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# SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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## FORM 10-Q

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(Mark One)

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended September 30, 2007

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 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, Tupelo, Mississippi

(Address of principal executive offices)

38804

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

☐ Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES ☐ NO ☒

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

Common stock, \$5.00 Par Value, 20,994,892 shares outstanding as of November 1, 2007.

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**RENASANT CORPORATION**  
**INDEX**

**PART I. FINANCIAL INFORMATION**

|        |   |    |
|--------|---|----|
| Item 1 | Condensed Consolidated Financial Statements (Unaudited)   |    |
|        | <a href="#">Condensed Consolidated Balance Sheets – September 30, 2007 and December 31, 2006</a>                      | 3  |
|        | <a href="#">Condensed Consolidated Statements of Income – Three and Nine Months Ended September 30, 2007 and 2006</a> | 4  |
|        | <a href="#">Condensed Consolidated Statements of Cash Flows – Nine Months Ended September 30, 2007 and 2006</a>       | 5  |
|        | <a href="#">Notes to Condensed Consolidated Financial Statements</a>  | 6  |
| Item 2 | <a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>                 | 14 |
| Item 3 | <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>  | 24 |
| Item 4 | <a href="#">Controls and Procedures</a>   | 24 |

**[PART II. OTHER INFORMATION](#)** 25

|         |   |    |
|---------|---|----|
| Item 1A | <a href="#">Risk Factors</a>  | 25 |
| Item 2  | <a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a> | 25 |
| Item 6  | <a href="#">Exhibits</a>  | 26 |

**[SIGNATURES](#)** 29

**[EXHIBIT INDEX](#)** 30

[Index to Financial Statements](#)

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

|  | (unaudited)<br>September 30,<br>2007 | December 31,<br>2006 |
|--|--------------------------------------|----------------------|
| <b>Assets</b>  |                                      |                      |
| Cash and due from banks  | \$ 80,957                            | \$ 76,268            |
| Interest-bearing balances with banks   | 10,691                               | 21,933               |
| Cash and cash equivalents  | 91,648                               | 98,201               |
| Securities available for sale  | 543,017                              | 428,065              |
| Mortgage loans held for sale   | 25,911                               | 38,672               |
| Loans, net of unearned income  | 2,588,563                            | 1,826,762            |
| Allowance for loan losses  | (26,926)                             | (19,534)             |
| Net loans  | 2,561,637                            | 1,807,228            |
| Premises and equipment, net  | 48,277                               | 41,350               |
| Intangible assets, net   | 196,643                              | 98,296               |
| Other assets   | 117,386                              | 99,544               |
| Total assets   | <u>\$ 3,584,519</u>                  | <u>\$2,611,356</u>   |
| <b>Liabilities and shareholders' equity</b>  |                                      |                      |
| <b>Liabilities</b>   |                                      |                      |
| Deposits   |                                      |                      |
| Noninterest-bearing  | \$ 315,813                           | \$ 271,237           |
| Interest-bearing   | 2,348,064                            | 1,837,728            |
| Total deposits   | 2,663,877                            | 2,108,965            |
| Federal funds purchased  | 56,500                               | —                    |
| Federal Home Loan Bank advances  | 331,724                              | 144,212              |
| Junior subordinated debentures and notes   | 76,235                               | 64,204               |
| Other borrowed funds   | 19,529                               | 8,007                |
| Other liabilities  | 44,342                               | 33,264               |
| Total liabilities  | 3,192,207                            | 2,358,652            |
| <b>Shareholders' equity</b>  |                                      |                      |
| Preferred stock, \$.01 par value – 5,000,000 shares authorized; no shares issued and outstanding   | —                                    | —                    |
| Common stock, \$.50 par value – 75,000,000 shares authorized; 22,790,797 and 17,233,559 shares issued; 20,983,501 and 15,536,475 shares outstanding at September 30, 2007, and December 31, 2006, respectively | 113,954                              | 86,168               |
| Treasury stock, at cost  | (28,272)                             | (25,719)             |
| Additional paid-in capital   | 184,640                              | 83,844               |
| Retained earnings  | 127,578                              | 114,254              |
| Accumulated other comprehensive loss   | (5,588)                              | (5,843)              |
| Total shareholders' equity   | 392,312                              | 252,704              |
| <b>Total liabilities and shareholders' equity</b>  | <u>\$ 3,584,519</u>                  | <u>\$2,611,356</u>   |

See Notes to Condensed Consolidated Financial Statements

**RENASANT CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(in thousands, except share data)

(unaudited)

|  | <b>Three Months Ended<br/>September 30,</b> |                 | <b>Nine Months Ended<br/>September 30,</b> |                  |
|--|---|-----------------|--|------------------|
|  | <b>2007</b>                                 | <b>2006</b>     | <b>2007</b>                                | <b>2006</b>      |
| <b>Interest income</b>                                     |   |                 |  |                  |
| Loans  | \$49,712                                    | \$34,715        | \$123,038                                  | \$ 97,290        |
| Securities:  |   |                 |  |                  |
| Taxable  | 5,428                                       | 4,001           | 14,110                                     | 11,336           |
| Tax-exempt   | 1,239                                       | 1,132           | 3,456                                      | 3,385            |
| Other  | 257   | 222             | 1,283                                      | 1,473            |
| <b>Total interest income</b>                               | <b>56,636</b>                               | <b>40,070</b>   | <b>141,887</b>                             | <b>113,484</b>   |
| <b>Interest expense</b>                                    |   |                 |  |                  |
| Deposits   | 24,486                                      | 15,016          | 61,538                                     | 41,016           |
| Borrowings   | 5,452                                       | 3,351           | 11,471                                     | 9,315            |
| <b>Total interest expense</b>                              | <b>29,938</b>                               | <b>18,367</b>   | <b>73,009</b>                              | <b>50,331</b>    |
| Net interest income  | 26,698                                      | 21,703          | 68,878                                     | 63,153           |
| Provision for loan losses                                  | 1,313                                       | 900             | 2,863                                      | 1,608            |
| <b>Net interest income after provision for loan losses</b> | <b>25,385</b>                               | <b>20,803</b>   | <b>66,015</b>                              | <b>61,545</b>    |
| <b>Noninterest income</b>                                  |   |                 |  |                  |
| Service charges on deposit accounts                        | 5,239                                       | 4,686           | 15,002                                     | 13,637           |
| Fees and commissions                                       | 4,104                                       | 3,662           | 11,892                                     | 10,324           |
| Insurance commissions                                      | 930   | 975             | 2,658                                      | 2,665            |
| Trust revenue  | 806   | 630             | 2,053                                      | 1,890            |
| Securities gains   | —   | —               | 78   | 25               |
| BOLI income  | 570   | 399             | 1,499                                      | 1,183            |
| Gains on sales of mortgage loans                           | 1,201                                       | 1,029           | 3,572                                      | 2,463            |
| Other  | 596   | 332             | 2,236                                      | 1,992            |
| <b>Total noninterest income</b>                            | <b>13,446</b>                               | <b>11,713</b>   | <b>38,990</b>                              | <b>34,179</b>    |
| <b>Noninterest expense</b>                                 |   |                 |  |                  |
| Salaries and employee benefits                             | 15,010                                      | 13,013          | 41,020                                     | 37,526           |
| Data processing  | 1,425                                       | 1,122           | 3,892                                      | 3,157            |
| Net occupancy  | 2,163                                       | 1,828           | 5,788                                      | 5,378            |
| Equipment  | 1,106                                       | 960             | 3,048                                      | 2,884            |
| Professional fees  | 645   | 528             | 1,937                                      | 1,835            |
| Advertising  | 887   | 1,014           | 2,443                                      | 2,698            |
| Intangible amortization                                    | 610   | 398             | 1,395                                      | 1,243            |
| Other  | 4,843                                       | 4,182           | 13,034                                     | 12,274           |
| <b>Total noninterest expense</b>                           | <b>26,689</b>                               | <b>23,045</b>   | <b>72,557</b>                              | <b>66,995</b>    |
| Income before income taxes                                 | 12,142                                      | 9,471           | 32,448                                     | 28,729           |
| Income taxes   | 3,845                                       | 2,839           | 10,102                                     | 8,553            |
| <b>Net income</b>  | <b>\$ 8,297</b>                             | <b>\$ 6,632</b> | <b>\$ 22,346</b>                           | <b>\$ 20,176</b> |
| <b>Basic earnings per share</b>                            | <b>\$ 0.39</b>                              | <b>\$ 0.43</b>  | <b>\$ 1.25</b>                             | <b>\$ 1.30</b>   |
| <b>Diluted earnings per share</b>                          | <b>\$ 0.39</b>                              | <b>\$ 0.42</b>  | <b>\$ 1.23</b>                             | <b>\$ 1.27</b>   |

See Notes to Condensed Consolidated Financial Statements

**RENASANT CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

|  | Nine Months Ended<br>September 30, |                  |
|--|------------------------------------|------------------|
|  | 2007                               | 2006             |
| <b>Operating activities</b>                                    |                                    |                  |
| Net cash provided by operating activities                      | \$ 52,805                          | \$ 29,273        |
| <b>Investing activities</b>                                    |                                    |                  |
| Purchases of securities available for sale                     | (149,051)                          | (111,462)        |
| Proceeds from sales of securities available for sale           | 51,986                             | 30,518           |
| Proceeds from call/maturities of securities available for sale | 53,203                             | 42,076           |
| Net increase in loans  | (252,117)                          | (119,102)        |
| Proceeds from sales of premises and equipment                  | 144                                | 57               |
| Purchases of premises and equipment                            | (4,802)                            | (2,179)          |
| Net cash paid in business combination                          | (52,712)                           | —                |
| <b>Net cash used in investing activities</b>                   | <b>(353,349)</b>                   | <b>(160,092)</b> |
| <b>Financing activities</b>                                    |                                    |                  |
| Net increase in noninterest-bearing deposits                   | 4,611                              | 7,494            |
| Net increase in interest-bearing deposits                      | 59,782                             | 109,469          |
| Net increase in short-term borrowings                          | 182,522                            | 72,446           |
| Proceeds from long-term debt                                   | 70,100                             | —                |
| Repayment of long-term debt                                    | (68,836)                           | (73,181)         |
| Purchase of treasury stock                                     | (4,005)                            | —                |
| Cash paid for dividends  | (9,022)                            | (7,281)          |
| Cash received on exercise of stock-based compensation          | 713                                | 1,775            |
| Proceeds from equity offering                                  | 58,126                             | —                |
| <b>Net cash provided by financing activities</b>               | <b>293,991</b>                     | <b>110,722</b>   |
| <b>Net decrease in cash and cash equivalents</b>               | <b>(6,553)</b>                     | <b>(20,097)</b>  |
| <b>Cash and cash equivalents at beginning of period</b>        | <b>98,201</b>                      | <b>95,863</b>    |
| <b>Cash and cash equivalents at end of period</b>              | <b>\$ 91,648</b>                   | <b>\$ 75,766</b> |
| <b>Supplemental disclosures</b>                                |                                    |                  |
| Transfers of loans to other real estate                        | \$ 2,103                           | \$ 2,812         |

See Notes to Condensed Consolidated Financial Statements

**RENASANT CORPORATION AND SUBSIDIARIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**SEPTEMBER 30, 2007**

(in thousands, except share data)

Note 1 Summary of Significant Accounting Policies

Business: Renasant Corporation (referred to herein as the “Company”), a Mississippi corporation, owns and operates Renasant Bank, a Mississippi-chartered bank with operations in Mississippi, Tennessee and Alabama, and Renasant Insurance, Inc., a wholly-owned subsidiary of Renasant Bank with operations in Mississippi. The Company has full service offices located throughout north and north central Mississippi, west and middle Tennessee and north and north central Alabama.

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 in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information regarding the Company’s accounting policies, refer to the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006. Certain amounts in prior periods have been reclassified to conform to the current presentation.

On July 1, 2007, the Company completed its acquisition of Capital Bancorp, Inc. (“Capital”). The financial condition and results of operation for Capital are included in the Company’s financial statements since the date of the acquisition. See Note 11, “Mergers and Acquisitions,” in these Notes to Consolidated Financial Statements for further details regarding the terms and conditions of the Company’s merger with Capital.

New accounting pronouncements:

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (“Statement 157”), which provides guidance for using fair value to measure assets and liabilities. This statement also requires expanded disclosures about the extent to which a company measures assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. This statement applies whenever other standards require or permit assets and liabilities to be measured at fair value. This statement does not mandate the use of fair value in any circumstance. Statement 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years, with early adoption permitted. The Company is in the process of reviewing the potential impact of this statement.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“Statement 159”). Statement 159 allows entities to voluntarily choose, at specified election dates, to measure financial assets and financial liabilities (as well as certain nonfinancial instruments that are similar to financial instruments) at fair value (the “fair value option”). The election is made on an instrument-by-instrument basis and is irrevocable. If the fair value option is elected for an instrument, Statement 159 specifies that all subsequent changes in fair value for that instrument be reported in earnings. Statement 159 is effective as of the beginning of an entity’s first fiscal year that begins after November 15, 2007, with early adoption permitted. The Company is in the process of reviewing the potential impact of this statement.

Note 2 Shareholders’ Equity

In September 2002, the Company’s board of directors adopted a share buy-back plan which, as amended through September 30, 2007, allows the Company to purchase up to 2,095,031 shares of its outstanding common stock, subject to a monthly purchase limit of \$2,000 of the Company’s common stock. This plan will remain in effect until all authorized shares are repurchased or until otherwise instructed by the board of directors. During the nine months ended September 30, 2007, the Company repurchased 198,553 common shares in open market transactions at an average price of \$20.17. As of September 30, 2007, 66,203 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 nine months ended September 30, 2007, the Company reissued 88,341 shares from treasury in connection with the vesting and exercise of stock-based compensation.

## Index to Financial Statements

The Company declared a cash dividend for the third quarter of 2007 of \$0.17 per share as compared to \$0.16 per share for the third quarter of 2006. Total cash dividends paid to shareholders by the Company were \$9,022 and \$7,281 for the nine month periods ended September 30, 2007 and 2006, respectively.

In January 2007, the Company granted 176,250 stock options which become vested and exercisable in equal installments of 33 <sup>1</sup>/<sub>3</sub>% upon completion of one, two and three years of service measured from the grant date. In addition, the Company awarded 5,500 shares of time-based restricted stock and 21,000 shares of performance-based restricted stock in January, 2007. The time-based restricted stock is earned 100% upon completion of three years of service measured from the grant date. The performance-based restricted stock is earned, in part, if the Company meets or exceeds financial performance results defined by the board of directors.

On May 11, 2007, the Company completed the sale of 2,400,000 shares of its common stock at a price of \$22.50 per share in a firm commitment underwritten offering. On June 1, 2007, the Company completed the sale of 360,000 shares of its common stock in connection with the exercise of the over-allotment option granted to the underwriters associated with the aforementioned offering. Net proceeds from the offering, including proceeds received in connection with the underwriters' exercise of their over-allotment option, totaled \$58,126.

In connection with its acquisition of Capital, the Company issued 2,797,238 shares of its common stock at a value of \$67,497 and assumed Capital's outstanding options with a value of \$2,496.

### Note 3 Loans

The Company adopted and applied the provisions of the American Institute of Certified Public Accountants Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer," on certain loans acquired in connection with the acquisition of Heritage Financial Holding Corporation. There was evidence of deterioration of the credit quality of these loans since origination, and it was probable, at the acquisition date, that all contractually required payments would not be collected. The amount of such loans included in the balance sheet heading "Loans, net of unearned income" at September 30, 2007 is as follows:

|   |                             |
|---|-----------------------------|
| Commercial                                      | \$ 5,181                    |
| Consumer  | 59                          |
| Mortgage  | 308                         |
| Total outstanding balance                       | <u>\$ 5,548</u>             |
| Total carrying amount                           | <u>\$ 4,272</u>             |
|   | <b>Accrutable<br/>Yield</b> |
| Balance at January 1, 2007                      | \$ 21                       |
| Additions                                       | —                           |
| Reclassifications from nonaccrutable difference | 160                         |
| Accretion                                       | <u>(118)</u>                |
| Balance at September 30, 2007                   | \$ 63                       |

The Company did not increase the allowance for loan losses for these loans during the nine months ended September 30, 2007.

## [Index to Financial Statements](#)

### [Note 4 Goodwill](#)

The changes in the carrying amount of intangible assets during the first nine months of 2007 are as follows:

|  | <u>Goodwill</u>   | <u>Core Deposits<br/>Intangible</u> | <u>Other<br/>Intangibles</u> |
|--|-------------------|-------------------------------------|------------------------------|
| Balance as of December 31, 2006            | \$ 91,361         | \$ 6,219                            | \$ 716                       |
| Intangible assets acquired                 | 94,053            | 5,975                               | —                            |
| Amortization expense                       | —                 | (1,165)                             | (230)                        |
| Adjustment to previously recorded goodwill | (262)             | —                                   | (24)                         |
| Balance as of September 30, 2007           | <u>\$ 185,152</u> | <u>\$ 11,029</u>                    | <u>\$ 462</u>                |

The adjustment to previously recorded goodwill reflects tax benefits associated with the exercise of stock options assumed in connection with the acquisitions of Heritage and Renasant Bancshares, Inc.

### [Note 5 Interest Rate Swap](#)

In May 2006, the Company entered into an interest rate swap with a notional amount of \$100,000 whereby it receives a fixed rate of interest and pays a variable rate based on the Prime rate. The effective date of the swap was May 11, 2006 and the maturity date of the swap is May 11, 2009. The interest rate swap is a designated cash flow hedge designed to convert the variable interest rate on \$100,000 of loans to a fixed rate. This hedging relationship is assessed under the hypothetical derivative method, and the swap is considered to be effective. At September 30, 2007, the swap had a fair value of \$860 which has been recorded in "Other Assets". The Company accounts for the swap in accordance with FASB Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities."

### [Note 6 Comprehensive Income](#)

The components of comprehensive income, net of related tax, are as follows:

|   | <u>Three Months Ended<br/>September 30,</u> |                 | <u>Nine Months Ended<br/>September 30,</u> |                 |
|---|---|-----------------|--|-----------------|
|   | <u>2007</u>                                 | <u>2006</u>     | <u>2007</u>                                | <u>2006</u>     |
| Net income  | \$ 8,297                                    | \$ 6,632        | \$22,346                                   | \$20,176        |
| Other comprehensive income:   |   |                 |  |                 |
| Unrealized holding gains (losses) on securities available for sale    | 4,152                                       | 4,537           | (191)                                      | 157             |
| Reclassification adjustment for gains realized in net income          | —   | —               | (48)                                       | (15)            |
| Unrealized gains on interest rate swap                                | 652   | 576             | 277  | 370             |
| Net change in defined benefit pension and other post-retirement plans | 72  | —               | 217  | —               |
| Other comprehensive income  | <u>4,876</u>                                | <u>5,113</u>    | <u>255</u>                                 | <u>512</u>      |
| Comprehensive income  | <u>\$13,173</u>                             | <u>\$11,745</u> | <u>\$22,601</u>                            | <u>\$20,688</u> |



## [Index to Financial Statements](#)

### [Note 7 Employee Benefit Plans](#)

The following tables provide the components of net pension cost and other benefit cost recognized for the three and nine month periods ended September 30, 2007 and 2006:

|                                | Three Months Ended September 30, |              |                |              |
|--------------------------------|----------------------------------|--------------|----------------|--------------|
|                                | Pension Benefits                 |              | Other Benefits |              |
|                                | 2007                             | 2006         | 2007           | 2006         |
| Service cost                   | \$ —                             | \$ —         | \$ 11          | \$ 13        |
| Interest cost                  | 250                              | 247          | 17             | 18           |
| Expected return on plan assets | (356)                            | (344)        | —              | —            |
| Prior service cost recognized  | 7                                | 8            | —              | —            |
| Recognized loss                | 93                               | 128          | 16             | 17           |
| Net periodic benefit cost      | <u>\$ (6)</u>                    | <u>\$ 39</u> | <u>\$ 44</u>   | <u>\$ 48</u> |

  

|                                | Nine Months Ended September 30, |               |                |               |
|--------------------------------|---------------------------------|---------------|----------------|---------------|
|                                | Pension Benefits                |               | Other Benefits |               |
|                                | 2007                            | 2006          | 2007           | 2006          |
| Service cost                   | \$ —                            | \$ —          | \$ 33          | \$ 39         |
| Interest cost                  | 749                             | 741           | 51             | 53            |
| Expected return on plan assets | (1,068)                         | (1,031)       | —              | —             |
| Prior service cost recognized  | 22                              | 23            | —              | 2             |
| Recognized loss                | 280                             | 385           | 49             | 49            |
| Net periodic benefit cost      | <u>\$ (17)</u>                  | <u>\$ 118</u> | <u>\$ 133</u>  | <u>\$ 143</u> |

### [Note 8 Income Taxes](#)

FASB Interpretation 48, “Accounting for Income Tax Uncertainties” (“FIN 48”), was issued in June 2006 and defines the threshold for recognizing the benefits of tax return positions in the financial statements as “more-likely-than-not” to be sustained by the taxing authority. FIN 48 also provides guidance on the derecognition, measurement and classification of income tax uncertainties, along with any related interest and penalties, and includes guidance concerning accounting for income tax uncertainties in interim periods. The Company adopted the provisions of FIN 48, on January 1, 2007, and determined there was no need to make an adjustment to retained earnings upon adoption of FIN 48. As of January 1, 2007, the Company has \$171 of unrecognized tax benefits related to federal and state income tax matters. If ultimately recognized, the Company does not anticipate any material increase in the effective tax rate during 2007 relative to any tax positions taken prior to January 1, 2007. As of January 1, 2007, the Company has accrued \$26 for interest and penalties related to uncertain tax positions. It is the Company’s policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company and its subsidiaries file a consolidated U.S. federal income tax return. The Company is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ending December 31, 2003 through 2006. The Company and its subsidiaries’ state income tax returns are open to audit under the statute of limitations for the years ended December 31, 2003 through 2006.

## [Index to Financial Statements](#)

### [Note 9 Net Income Per Common Share](#)

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 stock options and warrants were exercised into common shares, calculated in accordance with the treasury stock method. Basic and diluted net income per common share calculations are as follows:

|   | Three Months Ended<br>September 30, |                | Nine Months Ended<br>September 30, |                |
|---|-------------------------------------|----------------|------------------------------------|----------------|
|   | 2007                                | 2006           | 2007                               | 2006           |
| <b>Basic:</b>                             |                                     |                |                                    |                |
| Net income applicable to common stock     | \$ 8,297                            | \$ 6,632       | \$ 22,346                          | \$ 20,176      |
| Average common shares outstanding         | 21,096,156                          | 15,529,002     | 17,913,783                         | 15,508,589     |
| Net income per common share-basic         | <u>\$ 0.39</u>                      | <u>\$ 0.43</u> | <u>\$ 1.25</u>                     | <u>\$ 1.30</u> |
| <b>Diluted:</b>                           |                                     |                |                                    |                |
| Net income applicable to common stock     | \$ 8,297                            | \$ 6,632       | \$ 22,346                          | \$ 20,176      |
| Average common shares outstanding         | 21,096,156                          | 15,529,002     | 17,913,783                         | 15,508,589     |
| Stock awards                              | 341,692                             | 375,211        | 299,126                            | 333,031        |
| Average common shares outstanding-diluted | 21,437,848                          | 15,904,213     | 18,212,909                         | 15,841,620     |
| Net income per common share-diluted       | <u>\$ 0.39</u>                      | <u>\$ 0.42</u> | <u>\$ 1.23</u>                     | <u>\$ 1.27</u> |

### [Note 10 Segment Reporting](#)

FASB 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 give the Company's regional management a more precise indication of the income and expenses they can control, the results of operations for the regions of the community bank and the insurance company reflect the direct revenues and expenses of each respective segment. The Company believes this management approach will enable its regional management to focus on serving customers through loan originations and deposit gathering. Indirect revenues and expenses, including but not limited to income from the Company's investment portfolio and costs associated with our data processing and back office functions, are not allocated to its segments. Rather, these revenues and expenses are shown in the "Other" column, which also includes revenues and expenses associated with the operations of the holding company and eliminations which are necessary for purposes of reconciling to the consolidated amounts.

|                            | Community Banks |           |           |           |            |              |
|----------------------------|-----------------|-----------|-----------|-----------|------------|--------------|
|                            | Mississippi     | Tennessee | Alabama   | Insurance | Other      | Consolidated |
| Three Months Ended         |                 |           |           |           |            |              |
| September 30, 2007:        |                 |           |           |           |            |              |
| Net interest income        | \$ 13,878       | \$ 8,893  | \$ 5,187  | \$ 22     | \$ (1,282) | \$ 26,698    |
| Provision for loan losses  | 488             | 160       | 665       | —         | —          | 1,313        |
| Noninterest income         | 7,747           | 945       | 2,356     | 1,075     | 1,323      | 13,446       |
| Noninterest expense        | 7,890           | 5,262     | 4,264     | 789       | 8,484      | 26,689       |
| Income before income taxes | 13,247          | 4,416     | 2,614     | 308       | (8,443)    | 12,142       |
| Income tax expense         | 4,322           | 1,441     | 853       | 112       | (2,883)    | 3,845        |
| Net income (loss)          | 8,925           | 2,975     | 1,761     | 196       | (5,560)    | 8,297        |
| Total assets               | 1,537,611       | 1,267,742 | 767,658   | 7,735     | 3,773      | 3,584,519    |
| Goodwill                   | 2,265           | 133,270   | 46,834    | 2,783     | —          | 185,152      |
| Three Months Ended         |                 |           |           |           |            |              |
| September 30, 2006:        |                 |           |           |           |            |              |
| Net interest income        | \$ 14,510       | \$ 3,011  | \$ 5,677  | \$ 15     | \$ (1,510) | \$ 21,703    |
| Provision for loan losses  | 702             | 80        | 118       | —         | —          | 900          |
| Noninterest income         | 7,259           | 389       | 2,301     | 989       | 775        | 11,713       |
| Noninterest expense        | 7,958           | 2,224     | 4,150     | 735       | 7,978      | 23,045       |
| Income before income taxes | 13,109          | 1,096     | 3,710     | 269       | (8,713)    | 9,471        |
| Income tax expense         | 4,042           | 338       | 1,144     | 98        | (2,783)    | 2,839        |
| Net income (loss)          | 9,067           | 758       | 2,566     | 171       | (5,930)    | 6,632        |
| Total assets               | 1,440,440       | 427,728   | 650,470   | 6,390     | 5,864      | 2,530,892    |
| Goodwill                   | 2,265           | 39,217    | 47,165    | 2,783     | —          | 91,430       |
| Nine Months Ended          |                 |           |           |           |            |              |
| September 30, 2007:        |                 |           |           |           |            |              |
| Net interest income        | \$ 41,546       | \$ 15,075 | \$ 15,300 | \$ 64     | \$ (3,107) | \$ 68,878    |
| Provision for loan losses  | 1,090           | 515       | 1,258     | —         | —          | 2,863        |
| Noninterest income         | 23,392          | 1,759     | 7,258     | 3,063     | 3,518      | 38,990       |
| Noninterest expense        | 23,395          | 9,674     | 13,069    | 2,312     | 24,107     | 72,557       |
| Income before income taxes | 40,453          | 6,645     | 8,231     | 815       | (23,696)   | 32,448       |
| Income tax expense         | 12,934          | 2,125     | 2,632     | 296       | (7,885)    | 10,102       |
| Net income (loss)          | 27,519          | 4,520     | 5,599     | 519       | (15,811)   | 22,346       |
| Total assets               | 1,537,611       | 1,267,742 | 767,658   | 7,735     | 3,773      | 3,584,519    |
| Goodwill                   | 2,265           | 133,270   | 46,834    | 2,783     | —          | 185,152      |
| Nine Months Ended          |                 |           |           |           |            |              |
| September 30, 2006:        |                 |           |           |           |            |              |
| Net interest income        | \$ 41,944       | \$ 8,695  | \$ 16,102 | \$ 21     | \$ (3,609) | \$ 63,153    |
| Provision for loan losses  | 1,624           | 258       | (274)     | —         | —          | 1,608        |
| Noninterest income         | 21,456          | 865       | 6,048     | 2,822     | 2,988      | 34,179       |
| Noninterest expense        | 23,207          | 6,432     | 11,682    | 2,276     | 23,398     | 66,995       |
| Income before income taxes | 38,569          | 2,870     | 10,742    | 567       | (24,019)   | 28,729       |
| Income tax expense         | 11,840          | 881       | 3,297     | 201       | (7,666)    | 8,553        |
| Net income (loss)          | 26,729          | 1,989     | 7,445     | 366       | (16,353)   | 20,176       |
| Total assets               | 1,440,440       | 427,728   | 650,470   | 6,390     | 5,864      | 2,530,892    |
| Goodwill                   | 2,265           | 39,217    | 47,165    | 2,783     | —          | 91,430       |

### Note 11 Mergers and Acquisitions

On July 1, 2007, the Company completed its acquisition by merger of Capital, a bank holding company headquartered in Nashville, Tennessee, and the parent of Capital Bank & Trust Company, a Tennessee banking corporation. On the same date, Capital Bank & Trust Company was merged into Renasant Bank. On June 30, 2007, Capital operated seven full-service banking offices in the Nashville-Davidson-Murfreesboro, Tennessee Metropolitan Statistical Area (the "Nashville MSA"). At June 30, 2007, Capital had total assets of \$614,802, loans of \$515,982, deposits of \$490,257 and total shareholders' equity of \$36,267. The acquisition of Capital allowed the Company to further its strategic initiatives by expanding its geographic footprint into the Nashville MSA. The Company issued 2,797,238 shares of its common stock and paid \$56,055 in cash for 100% of the voting equity interests in Capital. The common stock issued by the Company was registered under the Securities Act of 1933, as amended. The Company used the proceeds of its equity offering, discussed above in Note 2, "Shareholders' Equity," to pay the cash portion of the merger consideration. The aggregate transaction value, including the dilutive impact of Capital's options assumed by the Company, was \$131,350. In connection with the acquisition, the Company recorded approximately \$100,028 in intangible assets. The intangible assets are not deductible for income tax purposes.

The following table summarizes the allocation of purchase price to assets and liabilities acquired in connection with the Company's acquisition of Capital based on their fair values on July 1, 2007. The Company is finalizing the value of certain assets and liabilities. As such, the adjustments included in the following table are preliminary and may change.

#### Allocation of Purchase Price for Capital Bancorp, Inc.

|   |                 |                         |
|---|-----------------|-------------------------|
| <b>Purchase Price:</b>  |                 |                         |
| Shares issued to common shareholders  | 2,797,238       |                         |
| Purchase price per share  | <u>\$ 24.13</u> |                         |
| Value of stock paid   |                 | \$ 67,497               |
| Cash paid   |                 | 56,055                  |
| Fair value of options assumed   |                 | 2,496                   |
| Deal charges  |                 | <u>5,302</u>            |
| <b>Total Purchase Price</b>   |                 | <b>\$131,350</b>        |
| <b>Net Assets Acquired:</b>   |                 |                         |
| Stockholders' equity at 7/1/07  | \$ 36,267       |                         |
| Increase (decrease) to net assets as a result of fair value adjustments to assets acquired and liabilities assumed: |                 |                         |
| Securities  | (141)           |                         |
| Loans, net of unearned income   | (3,569)         |                         |
| Fixed assets  | 328             |                         |
| Core deposits intangible  | 5,975           |                         |
| Other assets  | (58)            |                         |
| Deposits  | (359)           |                         |
| FHLB advances   | (80)            |                         |
| Trust preferred securities  | 240             |                         |
| Other liabilities   | (520)           |                         |
| Deferred income taxes   | <u>(786)</u>    |                         |
| <b>Total Net Assets Acquired</b>  |                 | <u>37,297</u>           |
| <b>Goodwill resulting from merger</b>   |                 | <b><u>\$ 94,053</u></b> |

## [Index to Financial Statements](#)

The following unaudited pro forma combined condensed consolidated financial information presents the results of operations for the nine months ended September 30, 2007 and 2006 of the Company as though the merger with Capital and the equity offering to fund the cash portion of the merger consideration had been completed as of the beginning of each respective period.

|                            | For the Nine Months<br>Ended September 30 |                  |
|----------------------------|---|------------------|
|                            | 2007                                      | 2006             |
| Interest income            | \$ 163,661                                | \$ 141,513       |
| Interest expense           | 84,508                                    | 63,225           |
| Net interest income        | 79,153                                    | 78,288           |
| Provision for loan losses  | 4,168                                     | 2,728            |
| Noninterest income         | 40,247                                    | 35,980           |
| Noninterest expense        | 80,852                                    | 77,577           |
| Income before income taxes | 34,380                                    | 33,963           |
| Income taxes               | 10,827                                    | 10,473           |
| Net income                 | <u>\$ 23,553</u>                          | <u>\$ 23,490</u> |
| Earnings per share:        |   |                  |
| Basic                      | <u>\$ 1.11</u>                            | <u>\$ 1.12</u>   |
| Diluted                    | <u>\$ 1.09</u>                            | <u>\$ 1.09</u>   |

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

This Form 10-Q may contain, or incorporate by reference, statements regarding Renasant Corporation (referred to herein as the "Company", "we", "our", or "us") which may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward looking statements usually include words such as "expects," "projects," "proposes," "anticipates," "believes," "intends," "estimates," "strategy," "plan," "potential," "possible" and other similar expressions. Prospective investors are cautioned that any such forward-looking statements are not guarantees 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 (1) the effect of economic conditions and interest rates on a national, regional or international basis; (2) the performance of the Company's business after its merger with Capital Bancorp, Inc. ("Capital"); (3) the timing of the implementation of changes in operations to achieve enhanced earnings or effect cost savings; (4) competitive pressures in the consumer finance, commercial finance, insurance, financial services, asset management, retail banking, mortgage lending and auto lending industries; (5) the financial resources of, and products available to, competitors; (6) changes in laws and regulations, including changes in accounting standards; (7) changes in policy by regulatory agencies; (8) changes in the securities and foreign exchange markets; (9) the Company's potential growth, including its entrance or expansion into new markets, and the need for sufficient capital to support that growth; (10) changes in the quality or composition of the Company's loan or investment portfolios, including adverse developments in borrower industries or in the repayment ability of individual borrowers; (11) an insufficient allowance for loan losses as a result of inaccurate assumptions; (12) general economic, market or business conditions; (13) changes in demand for loan products and financial services; (14) concentration of credit exposure; (15) changes or the lack of changes in interest rates, yield curves and interest rate spread relationship; and (16) other circumstances, many of which are beyond management's control. Management undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time.

**Overview**

Renasant Corporation, a Mississippi corporation, owns and operates Renasant Bank, a Mississippi-chartered bank with operations in Mississippi, Tennessee and Alabama, and Renasant Insurance, Inc., a Mississippi corporation with operations in Mississippi. Renasant Insurance, Inc. is a wholly-owned subsidiary of Renasant Bank. The Company has full service offices located throughout north and north central Mississippi, west and middle Tennessee and north and north central Alabama.

On July 24, 2006, the Company announced a three-for-two stock split in the form of a stock dividend payable on August 28, 2006 to shareholders of record as of August 11, 2006. As a result of the stock split, the Company issued 5,744,010 shares of its common stock. Share and per share amounts included herein have been restated to reflect the three-for-two stock split.

On May 11, 2007, the Company completed the sale of 2,400,000 shares of its common stock at a price of \$22.50 per share in a firm commitment underwritten offering. On June 1, 2007, the Company completed the sale of 360,000 shares of its common stock in connection with the exercise of the over-allotment option granted to the underwriters associated with the aforementioned offering. Net proceeds from the offering, including proceeds received in connection with the underwriters' exercise of their over-allotment option, totaled \$58,126.

On July 1, 2007, the Company completed its acquisition by merger of Capital, a bank holding company headquartered in Nashville, Tennessee, and the parent of Capital Bank & Trust Company, a Tennessee banking corporation. On the same date, Capital Bank & Trust Company was merged into Renasant Bank. At June 30, 2007, Capital operated seven full-service banking offices in the Nashville-Davidson-Murfreesboro, Tennessee Metropolitan Statistical Area and had total assets of \$614,802, loans of \$515,982, deposits of \$490,257 and total shareholders' equity of \$36,267. See Note 11, "Mergers and Acquisitions," in the Notes to Consolidated Financial Statements included in Item 1, "Condensed Consolidated Financial Statements," for details regarding the terms and conditions of the Company's merger with Capital.

## [Index to Financial Statements](#)

### Financial Condition

Total assets for the Company increased to \$3,584,519 on September 30, 2007 from \$2,611,356 on December 31, 2006, representing an increase of 37.27%. The acquisition of Capital contributed total assets of \$614,802, or 63.18% of the increase in total assets.

Cash and cash equivalents decreased \$6,553 from \$98,201 at December 31, 2006 to \$91,648 at September 30, 2007. Cash and cash equivalents represented 2.56% of total assets at September 30, 2007 compared to 3.76% of total assets at December 31, 2006. Our investment portfolio increased to \$543,017 at September 30, 2007 from \$428,065 at December 31, 2006. The acquisition of Capital contributed investment securities with a balance of \$72,234, or 62.84% of the increase in investments.

Mortgage loans held for sale were \$25,911 at September 30, 2007 compared to \$38,672 at December 31, 2006. Originations of mortgage loans to be sold totaled \$457,636 for the first nine months of 2007 as compared to \$334,795 for the same period in 2006. In the first nine months of 2007, the Company was able to grow its levels of mortgage originations in an environment in which mortgage activity nationally continues to slow as compared to prior years. This increase in originations of mortgage loans to be sold was due in part to the expansion of our retail mortgage operations in Alabama and the hiring of a group of wholesale mortgage lenders in Mississippi in the latter part of the third quarter of 2006. Mortgage loans to be sold are locked in at a contractual rate with third party private investors, and the Company is obligated to sell the mortgages to such investors only if the mortgages are closed and funded. Gains and losses are realized at the time consideration is received from the sale of the loans 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 mortgage loans in the secondary market. The Company does not actively market or originate subprime mortgage loans. For the first nine months of 2007, originations of subprime mortgage loans constituted .05% of the aggregate originations of mortgage loans.

The loan balance, net of unearned income, at September 30, 2007 was \$2,588,563, representing an increase of \$761,801 from \$1,826,762 at December 31, 2006. The acquisition of Capital contributed total loans of \$515,982, or 67.73% of the increase in total loans. Excluding Capital's loans, loans increased \$245,819 from December 31, 2006.

The growth in loans during the first nine months of 2007 is attributable to loan production across all three of our geographic regions. Excluding the loans acquired from Capital, loans in the Mississippi, Tennessee and Alabama regions grew \$66,854, \$82,064 and \$96,901, respectively, during the first nine months of 2007 compared to the respective balances at December 31, 2006. We expect future loan growth to be primarily from the Tennessee and Alabama regions and from certain key markets within the Mississippi region. The table below sets forth loans outstanding, according to loan type, net of unearned income.

|                                     | September 30,<br>2007 | December 31,<br>2006 |
|-------------------------------------|-----------------------|----------------------|
| Commercial, financial, agricultural | \$ 336,157            | \$ 236,741           |
| Lease financing                     | 2,906                 | 4,234                |
| Real estate – construction          | 401,652               | 242,669              |
| Real estate – 1-4 family mortgages  | 841,266               | 636,060              |
| Real estate – commercial mortgages  | 925,001               | 629,354              |
| Installment loans to individuals    | 81,581                | 77,704               |
| Total loans, net of unearned income | <u>\$ 2,588,563</u>   | <u>\$1,826,762</u>   |

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 September 30, 2007, we had no significant concentrations of loans other than those presented in the categories in the table above.

## Index to Financial Statements

Intangible assets increased \$98,347 to \$196,643 at September 30, 2007 from \$98,296 at December 31, 2006. The increase reflects \$94,053 and \$5,975 of goodwill and core deposits intangible, respectively, recorded in connection with the acquisition of Capital. The core deposits intangible is being amortized over its estimated useful life of ten years.

Total deposits increased \$554,912 to \$2,663,877 at September 30, 2007 from \$2,108,965 on December 31, 2006. The acquisition of Capital contributed total deposits of \$490,257, or 88.35% of the increase in total deposits. Excluding Capital's deposits, deposits increased \$64,655 from December 31, 2006. Noninterest-bearing deposits increased \$44,576 to \$315,813 at September 30, 2007 compared to \$271,237 at December 31, 2006. Interest-bearing deposits grew \$510,336 to \$2,348,064 at September 30, 2007 from \$1,837,728 at December 31, 2006.

Total borrowings consist of federal funds purchased, advances from the Federal Home Loan Bank ("FHLB"), subordinated debentures and other borrowings. Total borrowings were \$483,988 at September 30, 2007 compared to \$216,423 at December 31, 2006. The Company relied on borrowings, in addition to deposits, as a funding source for loan growth during 2007. The Company has \$56,500 in federal funds purchased at September 30, 2007. As of December 31, 2006, the Company did not have any federal funds purchased outstanding. FHLB advances increased \$187,512 to \$331,724 at September 30, 2007 compared to \$144,212 at December 31, 2006. The acquisition of Capital increased our FHLB advances by \$57,254. Subordinated debentures and notes increased \$12,031 to \$76,235 at September 30, 2007 as compared to \$64,204 at December 31, 2006. In connection with the acquisition of Capital, the Company assumed Capital's outstanding subordinated notes which totaled \$12,372.

Shareholders' equity increased 55.25% to \$392,312 at September 30, 2007 compared to \$252,704 at December 31, 2006. The acquisition of Capital increased shareholders' equity by \$69,993, or 50.14% of the increase in total shareholders' equity. The aforementioned equity offering completed during the second quarter of 2007 increased shareholders' equity by \$58,126. Other factors contributing to the change in shareholders' equity include current year earnings offset by dividends and changes in other comprehensive income.

### Results of Operations – Third Quarter of 2007 as Compared to the Third Quarter of 2006

#### Summary

Net income for the three month period ended September 30, 2007 was \$8,297, an increase of \$1,665, or 25.11%, from net income of \$6,632 for the same period in 2006. Basic and diluted earnings per share were \$0.39 for the three month period ended September 30, 2007, as compared to basic earnings per share of \$0.43 and diluted earnings per share of \$0.42 for the comparable period a year ago.

#### 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. Net interest income grew 23.02% to \$26,698 for the third quarter of 2007 compared to \$21,703 for the same period in 2006. On a tax equivalent basis, net interest margin for the three month period ended September 30, 2007 was 3.52% compared to 4.02% for the same period in 2006. Net interest income for the third quarter of 2007 includes \$38 in interest income related to certain Heritage Financial Holding Corporation ("Heritage") loans accounted for under American Institute of Certified Public Accountants Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer," ("SOP 03-3") as compared to \$527 in interest income from similar loans for the third quarter of 2006. The additional interest income from these loans was due to increased cash flows that exceeded initial estimates. This additional interest income increased net interest margin for the third quarter of 2006 by 9 basis points. The acquisition of Capital decreased our margin by 2 basis points for the third quarter of 2007.

Interest income grew 41.34% to \$56,636 for the third quarter of 2007 from \$40,070 for the same period in 2006. The growth in interest income was primarily driven by increases in volume, although the tax equivalent yield on earning assets increased 3 basis points to 7.32%. The average balance of interest-earning assets for the three months ending September 30, 2007 increased \$892,130 as compared to the same period in 2006 due to organic loan growth and the acquisition of Capital. The acquisition of Capital increased our average interest earnings assets \$589,656.



Interest expense increased \$11,571 to \$29,938 for the three months ended September 30, 2007 as compared to \$18,367 for the same period in 2006. This increase resulted from the growth in interest-bearing deposits, as well as the increase in the cost of all interest-bearing liabilities. The average balance of interest-bearing deposits for the three months ended September 30, 2007 increased \$656,688 as compared to the same period in 2006. The acquisition of Capital increased the average balance of interest-bearing deposits by \$450,292. The cost of interest-bearing deposits increased 63 basis points to 4.07% for the third quarter of 2007 compared to 3.44% for the same period in 2006. Overall, the cost of interest-bearing liabilities increased 58 basis points to 4.28% over this same period.

#### Noninterest Income

Noninterest income was \$13,446 for the three month period ended September 30, 2007 compared to \$11,713 for the same period in 2006, an increase of \$1,733, or 14.80%. For the three month period ended September 30, 2007, Capital contributed \$688 to noninterest income. Excluding Capital's noninterest income, the Company's noninterest income increased \$1,045, or 8.9% as compared to the third quarter of 2006. The growth in noninterest income is attributable to growth in service charges on deposits, loan fees and gains recognized on the sale of mortgage loans in the secondary market.

Service charges on deposits were \$5,239 for the third quarter of 2007, an increase of 11.80% over \$4,686 for the same period in 2006. Service charges represent the largest component of noninterest income. Overdraft fees were \$4,662 for the three month period ended September 30, 2007, an increase of \$578, or 14.14%, compared to the same period in 2006.

Fees and commissions include fees charged for both deposit services (other than service charges on deposits) and loan services. Fees and commissions were \$4,104 and \$3,662 for the three month periods ended September 30, 2007 and 2006, respectively. Fees charged for loan services increased \$263 to \$2,481 for the third quarter of 2007 compared to \$2,218 for the same period in 2006. This increase reflects the loan growth, including mortgage loans originated and sold in the secondary market, the Company has achieved over the same period in 2006. Interchange fees on debit card transactions continue to be a strong source of noninterest income. For the third quarter, fees associated with debit card usage were \$1,016, up 25.43% from the same period in 2006. The Company also provides specialized products and services to our customers. Specialized products include fixed and variable annuities, mutual funds, and stocks offered through a third party provider. Revenues generated from the sale of all of these products declined slightly to \$243 for the third quarter of 2007 compared to \$248 for the same period in 2006. Revenues from these products are included in the Condensed Consolidated Statements of Income in the account line "Fees and commissions."

The trust department operates on a custodial basis which includes administration of benefit plans, accounting and money management for trust accounts. The trust department manages a number of trust accounts inclusive of personal and corporate benefit accounts, self-directed IRA's, and custodial accounts. Fees for managing these accounts are generated based on the contractual terms of the accounts. Trust revenue for the third quarter of 2007 was \$806 as compared to \$630 for the same period of 2006. The market value of assets under management as of September 30, 2007 was \$542,734, an increase of approximately \$15,032 from the prior year.

Gains from sales of mortgage loans increased to \$1,201 for the three months ended September 30, 2007 compared to \$1,029 for the same period in 2006. The increase in gains on the sale of mortgage loans is attributable to higher volumes of overall originations (both retail and wholesale). Originations of mortgage loans to be sold totaled \$150,029 for the third quarter of 2007 as compared to \$125,183 for same period in 2006. In addition, gains on the sale of mortgage loans were positively impacted by higher volumes of retail originations during the third quarter of 2007 as compared to 2006. Typically, retail originations carry a higher profit margin when sold as compared to wholesale originations.

Other noninterest income increased \$264 to \$596 for the three months ended September 30, 2007 as compared to the same period in 2006. Other noninterest income for the three months ended September 30, 2007 includes a \$141 gain resulting from insurance proceeds that exceeded the write-off of premises and equipment due to a fire.

## Noninterest Expense

Noninterest expense was \$26,689 for the three month period ended September 30, 2007 compared to \$23,045 for the same period in 2006, an increase of \$3,644, or 15.81%. The acquisition of Capital increased noninterest expense by \$3,657, including \$604 of merger related expenses. Excluding these noninterest expenses, the Company's noninterest expenses decreased \$13 as compared to the third quarter of 2006.

Salaries and employee benefits for the three month period ended September 30, 2007 were \$15,010, which is \$1,997 greater than the same period last year. The acquisition of Capital increased salaries and employee benefits by \$1,858 for the three month period ended September 30, 2007.

Data processing costs for the three month period ended September 30, 2007 were \$1,425, an increase of \$303 compared to the same period last year. Net occupancy expense and equipment expense for the three month period ended September 30, 2007 increased \$481 to \$3,269 over the comparable period for the prior year, primarily due to additional depreciation on assets placed into service and expenses related to Capital.

Amortization of intangible assets increased to \$610 for the three months ended September 30, 2007 compared to \$398 for the same period in 2006. The increase is due to the amortization of the finite-lived intangible assets recorded as a result of the Capital acquisition. Intangible assets are amortized over their estimated useful lives, which range between five and ten years.

Noninterest expense as a percentage of average assets was 3.01% for the three month period ended September 30, 2007 and 3.63% for the comparable period in 2006. The net overhead ratio was 1.49% and 1.79% for the third quarter of 2007 and 2006, respectively. The net overhead ratio is defined as noninterest expense less noninterest income, expressed as a percent of average assets. Our efficiency ratio decreased to 64.97% for the three month period ended September 30, 2007 compared to 67.26% for the same period of 2006. The efficiency ratio measures the cost of generating one dollar of revenue. That is, the ratio is designed to reflect the percentage of one dollar which must be expended to generate that dollar of revenue. We calculate this ratio by dividing noninterest expense by the sum of net interest income on a fully taxable equivalent basis and noninterest income.

Income tax expense was \$3,845 for the three month period ended September 30, 2007 (with an effective tax rate of 31.67%), compared to \$2,839 (with an effective tax rate of 29.98%) for the same period in 2006. We continually seek investing opportunities in assets, primarily through state and local investment securities, whose earnings are given favorable tax treatment.

## Results of Operations – Nine Months Ended September 30, 2007 as Compared to the Nine Months Ended September 30, 2006

### Summary

Net income for the nine month period ended September 30, 2007 was \$22,346, an increase of \$2,170, or 10.76%, from net income of \$20,176 for the same period in 2006. Basic earnings per share were \$1.25 and diluted earnings per share were \$1.23 for the nine month period ended September 30, 2007, as compared to basic earnings per share of \$1.30 and diluted earnings per share of \$1.27 for the comparable period a year ago.

### Net Interest Income

Net interest income grew 9.07% to \$68,878 for the nine months ended September 30, 2007 compared to \$63,153 for the same period in 2006. On a tax equivalent basis, net interest margin for the nine month period ended September 30, 2007 was 3.60% compared to 3.99% for the same period in 2006. Net interest income for the first nine months of 2007 includes \$118 in interest income related to certain Heritage loans accounted for under SOP 03-3 as compared to \$910 in interest income from similar loans for the first nine months of 2006. This additional interest income increased net interest margin by 1 and 6 basis points for the first nine months of 2007 and 2006, respectively.

Interest income grew 25.03% to \$141,887 for the first nine months of 2007 from \$113,484 for the same period in 2006. The growth in interest income was driven by changes in volume and in rate. The average balance of interest-earning assets for the nine months ending September 30, 2007 increased \$452,405 as compared to the same period in 2006 due primarily to the aforementioned loan growth. Over this same period, the tax equivalent yield on earning assets increased 24 basis points to 7.29%.

## [Index to Financial Statements](#)

Interest expense increased \$22,678 to \$73,009 for the nine months ended September 30, 2007 as compared to \$50,331 for the same period in 2006. The cost of interest-bearing deposits increased 76 basis points to 3.95% for the nine months ended September 30, 2007 compared to 3.19% for the same period in 2006. Overall, the cost of interest-bearing liabilities increased 71 basis points to 4.15% over this same period.

### Noninterest Income

Noninterest income was \$38,990 for the nine month period ended September 30, 2007 compared to \$34,179 for the same period in 2006, an increase of \$4,811, or 14.08%.

Service charges on deposits were \$15,002 for the first nine months of 2007, an increase of 10.01% over \$13,637 for the same period in 2006. Overdraft fees were \$13,218 for the nine month period ended September 30, 2007, an increase of \$1,479, or 12.60%, compared to the same period in 2006.

Fees and commissions were \$11,892 and \$10,324 for the nine month periods ended September 30, 2007 and 2006, respectively. Fees charged for loan services increased \$1,048 to \$7,082 for the first nine months of 2007 compared to \$6,034 for the same period in 2006. For the nine month period ended September 30, 2007, fees associated with debit card usage were \$2,910, up 24.05% from the same period in 2006. Revenues generated from the sale of all specialized products by the Financial Services division totaled \$692 for the nine month period ended September 30, 2007 compared to \$790 for the same period in 2006. Revenue generated by the trust department for managing accounts was \$2,053 as compared to \$1,890 for the same period of 2006.

Gains from sales of mortgage loans increased to \$3,572 for the nine months ended September 30, 2007 compared to \$2,463 for the same period in 2006. Originations of mortgage loans to be sold totaled \$457,636 for the first nine months of 2007 as compared to \$334,795 for same period in 2006.

Other noninterest income was \$2,236 and \$1,992 for the nine month periods ended September 30, 2007 and 2006, respectively. Other noninterest income for the nine months ended September 30, 2007 includes a \$499 gain recognized on the sale of other real estate, a \$252 nontaxable death benefit from life insurance and a \$141 gain resulting from insurance proceeds that exceeded the write-off of premises and equipment due to a fire. In comparison, other noninterest income for the nine months ended September 30, 2006 includes a \$558 gain recognized on the early repayment of an FHLB advance which was called in February 2006 and a \$439 nontaxable death benefit from life insurance. Other noninterest income also includes contingency income of \$261 and \$145 for the nine months ended September 30, 2007 and 2006, respectively. Contingency income is a bonus received from insurance underwriters and is based on both commission income and claims experience on our client's policies during the previous year.

### Noninterest Expense

Noninterest expense was \$72,557 for the nine month period ended September 30, 2007 compared to \$66,995 for the same period in 2006, an increase of \$5,562, or 8.30%.

Salaries and employee benefits for the nine month period ended September 30, 2007 were \$41,020 which is \$3,494 greater than the same period last year. The increase in salaries and employee benefits is due the acquisition of Capital, normal annual salary increases which were effective March 2007 and strategic hires.

Data processing costs for the nine month period ended September 30, 2007 were \$3,892, an increase of \$735 compared to the same period last year. Net occupancy expense and equipment expense for the nine month period ended September 30, 2007 increased \$574 to \$8,836 over the comparable period for the prior year. In June 2007, the Company opened a new full service branch in Oxford, Mississippi.

Amortization of intangible assets increased to \$1,395 for the nine months ended September 30, 2007 compared to \$1,243 for the same period in 2006.

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## [Index to Financial Statements](#)

Noninterest expense as a percentage of average assets was 3.26% for the nine month period ended September 30, 2007 and 3.60% for the comparable period in 2006. The net overhead ratio was 1.51% and 1.77% for the first nine months of 2007 and 2006, respectively. Our efficiency ratio improved to 65.67% for the nine month period ended September 30, 2007 compared to 67.11% for the same period of 2006. The improvement in the net overhead and efficiency ratios is reflective of the growth in noninterest income exceeding the growth in noninterest expenses.

Income tax expense was \$10,102 for the nine month period ended September 30, 2007 (with an effective tax rate of 31.13%), compared to \$8,553 (with an effective tax rate of 29.77%) for the same period in 2006.

### Allowance and 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.

Nonperforming loans (accruing loans past due 90 days or more and nonaccrual loans) as a percentage of total loans were 0.57% at September 30, 2007 compared to 0.62% at December 31, 2006. Nonaccrual loans at September 30, 2007, were \$12,657, up \$4,836 as compared to the balance at December 31, 2006. The acquisition of Capital increased the nonaccrual loan balance by \$1,259. The remainder of the increase is due primarily from the addition of two loans from our Alabama region to nonaccrual status. Loans past due 90 days or more still accruing interest decreased \$1,342 to \$2,125 at September 30, 2007 compared to \$3,467 at December 31, 2006. Management has evaluated these loans and other loans classified as non-performing and concluded that all non-performing loans have been adequately reserved for in the allowance for loan losses at September 30, 2007.

The provision for loan losses was \$1,313 and \$900 for the three months ended September 30, 2007 and 2006, respectively. For the third quarter of 2007, net charge-offs were \$377, or 0.06% annualized as a percentage of average loans, compared to net charge-offs for the same period in 2006 of \$590, or 0.13% annualized. The provision for loan losses was \$2,863 and \$1,608 for the nine months ended September 30, 2007 and 2006, respectively. For the nine months ended September 30, 2007, net charge-offs were \$856, or 0.05% annualized as a percentage of average loans, compared to net charge-offs for the same period in 2006 of \$671, or 0.05% annualized.

In determining the amount of provision to charge to current period 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 allowance for loan losses as a percentage of loans was 1.04% at September 30, 2007 as compared to 1.07% at December 31, 2006, and 1.10% at September 30, 2006. The reduction of the allowance for loan losses as a percentage of loans was primarily due to growth in the loan portfolio.

## [Index to Financial Statements](#)

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

|  | 2007                       |                            |                            | 2006                       |                            |                            |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 3 <sup>rd</sup><br>Quarter | 2 <sup>nd</sup><br>Quarter | 1 <sup>st</sup><br>Quarter | 4 <sup>th</sup><br>Quarter | 3 <sup>rd</sup><br>Quarter | 2 <sup>nd</sup><br>Quarter | 1 <sup>st</sup><br>Quarter |
| Balance at beginning of period                   | \$20,605                   | \$20,082                   | \$19,534                   | \$19,300                   | \$18,990                   | \$18,473                   | \$18,363                   |
| Addition from acquisitions                       | 5,385                      | —                          | —                          | —                          | —                          | —                          | —                          |
| Loans charged-off                                | 634                        | 338                        | 323                        | 773                        | 896                        | 379                        | 1,034                      |
| Recoveries of loans previously charged-off       | (257)                      | (61)                       | (121)                      | (207)                      | (306)                      | (1,256)                    | (76)                       |
| Net charge-offs                                  | 377                        | 277                        | 202                        | 566                        | 590                        | (877)                      | 958                        |
| Provision for loan losses                        | 1,313                      | 800                        | 750                        | 800                        | 900                        | (360)                      | 1,068                      |
| Balance at end of period                         | <u>\$26,926</u>            | <u>\$20,605</u>            | <u>\$20,082</u>            | <u>\$19,534</u>            | <u>\$19,300</u>            | <u>\$18,990</u>            | <u>\$18,473</u>            |
| Nonaccruing loans                                | \$12,657                   | \$ 5,905                   | \$ 6,368                   | \$ 7,821                   | \$ 6,264                   | \$ 5,978                   | \$ 2,509                   |
| Accruing loans 90 days past due or more          | 2,125                      | 1,648                      | 3,913                      | 3,467                      | 1,798                      | 1,745                      | 1,546                      |
| Total nonperforming loans                        | 14,782                     | 7,553                      | 10,281                     | 11,288                     | 8,062                      | 7,723                      | 4,055                      |
| Other real estate owned and repossessions        | 3,168                      | 2,309                      | 2,897                      | 4,579                      | 3,502                      | 3,697                      | 3,922                      |
| Total nonperforming assets                       | <u>\$17,950</u>            | <u>\$ 9,862</u>            | <u>\$13,178</u>            | <u>\$15,867</u>            | <u>\$11,564</u>            | <u>\$11,420</u>            | <u>\$ 7,977</u>            |
| Allowance for loan losses to total loans         | 1.04%                      | 1.04%                      | 1.06%                      | 1.07%                      | 1.10%                      | 1.10%                      | 1.11%                      |
| Allowance for loan losses to nonperforming loans | 182.15                     | 272.81                     | 195.33                     | 173.05                     | 239.39                     | 245.89                     | 455.56                     |
| Annualized net charge-offs to average loans      | 0.06                       | 0.06                       | 0.04                       | 0.12                       | 0.13                       | (0.20)                     | 0.23                       |
| Nonperforming loans to total loans               | 0.57                       | 0.38                       | 0.54                       | 0.62                       | 0.46                       | 0.45                       | 0.24                       |
| Nonperforming assets to total assets             | 0.50                       | 0.35                       | 0.48                       | 0.61                       | 0.46                       | 0.46                       | 0.32                       |

The table below presents net charge-offs (recoveries) by loan type for the three and nine month periods ending September 30, 2007 and 2006:

|                                     | Three Months Ended<br>September 30, |               | Nine Months Ended<br>September 30, |               |
|-------------------------------------|-------------------------------------|---------------|------------------------------------|---------------|
|                                     | 2007                                | 2006          | 2007                               | 2006          |
| Commercial, financial, agricultural | \$ (136)                            | \$ 57         | \$ (105)                           | \$ (26)       |
| Lease financing                     | —                                   | —             | —                                  | —             |
| Real estate – construction          | 63                                  | 13            | 109                                | 110           |
| Real estate – 1-4 family mortgages  | 110                                 | 336           | 448                                | 1,190         |
| Real estate – commercial mortgages  | 2                                   | 127           | (2)                                | (718)         |
| Installment loans to individuals    | 338                                 | 57            | 406                                | 115           |
| Total net charge-offs               | <u>\$ 377</u>                       | <u>\$ 590</u> | <u>\$ 856</u>                      | <u>\$ 671</u> |

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 September 30, 2007, and December 31, 2006:

|   | September 30,<br>2007 | December 31,<br>2006 |
|---|-----------------------|----------------------|
| Specific reserves                       | \$ 6,640              | \$ 4,377             |
| Allocated reserves based on loan grades | 20,286                | 15,157               |
| Total reserves                          | <u>\$ 26,926</u>      | <u>\$ 19,534</u>     |

## [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. 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. We constantly monitor our funds position and evaluate the effect various funding sources have on our financial position.

Deposits are our primary source of funds used to meet cash flow needs. 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 products we offer. Understanding the competitive pressures on deposits is key to maintaining the ability to acquire and retain these funds in a variety of markets. When evaluating the movement of these funds, even during large interest rate changes, it is essential that we continue to attract deposits that can be used to meet cash flow needs. Management continues to monitor the liquidity and volatility liabilities ratios to ensure compliance with Asset-Liability Committee targets. Total deposits increased \$554,912 to \$2,663,877 at September 30, 2007 from \$2,108,965 on December 31, 2006. The acquisition of Capital represented \$490,257, or 88.35% of the increase in total deposits.

Our securities portfolio is another alternative for meeting liquidity needs. These assets have readily available markets that offer conversions to cash as needed. Securities within our investment portfolio are also used to secure certain deposit types and short-term borrowings. The balance of our securities portfolio was \$543,017 at September 30, 2007 as compared to \$428,065 at December 31, 2006. 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. The Company utilized borrowings, primarily short-term borrowings, as a funding source for loan growth during 2007 in addition to deposits. We focused on utilizing short-term borrowings as we expect the short-term interest rates to decline in the future. At September 30, 2007, we had \$56,500 outstanding in federal funds purchased. Funds obtained from the FHLB are used primarily to match-fund real estate loans and other longer-term fixed rate loans in order to minimize interest rate risk; FHLB advances may also be used to meet day to day liquidity needs. As of September 30, 2007, our outstanding balance with the FHLB was \$331,724 compared to \$144,212 at December 31, 2006. The total amount of remaining credit available to us from the FHLB at September 30, 2007 was \$383,538. 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 September 30, 2007, there were no amounts outstanding under these lines of credit.

For the nine months ended September 30, 2007, our total cost of funds, including noninterest-bearing demand deposit accounts, was 3.72%, up from 3.04% for the same period in 2006. Noninterest-bearing demand deposit accounts made up approximately 10.37% of our average total deposits and borrowed funds at September 30, 2007 down from 11.80% at September 30, 2006. Interest-bearing transaction accounts, money market accounts and savings accounts made up approximately 32.28% of our average total deposits and borrowed funds and had an average cost of 2.69%, compared to 33.80% of the average total deposits and borrowed funds with an average cost of 2.09% for the same period in 2006. Another significant source of funds was time deposits, making up 47.06% of the average total deposits and borrowed funds with an average cost of 4.82% for the nine months ended September 30, 2007, compared to 43.73% of the average total deposits and borrowed funds with an average cost of 4.04% for the same period in 2006. FHLB advances made up approximately 6.92% of our average total deposits and borrowed funds with an average cost of 5.02%, compared to 6.80% of the average total deposits and borrowed funds with an average cost of 4.41% for the same period in 2006.

Cash and cash equivalents were \$91,648 at September 30, 2007 compared to \$75,766 at September 30, 2006. Cash used in investing activities for the nine months ended September 30, 2007 was \$353,349 compared to \$160,092 for the same period of 2006. The primary contribution to this increase was due to a net increase in loans of \$252,117. Purchases of investment securities were \$149,051 for the nine months ending September 30, 2007 offset by proceeds from the sale and maturity of our investment security portfolio of \$105,189.

Cash provided by financing activities for the nine months ended September 30, 2007 was \$293,991 compared to \$110,722 for the same period of 2006. Cash flows from the generation of deposits were \$64,393 for the nine months ended September 30, 2007 compared to \$116,963 for the same period in 2006. Cash provided from the generation of deposits and other borrowings for the nine months ended September 30, 2007 was used primarily to fund the \$252,117 in net loan growth. Cash provided by financing activities for the nine months ended September 30, 2007 also includes the net proceeds of \$58,126 from the aforementioned equity offering.

Under the terms of our merger agreement with Capital, described in Note 11, "Mergers and Acquisitions," in the Notes to Consolidated Financial Statements included in Item 1, "Condensed Consolidated Financial Statements," the Company paid \$56,055 to Capital shareholders as part of the merger consideration. The Company used the net proceeds from its offering of common stock to fund the cash portion of the merger consideration payable in connection with the Company's acquisition of Capital. Other expenditures arising in connection with the Company's acquisition of Capital were funded using the remaining net proceeds of the offering and the Company's traditional sources of liquidity.

## [Index to Financial Statements](#)

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, Tier I leverage of 4% of average assets, and total capital of 8% of risk-weighted assets (as such ratios are defined in Federal regulations). As of September 30, 2007, we met all capital adequacy requirements to which we are subject. As of September 30, 2007, 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 September 30, 2007:

|  | <u>Company</u> | <u>Bank</u> |
|--|----------------|-------------|
| Tier I Leverage (to average assets)      | 8.26%          | 8.03%       |
| Tier I Capital (to risk-weighted assets) | 9.99%          | 9.71%       |
| Total Capital (to risk-weighted assets)  | 10.97%         | 10.69%      |

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, as well as its ability to pay dividends to our shareholders, are substantially dependent on the ability of Renasant Bank to transfer funds to the Company in the form of dividends, loans and advances. 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 September 30, 2007, the unrestricted surplus for Renasant Bank was approximately \$422,496. Federal Reserve regulations also limit the amount Renasant Bank may loan to the Company unless such loans are collateralized by specific obligations. At September 30, 2007, the maximum amount available for transfer from Renasant Bank to the Company in the form of loans was \$29,328. There were no loans outstanding from Renasant Bank to the Company at September 30, 2007. These restrictions did not have any impact on the Company's ability to meet its cash obligations in the first nine months of 2007, nor does management expect such restrictions to materially impact the Company's ability to meet its currently-anticipated cash obligations.

Book value per share was \$18.70 and \$16.27 at September 30, 2007 and December 31, 2006, 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.

## [Index to Financial Statements](#)

The Company's unfunded loan commitments (unfunded loans and unused lines of credit) and standby letters of credit outstanding at September 30, 2007 were approximately \$755,994 and \$28,984, respectively, compared to \$577,439 and \$23,245, respectively, at December 31, 2006.

In May 2006, the Company entered into an interest rate swap with a notional amount of \$100,000 whereby it receives a fixed rate of interest and pays a variable rate based on the Prime rate. The effective date of the swap was May 11, 2006 and the maturity date of the swap is May 11, 2009. The interest rate swap is a designated cash flow hedge designed to convert the variable interest rate on \$100,000 of loans to a fixed rate. This hedging relationship is assessed under the hypothetical derivative method, and the swap is considered to be effective.

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.

### Contractual Obligations

There have not been any material changes outside of the ordinary course of business to any of the contractual obligations disclosed in our Annual Report on Form 10-K for the year ended December 31, 2006.

### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As discussed above, the Company entered into an interest rate swap in May 2006 in which it converted \$100,000 of variable rate loans to a fixed rate. The strategy of the interest rate swap was to mitigate our interest rate risk in the event interest rates declined. There have been no other material changes in our market risk since December 31, 2006. For additional information regarding our market risk, see our Annual Report on Form 10-K for the year ended December 31, 2006.

### **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 to allow for timely decisions regarding the disclosure of material information required to be included in our periodic reports to the Securities and Exchange Commission. There were no changes in the Company's internal control over financial reporting during the fiscal quarter covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.



## Part II. OTHER INFORMATION

### Item 1A. RISK FACTORS

Information regarding risk factors appears in Part I, Item 1A, “Risk Factors,” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2006. Additional risk factors relating to the Company are set forth (1) under the heading “Risk Factors” in the prospectus dated May 8, 2007 filed by the Company in connection with its equity offering and (2) under the heading “Risk Factors” in the prospectus dated May 24, 2007 filed by the Company in connection with its acquisition of Capital. The above-referenced sections of these prospectuses are incorporated into this Item 1A by reference.

There have been no material changes from these risk factors.

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

#### Unregistered Sales of Equity Securities

None.

#### Issuer Purchases of Equity Securities

The following table summarizes the Company’s purchases of its own securities for the three month period ended September 30, 2007:

| Period                      | (a) Total<br>Number<br>of Shares<br>Purchased <sup>(1)</sup> | (b) Average<br>Price<br>Paid per<br>Share | (c) Total<br>Number of<br>Shares<br>Purchased as<br>Part of Publicly<br>Announced<br>Plans or<br>Programs <sup>(1)(2)</sup> | (d) Maximum<br>Number of Shares<br>that<br>May Yet Be<br>Purchased<br>Under the Plans or<br>Programs <sup>(2)</sup> |
|-----------------------------|--|---|---|---|
| July 1 to July 31           | —  | —   | —   | 264,756   |
| August 1 to August 31       | 102,228  | 19.61                                     | 102,228   | 162,528   |
| September 1 to September 30 | 96,325   | 20.76                                     | 96,325  | 66,203  |
| Total                       | <u>198,553</u>   | <u>\$ 20.17</u>                           | <u>198,553</u>  |   |

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

(2) On September 17, 2002, the Company’s board of directors adopted a share buy-back plan which, as amended through September 30, 2007, allows the Company to purchase up to 2,095,031 shares of the Company’s outstanding common stock, subject to a monthly purchase limit of \$2,000 of its common stock. The plan will 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 September 30, 2007, 2,028,828 shares of the Company’s common stock had been purchased and 66,203 shares remained authorized under the plan. All share purchases during 2007 were made pursuant to open market transactions.

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

**Item 6. EXHIBITS**

| <b>Exhibit<br/>Number</b> | <b>Description</b>   |
|---------------------------|--|
| 2.1                       | Agreement and Plan of Merger by and among Renasant Corporation, Renasant Bank, Capital Bancorp, Inc. and Capital Bank & Trust Company, dated as of February 5, 2007, as amended by Amendment Number One to Agreement and Plan of Merger dated March 2, 2007 <sup>(1)</sup> |
| 3.1                       | Articles of Incorporation of Renasant Corporation, as amended <sup>(2)</sup>   |
| 3.2                       | Restated Bylaws of Renasant Corporation, as amended  |
| 4.1                       | Articles of Incorporation of Renasant Corporation, as amended <sup>(2)</sup>   |
| 4.2                       | Restated Bylaws of Renasant Corporation, as amended <sup>(3)</sup>   |
| 10.1                      | Employment Agreement dated as of June 29, 2007 by and between R. Rick Hart and Renasant Corporation <sup>(4)</sup>   |
| 10.2                      | Termination and Release Agreement dated as of June 29, 2007 by and among R. Rick Hart, Capital Bancorp, Inc., Capital Bank & Trust Company and Renasant Corporation <sup>(5)</sup>   |
| 10.3                      | Employment Agreement dated as of June 29, 2007 by and between John W. Gregory, Jr. and Renasant Bank <sup>(6)</sup>  |
| 10.4                      | Termination and Release Agreement dated as of June 29, 2007 by and among John W. Gregory, Jr., Capital Bancorp, Inc., Capital Bank & Trust Company and Renasant Corporation <sup>(7)</sup>   |
| 10.5                      | Second Amendment to the Capital Bank & Trust Company Supplemental Executive Retirement Plan Agreement dated August 20, 2003 for R. Rick Hart, executed June 29, 2007 <sup>(8)</sup>  |
| 10.6                      | Second Amendment to the Capital Bank & Trust Company Supplemental Executive Retirement Plan Agreement dated July 10, 2006 for R. Rick Hart, executed June 29, 2007 <sup>(9)</sup>  |
| 10.7                      | Second Amendment to the Capital Bank & Trust Company Supplemental Executive Retirement Plan Agreement dated August 20, 2003 for John W. Gregory, Jr., executed June 29, 2007 <sup>(10)</sup>   |
| 10.8                      | Second Amendment to the Capital Bank & Trust Company Supplemental Executive Retirement Plan Agreement dated July 10, 2006 for John W. Gregory, Jr., executed June 29, 2007 <sup>(11)</sup>   |
| 10.9                      | Supplemental Agreement to the Capital Bancorp, Inc. 2001 Stock Option Plan for R. Rick Hart, executed June 29, 2007 <sup>(12)</sup>  |
| 10.10                     | Supplemental Agreement to the Capital Bancorp, Inc. 2001 Stock Option Plan for John W. Gregory, Jr., executed June 29, 2007 <sup>(13)</sup>  |
| 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.   |
| 99.1                      | Prospectus dated May 8, 2007 of the Company relating to the offering of 2,400,000 shares of Company common stock <sup>(14)</sup>   |
| 99.2                      | Prospectus dated May 24, 2007 of the Company relating to the acquisition of Capital Bancorp, Inc. <sup>(15)</sup>  |

- (1) Filed as Exhibit 2.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on February 5, 2007 and, as to Amendment Number One, filed as Exhibit 2.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on March 6, 2007, each of which is incorporated herein by reference. Pursuant to Item 601(b)(2) of Regulation S-K, the disclosure schedules to this agreement have been omitted from this filing. The Registrant agrees to furnish the Securities and Exchange Commission a copy of such schedules upon request.
- (2) Filed as Exhibit 3.1 to the Company's Form 10-Q filed with the Securities and Exchange Commission on May 9, 2005 and incorporated herein by reference.
- (3) Filed as Exhibit 3.1 to this Form 10-Q.
- (4) Filed as Exhibit 10.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 7, 2007 and incorporated by reference herein.
- (5) Filed as Exhibit 10.2 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 7, 2007 and incorporated by reference herein.
- (6) Filed as Exhibit 10.3 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 7, 2007 and incorporated by reference herein.
- (7) Filed as Exhibit 10.4 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 7, 2007 and incorporated by reference herein.
- (8) Filed as Exhibit 10.5 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 7, 2007 and incorporated by reference herein.
- (9) Filed as Exhibit 10.6 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 7, 2007 and incorporated by reference herein.
- (10) Filed as Exhibit 10.7 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 7, 2007 and incorporated by reference herein.
- (11) Filed as Exhibit 10.8 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 7, 2007 and incorporated by reference herein.
- (12) Filed as Exhibit 10.9 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 7, 2007 and incorporated by reference herein.
- (13) Filed as Exhibit 10.10 to the Company's Form 8-K filed with the Securities and Exchange Commission on July 7, 2007 and incorporated by reference herein.
- (14) Filed with the Securities and Exchange Commission on May 8, 2007 pursuant to Rule 424(b)(4) (File No. 333-141335) and incorporated herein by reference.

- (15) Filed with the Securities and Exchange Commission on May 24, 2007 pursuant to Rule 424(b)(3) (File No. 333-141449) and incorporated herein by reference.

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

**SIGNATURES**

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

November 9, 2007

RENASANT CORPORATION

/s/ E. Robinson McGraw

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

/s/ Stuart R. Johnson

Executive Vice President and  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

**EXHIBIT INDEX**

| <b>Exhibit<br/>Number</b> | <b>Description</b>   |
|---------------------------|--|
| 3.1                       | Restated Bylaws of 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. |

**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.

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**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.

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**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

- (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.

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**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.”

**ARTICLES OF AMENDMENT TO  
THE BYLAWS OF  
RENASANT CORPORATION**

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

ONE: The second paragraph of Section 5 of Article III of the Bylaws is hereby deleted and replaced in its entirety with the following:

“Immediately following the annual stockholders’ meeting, on the same date and at the same place, all of the members of the board of directors, including those who shall have been elected at said meeting, shall meet and elect from among themselves a chairman, a vice chairman and a secretary, and the members of the board of directors who are “independent directors,” as defined in Rule 4200(a)(15) of the Nasdaq Marketplace Rules, as amended from time to time (the “Nasdaq Rules”), shall meet and elect from among such independent directors a lead director (the “lead director”) with the powers and duties set forth in Section 8 of this Article III, provided that if the chairman of the board of directors is not an officer or employee of the corporation and is also an independent director as defined in the Nasdaq Rules, no lead director shall be elected and the chairman of the board, so long as he is an independent director as defined in the Nasdaq Rules, shall assume all of the powers and responsibilities of the lead director set forth in Section 8 below. The chairman, the vice chairman, the secretary and the lead director shall serve at the pleasure of the board of directors, and until their successors have been elected and qualified.”

TWO: The Bylaws are hereby amended by adding a Section 8 at the end of Article III of the Bylaws, to read as follows:

“The lead director shall generally familiarize himself or herself with the corporation, its business and the competitive factors within its industry, as well as with the elements of effective corporate governance. In addition, the lead director shall have the following specific powers and responsibilities: the lead director shall (i) in consultation with the chairman, approve the schedule of meetings of the board of directors and approve the agenda and the materials to be provided to each director prior to such meetings of the board of directors; (ii) set the schedule for and the agenda of all executive sessions of the “independent directors” of the board of directors (as defined in the Nasdaq Rules), approve and distribute the materials, if any, to be provided to each independent director prior to such executive sessions, and act as the chair of all such executive sessions; (iii) act as a liaison between the chairman and the other members of the board of directors as well as between management of the corporation and the other members of the board of directors; (iv) in coordination with the members of the corporation’s compensation committee, undertake a performance evaluation of the chief executive officer of the corporation; (v) in coordination with the members of the corporation’s governance and nominating committee, assess annually the overall committee structure of the board of directors and the organization and performance of each committee; and (vi) oversee the board of director’s stockholder communication policies and procedures, including, under appropriate circumstances, meeting with stockholders wishing to communicate with the board of directors other than through the chairman. The lead director shall have such other powers and responsibilities as determined from time to time by the board of directors.”

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THREE:Section 2 of Article V of the Bylaws is hereby deleted and replaced in its entirety with the following:

“The executive committee shall consist of the chairman of the board of directors, the lead director, the chief executive officer of the corporation and three other members to be selected by the board of directors each of whom shall be an independent director as defined in the Nasdaq Rules. In the event that the chairman of the board of directors and the chief executive officer of the corporation are the same person, or if there is no lead director because the chairman of the board of directors has assumed the powers and responsibilities of the lead director as provided in Section 5 of Article III hereof, then one additional director who is an independent director as defined in the Nasdaq Rules shall serve on the executive committee. 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.”

**ARTICLES OF AMENDMENT TO  
THE BYLAWS OF  
RENASANT CORPORATION**

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

ONE: Article IX of the Bylaws is hereby deleted and replaced in its entirety with the following:

**SECTION 1. Right of Indemnity.** Whenever any director or officer of the corporation is made a party to any proceeding, including any derivative action in the right of the corporation, the Indemnatee shall be indemnified against liability and reasonable expenses, including attorney's fees, incurred by the Indemnatee in connection with such proceeding, if the Indemnatee meets the requisite Standard of Conduct and such indemnification is not otherwise prohibited by the laws of the State of Mississippi or these Bylaws. For avoidance of doubt, an Indemnatee shall not be entitled to indemnification from the corporation under this Section 1 against any liability in a proceeding by the corporation (for purposes of this Section 1, a proceeding by the corporation shall not include derivative actions in the right of the corporation) against such Indemnatee.

**SECTION 2. Standard of Conduct.** An Indemnatee meets the Standard of Conduct if the Indemnatee conducted himself or herself in good faith and reasonably believed that (i) any conduct in the Indemnatee's official capacity was in the best interests of the corporation, (ii) in all other cases, the Indemnatee's conduct was at least not opposed to the best interests of the corporation, or (iii) in any criminal proceeding, the Indemnatee had no reasonable cause to believe the Indemnatee's conduct was unlawful. An Indemnatee's conduct with respect to an employee benefit plan for a purpose the Indemnatee reasonably believes to be in the best interest of the participants in and beneficiaries of the plan is conduct that satisfies the Standard of Conduct.

The determination as to whether an Indemnatee has met the Standard of Conduct set forth herein shall be made as follows but is subject to court review as provided in Section 4:

- A. if there are two or more disinterested directors, by the Board of Directors by a majority vote of all the disinterested directors (a majority of whom shall for such purpose constitute a quorum), or by a majority of the members of a committee of two (2) or more disinterested directors appointed by such a vote; or
- B. by special legal counsel selected in the manner prescribed in Subsection A of this Section 2, or, if there are fewer than two (2) disinterested directors, selected by the Board of Directors (in which selection directors who do not qualify as disinterested directors may participate); or
- C. by the shareholders, but shares owned by or voted under the control of a director who at the time does not qualify as a disinterested director may not be voted on the determination.

**SECTION 3. Prohibited Indemnification.** Unless ordered by a court pursuant to Section 79-4-8.54(a)(3) of the Code, no indemnification shall be made in respect to any liability in connection with: (i) a proceeding in the right of the corporation, except for reasonable expenses incurred in connection with the proceeding if it is determined that the Indemnatee has met the relevant Standard of Conduct set out above; or (ii) any proceeding with respect to conduct for which the Indemnatee was adjudged liable on the basis that the Indemnatee received a financial benefit to which the Indemnatee was not entitled, whether or not involving action in the Indemnatee's official capacity.

**SECTION 4. Court Ordered Advance of Expenses and Indemnification.** An Indemnatee who is a party to a proceeding may apply to the court conducting the proceeding, or to another court of competent jurisdiction, for indemnification or an advance for expenses. After receipt of such an application, and after giving any notice it considers necessary, the court shall:

- A. order indemnification if the court determines that the Indemnitee is entitled to mandatory indemnification under Section 79-4-8.52 of the Code;
- B. order indemnification or advance for expenses if the court determines that the Indemnitee is entitled to indemnification or advance for expenses pursuant to Section 1 of this Article IX;
- C. order indemnification or advance for expenses, if the court determines that, in view of all the relevant circumstances, it is fair and reasonable to indemnify such Indemnitee or to advance expenses to such Indemnitee, even if such Indemnitee has not met the Standard of Conduct, failed to comply with Section 79-4-8.53 of the Code or was adjudged liable in a proceeding referred to in Subsection 79-4-8.51(d)(1) or (d)(2) of the Code, but if such Indemnitee was adjudged so liable his indemnification shall be limited to reasonable expenses incurred in connection with the proceeding.

If the court determines that the Indemnitee is entitled to indemnification under Subsection A of this Section 4, or to indemnification or advance for expenses under Subsection B of this Section 4, the court shall also order the corporation to pay the Indemnitee's reasonable expenses incurred in connection with obtaining court-ordered indemnification or advance for expenses. If the court determines that the Indemnitee is entitled to indemnification or advance for expenses under Subsection C of this Section 4, the court may also order the corporation to pay the Indemnitee's reasonable expenses to obtain court-ordered indemnification or advance for expenses.

SECTION 5. Mandatory Indemnification. Notwithstanding anything to the contrary in this Article IX, the corporation shall indemnify an Indemnitee who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the Indemnitee was a party because the Indemnitee was a director or officer of the corporation against reasonable expenses incurred by the Indemnitee in connection with the proceeding.

SECTION 6. Advance for Expenses. The corporation shall, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by an Indemnitee who is a party to a proceeding (excluding a proceeding by the corporation. The exclusion shall not include derivative actions in the right of the corporation against an Indemnitee) if (i) the Indemnitee furnishes the corporation a written affirmation of the Indemnitee's good faith belief that the Indemnitee has met the relevant Standard of Conduct for indemnification and (ii) the Indemnitee furnishes the corporation a written undertaking to repay any funds advanced if the Indemnitee is not entitled to indemnification under Section 5 above and it is ultimately determined that the Indemnitee has not met the relevant Standard of Conduct. The written undertaking must be an unlimited general obligation of the Indemnitee but need not be secured and may be accepted without reference to the financial ability of the Indemnitee to make repayment.

Authorization of an advance for expenses under this Section 6 shall be made as follows but is subject to court review as provided in Section 4:

- A. if there are two or more disinterested directors, by the Board of Directors by a majority vote of all the disinterested directors (a majority of whom shall for such purpose constitute a quorum), or by a majority of the members of a committee of two (2) or more disinterested directors appointed by such a vote; or
- B. if there are fewer than two (2) disinterested directors, by the vote necessary for action by the board in accordance with Section 79-4-8.24(c) of the Code, in which authorization directors who do not qualify as disinterested directors may participate; or
- C. by the shareholders, but shares owned by or voted under the control of a director who at the time does not qualify as a disinterested director may not be voted on the authorization.

For avoidance of doubt, an Indemnitee shall not be entitled to an advance of funds to pay for the reasonable expenses incurred by a Indemnitee in a proceeding brought by the corporation against such Indemnitee.

SECTION 7. Right of Corporation to Insure. The corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or who, while a director or officer of the corporation, serves or served at the corporation's request as a director, officer, partner, trustee, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan or other entity, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify or advance expenses to such person under the provisions of this Article or under the provisions of Mississippi law.

SECTION 8. Limitations. All indemnification and insurance provisions contained in this Article IX are subject to the limitations and prohibitions imposed by federal law including, without limitation, the Securities Act of 1933, as amended, and the Federal Deposit Insurance Act, as amended, and any implementing regulations concerning indemnification.

SECTION 9. Provision for Payment. The corporation may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to insure the payment of such amounts as may be necessary to effect indemnification as provided in this Article IX.

SECTION 10. Changes. No revocation of, change in, or adoption of any resolution or provision in the Articles of Incorporation or bylaws of the corporation inconsistent with this Article IX shall adversely affect the rights of any director or officer with respect to (i) any proceeding commenced or threatened prior to such revocation, change or adoption or (ii) any proceeding arising out of any act or omission occurring prior to such revocation, change or adoption, in either case, without the written consent of such director or officer.

SECTION 11. Severability. If any provision or provisions of this Article IX shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article IX (including, without limitation, each portion of any paragraph of this Article IX containing such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Article IX (including, without limitation, each such portion of any paragraph of this Article IX containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

SECTION 12. Employees and Agents. The corporation may grant rights to indemnification, and rights to be paid by the corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any present or former employee or agent of the corporation to the fullest extent of the provisions of this Article IX with respect to indemnification and advancement of expenses of directors and officers of the corporation.

SECTION 13. Enforcement. The rights to indemnification and to the advancement or reimbursement of expenses conferred in this Article IX, as limited by Section 8 hereof, shall be contract rights. If a claim for indemnification or advancement or reimbursement of expenses pursuant to this Article IX is not paid in full by the corporation within 60 days after written demand has been received by the corporation, except in the case of a claim for advancement or reimbursement of expenses, in which the applicable period shall be 20 days, the Indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnitee shall be entitled to be paid also the expenses of prosecuting and defending such suit. In (i) any suit brought by the Indemnitee to enforce the right to indemnification hereunder (or a suit brought by the Indemnitee to enforce a right to an advancement or reimbursement of expenses) it shall be a defense that, and (ii) any suit by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the corporation shall be entitled to recover such expenses upon a final adjudication that, the Indemnitee has not met the relevant Standard of Conduct. Neither the failure of the corporation (including its board of directors or independent legal counsel) to have made determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the relevant Standard of Conduct set forth herein, nor an actual determination by the corporation (including its board of directors or independent legal counsel) that the Indemnitee has not met such Standard of Conduct, shall create a presumption that the Indemnitee has not met the relevant Standard of Conduct or, in case of a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement or reimbursement of expenses hereunder, or by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement or reimbursement of expenses, under this Article IX or otherwise shall be on the corporation.



SECTION 14. Non-exclusive Remedy. The rights to indemnification and to advancement or reimbursement of expenses conferred in this Article IX shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the corporation's Articles of Incorporation, bylaws, agreement, vote of shareholders or disinterested directors or otherwise.

SECTION 15. Definition of Terms. Unless otherwise specifically provided:

"Code" means the Mississippi Code of 1972, as amended.

"Director" or "officer" means an individual who is or was a director or officer, respectively, of the corporation or who, while a director or officer of the corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, employee or agent of another domestic or foreign corporation, non-profit corporation, partnership, joint venture, trust, limited liability company, employee benefit plan or other entity. A director or officer is also considered to be serving an employee benefit plan at the corporation's request if his duties to the corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. The term "director" shall also include emeritus directors and advisory directors of the corporation, any person serving as a director, emeritus director or advisory director of Renasant Bank and any person serving as a member of a State board of Renasant Bank, including, without limitation, the Alabama State Board of Renasant Bank and the Tennessee State Board of Renasant Bank. "Director" or "officer" includes, unless the context requires otherwise, the estate, heirs, legatees, devisees, executors, administrators and personal representatives of a director or officer. "Directors" and "officers" are sometimes referred to herein individually as an "Indemnatee".

"Disinterested director" means a director who, at the time of a vote referred to in this Article IX or a vote or selection referred to in this Article IX is not (i) a party to the proceeding or (ii) an individual having a familial, financial, professional or employment relationship with the director or officer whose indemnification or advance for expenses is the subject of the decision being made, which relationship would, in the circumstances, reasonably be expected to exert an influence on the director's judgment when voting on the decision being made.

"Expenses" shall mean attorneys fees, court costs and investigative expenses.

"Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), interest, other monetary obligations or reasonable expenses (as defined herein) incurred with respect to a proceeding.

"Official capacity" means: (i) when used with respect to a director, the office of director in the corporation and (ii) when used with respect to an officer, the office in the corporation held by an officer. "Official capacity" does not include service for any other domestic or foreign corporation or any partnership, joint venture, trust, employee benefit plan or other entity.

"Party" means an individual who was, is, or is threatened to be made a defendant or responded in a proceeding.

"Proceeding" means any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative and whether formal or informal.

**ARTICLES OF AMENDMENT TO  
THE BYLAWS OF  
RENASANT CORPORATION**

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

ONE: The Bylaws are hereby amended by adding Section 9 at the end Article III of the Bylaws, to read as follows:

**SECTION 9. Notice of Stockholder Business and Nominations.**

- (a) Annual Meetings of Stockholders.
  - (i) Nominations of persons for election to the board of directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (A) pursuant to the corporation's notice of meeting delivered pursuant to Section 4 of Article II of these bylaws, (B) by or at the direction of the board of directors or (C) by any stockholder of the corporation who is entitled to vote at the meeting, who complied with the notice procedures set forth in clauses (ii) and (iii) of this Section 9(a) and who was a stockholder of record at the time such notice is delivered to the Secretary of the corporation.
  - (ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (a) (i) of this bylaws, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation and, in the case of business other than nominations, such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation not less than ninety days nor more than one hundred and twenty days prior to the first anniversary of the immediately preceding year's annual meeting; provided however, that in the event that the date of the annual meeting is advanced by more than thirty days, or delayed by more than ninety days, from such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the one hundred and twentieth day prior to such annual meeting and not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period for the giving of a stockholder's notice as described in this Section 9(a). Such stockholder's notice shall set forth (A) as to each person whom the stockholder proposes to nominate for election or reelection as a director, the reason for making such nomination, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including, without limitation, such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected, and all arrangements or understandings between or among the stockholder giving the notice and each nominee; (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner and (2) the class and number of shares of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

- (iii) Notwithstanding anything in the second sentence of clause (ii) of this Section 9(a) to the contrary, in the event that the number of directors to be elected to the board of directors of the corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased board of directors made by the corporation at least one hundred days prior to the first anniversary of the immediately preceding year's annual meeting, a stockholder's notice required by this bylaws shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the corporation.
- (b) Special Meetings of Stockholders.

Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of meeting pursuant to Section 4 of Article II of these bylaws. Nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the corporation's notice of meeting (i) by or at the direction of the board of directors or (ii) by any stockholder of the corporation who is entitled to vote at the meeting, who complies with the notice procedures set forth in this bylaws and who is a stockholder of record at the time such notice is delivered to the Secretary of the corporation. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the board of directors, any such stockholder may nominate such number of persons for election to such position(s) as are specified in the corporation's Notice of Meeting, if the stockholder's notice as required by clause (ii) of this Section 9(a) of these bylaws shall be delivered to the Secretary at the principal executive offices of the corporation not earlier than the one hundred and twentieth day prior to such special meeting and not later than the close of business on the later of the ninetieth day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period for the giving of a stockholder's notice as described above.
- (c) General
  - (i) Only persons who are nominated in accordance with the procedures set forth in this bylaws shall be eligible to be elected as directors at a meeting of stockholders and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this bylaws. Except as otherwise provided by law, the amended and restated certificate of incorporation or these bylaws, the Chairman of the Board shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this bylaws and, if any proposed nomination or business is not in compliance with this bylaws, to declare that (a) such defective proposal or nomination shall be disregarded and (b) any votes cast in support of such defective proposal or nomination shall be given no effect except for the purpose of determining the presence of a quorum with respect to such matters.
  - (ii) For purposes of this bylaws, "public announcement" shall mean disclosure in a press release distributed to the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission.
  - (iii) Notwithstanding the foregoing provisions of this bylaws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this bylaws. Nothing in this bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

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**ARTICLES OF AMENDMENT TO  
THE BYLAWS OF  
RENASANT CORPORATION**

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

ONE:           The Bylaws of Renasant Corporation are hereby amended by deleting the first paragraph of Section 5 of Article III of the Bylaws and replacing it in its entirety with the following:

Section 5. The board of directors shall hold regular meetings on such dates and at such times as determined by a majority of the board of directors without the necessity of further notice to the directors. 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.

**ARTICLES OF AMENDMENT TO  
THE BYLAWS OF  
RENASANT CORPORATION**

Pursuant to the provisions of Section 79-4-10.20 of the Mississippi Business Corporation Act and in accordance with the Bylaws of Renasant Corporation, as amended (the "Bylaws"), the Board of Directors hereby adopts the following Articles of Amendment to the Bylaws of Renasant Corporation:

The Bylaws are hereby amended by deleting Article VI of the Bylaws and replacing it in its entirety with the following:

**ARTICLE VI  
CAPITAL STOCK**

Section 1. Issuance of Shares. The shares of the capital stock of the corporation may be certificated or uncertificated. If shares are certificated, or at the request of a holder of uncertificated shares, the corporation shall cause to be issued to the holder of such shares one or more certificates in such form, not inconsistent with that required by the laws of the State of Mississippi and the corporation's articles of incorporation, as shall be approved by the board of directors. Each such certificate shall be signed by the president or a vice president and by the secretary or an assistant secretary, provided, however, that any or all of the signatures on the certificate may be facsimile. Each such certificate shall specify the number of shares represented by the certificate. If the stock of the corporation shall be divided into one or more classes or series, then the class and series of such shares, and the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class or series of such shares and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate (if any) that the corporation may issue to represent such class or series of shares; provided, however, that in lieu of the foregoing, there may be set forth on the face or back of such certificate (if any) that the corporation will furnish such information without charge to each stockholder who so requests.

The stock record books and the blank stock certificate books shall be kept by the secretary or at the office of such transfer agent or agents as the board of directors may from time to time determine. If any officer, transfer agent or registrar who shall have signed or whose facsimile signature or signatures shall have been placed upon any such certificate or certificates shall have ceased to be such officer, transfer agent or registrar before such certificate is issued by the corporation, such certificate may nevertheless be issued by the corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue. The stock certificates shall be consecutively numbered and shall be entered in the books of the corporation as they are issued and shall exhibit the holder's name and number of shares.

Section 2. Transfer of Shares. The shares of stock of the corporation shall be transferable only on the books of the corporation by the holders thereof in person or by their duly authorized attorneys or legal representatives and, in the case of shares represented by certificates, upon surrender and cancellation of certificates for a like number of shares. Upon surrender to the corporation or a transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 3. Ownership of Shares. The corporation shall be entitled to treat the holder of record of any share or shares of capital stock of the corporation as the holder in fact thereof for all proper corporate purposes, including the voting of the shares at a regular or special meeting of the stockholders and the issuance and payment of dividends on such shares. Accordingly, the corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express notice thereof, except as otherwise provided by the laws of the State of Mississippi.

Section 4. Lost or Stolen Certificates. The board of directors may determine the conditions upon which a new certificate of stock or uncertificated shares may be issued in place of a certificate which is alleged to have been lost, stolen or destroyed. The board of directors may, in its discretion, require the owner of such certificate or such owner's legal representative to give bond, with sufficient surety, to indemnify the corporation and each transfer agent and registrar against any and all losses or claims which may arise by reason of the issue of a new certificate or uncertificated shares in the place of the certificate so lost, stolen or destroyed.

Section 5. Regulations Regarding Shares. The board of directors shall have the power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates and uncertificated shares and, in the case of shares represented by certificates, the replacement of certificates.

## CERTIFICATIONS

I, E. Robinson McGraw, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2007 of Renasant Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2007

/s/ E. Robinson McGraw

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

CERTIFICATIONS

I, Stuart R. Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2007 of Renasant Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2007

/s/ Stuart R. Johnson

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Stuart R. Johnson  
Executive Vice President and  
Chief Financial Officer  
(Principal Financial and Accounting 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 September 30, 2007 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: November 9, 2007

/s/ E. Robinson McGraw

E. Robinson McGraw  
Chairman of the Board, Director,  
President and Chief Executive Officer  
(Principal 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 September 30, 2007 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: November 9, 2007

/s/ Stuart R. Johnson

Stuart R. Johnson

Executive Vice President and

Chief Financial Officer

(Principal Financial and Accounting Officer)