

RENASANT CORP
Form 10-Q
May 10, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2010

Or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission file number 001-13253

RENASANT CORPORATION

(Exact name of registrant as specified in its charter)

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Mississippi
(State or other jurisdiction of
incorporation or organization)

64-0676974
(I.R.S. Employer
Identification No.)

209 Troy Street, Tupelo, Mississippi
(Address of principal executive offices)

38804-4827
(Zip Code)

(662) 680-1001

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 30, 2010, 21,082,991 shares of the registrant's common stock, \$5.00 par value, were outstanding. The registrant has no other classes of securities outstanding.

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RENASANT CORPORATION

Form 10-Q

For the quarterly period ended March 31, 2010

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	(unaudited) March 31, 2010	December 31, 2009
Assets		
Cash and due from banks	\$ 45,459	\$ 63,049
Interest-bearing balances with banks	134,020	85,511
Cash and cash equivalents	179,479	148,560
Securities held to maturity (fair value of \$144,435 and \$139,433 at March 31, 2010 and December 31, 2009, respectively)	142,088	138,806
Securities available for sale	599,119	575,358
Mortgage loans held for sale	16,597	25,749
Loans, net of unearned income	2,308,335	2,347,615
Allowance for loan losses	(41,094)	(39,145)
Net loans	2,267,241	2,308,470
Premises and equipment, net	43,077	43,672
Intangible assets, net	190,881	191,357
Other assets	203,227	209,109
Total assets	\$ 3,641,709	\$ 3,641,081
Liabilities and shareholders equity		
Liabilities		
Deposits		
Noninterest-bearing	\$ 315,064	\$ 304,962
Interest-bearing	2,398,784	2,271,138
Total deposits	2,713,848	2,576,100
Short-term borrowings	21,750	22,397
Long-term debt	461,433	595,627
Other liabilities	34,121	36,835
Total liabilities	3,231,152	3,230,959
Shareholders equity		
Preferred stock, \$.01 par value 5,000,000 shares authorized; no shares issued and outstanding		
Common stock, \$5.00 par value 75,000,000 shares authorized, 22,790,797 shares issued; 21,082,991 shares outstanding at March 31, 2010 and December 31, 2009, respectively	113,954	113,954
Treasury stock, at cost	(27,788)	(27,788)
Additional paid-in capital	184,966	184,831
Retained earnings	146,596	146,581
Accumulated other comprehensive loss	(7,171)	(7,456)

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Total shareholders equity	410,557	410,122
Total liabilities and shareholders equity	\$ 3,641,709	\$ 3,641,081

See Notes to Condensed Consolidated Financial Statements.

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Renasant Corporation and Subsidiaries
Condensed Consolidated Statements of Income (Unaudited)
(In Thousands, Except Share Data)

	Three Months Ended March 31,	
	2010	2009
Interest income		
Loans	\$ 32,429	\$ 35,766
Securities		
Taxable	5,899	6,948
Tax-exempt	1,335	1,135
Other	45	61
Total interest income	39,708	43,910
Interest expense		
Deposits	10,333	12,192
Borrowings	4,965	6,405
Total interest expense	15,298	18,597
Net interest income	24,410	25,313
Provision for loan losses	6,665	5,040
Net interest income after provision for loan losses	17,745	20,273
Noninterest income		
Service charges on deposit accounts	5,090	5,425
Fees and commissions	3,721	4,682
Insurance commissions	834	828
Trust revenue	584	491
Gains on sales of securities available for sale		427
Other-than-temporary-impairment losses on securities available for sale	(1,281)	
Non-credit related portion of other-than-temporary impairment on securities, recognized in other comprehensive income	1,121	
Net impairment losses on securities	(160)	
BOLI income	574	634
Gains on sales of mortgage loans held for sale	1,329	1,776
Other	512	499
Total noninterest income	12,484	14,762
Noninterest expense		
Salaries and employee benefits	13,197	14,744
Data processing	1,426	1,329
Net occupancy and equipment	2,931	3,249
Professional fees	866	927
Advertising and public relations	890	969
Intangible amortization	476	501
Communications	1,086	1,094
Other	4,762	4,107

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Total noninterest expense	25,634	26,920
Income before income taxes	4,595	8,115
Income taxes	988	2,109
Net income	\$ 3,607	\$ 6,006
Basic earnings per share	\$ 0.17	\$ 0.29
Diluted earnings per share	\$ 0.17	\$ 0.28
Cash dividends per common share	\$ 0.17	\$ 0.17

See Notes to Condensed Consolidated Financial Statements.

Table of Contents**Renasant Corporation and Subsidiaries****Condensed Consolidated Statements of Cash Flows (Unaudited)****(In Thousands)**

	Three Months Ended March 31,	
	2010	2009
Operating activities		
Net cash provided by (used in) operating activities	\$ 32,245	\$ (1,301)
Investing activities		
Purchases of securities available for sale	(100,070)	(111,087)
Proceeds from sales of securities available for sale		26,831
Proceeds from call/maturities of securities available for sale	75,396	65,042
Purchases of securities held to maturity	(5,372)	
Proceeds from call/maturities of securities held to maturity	1,735	
Net decrease in loans	27,988	17,094
Proceeds from sales of premises and equipment	2	53
Purchases of premises and equipment	(373)	(378)
Net cash used in investing activities	(694)	(2,445)
Financing activities		
Net increase in noninterest-bearing deposits	10,102	19,309
Net increase in interest-bearing deposits	127,646	325,665
Net decrease in short-term borrowings	(647)	(284,836)
Proceeds from long-term debt		50,000
Repayment of long-term debt	(134,141)	(26,958)
Cash paid for dividends	(3,592)	(3,590)
Net cash (used in) provided by financing activities	(632)	79,590
Net increase in cash and cash equivalents	30,919	75,844
Cash and cash equivalents at beginning of period	148,560	100,394
Cash and cash equivalents at end of period	\$ 179,479	\$ 176,238
Supplemental disclosures		
Transfers of loans to other real estate	\$ 6,844	\$ 2,483

See Notes to Condensed Consolidated Financial Statements.

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Renasant Corporation and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Unaudited)

Note A Summary of Significant Accounting Policies

Basis of Presentation

Renasant Corporation (referred to herein as the Company) offers a diversified range of financial and insurance services to its retail and commercial customers through its subsidiaries and full service offices located throughout north and north central Mississippi, west and middle Tennessee and north and north central Alabama.

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 audited consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

Subsequent Events

The Company has evaluated, for consideration of recognition or disclosure, subsequent events that have occurred through the date of issuance of its financial statements, and has determined that no significant events occurred after March 31, 2010 but prior to the issuance of these financial statements that would have a material impact on its Consolidated Financial Statements.

Impact of Recently-Issued Accounting Standards and Pronouncements

In January 2010, the Financial Accounting Standards Board issued an update to Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures, (ASC 820) that requires new disclosures and clarifications of existing disclosures about recurring and nonrecurring fair value measurements. As to new disclosure requirements, a reporting entity must disclose separately the amount of significant transfers in and out of Level 1 and Level 2 fair value measurements, describe the reasons for the transfers, and present separately information about purchases, sales, issuances and settlements in the reconciliation for fair value measurements using Level 3 inputs. As to clarifications of existing disclosures, a reporting entity should provide fair value measurements for each class within each category of assets and liabilities, and provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair measurements that fall in either Level 2 or Level 3. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements, which are effective beginning after December 15, 2010, and for interim periods within those fiscal years. See Note H, Fair Value of Financial Instruments, in these Notes to Condensed Consolidated Financial Statements for further disclosures regarding the Company's adoption of this update. The Company is currently in the process of evaluating the impact on its financial statements of adopting the portion of this update regarding disclosures presenting separately information about purchases, sales, issuances and settlements in the reconciliation for fair value measurements using Level 3 inputs.

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note B Securities***(In Thousands)*

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

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
March 31, 2010				
Obligations of other U.S. Government agencies and corporations	\$ 66,051	\$ 157	\$ (182)	\$ 66,026
Mortgage-backed securities	471,854	14,804	(1,320)	485,338
Trust preferred securities	33,950	144	(20,441)	13,653
Other equity securities	33,952	150		34,102
	\$ 605,807	\$ 15,255	\$ (21,943)	\$ 599,119
December 31, 2009				
Obligations of other U.S. Government agencies and corporations	\$ 63,130	\$ 191	\$ (289)	\$ 63,032
Mortgage-backed securities	445,647	13,589	(1,345)	457,891
Trust preferred securities	33,803	137	(19,502)	14,438
Other equity securities	39,971	26		39,997
	\$ 582,551	\$ 13,943	\$ (21,136)	\$ 575,358

There were no sales of securities available for sale for the three months ended March 31, 2010. Gross gains on sales of securities available for sale for the three months ended March 31, 2009 were \$427. The cost of securities sold is based on the specific identification method.

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

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
March 31, 2010				
Obligations of states and political subdivisions	\$ 142,088	\$ 2,511	\$ (164)	\$ 144,435
December 31, 2009				
Obligations of states and political subdivisions	\$ 138,806	\$ 958	\$ (331)	\$ 139,433

The amortized cost and fair value of securities at March 31, 2010, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

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	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	\$	\$	\$ 6,700	\$ 6,718
Due after one year through five years	7,987	8,036	41,831	42,210
Due after five years through ten years	52,980	52,816	47,038	48,061
Due after ten years	39,034	18,827	46,519	47,446
Mortgage-backed securities	471,854	485,338		
Other equity securities	33,952	34,102		
	\$ 605,807	\$ 599,119	\$ 142,088	\$ 144,435

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note B Securities (continued)**

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

Available for Sale:	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
March 31, 2010						
Obligations of other U.S Government agencies and corporations	\$ 39,799	\$ (182)	\$	\$	\$ 39,799	\$ (182)
Mortgage-backed securities	89,708	(1,003)	5,196	(317)	94,904	(1,320)
Trust preferred securities			10,509	(20,441)	10,509	(20,441)
Other equity securities						
Total	\$ 129,507	\$ (1,185)	\$ 15,705	\$ (20,758)	\$ 145,212	\$ (21,943)
December 31, 2009						
Obligations of other U.S Government agencies and corporations	\$ 30,238	\$ (289)	\$	\$	\$ 30,238	\$ (289)
Mortgage-backed securities	56,044	(872)	6,350	(473)	62,394	(1,345)
Trust preferred securities			11,301	(19,502)	11,301	(19,502)
Other equity securities						
Total	\$ 86,282	\$ (1,161)	\$ 17,651	\$ (19,975)	\$ 103,933	\$ (21,136)
Held to Maturity:						
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
March 31, 2010						
Obligations of states and political subdivisions	\$ 9,611	\$ (164)	\$	\$	\$ 9,611	\$ (164)
December 31, 2009						
Obligations of states and political subdivisions	\$ 64,155	\$ (331)	\$	\$	\$ 64,155	\$ (331)

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

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

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security before recovery of its amortized cost basis, OTTI is separated into the amount representing credit loss and the amount related to all other market factors. The amount related to credit loss is recognized in earnings. The amount related to other market factors is recognized in other comprehensive income, net of applicable taxes.

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note B Securities (continued)**

The Company holds investments in pooled trust preferred securities. This portfolio had a cost basis of \$30,950 and \$30,803 and a fair value of \$10,509 and \$11,301 at March 31, 2010 and December 31, 2009, respectively. The investment in pooled trust preferred securities consists of four securities representing interests in various tranches of trusts collateralized by debt issued by over 321 financial institutions. Management's determination of the fair value of its holdings in pooled trust preferred securities is based on the current credit ratings, the known deferrals and defaults by the underlying issuing banks and the degree to which future deferrals and defaults would be required to occur before the cash flow for the Company's tranches is negatively impacted. In addition, management continually monitors key credit quality and capital ratios of the issuing institutions. This determination is further supported by quarterly valuations obtained by the Company performed by third parties. The Company does not intend to sell the investments and it is not more likely than not that the Company will be required to sell the investments before recovery of its amortized cost, which may be maturity. At March 31, 2010, management did not, and does not currently, believe such securities will be settled at a price less than the amortized cost of the investment, but the Company did conclude that it was probable that there had been an adverse change in estimated cash flows for one of the four pooled trust preferred securities. Accordingly, the Company recognized a credit related impairment loss on this security of \$160 at March 31, 2010.

The following table provides information regarding the Company's investments in pooled trust preferred securities as of March 31, 2010:

Name	Single/ Pooled	Class/ Tranche	Amortized Cost	Fair Value	Unrealized Loss	Lowest Credit Rating	Issuers Currently in Deferral or Default	Estimated Additional Default before Credit Impairment
XXIV	Pooled	B2	\$ 13,877	\$ 3,371	\$ (10,506)	Caa3	34%	14%
XXVI	Pooled	B2	5,189	1,619	(3,570)	Ca	33%	18%
XXIII	Pooled	B2	10,093	4,849	(5,244)	Ca	22%	26%
XIII	Pooled	B2	1,791	670	(1,121)	Ca	18%	
			\$ 30,950	\$ 10,509	\$ (20,441)			

Changes in the amount of credit related losses recognized in earnings for which a portion of OTTI has been recognized in other comprehensive income are as follows:

Balance as of January 1, 2010	\$
Additions related to credit losses for which OTTI was not previously recognized	(160)
Reductions for securities sold during the period	
Reductions for securities where there is an intent to sale or requirement to sale	
Increases in credit loss for which OTTI was previously recognized	
Reductions for increases in cash flows expected to be collected	
Balance as of March 31, 2010	\$ (160)

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note C Loans***(In Thousands)*

Certain loans acquired in connection with the mergers with Capital Bancorp, Inc. and Heritage Financial Holding Corporation exhibited at the date of acquisition evidence of deterioration of the credit quality since origination, and it was probable that all contractually required payments would not be collected. The amount of such loans included in the consolidated balance sheet heading Loans, net of unearned income at March 31, 2010 is as follows:

Commercial	\$ 3,424
Consumer	56
Mortgage	393
Total outstanding balance	\$ 3,873
Total carrying amount	\$ 2,795

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

Balance as of January 1, 2010	\$ 120
Additions	
Reclassifications from nonaccretable difference	126
Accretion	(50)
Balance as of March 31, 2010	\$ 196

The Company did not increase the allowance for loan losses for these loans during the three months ended March 31, 2010.

Nonaccrual loans at March 31, 2010 were \$44,688 as compared to \$39,454 at December 31, 2009. Loans past due 90 days or more and still accruing interest were \$9,916 at March 31, 2010 as compared to \$10,571 at December 31, 2009. Impaired loans at March 31, 2010 and December 31, 2009 were as follows:

	March 31, 2010	December 31, 2009
Impaired loans with an allocated allowance for loan losses	\$ 84,880	\$ 76,943
Impaired loans without an allocated allowance for loan losses	778	1,641
Total impaired loans	\$ 85,658	\$ 78,584

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Allocated allowance on impaired loans	\$ 14,577	\$ 13,468
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The allocated allowance for loan losses attributable to restructured loans included in the table above was \$6,042 and \$4,837 at March 31, 2010 and December 31, 2009, respectively. At March 31, 2010, the Company had \$1,291 in remaining availability under commitments to lend additional funds on these restructured loans.

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The following table provides details of the Company's other real estate owned and repossessions as of March 31, 2010 and December 31, 2009:

	March 31, 2010	December 31, 2009
Residential real estate	\$ 17,586	\$ 18,038
Commercial real estate	11,015	10,336
Residential land development	30,469	27,018
Commercial land development	254	165
Other	3,184	3,011
 Total other real estate owned and repossessions	 \$ 62,508	 \$ 58,568

Changes in the Company's other real estate owned and repossessions are as follows:

Balance as of January 1, 2010	\$ 58,568
Additions	6,844
Capitalized improvements	407
Impairments	
Dispositions	(3,302)
Other	(9)
 Balance as of March 31, 2010	 \$ 62,508

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note E Employee Benefit Plans***(In Thousands)*

The following table provides the components of net pension cost and other benefit cost recognized for the three month periods ended March 31, 2010 and 2009:

	Three Months Ended March 31,			
	Pension Benefits		Other Benefits	
	2010	2009	2010	2009
Service cost	\$	\$	\$ 9	\$ 10
Interest cost			23	17
Expected return on plan assets				
Prior service cost recognized				
Recognized loss			30	17
Net periodic benefit cost	\$ 93	\$ 86	\$ 62	\$ 44

Note F - Shareholders Equity*(In Thousands, Except Share Data)*

The Company declared a cash dividend of \$0.17 per share for each of the first quarter of 2010 and 2009. Total cash dividends paid to shareholders by the Company were \$3,592 and \$3,590 for the three month periods ended March 31, 2010 and 2009, respectively.

In January 2010, the Company granted 138,500 stock options which generally vest and become exercisable in equal installments of 33 1/3% upon completion of one, two and three years of service measured from the grant date. The fair value of stock option grants is estimated on the grant date using the Black-Scholes option-pricing model. The Company employed the following assumptions with respect to its stock option grants in 2010 and 2009 for the three month periods ended March 31, 2010 and 2009:

	Three Months Ended	
	March 31,	
	2010	2009
Dividend yield	4.74%	3.78%
Expected volatility	34%	30%
Risk-free interest rate	2.48%	1.55%
Expected lives	6 years	6 years
Weighted average exercise price	\$ 14.22	\$ 17.03
Weighted average fair value	\$ 3.01	\$ 3.19

In addition, the Company awarded 23,500 shares of performance-based restricted stock in January 2010. The performance-based restricted stock is earned, in part, if the Company meets or exceeds financial performance results defined by the board of directors for the year. The fair value of the restricted stock grant was \$14.22. The Company recorded total stock-based compensation expense of \$135 and \$278 for the three months ended March 31, 2010 and 2009, respectively. There were no exercises of stock-based compensation during the three months ended March 31, 2010.

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note G Segment Reporting***(In Thousands)*

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

	Community Banks					Consolidated
	Mississippi	Tennessee	Alabama	Insurance	Other	
Three Months Ended March 31, 2010:						
Net interest income	\$ 13,266	\$ 7,669	\$ 5,186	\$ 33	\$ (1,744)	\$ 24,410
Provision for loan losses	2,276	3,146	1,243			6,665
Noninterest income	7,358	1,480	2,041	1,057	548	12,484
Noninterest expense	7,717	4,637	3,977	735	8,568	25,634
Income before income taxes	10,631	1,366	2,007	355	(9,764)	4,595
Income taxes	2,441	314	461	137	(2,365)	988
Net income (loss)	\$ 8,190	\$ 1,052	\$ 1,546	\$ 218	\$ (7,399)	\$ 3,607
Total assets	\$ 1,565,979	\$ 1,329,983	\$ 732,819	\$ 8,238	\$ 4,690	\$ 3,641,709
Goodwill	2,265	133,316	46,520	2,783		184,884
Three Months Ended March 31, 2009:						
Net interest income	\$ 12,390	\$ 7,053	\$ 5,645	\$ 2	\$ 223	\$ 25,313
Provision for loan losses	1,493	2,647	900			5,040
Noninterest income	7,895	1,666	2,955	1,084	1,162	14,762
Noninterest expense	8,058	5,137	4,179	722	8,824	26,920
Income before income taxes	10,734	935	3,521	364	(7,439)	8,115
Income taxes	2,908	253	954	141	(2,147)	2,109
Net income (loss)	\$ 7,826	\$ 682	\$ 2,567	\$ 223	\$ (5,292)	\$ 6,006
Total assets	\$ 1,622,259	\$ 1,405,255	\$ 755,486	\$ 7,530	\$ 4,687	\$ 3,795,217
Goodwill	2,265	133,316	46,520	2,783		184,884

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note H Fair Value of Financial Instruments***(In Thousands)*

The carrying amounts and estimated fair values of the Company's financial instruments are as follows:

	March 31, 2010		December 31, 2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Cash and cash equivalents	\$ 179,479	\$ 179,479	\$ 148,560	\$ 148,560
Securities held to maturity	142,088	144,435	138,806	139,433
Securities available for sale	599,119	599,119	575,358	575,358
Mortgage loans held for sale	16,597	16,597	25,749	25,749
Loans, net	2,267,241	2,241,032	2,308,470	2,291,654
Derivative instruments	1,741	1,741	1,946	1,946
Financial liabilities:				
Deposits	2,713,848	2,724,921	2,576,100	2,589,135
Short-term borrowings	21,750	21,750	22,397	22,397
Federal Home Loan Bank advances	335,401	346,837	469,574	480,639
Junior subordinated debentures	76,032	36,954	76,053	37,548
TLGP Senior Note	50,000	51,887	50,000	51,888
Derivative instruments			277	277

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

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

Securities: For both securities available for sale and securities held to maturity, fair values for debt securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. The fair value of equity securities not traded in an active market approximates their historical cost.

Mortgage loans held for sale: Mortgage loans held for sale are carried at the lower of cost or fair value. If fair value is used, it is determined using current secondary market prices for loans with similar characteristics.

Loans: For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. Fixed-rate loan fair values, including mortgages, commercial, agricultural and consumer loans, are estimated using a discounted cash flow analysis based on interest rates currently being offered for loans with similar terms to borrowers of similar credit quality.

Derivative instruments: Derivative instruments include interest rate swaps and mortgage loan commitments. The fair value of the interest rate swaps is based on the projected future cash flows. The fair value of the mortgage loan commitments is based on readily available fair values, obtained in the open market from mortgage investors.

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

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

Federal Home Loan Bank advances: The fair value for Federal Home Loan Bank advances was determined by discounting the cash flow using the current market rate.

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note H Fair Value of Financial Instruments (continued)**

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

TLGP Senior Note: The fair value for the Company's senior note guaranteed by the Federal Deposit Insurance Corporation under its Temporary Liquidity Guarantee Program (TLGP) was determined by discounting the cash flow using the current market rate.

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

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

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

The following table presents assets and liabilities that are measured at fair value on a recurring basis at March 31, 2010 and December 31, 2009:

	Level 1	Level 2	Level 3	Totals
March 31, 2010				
Securities available for sale:				
Obligations of other U.S. Government agencies and corporations	\$	\$ 66,026	\$	\$ 66,026
Mortgage-backed securities		485,338		485,338
Trust preferred securities		3,144	10,509	13,653
Other equity securities			34,102	34,102
Total securities available for sale		554,508	44,611	599,119
Derivative instruments, net		1,741		1,741
	\$	\$ 556,249	\$ 44,611	\$ 600,860
December 31, 2009				
Securities available for sale:				
Obligations of other U.S. Government agencies and corporations	\$	\$ 63,032	\$	\$ 63,032

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Mortgage-backed securities	457,891		457,891
Trust preferred securities	3,136	11,302	14,438
Other equity securities		39,997	39,997
Total securities available for sale	524,059	51,299	575,358
Derivative instruments, net	1,669		1,669
	\$	\$ 525,728	\$ 51,299
			\$ 577,027

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note H Fair Value of Financial Instruments (continued)**

The following table provides a reconciliation for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs, or Level 3 inputs, during the three months ended March 31, 2010:

	Securities available for sale
Balance as of January 1, 2010	\$ 51,299
Realized losses included in net income	(160)
Unrealized losses included in other comprehensive income	(816)
Net purchases, sales, issuances, and settlements	(5,712)
Transfers in and/or out of Level 3	
Balance as of March 31, 2010	\$ 44,611

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

Mortgage loans held for sale: Mortgage loans held for sale are carried at the lower of cost or fair value. If fair value is used, it is determined using current secondary market prices for loans with similar characteristics. Mortgage loans held for sale were carried at cost on the Consolidated Balance Sheets at March 31, 2010 and December 31, 2009, respectively.

Impaired loans: Loans considered impaired are reserved for at the time the loan is identified as impaired taking into account the fair value of the collateral less estimated selling costs. Collateral may be real estate and/or business assets including but not limited to equipment, inventory and accounts receivable. The fair value of real estate is determined based on appraisals by qualified licensed appraisers. The fair value of the business assets is generally based on amounts reported on the business's financial statements. Appraised and reported values may be adjusted based on management's historical knowledge, changes in market conditions from the time of valuation and management's knowledge of the client and the client's business. Since not all valuation inputs are observable, these nonrecurring fair value determinations are classified as Level 3. Impaired loans are reviewed and evaluated on at least a quarterly basis for additional impairment and adjusted accordingly, based on the same factors previously identified.

Other real estate owned: Other real estate owned (OREO) is comprised of commercial and residential real estate obtained in partial or total satisfaction of loan obligations. OREO acquired in settlement of indebtedness is recorded at the fair value of the real estate less costs to sell. Subsequently, it may be necessary to record nonrecurring fair value adjustments for declines in fair value. Fair value, when recorded, is determined based on appraisals by qualified licensed appraisers and adjusted for management's estimates of costs to sell. As such, values for OREO are classified as Level 3. After monitoring the carrying amounts for subsequent declines or impairments after foreclosure, management determined that no fair value adjustments for OREO were necessary at March 31, 2010.

The following table presents assets measured at fair value on a nonrecurring basis at March 31, 2010 that were still held in the Consolidated Balance Sheets at those respective dates:

Level 1	Level 2	Level 3	Totals
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March 31, 2010

Impaired loans	\$	\$	\$ 85,658	\$ 85,658
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Impaired loans with a carrying value of \$85,658 had an allocated allowance for loan losses of \$14,577 at March 31, 2010. The allocated allowance is based on the carrying value of the impaired loan and the fair value of the underlying collateral less estimated costs to sell.

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Renasant Corporation and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)

Note I Derivative Instruments

(In Thousands)

The Company utilizes derivative financial instruments as part of its ongoing efforts to manage its interest rate risk exposure. These derivative financial instruments currently include interest rate swaps and mortgage loan commitments. Derivative financial instruments are included in the Consolidated Balance Sheets heading "Other assets" or "Other liabilities" at fair value.

Cash flow hedges are utilized to mitigate the exposure to variability in expected future cash flows or other types of forecasted transactions. For the Company's derivatives designated as cash flow hedges, changes in the fair value of cash flow hedges are, to the extent that the hedging relationship is effective, recorded as other comprehensive income and are subsequently recognized in earnings at the same time that the hedged item is recognized in earnings. The assessment of the effectiveness of the hedging relationship is evaluated under the hypothetical derivative method.

The Company has entered into interest rate swaps with a notional amount of \$75,000 whereby it receives a fixed rate of interest and pays a variable rate based on the Prime rate. The swaps have a maturity date of August 2012 and August 2013. The interest rate swaps are a designated cash flow hedge designed to convert the variable interest rate on \$75,000 of loans to a fixed rate. At March 31, 2010, the swaps had a fair value of \$1,403.

The Company enters into mortgage loan commitments with its customers to mitigate the interest rate risk associated with the commitments to fund fixed-rate mortgage loans. Under such commitments, interest rates for a mortgage loan may be locked in for up to thirty days with the customer. Once a mortgage loan commitment is entered into with a customer, the Company enters into a sales agreement with an investor in the secondary market to sell such loan on a "best efforts" basis. Under this sales agreement, the Company is obligated to sell the mortgage loan to the investor only if the loan is closed and funded. Thus, the Company will not incur any liability to an investor if the mortgage loan commitment in the pipeline fails to close. These mortgage loan commitments are recorded at fair value, with gains and losses arising from changes in the valuation of the commitments reflected under the caption "Gains on sales of mortgage loans held for sale" on the Consolidated Statements of Income and do not qualify for hedge accounting. At March 31, 2010, the notional amount of commitments to fund fixed-rate mortgage loans was \$34,884 with a fair value of \$338.

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note J Comprehensive Income***(In Thousands)*

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

	Three Months Ended	
	March 31,	
	2010	2009
Net income	\$ 3,607	\$ 6,006
Other comprehensive income (loss):		
Unrealized holding gains (losses) on securities, net of tax (expense) benefit of \$564 and \$1,503	911	(2,426)
Non-credit related portion of other-than-temporary impairment on securities, net of tax benefit of \$429	(692)	
Reclassification adjustment for gains realized in net income, net of tax expense of \$163		(264)
Net change in unrealized gains (losses) on securities	219	(2,690)
Unrealized holding (losses) gains on derivative instruments, net of tax (benefit) expense of \$(8) and \$51	(12)	82
Reclassification adjustment for gains realized in net income, net of tax expense of \$266		(430)
Net change in unrealized losses on derivative instruments	(12)	(348)
Net change in defined benefit pension and post-retirement benefit plans, net of tax expense of \$49 and \$42	78	68
Other comprehensive income (loss)	285	(2,970)
Comprehensive income	\$ 3,892	\$ 3,036

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

	March 31,	
	2010	2009
Net unrealized losses on securities	\$ (1,152)	\$ (8,167)
Net non-credit related portion of other-than-temporary impairment on securities	(692)	
Net unrealized gains (losses) on derivative instruments	867	(311)
Net unrecognized defined benefit pension and post-retirement benefit plans obligations	(6,194)	(6,731)
Total accumulated other comprehensive loss	\$ (7,171)	\$ (15,209)

Table of Contents**Renasant Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)****Note K Net Income Per Common Share***(In Thousands, Except Share Data)*

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 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 March 31,	
	2010	2009
Basic:		
Net income applicable to common stock	\$ 3,607	\$ 6,006
Average common shares outstanding	21,082,991	21,067,539
Net income per common share - basic	\$ 0.17	\$ 0.29
Diluted:		
Net income applicable to common stock	\$ 3,607	\$ 6,006
Average common shares outstanding	21,082,991	21,067,539
Effect of dilutive stock-based compensation	125,943	120,858
Average common shares outstanding - diluted	21,208,934	21,188,397
Net income per common share - diluted	\$ 0.17	\$ 0.28

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

(In Thousands, Except Share Data)

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

Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include (1) the effect of economic conditions and interest rates on a national, regional or international basis; (2) the timing of the implementation of changes in operations to achieve enhanced earnings or effect cost savings; (3) competitive pressures in the consumer finance, commercial finance, insurance, financial services, asset management, retail banking, mortgage lending and auto lending industries; (4) the financial resources of, and products available to, competitors; (5) changes in laws and regulations, including changes in accounting standards; (6) changes in policy by regulatory agencies; (7) changes in the securities and foreign exchange markets; (8) the Company's potential growth, including its entrance or expansion into new markets, and the need for sufficient capital to support that growth; (9) 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; (10) an insufficient allowance for loan losses as a result of inaccurate assumptions; (11) general economic, market or business conditions; (12) changes in demand for loan products and financial services; (13) concentration of credit exposure; (14) changes or the lack of changes in interest rates, yield curves and interest rate spread relationship; and (15) 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

The Company, a Mississippi corporation, offers a diversified range of financial and insurance services to its retail and commercial customers through its subsidiaries and full service offices located throughout north and north central Mississippi, west and middle Tennessee and north and north central Alabama.

Financial Condition

Our total assets were \$3,641,709 on March 31, 2010 as compared to \$3,641,081 on December 31, 2009.

Cash and cash equivalents increased \$30,919 from \$148,560 at December 31, 2009 to \$179,479 at March 31, 2010. Cash and cash equivalents represented 4.93% of total assets at March 31, 2010 compared to 4.08% of total assets at December 31, 2009.

Investments

The securities portfolio is used to provide a source for meeting liquidity needs and to supply securities to be used in collateralizing certain deposits and other types of borrowings. The balance of our securities portfolio increased to \$741,207 at March 31, 2010 from \$714,164 at December 31, 2009. During the first three months of 2010, the Company purchased \$105,442 of investment securities. Maturities and calls of securities during the first three months of 2010 totaled \$77,131.

Table of Contents*Loans*

The loan balance, net of unearned income, at March 31, 2010 was \$2,308,335, representing a decrease of \$39,280 from \$2,347,615 at December 31, 2009. The decline was primarily attributable to the continued reduction of our exposure to construction and land development loans. Management plans to continue this intentional reduction in subsequent quarters, but nevertheless, expects modest loan growth in the immediate quarters with loan balances to increase in the second half of the year through a more conservative approach in spreading risk through our loan portfolio. In addition, total loans were affected by the Company's exit from the student lending program due to recent legislation affecting the ability of banks to make these loans. The sale of our student loans reduced total loans over \$10,000 at March 31, 2010 compared to December 31, 2009. Loans in our Alabama region increased \$7,623 while loans in our Tennessee and Mississippi regions decreased \$22,163 and \$24,740, respectively, during the first three months of 2010 compared to the respective balances at December 31, 2009.

The table below sets forth loans outstanding, according to loan type, net of unearned income.

	March 31, 2010	December 31, 2009
Commercial, financial, agricultural	\$ 276,749	\$ 281,329
Lease financing	677	778
Real estate construction	110,121	133,299
Real estate 1-4 family mortgage	809,271	820,917
Real estate commercial mortgage	1,055,102	1,040,589
Installment loans to individuals	56,415	70,703
Total loans, net of unearned income	\$ 2,308,335	\$ 2,347,615

Loan concentrations are considered to exist when there are amounts loaned to a number of borrowers engaged in similar activities which would cause them to be similarly impacted by economic or other conditions. At March 31, 2010, there were no concentrations of loans exceeding 10% of total loans which are not disclosed as a category of loans separate from the categories listed above. Loans secured by real estate represented 85.54% and 84.98% of the Company's total loan portfolio at March 31, 2010 and December 31, 2009, respectively. The following table provides further details of the types of loans in the Company's loan portfolio secured by real estate:

	March 31, 2010	December 31, 2009
Construction:		
Residential	\$ 38,674	\$ 45,559
Commercial	53,788	74,440
Condominiums	17,659	13,300
Total construction	110,121	133,299
1-4 family mortgage:		
Primary	347,370	345,971
Home equity	169,674	171,180
Rental/investment	155,108	158,436
Land development	137,119	145,330
Total 1-4 family mortgage	809,271	820,917
Commercial mortgage:		
Owner-occupied	523,605	537,387
Non-owner occupied	410,304	367,011
Land development	121,193	136,191

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Total commercial mortgage	1,055,102	1,040,589
Total loans secured by real estate	\$ 1,974,494	\$ 1,994,805

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Mortgage loans held for sale were \$16,597 at March 31, 2010 compared to \$25,749 at December 31, 2009. Originations of mortgage loans to be sold totaled \$101,571 for the first three months of 2010 as compared to \$262,385 for the same period in 2009. During the first quarter of 2009, the Company experienced increased production in residential mortgage loans being refinanced due to a decline in mortgage interest rates. 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 and all other criteria for sales treatment have been met. These loans are typically sold within thirty days after the loan is funded. Although loan fees and some interest income are derived from mortgage loans held for sale, the main source of income is gains from the sale of mortgage loans in the secondary market.

Goodwill and Intangible Assets

Intangible assets decreased \$476 to \$190,881 at March 31, 2010 from \$191,357 at December 31, 2009. The decrease reflects the amortization of finite-lived intangible assets recorded in connection with the acquisitions of Capital Bancorp Inc., Heritage Financial Holding Corporation and Renasant Bancshares, Inc. These finite-lived intangible assets are being amortized over their remaining estimated useful lives which range from one to seven years.

Deposits

Total deposits increased \$137,748 to \$2,713,848 at March 31, 2010 from \$2,576,100 on December 31, 2009. Noninterest-bearing deposits increased \$10,102 to \$315,064 at March 31, 2010 compared to \$304,962 at December 31, 2009. Interest-bearing deposits increased \$127,646 to \$2,398,784 at March 31, 2010 from \$2,271,138 at December 31, 2009. The cost of the Company's interest-bearing deposits decreased 44 basis points to 1.80% for the three months ended March 31, 2010 from 2.24% for the three months ended March 31, 2009. Approximately \$80,920 of the increase in total deposits during the first quarter of 2010 represents public fund deposits, as government agencies received proceeds from tax collections. Management expects the balances of these public fund deposits to decrease through the remainder of the year as government agencies utilize the funds held in these accounts. Management's plan is to replace these deposits with core deposits.

Deposits in our Mississippi and Alabama regions increased \$119,542 and \$34,579, respectively, while deposits in our Tennessee region decreased \$16,373 during the first three months of 2010 compared to the respective balances at December 31, 2009.

Borrowed Funds

Total borrowed funds were \$483,183 at March 31, 2010 compared to \$618,024 at December 31, 2009. Short-term borrowings, consisting of treasury, tax and loan notes and securities sold under agreements to repurchase, were \$21,750 at March 31, 2010 compared to \$22,397 at December 31, 2009. Long-term debt, consisting of long-term Federal Home Loan Bank (FHLB) advances and junior subordinated debentures, was \$461,433 at March 31, 2010 compared to \$595,627 at December 31, 2009. We repaid \$134,141 of long-term FHLB borrowings that matured during the three months ended March 31, 2010 with the proceeds of deposits generated in the quarter.

Shareholders' Equity

Shareholders' equity increased to \$410,557 at March 31, 2010 compared to \$410,122 at December 31, 2009. Factors contributing to the change in shareholders' equity include current year earnings offset by dividends and changes in other comprehensive losses attributable to improvements in the fair value of securities held in the investment portfolio.

Table of Contents**Results of Operations***Three Months Ended March 31, 2010 as Compared to the Three Months Ended March 31, 2009*

Net income for the three month period ended March 31, 2010 was \$3,607, a decrease of \$2,399, or 39.94%, from net income of \$6,006 for the same period in 2009. Basic and diluted earnings per share were \$0.17 for the three month period ended March 31, 2010, as compared to basic earnings per share of \$0.29 and diluted earnings per share of \$0.28 for the comparable period a year ago.

The following table sets forth average balance sheet data, including all major categories of interest-earning assets and interest-bearing liabilities, together with the interest earned or interest paid and the average yield or average rate paid on each such category for the three months ended March 31, 2010 and 2009:

	Three Months Ended March 31,					
	2010			2009		
	Average Balance	Interest Income/Expense	Yield/Rate	Average Balance	Interest Income/Expense	Yield/Rate
Assets						
Interest-earning assets:						
Loans ⁽¹⁾	\$ 2,354,443	\$ 32,668	5.63%	\$ 2,587,436	\$ 36,032	5.65%
Securities:						
Taxable ⁽²⁾	557,439	5,996	4.30	569,300	7,031	4.94
Tax-exempt	140,474	2,220	6.24	126,768	1,863	5.88
Interest-bearing balances with banks	108,264	44	0.17	60,195	62	0.42
Total interest-earning assets:	3,160,620	40,900	5.23	3,343,699	44,988	5.46
Cash and due from banks	56,004			81,980		
Intangible assets	190,881			193,067		
Other assets	213,856			144,499		
Total assets	\$ 3,621,361			\$ 3,763,245		
Liabilities and shareholders equity						
Interest-bearing liabilities:						
Deposits:						
Interest-bearing demand ⁽³⁾	\$ 959,503	\$ 2,797	1.18	\$ 826,232	\$ 2,885	1.42
Savings	112,835	151	0.54	93,998	48	0.21
Time deposits	1,260,403	7,385	2.38	1,283,127	9,259	2.93
Total interest-bearing deposits	2,332,741	10,333	1.80	2,203,357	12,192	2.24
Borrowed funds	530,654	4,965	3.79	815,548	6,405	3.16
Total interest-bearing liabilities	2,863,395	15,298	2.17	3,018,905	18,597	2.49
Noninterest-bearing deposits	310,726			299,265		
Other liabilities	35,108			41,846		
Shareholders equity	412,132			403,229		
Total liabilities and shareholders equity	\$ 3,621,361			\$ 3,763,245		
Net interest income/net interest margin		\$ 25,602	3.27%		\$ 26,391	3.19%

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- (1) Includes mortgage loans held for sale and shown net of unearned income.
- (2) U.S. Government and some U.S. Government Agency securities are tax-free in the states in which we operate.
- (3) Interest-bearing demand deposits include interest-bearing transactional accounts and money market deposits.

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

Table of Contents*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 decreased 3.57% to \$24,410 for the first quarter of 2010 compared to \$25,313 for the same period in 2009. On a tax equivalent basis, net interest margin for the three month period ended March 31, 2010 was 3.27% compared to 3.19% for the same period in 2009.

Significant reductions in interest rate indices throughout 2008 had a negative impact on net interest margin in 2009 and continue to affect net interest margin in 2010. With each rate reduction in rate indices, specifically, the prime rate, rates paid on U.S. Treasury securities and the London Interbank Offering Rate (LIBOR), the yield on our variable rate loans indexed to these indices decreased. At the same time, from the first quarter of 2009 to the first quarter of 2010, competitive and market-wide liquidity factors affecting the cost of funding sources, particularly deposits, began to ease. This allowed the Company to use funding sources in the first quarter of 2010 with a lower cost than the sources available in 2009. As a result, net interest margin increased. This increase was partially offset by higher levels of premium amortization due to increased prepayments on our mortgage-backed securities portfolio, which reduced net interest margin by 4 basis points for the three months ended March 31, 2010. Increased liquidity due to deposit growth, coupled with loan paydowns and higher than anticipated prepayment speeds within our investment portfolio, changed the mix of our earning assets. These changes also negatively impacted net interest margin.

Interest income decreased 9.57% to \$39,708 for the first quarter of 2010 from \$43,910 for the same period in 2009. The decrease in interest income was primarily due to decreases in yield and changes in the mix of interest-earning assets. The average balance of interest-earning assets decreased \$183,079 for the three months ended March 31, 2010 as compared to the same period in 2009. The tax equivalent yield on earning assets decreased 23 basis points to 5.23% for the first quarter of 2010 compared to 5.46% for the same period in 2009. The tax equivalent yield on the investment portfolio was 4.69% for the first quarter of 2010, down 42 basis points from 5.11% in the corresponding period in 2009. The decline in yield on the investment portfolio was a result of the call of securities within the Company's portfolio that had higher rates than the rates on the securities that the Company purchased with the proceeds of such calls. These rates were lower due to a generally lower interest rate environment.

The following table presents the percentage of total average earning assets, by type and yield, as of March 31 for each of the years presented:

	Percentage of Total		Yield	
	2010	2009	2010	2009
Loans	74.49%	77.38%	5.63%	5.65%
Securities	22.08	20.82	4.69	5.11
Other	3.43	1.80	0.17	0.42
Total earning assets	100.00%	100.00%	5.23%	5.46%

Interest expense decreased 17.74% to \$15,298 for the three months ended March 31, 2010 as compared to \$18,597 for the same period in 2009. This decrease primarily resulted from reductions in the cost of deposits and a change in the mix of the Company's deposits, in which higher costing public fund deposits were replaced with lower costing core deposits. The balances of public fund deposits decreased \$141,410 during the first quarter of 2010 as compared to the same period in 2009. The average balance of interest-bearing deposits, which had an average cost of 1.80%, increased \$82,417 for the three months ended March 31, 2010 as compared to the same period in 2009. The average balance of borrowed funds, which had an average cost of 3.79%, decreased \$284,894 for the three months ended March 31, 2010 as compared to the same period in 2009. The cost of interest-bearing liabilities decreased 32 basis points to 2.17% for the first quarter of 2010 compared to 2.49% for the same period in 2009.

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Noninterest Income

Noninterest income was \$12,484 for the three month period ended March 31, 2010 compared to \$14,762 for the same period in 2009, a decrease of \$2,278, or 15.43%.

Service charges on deposits, representing the largest component of noninterest income, were \$5,090 and \$5,425 for the first quarter of 2010 and 2009, respectively. Overdraft fees, the largest component of service charges on deposits, were \$4,553 for the three month period ended March 31, 2010 compared to \$4,862 for the same period in 2009.

Fees and commissions, which include fees charged for both deposit services (other than service charges on deposits) and loan services, were \$3,721 for the three month period ended March 31, 2010 compared to \$4,682 for the same period in 2009. Fees charged for loan services were \$1,436 for the first quarter of 2010 compared to \$2,394 for the same period in 2009, which is reflective of increased production in residential mortgage loans being refinanced due to a decline in mortgage interest rates during the first quarter of 2009 that was not present during the first quarter of 2010. Interchange fees on debit card transactions continue to be a strong source of noninterest income. For the first quarter of 2010, fees associated with debit card usage were \$1,564, up 21.13% from \$1,292 for the same period in 2009. The Company also provides specialized products and services to our customers through our Financial Services division. Specialized products include fixed and variable annuities, mutual funds, and stocks offered through a third party provider. Revenues generated from the sale of all of these products, which are included in the Condensed Consolidated Statements of Income in the account line Fees and commissions, were \$344 for the first quarter of 2010 compared to \$548 for the same period of 2009.

Income earned on insurance products was \$834 and \$828 for the three months ending March 31, 2010 and 2009, respectively. Contingency income is a bonus received from the insurance underwriters and is based both on commission income and claims experience on our client's policies during the previous year. Increases and decreases in contingency income are reflective of corresponding increases and decreases in the amount of claims paid by insurance carriers. Contingency income, which is included in Other noninterest income in the Consolidated Statements of Income, was \$221 and \$253 for the three months ending March 31, 2010 and 2009, respectively.

The trust department operates on a custodial basis which includes administration of benefit plans, as well as accounting and money management for trust accounts. The trust department manages a number of trust accounts inclusive of personal and corporate benefit accounts, self-directed IRAs, and custodial accounts. Fees for managing these accounts are based on changes in market values of the assets under management in the account, with the amount of the fee depending on the type of account. Trust revenue for the first quarter of 2010 was \$584 as compared to \$491 for the same period in 2009. The market value of assets under management was \$438,912 and \$445,353 as of March 31, 2010 and 2009, respectively.

For the three months ended March 31, 2010, the Company recognized other-than-temporary-impairment losses of \$160 related to investments in pooled trust preferred securities. Gross gains on sales of securities available for sale for three months ended March 31, 2009 were \$427, resulting from the sale of approximately \$26,831 in securities. There were no sales of securities available for sale for the three months ended March 31, 2010.

Gains from sales of mortgage loans held for sale were \$1,329 for the three months ended March 31, 2010 compared to \$1,776 for the same period in 2009, also a result of increased production in the first quarter of 2009 due to lower mortgage interest rates, as noted above.

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Noninterest Expense

Noninterest expense was \$25,634 for the three month period ended March 31, 2010 compared to \$26,920 for the same period in 2009, a decrease of \$1,286, or 4.78%.

Salaries and employee benefits for the three month period ended March 31, 2010 were \$13,197, which is \$1,547 less than the same period last year. This difference is primarily attributable to the realization of the full effect of workforce reductions that occurred in 2009 as employee service capacity exceeded projected growth in certain areas.

Data processing costs for the three month period ended March 31, 2010 were \$1,426, an increase of \$97 compared to \$1,329 for the same period last year. Net occupancy expense and equipment expense for the three month period ended March 31, 2010 decreased \$318 to \$2,931 over the comparable period for the prior year.

Amortization of intangible assets was \$476 for the three months ended March 31, 2010 compared to \$501 for the three months ended March 31, 2009. Intangible assets are amortized over their estimated useful lives, which, at the time of origination, ranged between five and ten years. These finite-lived intangible assets have remaining estimated useful lives ranging from one to seven years.

Advertising and public relations expense was \$890 for the three months ending March 31, 2010, a decrease of 8.15% compared to \$969 for the same period in 2009. The reduction in advertising and public relations expense was related to expenses which the Company does not anticipate will impact its ability to grow loans or deposits in the future.

Communication expense is incurred for communication to clients and between employees. Communication expense was \$1,086 for the three months ended March 31, 2010 compared to \$1,094 for the same period in 2009.

Other noninterest expense was \$4,762 and \$4,107 for the three months ended March 31, 2010 and 2009, respectively. Other noninterest expense for the three months ended March 31, 2010 includes expenses related to other real estate owned of \$736, an increase of \$334 compared to \$402 for the same period in 2009. In addition, other noninterest expense for the three months ended March 31, 2010 includes an increase of \$450 in expenses associated with our FDIC deposit insurance assessments due to an increase in the base assessment rates applicable to all insured institutions. These increases were offset by reductions in expense resulting from renegotiations of various contracts with suppliers and vendors and the Company's continuing efforts to reduce non-essential expenses.

Noninterest expense as a percentage of average assets was 2.87% for the three month period ended March 31, 2010 and 2.90% for the comparable period in 2009. The net overhead ratio, which is defined as noninterest expense less noninterest income, expressed as a percent of average assets, was 1.45% and 1.36% for the first quarter of 2010 and 2009, respectively. 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. Our efficiency ratio increased to 67.31% for the three month period ended March 31, 2010 compared to 65.41% for the same period of 2009. We calculate this ratio by dividing noninterest expense by the sum of net interest income on a fully taxable equivalent basis and noninterest income. Our efficiency ratio increased for the first three months of 2010 as compared to 2009 due to the decrease in net interest income attributable to the decline in the volume of net earning assets and the decline in noninterest income during the first three months of 2010 as compared to 2009. This decrease was partially offset by a decrease in noninterest expense.

Income Taxes

Income tax expense was \$988 for the three month period ended March 31, 2010 compared to \$2,109 for the same period in 2009. The effective tax rates for the three month periods ended March 31, 2010 and 2009 were 21.50% and 25.99%, respectively. The decrease in the effective tax rate for the three months ended March 31, 2010 as compared to the same period in 2009 is attributable to a reduction in taxable income while, at the same time, tax-exempt income remained at consistent levels. We continually seek investing opportunities in assets, primarily through state and local investment securities, whose earnings are given favorable tax treatment.

Table of Contents**Risk Management**

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

Credit Risk and Allowance for Loan Losses

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

The provision for loan losses charged to operating expense is an amount which, in the judgment of management, is necessary to maintain the allowance for loan losses at a level that is believed to be adequate to meet the inherent risks of losses in our loan portfolio. The Company recorded a provision for loan losses of \$6,665 for the first quarter of 2010 as compared to \$5,040 for the same period in 2009. Factors considered by management in determining the amount of provision for loan losses to charge to current operations include the internal risk rating of individual credits, historical and current trends in net charge-offs, trends in nonperforming loans, trends in past due loans, trends in the market values of underlying collateral securing loans and the current economic conditions in the market in which we operate. The increase in the provision for loan losses recorded during the three month period ending March 31, 2010 as compared to the same periods in 2009 was a result of continuing credit deterioration in 2010, which is reflected in the consistent levels of net charge-offs, nonperforming loans and loans past due 30 to 89 days in comparison to prior periods.

Charge-offs for the first three months of 2010 were at approximately the same levels as compared to the same period in 2009 as a result of the continuing effects of the economic downturn in our markets on borrowers' ability to repay their loans and the decline in market values of underlying collateral securing loans, primarily real estate values. The following table presents the activity in the allowance for loan losses for the periods presented:

	Three Months Ended	
	March 31,	
	2010	2009
Balance at beginning of period	\$ 39,145	\$ 34,905
Provision for loan losses	6,665	5,040
Charge-offs		
Commercial, financial, agricultural	77	317
Lease financing		
Real estate construction	435	666
Real estate 1-4 family mortgage	1,882	3,307
Real estate commercial mortgage	2,371	554
Installment loans to individuals	115	83
Total charge-offs	4,880	4,927
Recoveries		
Commercial, financial, agricultural	21	21
Lease financing		
Real estate construction	47	56
Real estate 1-4 family mortgage	80	78
Real estate commercial mortgage	6	
Installment loans to individuals	10	8
Total recoveries	164	163

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Net charge-offs	4,716	4,764
Balance at end of period	\$ 41,094	\$ 35,181
Allowance for loan losses to total loans	1.78%	1.40%
Net charge-offs to average loans (annualized)	0.81	0.75

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

	Three Months Ended March 31,	
	2010	2009
Construction:		
Residential	\$ 388	\$ 666
Commercial		
Condominiums		(56)
Total construction	388	610
1-4 family mortgage:		
Primary	79	751
Home equity	410	793
Rental/investment	325	560
Land development	988	1,125
Total 1-4 family mortgage	1,802	3,229
Commercial mortgage:		
Owner-occupied	1,084	44
Non-owner occupied	1,278	510
Land development	3	
Total commercial mortgage	2,365	554
Total net charge-offs of loans secured by real estate	\$ 4,555	\$ 4,393

The following table quantifies the amount of the specific reserves component of the allowance for loan losses and the amount of the allowance determined by applying allowance factors to graded loans as of March 31, 2010 and December 31, 2009:

	March 31,	December
	2010	31,
		2009
Specific reserves	\$ 15,327	\$ 14,468
Allocated reserves based on loan grades	26,577	24,677
Total allowance for loan losses	\$ 41,904	\$ 39,145

Nonperforming loans are loans on which the accrual of interest has stopped and loans which are contractually past due 90 days on which interest continues to accrue. Nonperforming loans were \$54,604 at March 31, 2010 as compared to \$50,025 at December 31, 2009. Nonperforming loans as a percentage of total loans were 2.37% at March 31, 2010 compared to 2.13% at December 31, 2009. The increase in nonperforming loans at March 31, 2010 as compared to December 31, 2009 is primarily attributable to continued credit deterioration as a result of the prolonged effects of the economic downturn on borrowers' ability to make timely payments on their loans, particularly in our loans secured by real estate. Management has evaluated these loans and other loans classified as nonperforming and believes that all nonperforming loans have been adequately reserved for in the allowance for loan losses at March 31, 2010.

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The following table provides details of the Company's nonperforming loans for the periods presented:

	March 31,		December 31,
	2010	2009	2009
Nonaccruing loans			
Commercial, financial, agricultural	\$ 2,850	\$ 3,209	\$ 2,603
Lease financing			
Real estate construction	6,592	8,376	2,092
Real estate 1-4 family mortgage	24,542	28,279	23,008
Real estate commercial mortgage	10,639	7,666	11,699
Installment loans to individuals	65	61	52
Total nonaccruing loans	44,688	47,591	39,454
Accruing loans past due 90 days or more			
Commercial, financial, agricultural	2,020	441	843
Lease financing			
Real estate construction	386	3,568	1,556
Real estate 1-4 family mortgage	3,170	10,919	5,622
Real estate commercial mortgage	4,259	4,791	2,379
Installment loans to individuals	81	70	171
Total accruing loans past due 90 days or more	9,916	19,789	10,571
Total nonperforming loans	54,604	67,380	50,025
Nonperforming loans to total loans	2.37%	2.69%	2.13%
Allowance for loan losses to nonperforming loans	75.26	52.21	78.25

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

	March 31,		December 31,
	2010	2009	2009
Construction:			
Residential	\$ 1,368	\$ 10,672	\$ 3,648
Commercial			
Condominiums	5,610	1,272	
Total construction	6,978	11,944	3,648
1-4 family mortgage:			
Primary	4,317	2,601	4,281
Home equity	844	969	990
Rental/investment	8,300	3,725	5,500
Land development	14,251	31,903	17,859
Total 1-4 family mortgage	27,712	39,198	28,630
Commercial mortgage:			
Owner-occupied	6,498	5,690	3,984
Non-owner occupied	2,954	4,611	5,049
Land development	5,446	2,156	5,045

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Total commercial mortgage	14,898	12,457	14,078
Total nonperforming loans secured by real estate	\$ 49,588	\$ 63,599	\$ 46,356

Management also continually monitors loans past due 30 to 89 days for potential credit quality deterioration. Total loans past due 30 to 89 days were \$41,618 at March 31, 2010 as compared to \$24,062 at December 31, 2009 and \$25,946 at March 31, 2009.

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Restructured loans are those for which concessions have been granted to the borrower due to a deterioration of the borrower's financial condition. Such concessions may include reduction in interest rates or deferral of interest or principal payments. Restructured loans totaled \$37,569 at March 31, 2010 compared to \$36,335 at December 31, 2009. At March 31, 2010, total loans restructured through interest rate concessions represented 64.34% of total restructured loans, while loans restructured by a concession in payment terms represented the remainder.

The following table provides further details of the Company's restructured loans secured by real estate at March 31, 2010 and December 31, 2009:

	March 31, 2010	December 31, 2009
Construction:		
Residential	\$ 2,356	\$ 2,356
Commercial		
Condominiums		5,610
Total construction	2,356	7,966
1-4 family mortgage:		
Primary	1,456	1,240
Home equity		
Rental/investment	1,365	550
Land development	22,897	21,221
Total 1-4 family mortgage	25,718	23,011
Commercial mortgage:		
Owner-occupied	6,259	3,809
Non-owner occupied	295	
Land development	2,189	350
Total commercial mortgage	8,743	4,159
Total restructured loans secured by real estate	\$ 36,817	\$ 35,136

Other real estate owned and repossessions of \$62,508 and \$58,568 at March 31, 2010 and December 31, 2009, respectively, is included in the Consolidated Balance Sheets heading "Other assets" and consists of properties acquired through foreclosure or acceptance of a deed in lieu of foreclosure. These properties are carried at the lower of cost or fair market value based on appraised value less estimated selling costs. Losses arising at the time of foreclosure of properties are charged against the allowance for loan losses. Reductions in the carrying value subsequent to acquisition are charged to earnings and are included in "Other noninterest expense" in the Consolidated Statements of Income. Other real estate owned with a cost basis of \$3,302 was sold during the three months ended March 31, 2010, resulting in a net loss of \$158.

The following table provides details of the Company's other real estate owned and repossessions as of March 31, 2010 and December 31, 2009:

	March 31, 2010	December 31, 2009
Residential real estate	\$ 17,586	\$ 18,038
Commercial real estate	11,015	10,336
Residential land development	30,469	27,018
Commercial land development	254	165
Other	3,184	3,011
Total other real estate owned and repossessions	\$ 62,508	\$ 58,568

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Please refer to Note D, Other Real Estate and Repossessions, in the Notes to Condensed Consolidated Financial Statements included in this report for a discussion in changes in the Company's other real estate owned during the first quarter of 2010.

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Interest Rate Risk

We have entered into interest rate swaps to mitigate our interest rate risk. The Company has entered into two interest rate swaps, each with a notional amount of \$37,500, whereby it receives a fixed rate of interest and pays a variable rate based on the Prime rate. The swaps have a maturity date of August 2012 and August 2013, respectively. These interest rate swaps are a designated cash flow hedge designed to convert the variable interest rate on \$75,000 of loans to a fixed rate. At March 31, 2010, the rate paid to us by the third-party was 374 basis points higher than the rate we paid on these swaps.

The Company enters into mortgage loan commitments with its customers. Under the mortgage loan commitments, interest rates for a mortgage loan are locked in with the customer for a period of time, typically thirty days. Once a mortgage loan commitment is entered into with a customer, the Company enters into a sales agreement with an investor in the secondary market to sell such loan on a best efforts basis. As such, the Company does not incur risk if the mortgage loan commitment in the pipeline fails to close. Other than mortgage loan commitments and the interest rate swaps, we have not entered into any other derivative activities.

For further discussion of these derivative financial instruments, please refer to Note I, *Derivative Instruments* in the Notes to Condensed Consolidated Financial Statements included in this report

Liquidity and Capital Resources

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

Core deposits, which are deposits excluding time deposits, are a major source of funds used by Renasant Bank 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 non-core dependency ratios to ensure compliance with Asset/Liability Committee targets.

Our investment portfolio is another alternative for meeting liquidity needs. These assets generally have readily available markets that offer conversions to cash as needed. The balance of our investment portfolio was \$741,207 at March 31, 2010 as compared to \$714,164 at December 31, 2009. Securities within our investment portfolio are also used to secure certain deposit types and short-term borrowings. At March 31, 2010, securities with a carrying value of approximately \$434,416 were pledged to secure public fund deposits and as collateral for short-term borrowings as compared to \$386,965 at December 31, 2009. Management anticipates the runoff of public fund deposit balances as government agencies utilize the funds held in these accounts will increase the amount of our unpledged investment securities.

Other sources available for meeting liquidity needs include federal funds purchased and advances from the FHLB. Interest is charged at the prevailing market rate on federal funds purchased and FHLB advances. There were no outstanding federal funds purchased at March 31, 2010 or December 31, 2009. Funds obtained from the FHLB are used primarily to match-fund real estate loans and other longer-term fixed rate loans in order to minimize interest rate risk and may also be used to meet day to day liquidity needs. As of March 31, 2010, the balance of our outstanding short-term and long-term advances with the FHLB was \$335,401 compared to \$469,574 at December 31, 2009. The total amount of remaining credit available to us from the FHLB at March 31, 2010 was \$428,577. We also maintain lines of credits with other commercial banks totaling \$85,000. There were no amounts outstanding under these lines of credit at March 31, 2010 or December 31, 2009.

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The following table presents the percentage of total average deposits and borrowed funds, by type, and total cost of funds, as of March 31 for each of the years presented:

	Percentage of Total		Cost of Funds	
	2010	2009	2010	2009
Noninterest-bearing demand	9.79%	9.02%	%	%
Interest-bearing demand	30.23	24.90	1.18	1.42
Savings	3.55	2.83	0.54	0.21
Time deposits	39.71	38.67	2.38	2.93
Federal Home Loan Bank advances	12.07	21.16	3.68	2.99
Other borrowed funds	4.65	3.42	4.07	4.19
Total deposits and borrowed funds	100.00%	100.00%	1.95%	2.27%

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.

Cash and cash equivalents were \$179,479 at March 31, 2010 compared to \$176,238 at March 31, 2009. Cash used in investing activities for the three months ended March 31, 2010 was \$694 compared to \$2,445 for the same period of 2009. Purchases of investment securities were \$105,442 for the three months ending March 31, 2010 compared to \$111,087 for the three months ending March 31, 2009. Proceeds from the maturity of securities within our investment portfolio were \$75,396 for the three months ending March 31, 2010 compared to proceeds from the sale and maturity of securities of \$91,873 for the three months ending March 31, 2009. Cash provided by a net decrease in loans for the three months ended March 31, 2010 was \$27,988 compared to \$17,094 for the same period in 2009.

Cash used in financing activities for the three months ended March 31, 2010 was \$632 compared to cash provided by financing activities of \$79,590 for the same period of 2009. Cash flows from the generation of deposits were \$137,748 for the three months ended March 31, 2010 compared to \$344,974 for the same period in 2009. Cash provided from the generation of deposits during the three months ended March 31, 2010 was primarily used to reduce our total borrowings by \$134,788.

The Company's liquidity and capital resources, as well as its ability to pay dividends to our shareholders, are substantially dependent on the ability of Renasant Bank to transfer funds to the Company in the form of dividends, loans and advances. Under Mississippi law, a Mississippi bank may not pay dividends unless its earned surplus is in excess of three times capital stock. A Mississippi bank with earned surplus in excess of three times capital stock may pay a dividend, subject to the approval of the Mississippi Department of Banking and Consumer Finance. In addition, the FDIC must also approve any payment of dividends by Renasant Bank. As such, the approval of these supervisory authorities is required prior to Renasant Bank paying dividends to the Company. Federal Reserve regulations also limit the amount Renasant Bank may loan to the Company unless such loans are collateralized by specific obligations. At March 31, 2010, the maximum amount available for transfer from Renasant Bank to the Company in the form of loans was \$32,578. There were no loans outstanding from Renasant Bank to the Company at March 31, 2010. These restrictions did not have any impact on the Company's ability to meet its cash obligations in the first three months of 2010, nor does management expect such restrictions to materially impact the Company's ability to meet its currently-anticipated cash obligations.

Off-Balance Sheet Transactions

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

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Loan commitments and standby letters of credit do not necessarily represent future cash requirements of the Company in that while the borrower has the ability to draw upon these commitments at any time, these commitments often expire without being drawn upon. The Company's unfunded loan commitments and standby letters of credit outstanding at March 31, 2010 and December 31, 2009 are as follows:

	March 31, 2010	December 31, 2009
Loan commitments	\$ 303,610	\$ 320,259
Standby letters of credit	31,423	28,956

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

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

Contractual Obligations

There have not been any material changes outside of the ordinary course of business to any of the contractual obligations disclosed in our Annual Report on Form 10-K for the year ended December 31, 2009.

Shareholders' Equity and Regulatory Matters

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

Quantitative measures established by regulation to ensure capital adequacy require Renasant Bank to maintain minimum balances and ratios. All banks are required to have core capital (Tier I) of at least 4% of risk-weighted assets, Tier I leverage of 4% of average assets, and total capital of 8% of risk-weighted assets (as such ratios are defined in Federal regulations). To be categorized as well capitalized, banks must maintain minimum Tier I leverage, Tier I risk-based and total risk-based ratios of 5%, 6%, and 10%, respectively. As of March 31, 2010, Renasant Bank met all capital adequacy requirements to which it is subject.

As of March 31, 2010, the most recent notification from the FDIC categorized Renasant Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed Renasant Bank's category.

The following table sets forth the minimum capital ratios required for each of the Company and Renasant Bank to be rated as well capitalized and the capital ratios for the Company and Renasant Bank as of March 31, 2010:

	Minimum Capital Requirement to be Well Capitalized	Renasant Corporation	Renasant Bank
Tier I Leverage (to average assets)	5.00%	8.74%	8.54%
Tier I Capital (to risk-weighted assets)	6.00%	11.20%	10.93%
Total Capital (to risk-weighted assets)	10.00%	12.45%	12.19%

Management recognizes the importance of maintaining a strong capital base. As the above ratios indicate, the Company and Renasant Bank exceed the requirements to be rated as well capitalized.

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During the fourth quarter of 2008, the Company declined to participate in the U.S. Treasury Department's Capital Purchase Program, which is part of the federal government's Troubled Assets Relief Program. At the time of the

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decision, the board of directors and management believed that the Company's strong capital position, coupled with future earnings, would allow us to meet projected balance sheet growth, deal with the downturn in the economy and take advantage of strategic growth opportunities without funds obtained under the Capital Purchase Program. As the capital ratios for the Company and Renasant Bank have remained in excess of the requirements to be categorized as well capitalized, the board of directors and management continue to believe this was the correct decision.

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

The following table sets forth the Company's book value per share, tangible book value per share, capital ratio and tangible capital ratio at March 31, 2010 and December 31, 2009:

	March 31, 2010	December 31, 2009
Book value per share	\$ 19.47	\$ 19.45
Tangible book value per share	10.42	10.38
Capital ratio	11.27%	11.26%
Tangible capital ratio	6.37%	6.34%

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our market risk since December 31, 2009. For additional information regarding our market risk, see our Annual Report on Form 10-K for the year ended December 31, 2009.

Item 4. CONTROLS AND PROCEDURES

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

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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, 2009. There have been no material changes in the risk factors disclosed in our Annual Report on Form 10-K.

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

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

The Company did not repurchase any shares of its outstanding stock during the three month period ended March 31, 2010.

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

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Item 6. EXHIBITS

Exhibit Number	Description
(3)(i)	Articles of Incorporation of Renasant Corporation, as amended ⁽¹⁾
(3)(ii)	Bylaws of Renasant Corporation, as amended ⁽²⁾
(4)(i)	Articles of Incorporation of Renasant Corporation, as amended ⁽¹⁾
(4)(ii)	Bylaws of Renasant Corporation, as amended ⁽²⁾
(10)(i)	Change in Control Agreement dated as of January 1, 2009 between Renasant Corporation and Michael D. Ross. ⁽³⁾
(31)(i)	Certification of the Chief Executive Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31)(ii)	Certification of the Chief Financial Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32)(i)	Certification of the Chief Executive Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32)(ii)	Certification of the Chief Financial Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- (1) Filed as exhibit 3.1 to the Company's Form 10-Q filed with the Securities and Exchange Commission on May 9, 2005 and incorporated herein by reference.
- (2) Filed as exhibit 3.2 to the Company's Form 8-K filed with the Securities and Exchange Commission on October 21, 2008 and incorporated herein by reference.
- (3) Filed as exhibit 10.1 to the Company's Form 8-K filed with the Securities and Exchange Commission on March 4, 2010 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.

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SIGNATURES

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

May 10, 2010

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)

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EXHIBIT INDEX

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