(a) Total Number of Shares Purchased ⁽¹⁾	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾⁽²⁾	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾
January 1 to January 31, 2005	11,700	\$ 31.96	11,700	232,018
February 1 to February 28, 2005	7,200	31.42	7,200	224,818
March 1 to March 31, 2005	12,138	31.57	12,138	212,680
Total	31,038	\$ 31.68	31,038	

(1) All shares were purchased through the Company's publicly announced share buy-back plan.

(2) The Company is currently operating under a share buy-back plan authorized by the Company's board of directors on September 17, 2002 which allows for the purchase of 1,175,657 shares of the Company's outstanding common stock, subject to a monthly purchase limit of \$2,000 of its common stock. The plan will

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remain in effect until all authorized shares are repurchased or until otherwise instructed by the board of directors. The reacquired common shares are held as treasury shares and may be reissued for various corporate purposes. As of March 31, 2005, 962,977 shares of the Company's common stock had been purchased and 212,680 shares remained authorized under the plan. All share purchases during 2005 were made pursuant to open market transactions.

The Company's ability to pay dividends to its shareholders is substantially dependent on the transfer from its subsidiary banks of sufficient funds to pay such dividends. Certain restrictions exist regarding the ability of the Bank to transfer funds to the Company in the form of cash dividends, loans, or advances. The approval of the Mississippi Department of Banking and Consumer Finance is required prior to Renasant Bank paying dividends, which are limited to earned surplus in excess of three times capital stock. At March 31, 2005, the unrestricted surplus for Renasant Bank was approximately \$271,363. Federal Reserve regulations also limit the amount Renasant Bank may loan to the Company unless such loans are collateralized by specific obligations. At March 31, 2005, the maximum amount available for transfer from the Bank to the Company in the form of loans was \$20,343. There were no loans outstanding from Renasant Bank to the Company at March 31, 2005.

Item 6. EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
3.1	Articles of Incorporation of Renasant Corporation, as amended
3.2	Bylaws of Renasant Corporation, as amended
10.11	Employment Agreement dated as of July 14, 2004 by and between Larry R. Mathews, Renasant Corporation and Renasant Bank (Filed as exhibit 10.11 to the Form 8-K (File No. 001-13253) filed with the Securities and Exchange Commission on January 6, 2005 and incorporated herein by reference)
10.16	Amendment No. 1 to Employment Agreement of Francis J. Cianciola dated March 31, 2005 between Francis J. Cianciola and Renasant Corporation
31.1	Certification of the Chief Executive Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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.

May 9, 2005

/s/ Renasant Corporation
Registrant

/s/ E. Robinson McGraw

E. Robinson McGraw
Chairman, President & Chief Executive Officer

/s/ Stuart R. Johnson

Senior Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

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31.2	Certification of the Chief Financial Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

ARTICLES OF INCORPORATION**OF****THE PEOPLES HOLDING COMPANY**

We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators of a corporation under the Mississippi Business Corporation Act, adopt the following Articles of Incorporation for such corporation:

FIRST: The name of the corporation is The Peoples Holding Company.

SECOND: The period of its duration is ninety-nine (99) years.

THIRD: The specific purpose or purposes for which the corporation is organized stated in general terms are:

To exercise all powers of a bank holding company registered with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended, and to engage in all banking and non-banking activities allowed for a bank holding company under state and federal law.

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is six hundred thousand (600,000) shares of common stock, all of one class, having a par value of Ten Dollars (\$10.00) each.

FIFTH: The corporation will not commence business until consideration of the value of at least One Thousand Dollars (\$1,000.00) has been received for the issuance of shares.

SIXTH: Provisions granting to shareholders the preemptive right to acquire additional or treasury shares of the corporation are: None.

SEVENTH: The capital stock of the corporation may be issued for valid corporate purposes upon authorization by the Board of Directors of the corporation without prior stockholder approval.

EIGHTH: The Street and post office address of its initial registered office is P. O. Box 709, 209 Troy Street, Tupelo, Mississippi 38801, and the name of its initial registered agent at such address is E. C. Neelly, III.

NINTH: The number of directors constituting the initial Board of Directors of the corporation is seventeen (17), and the names and street and post office addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualify are:

<u>Name</u>	<u>Street and Post Office Address</u>
George F. Adams	520 West Jackson Street Tupelo, Mississippi 38801
John A. Barron	1344 Mapleview Drive West Point, Mississippi 38821
Edward C. Bourland	806 McAlpine Drive Amory, Mississippi 38821
W.L. Dunlap	518 Magnolia Tupelo, Mississippi 38801
John L. Evans	Route 4 Fulton, Mississippi 38843
Robert C. Leake	715 Hillshire Drive Tupelo, Mississippi 38801
W.P. Mitchell	2405 Parkway Drive Tupelo, Mississippi 38801
E.C. Neelly, III	2406 Country Club Tupelo, Mississippi 38801
Theron S. Pounds	101 Foster Park Booneville, Mississippi 38829
David P. Searcy	Route 6, Ruffwood #16 Tupelo, Mississippi 38801
John W. Smith	19 Quail Creek Road Tupelo, Mississippi 38801

Jimmy S. Threldkeld	35 Debeau Tupelo, Mississippi 38801
Leonard W. Walden	Route 5 Booneville, Mississippi 38829
J. Heywood Washburn	711 Hillshire Tupelo, Mississippi 38801
Robert H. Weaver	1509 Douglass Drive Jackson, Mississippi 39211
John B. Wright	10th Avenue North Amory, Mississippi 38821
J. Larry Young	Route 6, Box 216 Pontotoc, Mississippi 38863

TENTH: The name and street is and post office address of each incorporator is:

<u>Name</u>	<u>Street and Post Office Address</u>
E. C. Neely, III	2406 Country Club Tupelo, Mississippi 38801
John W. Smith	19 Quail Creek Road Tupelo, Mississippi 38801

Dated November 9, 1982.

/s/ E. C. Neely, III

/s/ John W. Smith

Incorporators

**ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION
OF
THE PEOPLES HOLDING COMPANY**

Pursuant to Section 79-3-117, Mississippi Code of 1972 Annotated, The Peoples Holding Company adopts the following amendments to its articles of incorporation:

ONE: The name of the corporation is The Peoples Holding Company.

TWO: The following amendments of the articles of incorporation were adopted by the stockholders of the corporation on the 8th day of April, 1986, in the manner prescribed by the laws of the State of Mississippi, and the articles of incorporation of The Peoples Holding Company:

(1) RESOLVED, that Article Fourth of the articles of incorporation of The Peoples Holding Company be amended to read as follows:

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is One Million Two Hundred Thousand (1,200,000) shares of common stock, all of one class, having a par value of Five Dollars (\$5.00) each.

Upon the effective date of this amendment each of the 290,250 issued and outstanding shares of common stock of the corporation will, without any action on the part of the holder thereof, become and be converted into a share of common stock of a par value of Five Dollars (\$5.00) per share; and a "sticker" or "stickers" will be mailed to each shareholder to be attached to each certificate held by a shareholder indicating the reduction of par value from \$10.00 to \$5.00 per share. The corporation will at the same time also issue and deliver to each shareholder one additional share of common stock of a par value of \$5.00 per share for each share of common stock already held by each shareholder.

(2) RESOLVED, that Article Ninth of the articles of incorporation of The Peoples Holding Company be amended by adding thereto the following:

The number of directors of the corporation for each ensuing year shall be fixed by resolution adopted by the affirmative vote of a majority of the entire Board of Directors of the corporation, except that the minimum number of directors shall be fixed at not less than (7) and the maximum number of directors shall be fixed at not more than twenty (20) . The directors shall be divided into three (3) classes, designated Class 1, Class 2 and Class 3. Each class shall consist, as nearly as possible, of one-third of the total number of directors constituting the entire Board of Directors. At the 1986 meeting of stockholders, Class 1 directors shall be elected for a one-year term, Class 2 directors for a two-year term and Class 3 directors for a three-year term. At each succeeding annual meeting of stockholders thereafter, successors of the class of

directors whose term expires at that annual meeting shall be elected for a three-year term. All directors elected shall be subject to any maximum age eligibility requirements established by the bylaws of the corporation. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible.

Notwithstanding anything contained in this certificate of incorporation to the contrary, the affirmative vote of the holders of at least eighty percent (80%) of the voting power of all of the shares of the corporation entitled to vote generally in the election of directors shall be required to alter, amend, repeal or to adopt any provision inconsistent with the purpose and intent of this Article Ninth.

(3) RESOLVED, that the articles of incorporation of The Peoples Holding Company be amended by adding Article Eleventh to read as follows:

The affirmative vote of the holders of not less than 80% of the outstanding shares of all voting stock of the corporation and the affirmative vote of the holders of not less than 67% of the outstanding shares of voting stock held by stockholders other than a Controlling Party, as defined below, shall be required for the approval or authorization of any merger, consolidation, approval or authorization of any merger, consolidation, sale, exchange or lease of all or substantially all of the assets of the corporation (for purposes of this provision, "substantially all of the assets", shall mean assets having a fair market value or book value, whichever is greater, of 25 percent or more of the total assets as reflected on a balance sheet of the corporation as of a date no earlier than 45 days prior to any acquisition of such assets) if such transaction involves any shareholder owning or controlling 20 percent or more of the corporation's voting stock at the time of the proposed transaction ("Controlling Party"); provided, however, that these voting requirements shall not be applicable in such transactions in which: (a) the cash or fair market value of the property, securities or other consideration to be received (which includes common stock of this corporation retained by its existing shareholders in such a transaction in which the corporation is the surviving entity) per share by holders of common stock of the corporation of such transaction is not less than the highest per share price (with appropriate adjustments for recapitalizations, stock splits, stock dividends and distributions) paid by the Controlling Party in the acquisition of any of its holdings of the corporation's common stock in the three years preceding the announcement of the proposed transaction or (b) the transaction is approved by a majority of the entire board of directors.

The requirements of this Article Eleventh are in addition to, and separate from any consent or approval that may be required by any applicable law to authorize any merger, consolidation, or sale, exchange or lease of all or substantially all of the assets of the corporation.

The affirmative vote of not less than eighty percent (80%) of the outstanding voting stock is required to amend or repeal this Article Eleventh.

THREE: The number of shares of stock of the corporation outstanding at the time of such adoption was two hundred ninety thousand two hundred fifty (290,250) shares of common stock, all of one class, and the number of shares entitled to vote thereon was two hundred ninety thousand two hundred fifty (290,250).

FOUR: (1) The number of shares voting for said amendment (1) above was 229,111, and the number of shares voting against such amendment was 3,707.

(2) The number of shares voting for said amendment (2) above was 230,014, and the number of shares voting against such amendment was 2,490.

(3) The number of shares voting for said amendment (3) above was 231,444, and the number of shares voting against such amendment was 1,300.

EXECUTED by the undersigned President and Secretary of the corporation, in duplicate originals, at Tupelo, Mississippi, on this the 8th day of April, 1986.

THE PEOPLES HOLDING COMPANY

By: /s/ E. C. Neely, III

President

ATTEST:

/s/ E. W. Conwell

Secretary

AMENDMENT TO
ARTICLES OF INCORPORATION
OF
THE PEOPLES HOLDING COMPANY

Pursuant to Section 79-3-117, Mississippi Code of 1972 Annotated, The Peoples Holding Company adopts the following amendments to its articles of incorporation:

ONE: The name of the corporation is The Peoples Holding Company.

TWO: The following amendment of the articles of incorporation was adopted by the stockholders of the corporation on the 12th day of March, 1987, in the manner prescribed by the laws of the State of Mississippi and the articles of incorporation of The Peoples Holding Company:

RESOLVED, that Articles Fourth of the articles of incorporation of The Peoples Holding Company be amended to read as follows:

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is Four Million Two Hundred Thousand (4,200,000) shares of common stock, all of one class, having a par value of Five Dollars (\$5.00) each.

RESOLVED FURTHER that a stock dividend of two hundred percent (200%) be declared upon all issued and outstanding shares of common stock and that this be accomplished by the issuance of One Million Three Hundred Fifty-four Thousand One Hundred Sixty-two (1,354,162) shares of common stock of a par value of Five dollars (\$5.00) each by issuing and delivering to each shareholder two (2) additional shares of common stock of a par value of Five Dollars (\$5.00) per share for each share of common stock already held by each such shareholder of record as of the effective date of this amendment.

RESOLVED FURTHER that the funds for the additional capital required for such stock dividend be derived by transferring from surplus to capital stock the sum of Six Million Seven Hundred Seventy Thousand Eight Hundred Ten Dollars (\$6,770,810.00).

THREE: The number of shares of stock of the corporation outstanding at the time of such adoption was six hundred seventy-seven thousand eighty-one (677,081) shares of common stock, all of one class, and the number of shares entitled to vote thereon was six hundred seventy-seven thousand eighty-one (677,081).

FOUR: The number of shares voting for said amendment was 538,021, and the number of shares voting against such amendment was 5,020.

EXECUTED by the undersigned President and secretary of the corporation, in duplicate originals, at Tupelo, Mississippi, on this, the 12th day of March, 1987.

THE PEOPLES HOLDING COMPANY

By: /s/ E. C. Neely, III

President

ATTEST:

/s/ E. W. Conwell

Secretary

**ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION
OF
THE PEOPLES HOLDING COMPANY**

Pursuant to Section 79-4-10.06, Mississippi Code of 1972 Annotated, The Peoples Holding Company adopts the following amendment to its articles of incorporation:

ONE: The name of the corporation is The Peoples Holding Company.

TWO: The following amendment of the articles of incorporation was adopted by the stockholders of the corporation on the 11th day of April, 1995, in the manner prescribed by the laws of the State of Mississippi and the articles of incorporation of The Peoples Holding Company:

RESOLVED, that Article Fourth of the Articles of Incorporation of The Peoples Holding Company, as previously amended, be amended to read as follows:

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is Seven Million Five Hundred Thousand (7,500,000) shares of common stock, all of one class, having a par value of Five Dollars (\$5.00) each.

THREE: The number of shares of stock of the corporation outstanding at the time of such adoption was Two Million Six Hundred Four Thousand Seven Hundred Sixty (2,604,760) shares of common stock, all of one class, and the number of shares entitled to vote thereon was Two Million Six Hundred Four Thousand Seven Hundred Sixty (2,604,760).

FOUR: The number of shares voting for said amendment was 2,016,016, and the number of shares voting against such amendment was 27,645.

THE PEOPLES HOLDING COMPANY

By: /s/ John W. Smith

President

ATTEST:

/s/ Martin D. Kornage, Jr.

Secretary

**ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION
OF
THE PEOPLES HOLDING COMPANY**

Pursuant to Section 79-4-10.06, Mississippi Code of 1972 Annotated, The Peoples Holding Company adopts the following amendments to its articles of incorporation:

ONE: The name of the corporation is The Peoples Holding Company.

TWO: The following amendment of the articles of incorporation was adopted by the stockholders of the corporation on the 14th day of April, 1998, in the manner prescribed by the laws of the State of Mississippi and the articles of incorporation of The Peoples Holding Company:

RESOLVED, that Article Fourth of the Articles of Incorporation of The Peoples Holding Company, as previously amended, be amended to read as follows:

FOURTH: The aggregate number of shares which the corporation shall have authority to issue is Fifteen Million (15,000,000) shares of common stock, all of one class, having a par value of Five Dollars (\$5.00) each.

THREE: The number of shares of stock of the corporation outstanding at the time of such adoption was Five Million Eight Hundred Fifty-Nine Thousand Four Hundred Seventy-Two (5,859,472) shares of common stock, all of one class, and the number of shares entitled to vote thereon was Five Million Eight Hundred Fifty-Nine Thousand Four Hundred Seventy-Two (5,859,472).

FOUR: The number of shares voting for said amendment was 4,517,176, and the number of shares voting against such amendment was 24,162.

EXECUTED by the undersigned President and Secretary of the corporation, in duplicate originals, at Tupelo, Mississippi, on this the 14th day of April, 1998.

THE PEOPLES HOLDING COMPANY

By: /s/ John W. Smith

President

ATTEST:

/s/ Martha S. Webb

Secretary

**ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION
OF
THE PEOPLES HOLDING COMPANY**

Pursuant to the provisions of Section 79-4-10.06 of the Mississippi Business Corporation Act, The Peoples Holding Company adopts the following Articles of Amendment to its Articles of Incorporation:

ONE: The name of the corporation is The Peoples Holding Company.

TWO: The following amendments of the Articles of Incorporation were approved by the shareholders of the corporation on April 19, 2005 in the manner required by the Mississippi Business Corporation Act and by the Articles of Incorporation:

(1) RESOLVED, that Article First of the Articles of Incorporation of The Peoples Holding Company is hereby amended to read as follows:

“FIRST: The name of the corporation is Renasant Corporation.”

(2) RESOLVED, that Article Fourth of the Articles of Incorporation of The Peoples Holding Company is hereby amended in the following two respects: (i) to increase the aggregate number of shares of common stock, par value \$5.00 per share, which the corporation shall have authority to issue from 15,000,000 shares to 75,000,000 shares, and (ii) to authorize the corporation to issue up to 5,000,000 shares of preferred stock, par value \$.01 per share. In accordance with such amendments, Article Fourth of the Articles of Incorporation of The Peoples Holding Company is hereby amended to read as follows:

“FOURTH: The corporation is authorized to issue two classes of stock, common stock and preferred stock. The aggregate number of shares of common stock which the corporation shall have the authority to issue is Seventy-Five Million (75,000,000) shares, having a par value of Five Dollars (\$5.00) each. The aggregate number of shares of preferred stock which the corporation shall have the authority to issue is Five Million (5,000,000) shares, having a par value of one cent (\$.01) each.

Shares of the preferred stock may be issued from time to time in one or more series, the shares of each series to have such voting powers, full or limited, or no voting powers, and such designations, preferences and

relative participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, as shall be stated herein or in an amendment or amendments hereto providing for the issue of such series as adopted by the Board of Directors of the corporation. The Board of Directors of the corporation is hereby expressly authorized, subject to the limitations provided by law, to amend these Articles to establish and designate series of the preferred stock, to fix the number of shares constituting each series, and to fix the designations and the voting powers, preferences and relative participating, optional or other special rights, and the qualifications, limitations or restrictions of the shares of each series and the variations in the relative powers, rights, preferences and limitations as between or among series, and to increase and to decrease the number of shares constituting each series. The authority of the Board of Directors with respect to any series shall include, but shall not be limited to, the authority to fix and determine the following:

- (a) The designation of such series.
- (b) The number of shares initially constituting such series.
- (c) The increase and the decrease, to a number not less than the number of the outstanding shares of such series, of the number of shares constituting such series as theretofore fixed.
- (d) The rate or rates and the time at which dividends on the shares of such series shall be paid, and whether or not such dividends shall be cumulative, and, if such dividends shall be cumulative, the date or dates from and after which they shall accumulate.
- (e) Whether or not the shares of such series shall be redeemable, and, if such shares shall be redeemable, the terms and conditions of such redemption, including, but not limited to, the manner of selecting shares of such series for redemption, if less than all shares are to be redeemed, the date or dates upon or after which such shares shall be redeemable and the amount per share which shall be payable upon such redemption, which amount may vary under different conditions and at different redemption dates.
- (f) The amount payable on the shares of such series in the event of voluntary or involuntary liquidations, dissolution or winding up of the corporation. A liquidation, dissolution or winding up of the corporation, as such terms are used in this subparagraph (f), shall not be deemed to be occasioned by or to include any consolidation or merger of the corporation with or into any other corporation or corporations or a sale, lease or conveyance of all or a part of the assets of the corporation.

(g) Whether or not the shares of such series shall have voting rights and the terms and conditions thereof, including, but not limited to, the right of the holders of such shares to vote as a separate class either alone or with the holders of shares of one or more other series of preferred stock and the right to have one vote per share or less (but not more) than one vote per share.

(h) Whether or not a sinking fund or purchase fund shall be provided for the redemption or purchase of the shares of such series, and if such a sinking fund or purchase fund shall be provided, the terms and conditions thereof.

(i) Whether or not the shares of such series shall have conversion privileges, and, if such shares shall have conversion privileges, the terms and conditions of conversion, including but not limited to, any provision for the adjustment of the conversion rate or the conversion price.

(j) Any other powers, preferences and relative participating, optional, or other special rights, or qualifications, limitations or restrictions thereof, as shall not be inconsistent with the provisions of this Article Fourth or the limitations provided by law.”

(3) RESOLVED, that the Articles of Incorporation of The Peoples Holding Company are hereby amended by adding an Article Twelfth, which shall read as follows:

“TWELFTH: Holders of the corporation’s capital stock shall not be entitled to cumulate their votes in the election of directors of the corporation.”

THREE: The number of shares of stock of The Peoples Holding Company outstanding at the time of adoption of the foregoing amendments was ten million four hundred two thousand four hundred eighty-six (10,402,486) shares of common stock, all of one class, and the number of shares entitled to vote on such amendments was ten million four hundred two thousand four hundred eighty-six (10,402,486).

FOUR: The number of shares voting for and against the foregoing amendments is as follows:

(1) The number of shares voting for the amendment to change the name of the corporation from “The Peoples Holding Corporation” to “Renasant Corporation” was 7,123,462, and the number of shares voting against such amendment was 389,013.

(2) The number of shares voting for the amendment to increase the number of shares of common stock, par value \$5.00 per share, which the corporation is authorized to issue from 15,000,000 shares to 75,000,000 shares was 6,093,273, and the number of shares voting against such amendment was 1,322,470.

(3) The number of shares voting for the amendment to authorize the issuance of up to 5,000,000 shares of preferred stock, par value \$.01 per share, was 5,021,944, and the number of shares voting against such amendment was 1,276,958.

(4) The number of shares voting for the amendment to eliminate cumulative voting in the election of directors of the corporation was 5,390,164, and the number of shares voting against such amendment was 841,090.

Executed by the undersigned President and Chief Executive Officer of The Peoples Holding Company, on this 20th day of April, 2005, at Tupelo, Mississippi.

THE PEOPLES HOLDING COMPANY

By: /s/ E. Robinson McGraw

Name: E. Robinson McGraw

Title: President and Chief Executive Officer

**BYLAWS
OF
THE PEOPLES HOLDING COMPANY**

**ARTICLE I
OFFICES**

Section 1. The principal office of the corporation shall be located at 209 Troy Street, City of Tupelo, County of Lee, State of Mississippi.

Section 2. The Board of Directors shall have the power and authority to establish and maintain branch offices at the locations as the business of the corporation may require.

**ARTICLE II
STOCKHOLDERS**

Section 1. The annual meeting of the stockholders of the corporation shall be held on the third Tuesday of April in each year for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

Section 2. Special meetings of the stockholders, for any purpose, may be called by written request of persons owning as much as fifty percent of the outstanding capital stock of the corporation, or by authority of the board of directors in regular session or by a request in writing of a majority of the board of directors. All such communications must be addressed to the president of the corporation.

Section 3. The annual meetings of the stockholders of the corporation shall be held at the principal office of the corporation in Tupelo, Mississippi, or at such other place in the area served by the corporation as may be fixed by the board of directors. All special meetings of the stockholders shall be held at the principal office of the corporation in Tupelo, Mississippi.

Section 4. At least ten days written notice shall be given of any annual or special meeting of stockholders, either personally or by mail, to each stockholder of record entitled to vote at such meeting. Such notice shall be issued by the president or secretary of the corporation, which notice shall state the place, day and hour of the meeting and, in case of a special meeting, the purposes for which the meeting is called.

Section 5. A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. In the event of no quorum at the annual meeting, the holders of a majority of the stock present and represented at the meeting shall have power to adjourn the meeting from day to day without further notice. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally notified.

In special meetings, if a quorum is not present, there shall be no adjournment but the call of the meeting will be voided and a new call must be issued for any special meeting.

Section 6. At all meetings of stockholders, a stockholder may vote by proxy executed in writing by the stockholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting and shall not be valid after the date of the meeting at which it was filed.

Section 7. No stockholder will be allowed to vote at any meeting, either in person or by proxy, unless he is a stockholder of record. Every share of stock is entitled to one vote which may be voted as provided by the laws of the State of Mississippi.

Section 8. The chairman of the board of directors shall act as chairman, and the secretary of the corporation shall act as secretary of all meetings of the stockholders of the corporation.

ARTICLE III BOARD OF DIRECTORS

Section 1. The business and affairs of the corporation shall be managed and controlled by its board of directors.

Section 2. The board of directors of the corporation shall consist of not less than seven (7) nor more than twenty (20) stockholders, the number of each ensuing year to be determined by a majority of the entire board of directors of the corporation prior to the regular annual meeting. Each director shall be the owner in his own right of encumbered stock in the corporation to the amount of at least Two Hundred Dollars (\$200.00) par value, and shall have such other qualifications as may be prescribed for directors under the laws of the State of Mississippi. No stockholders shall be eligible for election as a member of the board of directors after attaining the age of seventy-two (72) years; provided, however, that any director who attains the age of seventy-two (72) years during his elected term can serve only until the next regular meeting of stockholders.

Section 3. The term of the office of the directors elected at the regular annual meeting of the stockholders shall be until the next annual meeting of the stockholders, and/or until their successors shall have been elected and qualified.

Section 4. If during the year a vacancy should occur in the offices of the directors elected for that year, the remaining board of directors shall have the right, by majority vote, to fill such vacancies as exist by electing to said vacancies qualified stockholders who shall serve as directors until the next annual meeting of stockholders, or until a meeting of the stockholders held for the purpose of electing their successors.

Section 5. The board of directors shall hold regular monthly meetings on the third Tuesday of each month. All meetings of the board of directors shall be held in the board of directors room at the principal office of the corporation in Tupelo, Mississippi, unless a different place is fixed by the board of directors.

Immediately following the annual stockholders' meeting, on the same date and at the same place, the members of the board of directors, who shall have been elected at said meeting, shall meet and elect from among themselves a chairman, a vice chairman and a secretary, who shall serve until the meeting of the board of directors following the next annual meeting of stockholders, and until their successors have been elected and qualified.

Section 6. Special meetings of the board of directors shall be held whenever called by the chairman or upon written request of a majority of the members of the board of directors.

Section 7. A majority of the members of the board of directors shall constitute a quorum of any meeting of said board of directors. Whenever there shall not be a quorum at a regular or special meeting, the members present may adjourn the meeting from time to time until a quorum shall be obtained, and any meeting may be adjourned from time to time by vote of a majority of the members present.

**ARTICLE IV
OFFICERS**

Section 1. The officers of the corporation shall be president, vice president or vice presidents (the number thereof to be determined by the board of directors), secretary and treasurer, each of whom shall be elected by the board of directors. The office of secretary and treasurer may be held by the same person. The board of directors may also elect such assistant officers as may be deemed necessary.

Section 2. The officers of the corporation to be elected by the board of directors shall be elected annually at the first meeting of the board of directors held after each annual meeting of stockholders. Such officers so elected shall serve until the next meeting of the board of directors following the next annual meeting of stockholders, and until their successors have been elected and qualified.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors for the unexpired portion of the term.

The powers and duties of the several officers shall be as provided from time to time by resolution or other directive of the board of directors. In the absence of such provisions the respective officers shall have the powers and shall discharge the duties customarily and usually held and performed by like officers of like or similar corporations.

Section 3. The compensation of such officers shall be fixed from time to time by the board of directors.

**ARTICLE V
COMMITTEES**

Section 1. There shall be an executive committee and such other committees as the board of directors may from time to time constitute. All of said committees shall be selected by the board of directors from their number, and their duties shall be as set forth hereinafter and as prescribed by the board of directors.

Section 2. The executive committee shall consist of the chairman of the board of directors, the president of the corporation and four other members to be selected by the board of directors. The executive committee shall have charge over all matters under the direction and control of the board of directors which may require attention at any time between regular meetings of said board of directors.

Section 3. Each committee shall select a chairman and a secretary from among itself who shall keep a record of the proceedings of each committee and the action of said committee. In case a secretary be not elected, the chairman of the committee shall keep such record. Each committee shall meet on the call of the chairman. The majority of the members of any of said committees shall constitute a quorum for the transaction of business by such committee, and in the event of the executive committee at least one of the members present at such meeting shall be a member of the committee who has been elected to said committee by the board of directors and is not serving *ex officio*.

Section 4. The board of directors may at any meeting adopt such resolutions restricting the power of committees as the board of directors may deem wise and prudent.

**ARTICLE VI
CAPITAL STOCK**

Section 1. Certificates representing shares of stock of the corporation shall be in such form as shall be determined by the board of directors. Such certificates shall be signed by the president or a vice president and by the secretary or an assistant secretary. All certificates of shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be cancelled, and no new certificates shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate a new certificate may be issued therefor on such terms and indemnity to the corporation as the board of directors may prescribe.

Section 2. Transfers of shares of stock of the corporation shall be made in the manner specified in the laws of the State of Mississippi. The corporation shall maintain stock transfer books, and any transfer shall be registered thereon only on request and surrender of the stock certificate representing the transferred shares, properly endorsed. The corporation shall have the absolute right to recognize as the owner of any shares of stock issued by it, the person or persons in whose name the certificate representing such shares stand according to the books of the corporation for all proper corporate purposes, including the voting of the shares represented by the certificate at a regular or special meeting of the stockholders, and the issuance and payment of dividends on such shares.

**ARTICLE VII
DIVIDENDS**

Section 1. The board of directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in the manner and on the terms and conditions provided by law and by its articles of incorporation.

**ARTICLE VIII
SEAL**

The Board of Directors shall provide a corporate seal, which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words "CORPORATE SEAL". The impression of said seal is made a part of these bylaws.

**ARTICLE IX
INDEMNIFICATION**

Any person, his heirs, executors, or administrators may be indemnified by the corporation for reasonable expenses (including judgments and compromise settlements, except where as in a derivative suit situation any judgment in the matter would run in favor of the corporation) actually incurred in connection with any action, suit or proceedings, civil or criminal, to which he was made a party by reason of service as a director, officer or employee of the corporation, provided, however, that no person shall be indemnified or reimbursed as to any matter to which he shall finally be adjudged to have been guilty of gross negligence, willful misconduct or criminal acts in the performance of his duty to the corporation; and provided further, that no person shall be so indemnified or reimbursed as to any matter in such action or suit which has been the subject of a compromise settlement except with the approval

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- (1) of a court of competent jurisdiction, or
 - (2) the holders of record of a majority of the outstanding shares of the corporation, or
 - (3) a majority of the corporation's board of directors, excluding members who are parties to the same or substantially the same suit or proceeding.

The foregoing right of indemnification or reimbursement shall not be exclusive of other rights to which such person may be entitled as a matter of law. The board of directors of the corporation may, in its discretion, purchase directors' and officers' liability insurance coverage to provide, in whole or in part, for such indemnification or reimbursement.

**ARTICLE X
AMENDMENTS**

Section 1. The bylaws may be altered, amended, or repealed by majority vote of the board of directors of the corporation.

**ARTICLES OF AMENDMENT TO
THE BYLAWS OF
THE PEOPLES HOLDING COMPANY**

Pursuant to the provisions of Section 79-4-10.20 of the Mississippi Business Corporation Act and in accordance with the Bylaws of The Peoples Holding Company, the Board of Directors hereby adopts the following Articles of Amendment to the Bylaws of The Peoples Holding Company:

ONE: All references in the Bylaws to “The Peoples Holding Company” shall be amended to read “Renasant Corporation.”

**AMENDMENT NO. 1
TO EMPLOYMENT AGREEMENT**

This AMENDMENT NO. 1 TO EMPLOYMENT AGREEMENT ("Amendment No. 1"), is entered into as of the 31st day of March, 2005, by and among Francis J. Cianciola ("Employee") and The Peoples Holding Company ("Peoples").

WHEREAS, Peoples and Employee are parties to an Employment Agreement (the "Agreement") dated as of July 1, 2004, pursuant to which Employee serves as President and Chief Executive Officer of Renasant Bank of Tennessee, a Tennessee-chartered bank and wholly-owned subsidiary of Peoples;

WHEREAS, effective as of March 31, 2005 at 10:00 a.m. Central Standard time (the "Effective Date and Time"), Renasant Bank of Tennessee was merged with and into Renasant Bank, a Mississippi-chartered bank and wholly-owned subsidiary of Peoples, with Renasant Bank the surviving banking association in the merger (the "Merger"); and

WHEREAS, Peoples desires to continue the employment of Employee after consummation of the Merger under the terms and conditions of the Agreement, as modified herein;

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements set forth herein and in the Agreement, the parties hereby agree as follows:

1. Definitions. Capitalized terms used but not defined herein shall have the meaning assigned to them in the Agreement.
2. Amendment to the Agreement. The parties hereto agree that all references in the Agreement to Employee's position as "President and Chief Executive Officer of Renasant Bank" shall be amended to read "President of the Tennessee Division of Renasant Bank".
3. Effective Time. This Amendment No. 1 shall be effective as of the Effective Date and Time.
4. No Other Amendment. Except as specifically provided in this Amendment No. 1, the terms of the Agreement shall remain in full force and effect, and no other amendment to the Agreement is intended or may be inferred from this Amendment No. 1.
5. Governing Law. This Amendment No. 1 shall be governed by and construed in accordance with the laws of the State of Tennessee excluding conflicts of law principles.

6. Counterparts. This Amendment No. 1 may be executed in two or more counterparts, all of which shall together constitute one and the same instrument.
7. Entire Agreement. This Amendment No. 1 constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

IN WITNESS WHEREOF, the parties have duly executed this Amendment No.1 to the Agreement as of the date and year first above written.

EMPLOYEE:

/s/ Francis J. Cianciola

Francis J. Cianciola

THE PEOPLES HOLDING COMPANY

/s/ E. Robinson McGraw

Name: E. Robinson McGraw

Title: President and Chief Executive Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, E. Robinson McGraw, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 internal 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: May 9, 2005

by: /s/ E. Robinson McGraw

E. Robinson McGraw
Chairman, President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Stuart R. Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 internal 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: May 9, 2005

by: /s/ Stuart R. Johnson

Stuart R. Johnson
Senior Executive Vice President and
Chief Financial Officer

**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 March 31, 2005 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: May 9, 2005

by: /s/ E. Robinson McGraw

E. Robinson McGraw
Chairman, President and Chief Executive Officer

**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 March 31, 2005 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: May 9, 2005

by: /s/ Stuart R. Johnson

Stuart R. Johnson
Senior Executive Vice President and
Chief Financial Officer