RENASANT CORP
Form S-3
March 15, 2007
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As filed with the Securities and Exchange Commission on March 15, 2007

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Renasant Corporation

(Exact name of registrant as specified in its charter)

Mississippi **(State or other jurisdiction of** **incorporation or organization)**	**64-0676974** **I.R.S. Employer** **Identification Number**

209 Troy Street

Tupelo, Mississippi 38804

(662) 680-1001

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

E. Robinson McGraw

Renasant Corporation

209 Troy Street

Tupelo, Mississippi 38804

(662) 680-1001

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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(504) 584-9324

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Bass, Berry & Sims PLC
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Nashville, Tennessee 37238
(615) 742-6200

Approximate Date of Commencement of Proposed Sale to the Public: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨ ___________

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨ _____

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ¨

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price (1)(2)	Amount of registration fee
Common Stock, $5.00 par value per share		$	$ 69,000,000	$ 2,119

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933.
(2) Includes shares to cover over-allotments, if any, pursuant to the over-allotment option granted to the underwriters.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2007

PRELIMINARY PROSPECTUS

Shares

Common Stock

We are offering shares of our common stock, par value $5.00 per share. The public offering price is $ per share.

Our common stock is currently quoted and traded on The NASDAQ Global Select Market under the symbol RNST. The last reported sale price of our common stock on The NASDAQ Global Select Market on , 2007, was $ per share.

Investing in our common stock involves risks. See Risk Factors beginning on page 13 to read about factors you should consider before you make your investment decision.

	Per Share	Total
Public offering price	$	$
Underwriting discount		
Proceeds to us, before expenses		

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory agency has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

These securities are not savings accounts, deposit accounts or other obligations of our banking subsidiary and are not insured or guaranteed by the Federal Deposit Insurance Corporation or by any other governmental agency.

We have granted the underwriters an option to purchase up to additional shares of our common stock to cover over-allotments, if any. The underwriters may exercise this option at any time within 30 days after the offering.

The underwriters expect to deliver the shares to purchasers on or about , 2007.

Keefe, Bruyette & Woods

Stephens Inc.

FTN Midwest Securities Corp

The date of this prospectus is , 2007.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. We are not, and the underwriters are not, making an offer to sell our common stock in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of the common stock. Our business, financial condition, results of operations and prospects may have changed since the date of this prospectus. Unless otherwise indicated, all information in this prospectus assumes that the underwriters will not exercise their option to purchase additional common stock to cover over-allotments.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus applicable to those jurisdictions.

In this prospectus we rely on and refer to information and statistics regarding the banking industry and the banking markets in which we operate. We obtained this market data from independent publications or other publicly available information. Although we believe these sources are reliable, we have not independently verified and do not guarantee the accuracy and completeness of this information.

As used in this prospectus, the terms Renasant, we, us and our refer to Renasant Corporation and its subsidiaries on a consolidated basis (unless the context indicates another meaning), and the terms the bank or our bank means Renasant Bank (unless the context indicates another meaning). When we refer in this prospectus to Capital, we mean Capital Bancorp, Inc. and its subsidiaries on a consolidated basis (unless the context indicates another meaning), and when we refer to Capital Bank we mean Capital Bank & Trust Company.

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SUMMARY

This summary highlights specific information contained elsewhere in this prospectus or incorporated herein by reference. This summary is not complete and does not contain all of the information that you should consider before investing in our common stock and is qualified in its entirety by the more detailed information included or incorporated by reference in this prospectus. To understand this offering fully, you should carefully read this entire prospectus, including our consolidated financial statements and the related notes included herein, the section entitled Risk Factors and the documents incorporated herein by reference. All share and per share data has been adjusted to reflect our three-for-two stock split effected in the form of a share divided on August 28, 2006 and our three-for-two stock split effected in the form of a share dividend on December 1, 2003.

Renasant Corporation

We are a bank holding company headquartered in Tupelo, Mississippi. We operate 63 banking (including loan production), financial services, mortgage and insurance offices in 38 cities in Mississippi, Tennessee and Alabama through our wholly-owned bank subsidiary, Renasant Bank, and its subsidiary, Renasant Insurance, Inc. The map located on the inside front cover of this prospectus provides further detail of our office locations and the office locations of Capital, which we propose to acquire as described below. Through our bank, we offer a complete range of banking and financial services to individuals and to small to medium-size businesses. These services include checking and savings accounts, business and personal loans, interim construction and residential mortgage loans, student loans, equipment leasing, as well as safe deposit and night depository facilities. Additionally, we offer our customers 24-hour banking services through our internet banking product and our call center, and we are open on Saturdays in many of our markets.

Our bank was originally founded in 1904 as The Peoples Bank & Trust Company. In 1982, we reorganized as a bank holding company. In 2005, we changed our name from The Peoples Holding Company to Renasant Corporation, following our acquisition of Renasant Bancshares, Inc., a bank holding company headquartered in the Memphis, Tennessee suburb of Germantown, with branches in Germantown and Cordova, Tennessee.

In 2000, our current management implemented a strategic shift in our bank s focus, with the goal of expanding our bank s business and operations from a local bank serving primarily rural markets in Mississippi to a regional bank with a focus on growth markets. As part of our expansion, we acquired Renasant Bancshares and Heritage Financial Holding Corporation, a bank holding company headquartered in Decatur, Alabama, with branches in Decatur, Birmingham and Huntsville, Alabama. In addition to these acquisitions, we also expanded the products and services we had historically provided in an attempt to attract customers in our growth markets both within and outside of Mississippi. Management responsibilities were also realigned to reflect our new regional focus. Our name change, as well as the change of our bank s name to Renasant Bank, also reflects this strategic shift.

As a result of this shift in strategy, from December 31, 2002 to December 31, 2006, we achieved strong growth and improved our branch footprint through a combination of internal growth, de novo branching and acquisitions. Specifically, we:

- increased our total assets from $1.3 billion to $2.6 billion;
- increased our total deposits from $1.1 billion to $2.1 billion;
- increased our total net loans, including loans held for sale, from $860 million to $1.8 billion; and
- expanded from 40 banking (including loan production), financial services, mortgage and insurance offices in 27 cities in Mississippi to 63 offices in 38 cities in Mississippi, Alabama and Tennessee.

For the year ended December 31, 2006, basic and diluted earnings per share were $1.75 and $1.71, respectively. This marks an increase of 12% and 11%, respectively, compared to basic and diluted earnings per

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share for 2005. Net income for 2006 was $27.1 million, up 12% from 2005. Net loans and deposits grew 11% and 13%, respectively, in 2006. For the fourth quarter of 2006, basic earnings per share were $0.45 and diluted earnings per share were $0.44, compared to basic and diluted earnings per share of $0.40 for the fourth quarter of 2005. Net income for the fourth quarter of 2006 was $6.9 million, compared to $6.2 million for the fourth quarter of 2005. Additional information about us is included in this prospectus and in documents incorporated by reference in this prospectus. See Business, Where You Can Find More Information and Documents Incorporated by Reference.

Market Areas and Growth Strategy

We have banking offices located in north and north central Mississippi, west and middle Tennessee and north and north central Alabama. Our key growth markets are the Tupelo, Oxford and DeSoto County markets in north Mississippi, the Memphis and Nashville markets in Tennessee and the Decatur, Birmingham and Huntsville markets in Alabama. At December 31, 2006, approximately 73% of our loans and 61% of our deposits were located in these markets. The remaining 39% of our deposits provided us with an attractive source of lower cost funds. Upon the consummation of our acquisition of Capital, described below, approximately 78% of our loans and 68% of our deposits will be located in our key growth markets. The Capital acquisition allows us to expand our presence in the highly-attractive Nashville Davidson Murfreesboro, TN Metropolitan Statistical Area, which we call the Nashville MSA in this prospectus, by adding seven full-service bank branches. We believe that the Nashville MSA and the other growth markets mentioned above offer some of the highest percentage growth rates and attractive demographics within our market area, and we intend to focus on expanding our presence in these key growth markets.

The following table sets forth the current population and the projected percentage population growth from 2006 to 2011 for the growth markets we have identified.

Key Growth Markets:	2006 Population	2006-2011 Projected Population Growth
Alabama:		
Birmingham-Hoover MSA	1,109,968	4.73%
Decatur MSA	150,980	1.62
Huntsville MSA	376,709	7.39
Mississippi:		
DeSoto County	143,448	26.47%
Oxford	42,322	8.23
Tupelo	132,881	4.14
Tennessee:		
Memphis TN-MS-AR MSA (1)	1,301,437	6.51%
Nashville-Davidson-Murfreesboro, TN MSA	1,483,007	10.88

Source: SNL Financial LC, dated as of July 1, 2006.

(1) The Memphis MSA includes DeSoto County, Mississippi.

Our vision is to be the financial services provider of choice in each community we serve and to deliver attractive shareholder returns. In order to achieve these objectives, we intend to focus on the following areas:

Emphasize Relationship Banking. Our philosophy is centered on delivering the products and services of a large banking institution while providing the personal service and attentiveness found in small community banks. Accordingly, we emphasize to our employees the importance of delivering superior customer service and seeking opportunities to strengthen relationships both with customers and in the communities we serve. Recognizing that a one-size-fits-all approach does not work, we have organized our branch banks into community banks using a franchise concept. The franchise approach empowers our community bank presidents to execute their own business plans in order to rapidly deliver personalized service and products tailored to the local communities in which our bank is located. We believe that this personalized approach helps us to solidify relationships and build customer loyalty.

Capitalize on Organic Growth Opportunities. We believe the market turmoil generated by recent regional banking mergers creates a significant opportunity for us to provide a full range of financial services to new commercial and retail customers in our key growth markets. In addition, we believe that these banking mergers have dislocated experienced and talented management and lending personnel. As a result, we believe we have a substantial opportunity to attract experienced management personnel and loan officers as well as sophisticated banking customers both within our key growth markets and in potential new markets into which we might expand.

Grow Through Strategic Acquisitions and Targeted De Novo Branching. As a result of our 2000 strategic shift, we have grown by expanding into attractive high-growth markets. Since 2004, we have successfully completed our mergers with Renasant Bancshares and Heritage. We believe that our proposed merger with Capital, based in Nashville, Tennessee, is consistent with this growth strategy.

Since 2005, we have also opened full service de novo branches in Oxford, Mississippi, and East Memphis and Collierville, Tennessee, and a loan production office in Brentwood, Tennessee, a suburb of Nashville. Our strategic plans call for opening up to six additional branch offices in our Oxford, Mississippi, and Huntsville and Birmingham, Alabama, markets as well as in our Tennessee markets by the end of 2010.

Increase Core Profitability. While our franchise concept preserves decision-making at a local level, we have centralized our legal, accounting, investment, loan review, audit and data processing functions. The centralization of these processes enables us to maintain consistent quality of these functions and achieve certain economies of scale so that increases in our expense base should be lower than our proportional increase in assets and revenues as our franchise grows. This should improve our profitability over time.

Commencing in 2004, we conducted a strategic analysis of the operations in our legacy footprint markets aimed at reducing expenses. Based on this analysis, we streamlined the management of many of our Mississippi operations by placing our community bank presidents in charge of the operations of multiple branches and eliminating the position of community bank president at several of our branches. We remain committed to aggressively managing our costs within the framework of our business model.

Maintain Credit Quality. We believe that maintaining strong credit quality is integral to our success. Accordingly, we have structured our policies and procedures with respect to the approval and monitoring of loans in a manner intended to limit the credit risk inherent in our lending activity. Despite our growth, we have consistently maintained strong asset quality. At December 31, 2006, our nonperforming assets, which include nonaccrual loans, loans 90 days or more past due and other real estate owned, as a percentage of total assets was 0.61%, and our net charge-offs to average loans for 2006 was 0.07%.

Recent Developments

Acquisition of Capital Bancorp, Inc. On February 5, 2007, we announced the signing of a definitive merger agreement to acquire Capital, a bank holding company headquartered in Nashville, Tennessee, and the parent of Capital Bank, a Tennessee banking corporation. At December 31, 2006, Capital operated seven full-service

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banking offices in the Nashville MSA and had total assets of $564.4 million, total deposits of $465.0 million and total shareholders equity of $35.0 million.

According to the terms of the merger agreement, each Capital common shareholder can elect to receive: (1) 1.2306 shares of our common stock for each share of Capital common stock, (2) $38.00 in cash for each share of Capital common stock, or (3) a combination of 40% cash, in the amount listed above, and 60% common stock, at the exchange ratio listed above. The merger agreement imposes an overall limitation that the aggregate stock consideration be no more than 65% and no less than 60% of the total consideration received by Capital shareholders. Based on our market close of $27.92 on February 2, 2007, the trading day immediately prior to the announcement of the execution of the definitive merger agreement with Capital, the aggregate transaction value, including the dilutive impact of Capital s options, which we are assuming in the merger, was approximately $134.9 million.

The acquisition is expected to close early in the third quarter of 2007 and is subject to regulatory and Capital shareholder approval and other conditions set forth in the merger agreement. Pursuant to the terms of the merger agreement, Capital Bank is expected to merge with and into our bank immediately after the merger of Capital with and into us.

Capital operates seven branches in the Nashville MSA: five branches in Davidson County and one branch in both Sumner and Williamson Counties. The Nashville MSA has experienced a higher rate of population growth than the national average with a lower cost of living and lower unemployment rate. In 2007, Expansion Management magazine named the Nashville MSA as one of the Hottest Cities for Business Expansion for the third consecutive year. In Williamson County, average household income is projected to increase from $122,625 in 2006 to $155,331 in 2011, while the number of households is projected to increase 21.6% during the same time period, according to SNL Financial LC.

For the year ended December 31, 2006, Capital s basic and diluted earnings per share were $1.18 and $1.14, respectively. This marks an increase of 27% and 30%, respectively, compared to basic and diluted earnings per share for 2005. Net income for 2006 was $4.2 million, up 30% from 2005. Loans, net of unearned income and the allowance for loan losses, and deposits grew 19% and 23%, respectively, in 2006.

Our completion of the Capital acquisition is not contingent on the success of this offering. Additionally, the completion of the Capital acquisition is not certain, and we may or may not be able to consummate the transaction.

The summary of selected provisions of the merger agreement above is not complete and is qualified in its entirety by the merger agreement, which is filed as an exhibit to one of the documents incorporated by reference into this prospectus. We urge you to read the merger agreement for a more complete description of the merger.

For a more detailed discussion of our company and its business and our acquisition of Capital, see the section entitled Business in this prospectus.

Dividend Declaration. On February 2, 2007, we announced the payment of a quarterly cash dividend on our common stock of $0.16 per share, to be paid April 2, 2007 to shareholders of record on March 16, 2007. This dividend represents a 4.6% increase over the first quarter 2006 dividend.

Recent Developments in Our Market Areas

On February 27, 2007, Toyota announced plans to locate a vehicle assembly plant in the Tupelo area. Toyota expects construction of the plant to begin in late 2007, with manufacturing operations commencing in

2010. We believe that the construction and operation of this Toyota plant enhances the future growth prospects of the Tupelo micropolitan area and may help to insulate the Tupelo market from the full effect of any downturns in the Mississippi or national economy.

Corporate Information

Our headquarters are located at 209 Troy Street, Tupelo, Mississippi 38804, and our telephone number at that address is (662) 680-1001. We maintain a website at www.renasant.com. Information on the website is not incorporated by reference into, and is not a part of, this prospectus.

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THE OFFERING

Common stock offered	shares (shares if the underwriters exercise their over-allotment option in full)
Common stock outstanding after this offering	shares (shares if the underwriters exercise their over-allotment option in full)
Net proceeds	We estimate that the net proceeds of this offering to us will be approximately $56.2 million (after deducting underwriting discounts and commissions and the offering expenses payable by us and assuming a public offering price of $24.13 per share based on the closing price for our common stock on March 9, 2007). The amount of net proceeds will be approximately $64.6 million if the underwriters exercise their over-allotment option.
Use of proceeds	We intend to use the net proceeds of this offering to fund the cash portion of the merger consideration payable in connection with our acquisition of Capital. The remainder of the net proceeds will be used for general corporate purposes including, among other things, to support our bank s internal growth and capital needs.
Dividends	Historically, we have paid quarterly cash dividends. For the first quarter of 2007, we declared a cash dividend of $0.16 per share, payable on April 2, 2007 to shareholders of record on March 16, 2007. For each of the quarters ended September 30, 2006 and December 31, 2006, we declared a cash dividend of $0.16 per share. We declared a quarterly cash dividend for each of the quarters ended March 31, 2006 and June 30, 2006 of $0.15 per share, after giving effect to our three-for-two stock split, paid in the form of a stock dividend, in August 2006. We intend to continue paying dividends, but the payment of dividends in the future will depend upon a number of factors. We cannot give you any assurance that we will continue to pay dividends or that the amount of future dividends will not be reduced.
NASDAQ Global Select Market symbol	RNST

The number of shares outstanding after the offering is based upon our shares outstanding as of February 28, 2007 and excludes a total of 1,174,883 shares issuable as of that date under outstanding options and warrants to purchase our common stock. Of these options and warrants, 844,133 are exercisable as of February 28, 2007 at a weighted average exercise price of $15.80.

The number of shares outstanding after this offering also does not include any shares to be issued in connection with our pending acquisition of Capital, which we expect to close early in the third quarter of 2007. We are assuming Capital s stock option plan in connection with the merger and at February 28, 2007, there were 235,134 options issued under this plan with a weighted average exercise price of $13.53. The number of options outstanding under this plan and the exercise price for these options will be adjusted for the exchange ratio used in the merger.

Unless otherwise expressly stated or the context otherwise requires, all information in this prospectus assumes that the underwriters over-allotment option will not be exercised. For more information regarding the over-allotment option, see the Underwriting section beginning on page 49 of this prospectus.

Risk Factors

Prior to making an investment decision, a prospective purchaser should consider all of the information set forth in this prospectus or incorporated by reference herein and should evaluate the statements set forth in the Risk Factors section beginning on page 13 of this prospectus.

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SUMMARY CONSOLIDATED FINANCIAL DATA

The following table sets forth summary consolidated financial data of Renasant for the periods indicated. The summary consolidated financial data of Renasant as of and for the years 2002, 2003, 2004, 2005 and 2006 are derived from our audited consolidated financial statements and should be read in conjunction with our audited consolidated financial statements, including the notes thereto, which are included elsewhere in this prospectus and in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this prospectus. Our audited consolidated financial statements for the years ended December 31, 2006 and 2005 were audited by Horne LLP, independent registered public accounting firm. Our audited consolidated financial statements for the years ended December 31, 2004, 2003 and 2002 were audited by Ernst & Young LLP, independent registered public accounting firm. The financial information presented in the table below is not necessarily indicative of the financial condition, results of operations or cash flows of any other period.

	At and for the Years Ended December 31, (1)				
	2006	2005	2004	2003	2002
	(Dollars in thousands, except per share data)				
Summary of Operations:					
Interest income	$ 154,293	$ 128,389	$ 77,024	$ 70,810	$ 78,418
Interest expense	70,230	47,963	21,796	21,777	26,525
Net interest income	84,063	80,426	55,228	49,033	51,893
Provision for loan losses	2,408	2,990	1,547	2,713	4,350
Net interest income after provision for loan losses	81,655	77,436	53,681	46,320	47,543
Noninterest income	45,943	40,216	32,287	31,893	27,973
Noninterest expense	89,006	83,940	60,709	53,193	51,027
Income before income taxes	38,592	33,712	25,259	25,020	24,489
Income taxes	11,467	9,503	6,816	6,839	6,819
Income before cumulative effect of accounting change	27,125	24,209	18,443	18,181	17,670
Cumulative effect of accounting change					(1,300)
Net income	$ 27,125	$ 24,209	$ 18,443	$ 18,181	$ 16,370
Per Share Data: (2)					
Net income before cumulative effect of accounting change basic	$ 1.75	$ 1.56	$ 1.43	$ 1.47	$ 1.40
Net income before cumulative effect of accounting change diluted	1.71	1.54	1.42	1.46	1.39
Cumulative effect of accounting change					(0.10)
Net income basic	1.75	1.56	1.43	1.47	1.30
Net income diluted	1.71	1.54	1.42	1.46	1.29
Dividends	0.63	0.58	0.55	0.50	0.46
Book value	16.27	15.22	13.19	11.19	10.59
Tangible book value	9.94	8.70	9.48	10.72	10.08

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	At and for the Years Ended December 31,				
	2006	2005	2004	2003	2002
			(Dollars in thousands)		
Financial Condition Data:					
Total assets	$ 2,611,356	$ 2,397,702	$ 1,707,545	$ 1,415,214	$ 1,344,512
Loans, net of unearned income (3)	1,826,762	1,646,223	1,141,480	862,652	859,684
Securities	428,065	399,034	371,581	414,270	344,781
Deposits	2,108,965	1,868,451	1,318,677	1,133,931	1,099,048
Borrowings	216,423	266,505	191,547	125,572	91,806
Shareholders equity	252,704	235,440	179,042	137,625	132,778
Tangible shareholders equity	154,408	134,608	128,618	131,755	126,415
Selected Performance Ratios:					
Return on average assets	1.08%	1.03%	1.18%	1.33%	1.25%
Return on average equity	11.00%	10.29%	11.52%	13.41%	12.85%
Return on average tangible equity	19.10%	19.08%	14.50%	14.32%	13.88%
Dividend payout ratio	36.67%	37.66%	38.31%	34.25%	35.59%
Net interest margin (4)	3.93%	4.04%	4.14%	4.23%	4.66%
Efficiency ratio (5)	66.75%	67.70%	66.94%	63.16%	61.55%
Net overhead ratio (6)	1.72%	1.86%	1.81%	1.55%	1.76%
Asset Quality Ratios: (7)					
Net loans charged-off to average loans	0.07%	0.20%	0.32%	0.20%	0.42%
Ratio of nonperforming assets to total assets	0.61%	0.44%	0.64%	0.64%	0.50%
Ratio of nonperforming loans to total loans	0.62%	0.38%	0.76%	0.85%	0.42%
Ratio of allowance for loan losses to nonperforming loans	173.05%	291.94%	166.11%	181.09%	338.22%
Ratio of allowance for loan losses to total loans	1.07%	1.12%	1.26%	1.53%	1.42%
Capital Ratios:					
Tier 1 leverage ratio (8)	8.95%	8.73%	8.97%	10.85%	9.28%
Tier 1 risk-based capital	11.31%	11.31%	12.40%	16.21%	13.72%
Total risk-based capital	12.31%	12.35%	13.61%	17.46%	14.97%
Average equity to average assets	9.83%	10.00%	10.21%	9.89%	9.75%
Other Data:					
Office locations (9)	60	58	48	39	40
Full-time equivalent employees	813	789	703	580	587

(1) Summary consolidated financial data includes the effect of acquisitions from the date of each acquisition. Refer to Note T, Mergers and Acquisitions , in the Notes to the Consolidated Financial Statements included elsewhere in this prospectus for additional information about these acquisitions.

(2) Amounts have been restated to reflect the effect of our three-for-two stock split effected in the form of a share dividend on August 28, 2006 and the three-for-two stock split effected in the form of a share dividend on December 1, 2003.

(3) Does not include loans held for sale.

(4) Net interest margin is net interest income, on a fully taxable equivalent basis, divided by total average earning assets.

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(5) Efficiency ratio is noninterest expense divided by the sum of net interest income, on a fully taxable equivalent basis, and noninterest income.
(6) Net overhead ratio is the difference between noninterest expense and noninterest income, divided by average assets.
(7) Nonperforming loans include loans 90 or more days past due, nonaccrual loans and restructured loans.
(8) Tier 1 leverage ratio is defined as Tier 1 capital (pursuant to risk-based capital guidelines) as a percentage of adjusted average assets.
(9) Includes banking (including loan production), financial services and mortgage offices.

GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures

Certain financial information included in our summary consolidated financial data is determined by methods other than in accordance with accounting principles generally accepted within the United States, or GAAP. These non-GAAP financial measures are tangible book value per share, tangible shareholders equity, and return on average tangible equity. Our management uses these non-GAAP measures in its analysis of our performance.

Tangible book value per share is defined as total equity reduced by recorded goodwill and other intangible assets divided by total common shares outstanding. This measure is important to investors interested in changes from period-to-period in book value per share exclusive of changes in intangible assets. Goodwill, an intangible asset that is recorded in a purchase business combination, has the effect of increasing total book value while not increasing the tangible assets of a company. For companies such as ours that have engaged in business combinations, purchase accounting can result in the recording of significant amounts of goodwill related to such transactions.

Tangible shareholders equity is shareholders equity less goodwill and other intangible assets.

Return on average tangible equity is defined as earnings for the period divided by average equity reduced by average goodwill and other intangible assets.

These disclosures should not be viewed as a substitute for results determined in accordance with GAAP, and are not necessarily comparable to non-GAAP performance measures which may be presented by other companies. The following reconciliation table provides a more detailed analysis of these non-GAAP performance measures:

	At and for the Years Ended December 31,				
	2006	2005	2004	2003	2002
	(Dollars in thousands, except per share data)				
Book value per common share	$ 16.27	$ 15.22	$ 13.19	$ 11.19	$ 10.59
Effect of intangible assets per share	(6.33)	(6.52)	(3.71)	(0.47)	(0.51)
Tangible book value per share	9.94	8.70	9.48	10.72	10.08
Shareholders equity	$ 252,704	$ 235,440	$ 179,042	$ 137,625	$ 132,778
Intangible assets	(98,296)	(100,832)	(50,424)	(5,870)	(6,363)
Tangible shareholders equity	154,408	134,608	128,618	131,755	126,415
Return on average equity	11.00%	10.29%	11.52%	13.41%	12.85%
Effect of intangible assets	8.10%	8.79%	2.98%	0.91%	1.03%
Return on average tangible equity	19.10%	19.08%	14.50%	14.32%	13.88%

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SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following summary unaudited pro forma condensed combined financial information (the pro forma financial information) set forth below gives effect to the following transactions as if they had occurred on January 1, 2006, in the case of the consolidated income statement data, and December 31, 2006, in the case of consolidated balance sheet data:

The sale of approximately 2.486 million shares of our common stock in this offering and our receipt of approximately $56.2 million in estimated net proceeds after deducting the underwriting discount and the estimated expenses of the offering; and

Our acquisition of Capital, and the related issuance of approximately 2.674 million shares of our common stock and payment of approximately $55 million in cash. The foregoing assumes that 60% of the merger consideration will be paid in stock and 40% will be paid in cash. In the event that both the market value of our common stock and the value of the NASDAQ Bank Index decline by amounts specified in the merger agreement as of the date of determination, we may adjust the exchange ratio used in the merger agreement to account for the decline in the value of our stock price; if no adjustment is made, Capital may terminate the merger agreement. The pro forma financial information shows the impact of Capital s merger with and into us on the companies respective financial positions and results of operations under the purchase method of accounting with Renasant as the acquiror. Under this method of accounting, we will record the assets and liabilities of Capital at their estimated fair values as of the date the merger is completed.

The pro forma financial information is presented for illustrative purposes only and does not purport to be indicative of the operating results or financial position that would have actually occurred or existed if the transactions above had occurred on the dates indicated, nor is it indicative of our future operating results or our financial position. The pro forma adjustments are based on the information and assumptions available at the date of this prospectus. This pro forma information does not include any cost savings or revenue enhancements that may be achieved or realized as a result of our acquisition of Capital. In addition, as explained in more detail in the accompanying notes to the pro forma financial information, the allocation of the purchase price for the Capital acquisition that is reflected in the pro forma financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded upon completion of the Capital acquisition.

	For the Year Ended December 31, 2006				
	Renasant	Equity Adjustments	Capital	Capital Adjustments	Combined
	(Dollars in thousands, except per share data)				
Consolidated Income Statement Data:					
Interest income	$ 154,293	$	$ 37,310	$ 1,636	$ 193,239
Interest expense	70,230		18,516	(766) (1)	87,980
Net interest income	84,063		18,794	2,402	105,259
Provision for loan losses	2,408		1,328		3,736
Net interest income after provision for loan losses	81,655		17,466	2,402	101,523
Noninterest income	45,943		2,637		48,580
Noninterest expense	89,006		13,576	945 (1)(2)	103,527
Income taxes	11,467		2,346	557 (3)	14,370
Net income	$ 27,125	$	$ 4,181	$ 900	$ 32,206
Per Common Share:					
Book value per share at year end	$ 16.27 (4)	$ 3.12 (5)	$ 9.75 (6)	$ 1.98 (7)	$ 18.59 (7)
Basic earnings per share	1.75		1.18	0.34	1.56
Diluted earnings per share	1.71		1.14	0.32	1.52
Average shares outstanding basic	15,515,223	2,486,531	3,537,936	2,674,026	20,675,780
Average shares outstanding diluted	15,853,014	2,486,531	3,655,102	2,855,054	21,194,599

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	As of the Year Ended December 31, 2006				
	Renasant	Equity Adjustments (8)	Capital	Capital Adjustments	Combined
			(Dollars in thousands)		
Consolidated Balance Sheet Data:					
Cash and due from banks	$ 98,201	$ 56,150	$ 11,234	$ (58,277) (9)	$ 107,308
Investment securities	428,065		67,784		495,849
Mortgage loans held for sale	38,672		1,589		40,261
Loans, net of unearned income	1,826,762		464,198	(3,271) (1)	2,287,689
Allowance for loan losses	(19,534)		(5,605)		(25,139)
Net loans	1,807,228		458,593	(3,271)	2,262,550
Premises and equipment	41,350		5,780	1,000 (1)	48,130
Intangibles	98,296			103,373 (2)	201,669
Other assets	99,544		19,462	(1,509) (10)	117,497
Total assets	$ 2,611,356	$ 56,150	$ 564,442	$ 41,316	$ 3,273,264
Deposits	$ 2,108,965	$	$ 464,952	$ 1,037 (1)	$ 2,574,954
Borrowings	216,423		56,984	(633) (1)	272,774
Other liabilities	33,264		7,537		40,801
Total liabilities	2,358,652		529,473	404	2,888,529
Shareholders equity	252,704	56,150	34,969	40,912 (11)	384,735
Total liabilities and shareholders equity	$ 2,611,356	$ 56,150	$ 564,442	$ 41,316	$ 3,273,264

* In the adjustment columns, bracketed items ( ) represent credits, non bracketed items represent debits.

(1) Adjustment to reflect Capital s loans, premises and equipment, deposits and borrowings at fair value. The impact of the adjustment increases net interest income $2,402 and increases noninterest expenses $25 for the year ended December 31, 2006.

(2) Adjustment to record goodwill created as a result of the acquisition of Capital and to record amortizable intangible assets of core deposit intangible and noncompete agreements. The amortization expense for the core deposit intangible is recognized on an accelerated basis over an estimated useful life of 10 years. The amortization expense for the noncompete agreements is recognized straight-line over an estimated useful life of 5 years. The impact of these adjustments increases noninterest expenses $920 for the year ended December 31, 2006.

(3) Reflects the tax impacts associated with the reduction in reinvestment of proceeds referred to in footnote 1 and amortization expense referred to in footnote 2 assuming a 38.25% tax rate.

(4) Reflects 15,536,475 shares outstanding as of December 31, 2006.

(5) As adjusted, 18,023,006 shares outstanding after the completion of this offering. If the underwriter s over-allotment option is exercised in full, common stock, additional paid-in capital and total shareholder s equity would be $100,466, $134,179 and $317,346, respectively, and we would have 18,395,986 shares outstanding.

(6) Reflects 3,621,575 shares outstanding as of December 31, 2006.

(7) As adjusted, represents 20,697,032 shares outstanding upon the completion of this offering, and the completion of the merger with Capital.

(8) We estimate that our net proceeds from the sale of approximately 2.5 million shares in this offering, after deducting underwriting discounts and other estimated offering expenses will be approximately $56,150 (based on an offering size of $60,000 and excluding any proceeds from the exercise of the underwriter s overallotment option, if exercised).

(9) To reflect the reduction in reinvestment of net proceeds due to the payment of the cash portion of the merger consideration to Capital shareholders. Also reflects anticipated deal charges.

(10) Adjustment to record deferred tax on purchase accounting adjustments.

(11) Reflects the issuance of common equity to Capital s shareholders, estimated fair value of Capital s options and elimination of Capital s historical shareholders equity.

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RISK FACTORS

An investment in our common stock involves risks. You should carefully consider the risks described below in conjunction with the other information in this prospectus and information incorporated by reference in this prospectus, including our consolidated financial statements and related notes, before investing in our common stock. If any of the following risks or other risks which have not been identified or which we may believe are immaterial or unlikely, actually occur, our business, financial condition and results of operations could be harmed. This could cause the price of our stock to decline, and you may lose part or all of your investment. This prospectus contains forward-looking statements that involve risks and uncertainties, including statements about our future plans, objectives, intentions and expectations. Past results are not a reliable indicator of future results, and historical trends should not be used to anticipate results or trends in future periods. Many factors, including those described below, could cause actual results to differ materially from those discussed in forward-looking statements.

Risks Related To Our Business and Industry

We are subject to lending risk.

There are inherent risks associated with our lending activities. These risks include, among other things, the impact of changes in interest rates and changes in the economic conditions in the markets where we operate as well as those across the United States. Increases in interest rates and/or weakening economic conditions could adversely impact the ability of borrowers to repay outstanding loans or the value of the collateral securing these loans.

As of December 31, 2006, approximately 61% of our loan portfolio consisted of commercial, construction and commercial real estate loans. These types of loans are generally viewed as having more risk to our financial condition than residential real estate loans or consumer loans due primarily to the large amounts loaned to individual borrowers. Because the loan portfolio contains a significant number of commercial, construction and commercial real estate loans with relatively large balances, the deterioration of one or a few of these loans could cause a significant increase in non-performing loans. An increase in non-performing loans could result in a net loss of earnings from these loans, an increase in the provision for possible loan losses and an increase in loan charge-offs, all of which could have a material adverse effect on our financial condition and results of operations.

In addition, approximately 82.6% of our loan portfolio had real estate as a primary or secondary component of the collateral securing the loan. An adverse change in the value of real estate generally and in our markets specifically could significantly impair the value of the collateral securing our loans and our ability to sell the collateral upon foreclosure for an amount necessary to satisfy the borrower s obligations to us, which could have a material adverse effect on our financial condition and results of operations.

We have a concentration of credit exposure in commercial real estate.

At December 31, 2006, we had approximately $629 million in commercial real estate loans, representing approximately 34.45% of our loans outstanding on that date. In addition to the general risks associated with our lending activities described above, commercial real estate loans are subject to additional risks. Commercial real estate loans depend on cash flows from the property to service the debt. Cash flows may be affected significantly by general economic conditions, and a downturn in the local economy generally or in occupancy rates where the property is located could increase the likelihood of default. In addition, banking regulators are giving commercial real estate lending greater scrutiny and may require banks with higher levels of commercial real estate loans to implement improved underwriting, internal controls, risk management policies and portfolio stress testing, as well as possibly higher levels of allowances for possible losses and capital levels as a result of commercial real estate lending growth and exposure. Any of these factors could have a material adverse effect on our financial condition and results of operations.

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We may not be able to successfully integrate Capital or realize the anticipated benefits of the merger.

Our merger with Capital involves the combination of two bank holding companies that previously have operated independently. A successful combination of the operations of the two entities will depend substantially on our ability to consolidate operations, systems and procedures and to eliminate redundancies and costs. We may not be able to combine the operations of Capital with our operations without encountering difficulties, such as:

- the loss of key employees and customers;
- the disruption of operations and business;
- inability to maintain and increase competitive presence;
- deposit attrition, customer loss and revenue loss;
- possible inconsistencies in standards, control procedures and policies;
- unexpected problems with costs, operations, personnel, technology and credit; and/or
- problems with the assimilation of new operations, sites or personnel, which could divert resources from regular banking operations.

Additionally, general market and economic conditions or governmental actions affecting the financial industry generally may inhibit our successful integration of Capital.

Further, we entered into the merger agreement with the expectation that the merger will result in various benefits including, among other things, benefits relating to enhanced revenues, a strengthened market position for the combined company in the Nashville MSA, cross selling opportunities, technology, cost savings and operating efficiencies. Achieving the anticipated benefits of the merger is subject to a number of uncertainties, including whether we integrate Capital in an efficient and effective manner, and general competitive factors in the marketplace. We also believe that our ability to successfully integrate Capital with our operations will depend to a large degree upon our ability to retain Capital s existing management personnel. Although we have entered into or will enter into employment and noncompetition agreements with certain officers of Capital, there can be no assurance that these officers or key employees will not depart.

Failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues and diversion of management s time and energy and could materially impact our business, financial condition and operating results. In addition, the attention and effort devoted to the integration of Capital with our existing operations may divert management s attention from other important issues and could seriously harm our business. Finally, any cost savings that are realized may be offset by losses in revenues or other charges to earnings.

We could fail to consummate the proposed acquisitions of Capital and its subsidiary bank.

We have entered into an agreement to merge with Capital, and acquire its subsidiary bank. This acquisition is dependent upon certain conditions, including, without limitation, approval of Capital s shareholders and regulatory approvals. Should we fail to consummate the acquisition, we could be adversely affected because of the transactional costs associated with the acquisition.

We depend on the accuracy and completeness of information furnished by others about customers and counterparties.

In deciding whether to extend credit or enter into other transactions, we often rely on information furnished by or on behalf of customers and counterparties, including financial statements, credit reports and other financial information. We may also rely on representations of those customers, counterparties or other third parties, such

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as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate or misleading financial statements, credit reports or other financial information could have a material adverse effect on our business and, in turn, our financial condition and results of operations.

The allowance for possible loan losses may be insufficient.

Although we try to maintain diversification within our loan portfolio in order to minimize the effect of economic conditions within a particular industry, management also maintains an allowance for loan losses, which is a reserve established through a provision for loan losses charged to expense, to absorb probable credit losses inherent in the entire loan portfolio. The appropriate level of the allowance is based on management s quarterly analysis of the loan portfolio and represents an amount that management deems adequate to provide for inherent losses, including collective impairment. Among other considerations in establishing the allowance for loan losses, management considers economic conditions reflected within industry segments, the unemployment rate in our markets, loan segmentation and historical losses that are inherent in the loan portfolio. The determination of the appropriate level of the allowance for loan losses inherently involves a high degree of subjectivity and requires management to make significant estimates of current credit risks and future trends, all of which may undergo material changes. Changes in economic conditions affecting borrowers, new information regarding existing loans, identification of additional problem loans and other factors, both within and outside of our control, may require an increase in the allowance for loan losses.

In addition, bank regulatory agencies periodically review the allowance for loan losses and may require an increase in the provision for loan losses or the recognition of further loan charge-offs, based on judgments different than those of management. In addition, if charge-offs in future periods exceed the allowance for loan losses, we will need additional provisions to increase the allowance for loan losses. Any increases in the allowance for loan losses will result in a decrease in net income and, possibly, capital and may have a material adverse effect on our financial condition and results of operations.

We are subject to interest rate risk.

Our earnings and cash flows are largely dependent upon our net interest income. Net interest income is the difference between interest earned on assets, such as loans and securities, and the cost of interest-bearing liabilities, such as deposits and borrowed funds. Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions and policies of various governmental and regulatory agencies and, in particular, the Federal Reserve. Changes in monetary policy, including changes in interest rates, could influence not only the interest we receive on loans and securities and the amount of interest we pay on deposits and borrowings, but such changes could also affect (1) our ability to originate loans and obtain deposits, which could reduce the amount of fee income generated, (2) the fair value of our financial assets and liabilities and (3) the average duration of our mortgage-backed securities portfolio. If the interest rates paid on deposits and other borrowings increase at a faster rate than the interest rates received on loans and other investments, our net interest income could be adversely affected, which in turn could negatively affect our earnings. Earnings could also be adversely affected if the interest rates received on loans and other investments fall more quickly than the interest rates paid on deposits and other borrowings.

Although management believes it has implemented effective asset and liability management strategies to reduce the potential effects of changes in interest rates on the results of our operations, any substantial, unexpected, prolonged change in market interest rates could have a material adverse effect on our financial condition and results of operations. Volatility in interest rates may also result in disintermediation, which is the flow of funds away from financial institutions into direct investments, such as U.S. Government and Agency securities and other investment vehicles, including mutual funds, which generally pay higher rates of return than financial institutions because of the absence of federal insurance premiums and reserve requirements. Disintermediation could also result in material adverse effects on our financial condition and results of operations.

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Liquidity needs could adversely affect our results of operations and financial condition.

We rely on the dividends from our bank as our primary source of funds. The primary source of funds of our bank are customer deposits and loan repayments. While scheduled loan repayments are a relatively stable source of funds, they are subject to the ability of borrowers to repay the loans. The ability of borrowers to repay loans can be adversely affected by a number of factors, including changes in economic conditions, adverse trends or events affecting business industry groups, reductions in real estate values or markets, business closings or lay-offs, inclement weather, natural disasters and international instability. Additionally, deposit levels may be affected by a number of factors, including rates paid by competitors, general interest rate levels, returns available to customers on alternative investments and general economic conditions. Accordingly, we may be required from time to time to rely on secondary sources of liquidity to meet withdrawal demands or otherwise fund operations or to support growth. Such sources include Federal Home Loan Bank advances and federal funds lines of credit from correspondent banks. While we believe that these sources are currently adequate, there can be no assurance they will be sufficient to meet future liquidity demands, particularly if we continue to grow and experience increasing loan demand.

If the aforementioned sources of liquidity are not adequate for our needs, we may attempt to raise additional capital in the capital markets. Our ability to raise additional capital, if needed, will depend on conditions in such markets at that time, which are outside our control, and on our financial performance. Accordingly, we cannot assure you of our ability to raise additional capital in this manner.

If we are unable to meet our liquidity needs, we may be required to slow or discontinue loan growth, capital expenditures or other investments or liquidate assets.

Our business strategy includes the continuation of growth plans, and our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth effectively.

Since 2004, we have significantly grown our business outside our Mississippi footprint through the acquisition of entire financial institutions and through de novo branching. We intend to continue pursuing a growth strategy for our business through de novo branching. In addition, although we have no current intentions regarding new acquisitions in the next few years, we expect to continue to evaluate attractive acquisition opportunities that are presented to us. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in growth stages of development, including the following:

Management of Growth. We may be unable to successfully

- maintain loan quality in the context of significant loan growth;
- maintain adequate management personnel and systems to oversee such growth;
- maintain adequate internal audit, loan review and compliance functions; and
- implement additional policies, procedures and operating systems required to support such growth.

Operating Results. There is no assurance that existing offices or future offices will maintain or achieve deposit levels, loan balances or other operating results necessary to avoid losses or produce profits. Our growth and de novo branching strategy necessarily entails growth in overhead expenses as we routinely add new offices and staff. Our historical results may not be indicative of future results or results that may be achieved as we continue to increase the number and concentration of our branch offices. Should any new location be unprofitable or marginally profitable, or should any existing location experience a decline in profitability or incur losses, the adverse effect on our results of operations and financial condition could be more significant than would be the case for a larger company.

Development of Offices. There are considerable costs involved in opening branches, and new branches generally do not generate sufficient revenues to offset their costs until they have been in operation for at least a

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year or more. Accordingly, our de novo branches can be expected to negatively impact our earnings for some period of time until the branches reach certain economies of scale. Our expenses could be further increased if we encounter delays in opening any of our de novo branches. We may be unable to accomplish future branch expansion plans due to a lack of available satisfactory sites, difficulties in acquiring such sites, increased expenses or loss of potential sites due to complexities associated with zoning and permitting processes, higher than anticipated acquisition costs or other factors. Finally, we have no assurance our de novo branches or branches that we may acquire will be successful even after they have been established or acquired, as the case may be.

Expansion into New Markets. Much of our recent growth, and all of our growth through acquisitions, has been focused in the highly-competitive Memphis and Nashville, Tennessee and Birmingham and Huntsville, Alabama metropolitan markets. The customer demographics and financial services offerings in these markets are unlike those found in the Mississippi markets that we have historically served. In these growth markets we face competition from a wide array of financial institutions, including much larger, well-established financial institutions. Our expansion into these new markets may be unsuccessful if we are unable to meet customer demands or compete effectively with the financial institutions operating in these markets.

Regulatory and Economic Factors. Our growth and expansion plans may be adversely affected by a number of regulatory and economic developments or other events. Failure to obtain required regulatory approvals, changes in laws and regulations or other regulatory developments and changes in prevailing economic conditions or other unanticipated events may prevent or adversely affect our continued growth and expansion. Such factors may cause us to alter our growth and expansion plans or slow or halt the growth and expansion process, which may prevent us from entering certain target markets or allow competitors to gain or retain market share in our existing or expected markets.

Failure to successfully address these issues could have a material adverse effect on our financial condition and results of operations, and could adversely affect our ability to successfully implement our business strategy. Also, if our growth occurs more slowly than anticipated or declines, our operating results could be materially adversely affected.

We may face risks with respect to future acquisitions.

When we attempt to expand our business through mergers or acquisitions, we seek partners that are culturally similar to us, have experienced management and possess either significant market presence or have potential for improved profitability through economies of scale or expanded services. Acquiring other banks, businesses or branches involves various risks commonly associated with acquisitions, including, among other things:

- the time and costs associated with identifying and evaluating potential acquisition and merger partners;
- inaccuracies in the estimates and judgments used to evaluate credit, operations, management and market risks with respect to the target institution;
- the time and costs of evaluating new markets, hiring experienced local management and opening new bank locations, and the time lags between these activities and the generation of sufficient assets and deposits to support the costs of the expansion;
- our ability to finance an acquisition and possible dilution to our existing shareholders;
- the diversion of our management s attention to the negotiation of a transaction;
- the incurrence of an impairment of goodwill associated with an acquisition and adverse effects on our results of operations;
- entry into new markets where we lack experience; and

risks associated with integrating the operations and personnel of the acquired business, which are discussed above in the context of our proposed acquisition of Capital.

Although we have no current intentions regarding new acquisitions in the next few years, we expect to continue to evaluate merger and acquisition opportunities that are presented to us and conduct due diligence activities related to possible transactions with other financial institutions. As a result, merger or acquisition discussions and, in some cases, negotiations may take place, and future mergers or acquisitions involving cash, debt or equity securities may occur at any time. Acquisitions typically involve the payment of a premium over book and market values, and, therefore, some dilution of our tangible book value and net income per common share may occur in connection with any future transaction. Furthermore, failure to realize the expected revenue increases, cost savings, increases in geographic or product presence and/or other projected benefits from an acquisition could have a material adverse effect on our financial condition and results of operations.

Competition in the banking industry is intense and may adversely affect our profitability.

We face substantial competition in all areas of our operations from a variety of different competitors, many of which are larger and have substantially greater resources than we have, including higher total assets and capitalization, greater access to capital markets and a broader offering of financial services. Such competitors primarily include national, regional and community banks within the various markets in which we operate. We also face competition from many other types of financial institutions, including savings and loans, credit unions, finance companies, brokerage firms, insurance companies, factoring companies and other financial intermediaries.

Our industry could become even more competitive as a result of legislative, regulatory and technological changes and continued consolidation. Banks, securities firms and insurance companies can merge under the umbrella of a financial holding company, which can offer virtually any type of financial service, including banking, securities underwriting, insurance (both agency and underwriting) and merchant banking. Also, technology has lowered barriers to entry and made it possible for non-banks to offer products and services traditionally provided by banks, such as automatic transfer and automatic payment systems. Many of our competitors have fewer regulatory constraints and may have lower cost structures.

Our ability to compete successfully depends on a number of factors, including, among other things:

- the ability to develop, maintain and build upon long-term customer relationships based on top quality service, high ethical standards and safe, sound assets;
- the ability to expand our market position;
- the scope, relevance and pricing of products and services offered to meet customer needs and demands;
- the rate at which we introduce new products and services relative to our competitors;
- customer satisfaction with our level of service; and
- industry and general economic trends.

Failure to perform in any of these areas could significantly weaken our competitive position, which could adversely affect our growth and profitability, which, in turn, could have a material adverse effect on our financial condition and results of operations.

Our profitability depends significantly on economic conditions in the states of Mississippi, Tennessee and Alabama.

Our success depends primarily on the general economic conditions of the states of Mississippi, Tennessee and Alabama and the specific local markets in each of those states in which we operate. Unlike larger national or other regional banks that are more geographically diversified, 73% of our loans and 61% of our deposits are principally located in the Tupelo, Oxford and DeSoto County, Mississippi; Memphis and Nashville, Tennessee; and Birmingham, Decatur and Huntsville, Alabama metropolitan areas. The local economic conditions in these

areas have a significant impact on the demand for our products and services as well as the ability of our customers to repay loans, the value of the collateral securing loans and the stability of our deposit funding sources.

The earnings of bank holding companies are significantly affected by general business and economic conditions.

In addition to the risks associated with the general economic conditions in the markets in which we operate, our operations and profitability are also impacted by general business and economic conditions in the United States and abroad. These conditions include short-term and long-term interest rates, inflation, money supply, political issues, legislative and regulatory changes, fluctuations in both debt and equity capital markets, broad trends in industry and finance and the strength of the U.S. economy and the local economies in which we operate, all of which are beyond our control. A deterioration in economic conditions could result in an increase in loan delinquencies and non-performing assets, decreases in loan collateral values and a decrease in demand for our products and services, among other things, any of which could have a material adverse effect on our financial condition and results of operations.

We are subject to extensive government regulation, and such regulation could limit or restrict our activities and adversely affect our earnings.

We and our bank are subject to extensive federal and state regulation and supervision. Banking regulations are primarily intended to protect depositors funds, federal deposit insurance funds and the banking system as a whole, not the economic or other interests of shareholders. These regulations affect our lending practices, capital structure, investment practices, dividend policy and growth, among other things. Changes to statutes, regulations or regulatory policies, including changes in interpretation or implementation of the foregoing, could affect us and/or our bank in substantial and unpredictable ways. Such changes could subject us to additional costs, limit the types of financial services and products we may offer and/or increase the ability of non-banks to offer competing financial services and products, among other things.

Under regulatory capital adequacy guidelines and other regulatory requirements, we and our bank must meet guidelines that include quantitative measures of assets, liabilities and certain off-balance sheet items, subject to qualitative judgments by regulators about components, risk weightings and other factors. If we fail to meet these minimum capital guidelines and other regulatory requirements, our financial condition would be materially and adversely affected. Our failure to maintain the status of well capitalized under our regulatory framework could affect the confidence of our customers in us, thus compromising our competitive position. In addition, failure to maintain the status of well capitalized under our regulatory framework or well managed under regulatory examination procedures could compromise our status as a bank holding company and related eligibility for a streamlined review process for acquisition proposals.

We are also subject to laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and new SEC regulations. These laws, regulations and standards are subject to varying interpretations in many cases, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We are committed to maintaining high standards of corporate governance and public disclosure. As a result, our efforts to comply with evolving laws, regulations and standards have resulted in, and are likely to continue to result in, increased expenses and a diversion of management time and attention.

Failure to comply with laws, regulations or policies could also result in sanctions by regulatory agencies and/or civil money penalties, which could have a material adverse effect on our business, financial condition and results of operations. While we have policies and procedures designed to prevent any such violations, there can be no assurance that such violations will not occur. Please refer to Note N in the notes to consolidated financial statements included elsewhere in this prospectus for additional information regarding the regulatory environment in which we operate.

Our recent results may not be indicative of our future results.

We do not expect to be able to sustain our historical rate of growth, and we may not even be able to grow our business at all. Our recent and rapid growth, which was due in large part to our acquisitions of Renasant Bancshares and Heritage in 2004 and 2005, respectively, may distort some of our historical financial ratios and statistics. In the future, we may not have the benefit of several recently favorable factors, such as a generally stable interest rate environment, a strong residential mortgage market or the ability to find suitable expansion opportunities. In addition, we have no current intentions regarding future acquisitions of financial institutions. Thus, our future rate of growth is unlikely to reflect the rate of our growth we have experienced since 2004. Various factors, such as economic conditions, regulatory and legislative considerations and competition, which are discussed in more detail above, may also impede or prohibit our ability to expand our market presence. If we experience a significant decrease in our historical rate of growth, our results of operations and financial condition may be adversely affected.

We may not be able to attract and retain skilled people.

Our success depends in part on our ability to retain key executives and to attract and retain additional qualified personnel who have experience both in sophisticated banking matters and in operating a bank of our size. Competition for such personnel is intense in the banking industry, and we may not be successful in attracting or retaining the personnel we require. The unexpected loss of one or more of our key personnel could have a material adverse effect on our business because of their skills, knowledge of our markets, years of industry experience and the difficulty of promptly finding qualified replacements. We expect to effectively compete in this area by offering financial packages that are competitive within the industry.

We are subject to environmental liability risk associated with lending activities.

A significant portion of our loan portfolio is secured by real property. During the ordinary course of business, we may foreclose on and take title to properties securing certain loans. In doing so, there is a risk that hazardous or toxic substances could be found on these properties. If hazardous or toxic substances are found, we may be liable for remediation costs, as well as for personal injury and property damage. Environmental laws may require us to incur substantial expenses and may materially reduce the affected property s value or limit our ability to use or sell the affected property. The remediation costs and any other financial liabilities associated with an environmental hazard could have a material adverse effect on our financial condition and results of operations. In addition, future laws or more stringent interpretations or enforcement policies with respect to existing laws may increase our exposure to environmental liability. Although management has policies and procedures to perform an environmental review before the loan is recorded and before initiating any foreclosure action on real property, these reviews may not be sufficient to detect all potential environmental hazards.

Severe weather, natural disasters, acts of war or terrorism and other external events could significantly impact our business.

Severe weather, natural disasters, acts of war or terrorism and other adverse external events could have a significant impact on our ability to conduct business. Such events could affect the stability of our deposit base, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, cause significant property damage, result in loss of revenue and/or cause us to incur additional expenses. For example, during 2005, Hurricanes Katrina and Rita made landfall and subsequently caused extensive flooding and destruction along the coastal areas of the Gulf of Mexico. Although our operations were not disrupted by these hurricanes or their aftermath, other severe weather or natural disasters, acts of war or terrorism or other adverse external events may occur in the future. Although management has established disaster recovery policies and procedures, the occurrence of any such event could have a material adverse effect on our business, which, in turn, could have a material adverse effect on our financial condition and results of operations.

Risks Associated With Our Common Stock

Shares eligible for future sale could have a dilutive effect.

Shares of our common stock eligible for future sale, including those that may be issued in the acquisition of Capital and any other offering of our common stock for cash, could have a dilutive effect on the market for our common stock and could adversely affect market prices.

As of February 28, 2007, there were 75,000,000 shares of our common stock authorized, of which 15,560,006 shares were outstanding, excluding 1,174,883 shares issuable under outstanding options and warrants to purchase our common stock as of February 28, 2007. We currently estimate that up to a maximum of approximately 2.9 million shares will be issued to Capital shareholders in connection with that acquisition. Under the merger agreement, in the event that both the market value of our common stock and the value of the NASDAQ Bank Index decline by amounts specified in the merger agreement as of the date of determination, we may adjust the exchange ratio used in the merger agreement to account for the decline in the value of our stock price; if no adjustment is made, Capital may terminate the merger agreement. As a result, we are unable to state with certainty the number of shares that we may ultimately issue in the Capital transaction. Any adjustment in the exchange ratio will likely result in additional shares of our common stock being issued to Capital shareholders, which would cause additional dilution to our current shareholders and investors purchasing shares in this offering.

The market price of our common stock may decline after the stock offering.

We are currently offering for sale shares of our common stock (shares if the underwriters exercise their over-allotment option in full). The possibility that substantial amounts of shares of our common stock may be sold in the public market may cause prevailing market prices for our common stock to decrease. Additionally, because stock prices generally fluctuate over time, there is no assurance purchasers of common stock in the offering will be able to sell shares after the offering at a price equal to or greater than the actual purchase price. Purchasers should consider these possibilities in determining whether to purchase shares of common stock and the timing of any sale of shares of common stock.

Our stock price can be volatile.

Stock price volatility may make it more difficult for you to resell your common stock when you want and at prices you find attractive. Our stock price can fluctuate significantly in response to a variety of factors including, among other things:

- actual or anticipated variations in quarterly results of operations;
- recommendations by securities analysts;
- operating and stock price performance of other companies that investors deem comparable to us;
- news reports relating to trends, concerns and other issues in the banking and financial services industry;
- perceptions in the marketplace regarding us and/or our competitors;
- new technology used, or services offered, by us or our competitors;

significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors;

failure to integrate acquisitions or realize anticipated benefits from acquisitions;

changes in government regulations; and

geopolitical conditions such as acts or threats of terrorism or military conflicts.

General market fluctuations, industry factors and general economic and political conditions and events, such as economic slowdowns or recessions, interest rate changes or credit loss trends, could also cause our stock price to decrease regardless of operating results.

The trading volume in our common stock is less than that of other larger bank holding companies.

Although our common stock is listed for trading on The NASDAQ Global Select Market, the average daily trading volume in our common stock is low, generally less than that of many of the our competitors and other larger bank holding companies. For the three months ended February 28, 2007, the average daily trading volume for our common stock was approximately 25,500 shares per day. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of our common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. Significant sales of our common stock, or the expectation of these sales, could cause volatility in the price of our common stock.

Our ability to declare and pay dividends is limited by law, and we may be unable to pay future dividends.

We are a separate and distinct legal entity from our bank, and we receive substantially all of our revenue from dividends from our bank. These dividends are the principal source of funds to pay dividends on our common stock and interest and principal on debt. Various federal and/or state laws and regulations limit the amount of dividends that our bank may pay to us. In the event our bank is unable to pay dividends to us, we may not be able to service debt, pay obligations or pay dividends on our common stock. The inability to receive dividends from our bank could have a material adverse effect on our business, financial condition and results of operations. See Price Range of Our Common Stock and Dividend Information below for more information regarding restrictions on our ability to pay dividends.

Holders of our junior subordinated debentures have rights that are senior to those of our common shareholders.

We have supported our continued growth through the issuance of trust preferred securities from special purpose trusts and accompanying junior subordinated debentures. Also, in connection with the Heritage acquisition, we assumed junior subordinated debentures issued by Heritage. At December 31, 2006, we had outstanding trust preferred securities and accompanying junior subordinated debentures totaling approximately $64 million. Payments of the principal and interest on the trust preferred securities of these trusts are conditionally guaranteed by us. Further, the junior subordinated debentures we issued to the trusts are senior to our shares of common stock. As a result, we must make payments on the junior subordinated debentures before any dividends can be paid on our common stock and, in the event of our bankruptcy, dissolution or liquidation, the holders of the junior subordinated debentures must be satisfied before any distributions can be made on our common stock. We have the right to defer distributions on our junior subordinated debentures (and the related trust preferred securities) for up to five years, during which time no dividends may be paid on our common stock.

An investment in our common stock is not an insured deposit.

Our common stock is not a bank deposit and, therefore, is not insured against loss by the FDIC, any deposit insurance fund or by any other public or private entity. Investment in our common stock is inherently risky for the reasons described in this Risk Factors section and elsewhere in this report and is subject to the same market forces that affect the price of common stock in any company. As a result, if you acquire our common stock, you may lose some or all of your investment.

Our Articles of Incorporation and Bylaws, as well as certain banking laws, could decrease our chances of being acquired even if our acquisition is in our shareholders best interests.

Provisions of our Articles of Incorporation and Bylaws and federal banking laws, including regulatory approval requirements, could make it more difficult for a third party to acquire us, even if doing so would be perceived to be beneficial to our shareholders. The combination of these provisions impedes a non-negotiated merger or other business combination, which, in turn, could adversely affect the market price of our common stock.

Our issuance of preferred stock could adversely affect holders of our common stock and discourage a takeover.

Our board of directors is authorized to issue up to 5,000,000 shares of preferred stock without any action on the part of our shareholders. Our board of directors also has the power, without shareholder approval, to set the terms of any series of preferred stock that may be issued, including voting rights, dividend rights, preferences over our common stock with respect to dividends or in the event of a dissolution, liquidation or winding up and other terms. In the event that we issue preferred stock in the future that has preference over our common stock with respect to payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of the holders of our common stock or the market price of our common stock could be adversely affected. In addition, the ability of our board of directors to issue shares of preferred stock without any action on the part of our shareholders may impede a takeover of us and prevent a transaction favorable to our shareholders.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents that are made part of this prospectus by reference to other documents filed with the Securities and Exchange Commission contain various forward-looking statements about us 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. Forward-looking statements include information concerning our future financial performance, business strategy, projected plans and objectives. Statements preceded by, followed by or that otherwise include the words believes, expects, anticipates, intends, estimates, plans, may increase, may fluctuate, will likely result, and similar express or conditional verbs such as will, should, would, and could , are generally forward-looking in nature and not historical facts. You should understand that the following important factors, in addition to those discussed elsewhere in this prospectus and in the documents which are incorporated by reference into this prospectus, could cause results to differ materially from those expressed in such forward-looking statements:

the effect of economic conditions and interest rates on a national, regional or international basis;

the performance of our businesses following our merger with Capital;

the timing of the implementation of changes in operations to achieve enhanced earnings or effect cost savings;

our ability to successfully integrate our operations with Capital s, the compatibility of the operating systems of the combining companies and the degree to which our existing administrative and back-office functions and costs are complementary with or redundant of Capital s;

competitive pressures in the consumer finance, commercial finance, insurance, financial services, asset management, retail banking, mortgage lending and auto lending industries;

the financial resources of, and products available to, competitors;

changes in laws and regulations, including changes in accounting standards;

changes in policy by regulatory agencies;

changes in the securities and foreign exchange markets;

opportunities that may be presented to and pursued by us following our merger with Capital;

our potential growth, including our entrance or expansion into new markets, and the need for sufficient capital to support that growth;

changes in the quality or composition of our loan or investment portfolios, including adverse developments in borrower industries or in the repayment ability of individual borrowers;

- an insufficient allowance for loan losses as a result of inaccurate assumptions;
- the strength of the economies in our target markets, as well as general economic, market or business conditions;
- changes in demand for loan products and financial services;
- concentration of credit exposure;
- changes or the lack of changes in interest rates, yield curves and interest rate spread relationship; and
- other circumstances, many of which are beyond our control.

Our management believes the forward-looking statements about us are reasonable. However, you should not place undue reliance on them. Any forward-looking statements in the prospectus are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results, developments and business decisions may differ from those contemplated by those forward-looking statements. Many of the factors that will determine these results are beyond our ability to control or predict. We disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section.

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USE OF PROCEEDS

Assuming a public offering price of $24.13 (based on the closing price of our common stock on The NASDAQ Global Select Market on March 9, 2007), the following table shows the calculation of the estimated net proceeds we will receive from the sale of shares of our common stock in this offering.

Gross proceeds from offering	$ 60,000,000
Less: Underwriting discounts and commissions	3,450,000
Estimated expenses of offering	400,000
Net proceeds to us	$ 56,150,000

We expect to use the net proceeds to fund the cash portion of the merger consideration payable in our acquisition of Capital. Under the terms of our merger agreement with Capital, the maximum amount of cash merger consideration we could be required to pay is approximately $55 million, based on the number of shares of Capital common stock outstanding as of the date of this prospectus and assuming that 40% of the merger consideration is paid in cash. We intend to use any proceeds of this offering remaining after the payment of the cash merger consideration for general corporate purposes, including, among other things, to support our bank s internal growth and capital needs.

Our acquisition of Capital is discussed in more detail in this prospectus in the section entitled Business Recent Developments. The acquisition of Capital is subject to approval by Capital s shareholders and regulatory approval and to other conditions specified in the merger agreement with Capital. The success of this offering, however, is not a condition to the Capital acquisition. If the Capital acquisition is not completed, we expect to use the entire net proceeds of this offering for general corporate purposes, including, among other things, to support our bank s internal growth and capital needs.

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CAPITALIZATION

The following table sets forth our capitalization and certain capital ratios as of December 31, 2006. Our capitalization is presented:

- on an actual basis;
- on an as adjusted basis to reflect the sale of approximately 2.486 million shares of our common stock at a public offering price of $24.13 per share (based on the closing price of our common stock on The NASDAQ Global Select Market on March 9, 2007) and our receipt of approximately $56.2 million in estimated net proceeds from this offering, after deducting underwriting discounts and commissions and estimated expenses of this offering; and
- on a pro forma as adjusted basis, giving effect to the aforementioned offering, and assuming approximately 2.674 million shares to be issued in connection with the acquisition of Capital and the application of $55.0 million of the estimated net proceeds from this offering to pay the cash portion of the merger consideration, assuming that 40% of the merger consideration is paid in cash.

We have based the as adjusted and pro forma as adjusted capitalization information on available information and assumptions that management believes are reasonable and that reflect the effect of these transactions as if they occurred on December 31, 2006. In the event that both the market value of our common stock and the value of the NASDAQ Bank Index decline by amounts specified in the merger agreement as of the date of determination, we may adjust the exchange ratio used in the merger agreement to account for the decline in the value of our stock price; if no adjustment is made, Capital may terminate the merger agreement. This table should be read in conjunction with the information appearing under Summary Unaudited Pro Forma Condensed Combined Financial Data and our historical financial statements and related notes included elsewhere in this prospectus and the historical financial statements and related notes of Capital included in this prospectus.

	December 31, 2006		
	Actual (1)	As adjusted (2)(3)	Pro forma as adjusted (3)(4)
	(Dollars in thousands, except per share data)		
Long-term Debt:			
Junior subordinated debentures (5)	$ 64,204	$ 64,204	$ 76,576
Shareholders Equity:			
Preferred stock, $.01 par value 5,000,000 authorized; no shares issued			
Common stock, $5.00 par value 75,000,000 shares authorized, 17,233,559 shares issued as of December 31, 2006	86,168	98,601	111,971
as adjusted 19,720,090 shares issued; (6)			
pro forma as adjusted 22,394,116 shares issued (6)			
Treasury stock, at cost	(25,719)	(25,719)	(25,719)
Additional paid-in capital	83,844	127,561	190,072
Retained earnings	114,254	114,254	114,254
Accumulated other comprehensive income (loss)	(5,843)	(5,843)	(5,843)
Total shareholders equity	$ 252,704	$ 308,854	$ 384,735
Book value per share (6)	$ 16.27	$ 17.14	$ 18.59

	December 31, 2006		
	Actual (1)	As adjusted (2)(3) (Dollars in thousands)	Pro forma as adjusted (3)(4)
Capital Ratios:			
Tier 1 leverage ratio (7)	8.95%	10.98%	8.48%
Risk-based capital: (8)			
Tier 1 risk-based capital	11.31%	13.78%	10.66%
Total risk-based capital	12.31%	14.75%	11.84%

(1) Reflects 15,536,475 shares outstanding at December 31, 2006.

(2) As adjusted, reflects 18,023,006 shares outstanding after the completion of this offering. If the underwriter s over-allotment option is exercised in full, common stock, additional paid-in capital and total shareholder s equity would be $100,466, $134,179 and $317,337, respectively.

(3) Before issuance of up to 372,980 shares of common stock pursuant to the underwriters over-allotment option.

(4) Pro forma as adjusted, reflects 20,697,032 shares outstanding upon the completion of this offering and the completion of the merger with Capital. For purposes of this offering, we assume 2,674,026 shares to be issued in connection with the acquisition. If the underwriter s over-allotment option is exercised in full, common stock, additional paid-in capital and total shareholder s equity would be $113,836, $196,690 and $393,218, respectively.

(5) Consists of debt issued in connection with our trust preferred securities and, for pro forma as adjusted, debt issued in connection with Capital s trust preferred securities that we will assume in connection with the merger.

(6) Actual book value per share equals total shareholders equity of $252,704, divided by 15,536,475 shares issued at December 31, 2006. Book value per share as adjusted equals total shareholders equity of $308,854 (assuming net proceeds of this offering of approximately $56,150), divided by 18,023,006 shares (assuming issuance and sale of 2,486,531 shares). Book value per share pro forma as adjusted equals total shareholders equity of $384,735 (assuming net proceeds of this offering of approximately $56,150) divided by 20,697,032 shares (assuming the issuance and sale of 2,486,531 shares in this offering and the issuance of 2,674,026 shares in connection with the Capital merger).

(7) Tier 1 leverage ratio is defined as Tier 1 capital (pursuant to risk-based capital guidelines) as a percentage of adjusted average assets for the year ended December 31, 2006. As adjusted calculation assumes that the proceeds from the offering would have been received as the last transaction for the year ended December 31, 2006. Pro forma as adjusted calculation assumes that the proceeds from the offering would have been received as the last transaction for the year ended December 31, 2006 and as if the Capital merger had been consummated on December 31, 2006.

(8) The as adjusted and pro forma as adjusted calculations for the risk-based capital ratios assume that the net proceeds from the offering are invested in assets which carry a 0% risk weighting as of December 31, 2006.

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PRICE RANGE OF OUR COMMON STOCK AND DIVIDEND INFORMATION

Effective July 3, 2006, our common stock began trading on The NASDAQ Global Select Market. From May 2, 2005 until July 3, 2006, our common stock traded on The NASDAQ National Market (for purposes of the following discussion, Nasdaq refers to The NASDAQ National Market for the period when our common stock was listed on such market tier and refers to The NASDAQ Global Select Market thereafter). Our ticker symbol on Nasdaq is RNST . Prior to May 2, 2005, our common stock traded on the American Stock Exchange (AMEX) under the ticker symbol PHC . On February 28, 2007, we had approximately 5,367 shareholders of record.

The following table sets forth the high and low sales price for our common stock for each quarterly period for the fiscal years ended December 31, 2006 and 2005 as reported on Nasdaq or the AMEX, as applicable, and the amount of cash dividends declared during each quarterly period during such fiscal years:

	Prices		Dividends
	High	**Low**	**Per Share**
2007:			
1st Quarter (through March 14, 2007)	$ 31.50	$ 22.88	$ 0.160
2006			
1st Quarter	$ 24.63	$ 20.90	$ 0.153
2nd Quarter	26.90	23.41	0.153
3rd Quarter	31.46	25.65	0.160
4th Quarter	32.63	27.32	0.160
2005			
1st Quarter	$ 22.09	$ 20.00	$ 0.140
2nd Quarter	21.61	18.67	0.147
3rd Quarter	23.33	19.43	0.147
4th Quarter	21.73	19.34	0.147

The Nasdaq and AMEX quotations and the dividends per share have been adjusted for our three-for-two stock split paid on August 28, 2006.

Holders of our common stock are entitled to receive dividends when, as and if declared by our board of directors out of funds legally available for dividends. Historically, we have paid quarterly cash dividends on our common stock, and our board of directors presently intends to continue to pay regular quarterly cash dividends. Our ability to pay dividends to our shareholders in the future will depend on our earnings and financial condition, liquidity and capital requirements, the general economic and regulatory climate, our ability to service any equity or debt obligations senior to our common stock, including our outstanding trust preferred securities and accompanying junior subordinated debentures, and other factors deemed relevant by our board of directors. In order to pay dividends to shareholders, we must receive cash dividends from our bank. As a result, our ability to pay future dividends will depend upon the earnings of the bank, its financial condition and its need for funds.

Moreover, there are a number of federal and state banking policies and regulations that restrict our bank s ability to pay dividends. In particular, because the bank is a depository institution and its deposits are insured by the FDIC, it may not pay dividends or distribute capital assets if it is in default on any assessment due to the FDIC. Also, our bank is subject to regulations which impose certain minimum capital requirements that affect the amount of cash available for distribution to us. Federal Reserve policy requires us to maintain adequate regulatory capital, and we are expected to serve as a source of financial strength to our bank and to commit resources to support the bank. Finally, the approval of the Mississippi Department of Banking and Consumer Finance is required prior to the bank paying dividends, which are limited to earned surplus in excess of three times capital stock. These policies and regulations may have the effect of reducing or eliminating the amount of dividends that we can declare and pay to our shareholders in the future.

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BUSINESS

Renasant Corporation

We are a bank holding company headquartered in Tupelo, Mississippi. We own and operate Renasant Bank, a Mississippi banking association with operations in Mississippi, Alabama and Tennessee. Renasant Bank owns Renasant Insurance, Inc., a Mississippi corporation with operations in Mississippi. Our bank was originally founded in 1904 as The Peoples Bank & Trust Company. In 1982, we reorganized as a bank holding company. In 2005, we changed our name from The Peoples Holding Company to Renasant Corporation, following our acquisition of Renasant Bancshares.

We are engaged in the general banking business and activities closely related to banking, as authorized by the banking laws and regulations of the United States. Substantially all of our business activities are conducted through, and substantially all of our assets and revenues are derived from, our bank. Through Renasant Insurance, we also offer all lines of commercial and personal insurance through major carriers.

Our assets primarily consist of our investment in our bank. At December 31, 2006, our consolidated total assets were approximately $2.6 billion, our total loans were approximately $1.8 billion, our total deposits were approximately $2.1 billion, and our total shareholders equity was approximately $252 million.

We have four reportable segments: a Mississippi community bank, a Tennessee community bank, an Alabama community bank and an insurance agency. Financial information about our segments, including information with respect to revenues from external customers, profit or loss and total assets for each segment, is contained in the notes to our consolidated financial statements included with this prospectus. The description of the activities conducted by our bank below applies to the operations of each of our three banking segments.

Our principle executive offices are located at 209 Troy Street, Tupelo, Mississippi 38804. Our telephone number at that address is (662) 680-1001. Our internet address is www.renasant.com.

Renasant Bank

Our bank is a community bank offering a complete range of banking and financial services to individuals and to small to medium-size businesses. These services include checking and savings accounts, business and personal loans, interim construction and residential mortgage loans, student loans, equipment leasing, as well as safe deposit and night depository facilities. Additionally, we offer our customers 24-hour banking services through our internet banking product and our call center, and we are open on Saturdays in many of our markets.

In 2000, our current management implemented a strategic shift in our bank s focus, with the goal of expanding our bank s business and operations from a local bank serving primarily rural markets in Mississippi to a regional bank with a focus on growth markets. As part of our expansion, we acquired Renasant Bancshares and Heritage Financial Holding Corporation. In addition to these acquisitions, we also expanded the products and services we had historically provided in an attempt to attract customers in our growth markets both within and outside of Mississippi. Management responsibilities were also realigned to reflect our new regional focus. Our name change, as well as the change of our bank s name to Renasant Bank, also reflects this strategic shift.

As of February 28, 2007, our bank had 60 banking (including loan production), financial services and mortgage offices located throughout our markets in north and north central Mississippi, west and middle Tennessee, and north and north central Alabama. The map located on the inside front cover of this prospectus provides further detail of our office locations as well as the office locations of Capital, which we propose to acquire as described below.

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In Mississippi, our bank has seven branches in Tupelo, three branches in Booneville, two branches each in Amory, Corinth, Pontotoc and West Point and one branch each in Aberdeen, Batesville, Belden, Calhoun City, Coffeeville, Grenada, Guntown, Hernando, Horn Lake, Iuka, Louisville, New Albany, Okolona, Olive Branch, Oxford, Saltillo, Sardis, Shannon, Smithville, Southaven, Verona, Water Valley and Winona. Our bank operates one loan production office in Hernando and two financial services offices, one office each in Tupelo and Southaven.

In Tennessee, our bank operates four branches, one branch each in Memphis, Germantown, Cordova and Collierville. In addition, our bank operates a loan production office in Brentwood, a suburb of Nashville.

In Alabama, our bank has three branches in Decatur, two branches in Birmingham and one branch each in Huntsville, Madison and Trussville. Our bank operates two loan production offices, one office each in Hoover and Montgomery, which offer 1-4 family residential mortgages.

The following two tables reflect on a dollar amount and percentage basis, respectively, the changes in the distribution of our bank s total assets, loans, deposits and bank facilities located in Mississippi, Alabama and Tennessee from December 31, 2000 to December 31, 2006:

State	Assets		Loans		Deposits		Offices	
	2000	2006	2000	2006	2000	2006	2000	2006
	(Dollar amounts in thousands)							
Mississippi	$ 1,211,940	$ 1,472,998	$ 812,701	$ 992,654	$ 1,046,605	$ 1,345,694	42	51
Tennessee		449,561		348,543		295,406		4
Alabama		688,797		485,565		467,865		8
Total	$ 1,211,940	$ 2,611,356	$ 812,701	$ 1,826,762	$ 1,046,605	$ 2,108,965	42	63

State	Assets		Loans		Deposits		Offices	
	2000	2006	2000	2006	2000	2006	2000	2006
Mississippi	100%	57%	100%	54%	100%	64%	100%	81%
Tennessee		17		19		14		6
Alabama		26		27		22		13
Total	100%	100%	100%	100%	100%	100%	100%	100%

Renasant Insurance

Renasant Insurance is a full-service insurance agency offering all lines of commercial and personal insurance through major carriers. At December 31, 2006, Renasant Insurance contributed total revenue of $3.7 million, or 2.88%, of our total revenue and operated three offices in central and northern Mississippi.

Business Strategy

Our vision is to be the financial services provider of choice in each community we serve and to deliver attractive shareholder returns. In order to achieve these objectives, we intend to focus on the following areas:

Emphasize Relationship Banking. We believe that customers want to do business with a community bank. We believe that we are able to compete successfully with larger competitors because we constantly strive to deliver the level of exceptional customer service traditionally offered by a community bank while seeking opportunities to strengthen relationships both with customers and in the communities we serve. While all of our branch banks operate within our single banking subsidiary, we have taken steps to enable these branches to provide the personalized products and customer service that we believe solidifies client relationships and builds customer loyalty. Our personalized approach is most apparent in the organization of our branch banks.

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Our branch banks have been organized into community banks using a franchise concept. The franchise approach empowers our community bank presidents to execute their own business plans in order to rapidly deliver personalized service and products tailored to the local communities in which our bank is located. Specific performance measurement tools are available to assist our community bank presidents in determining the success of their business plan implementation. Some of the ratios used in measuring the success of their business plan include: return on average assets; the number and type of services provided per household; fee income shown as a percent of loans and deposits; the efficiency ratio; loan and deposit growth; net interest margin and spread; the percentage of loans past due in greater than 30, 60 and 90 day categories; and net charge-offs to average loans.

Capitalize on Organic Growth Opportunities. We target both consumers and small and medium-sized businesses in our markets. Due to the recent consolidation of financial institutions in our key growth markets, we believe there is a significant opportunity for us to obtain business from a new segment of commercial and retail customers. Additionally, experienced and talented management and lending personnel are often dislocated as a result of bank mergers, and we believe that our emphasis on community banking makes us an attractive new opportunity for these individuals. We believe that, by attracting such experienced management personnel and loan officers as well as sophisticated banking customers, we will be able to grow successfully both within our key growth markets and in potential new markets into which we might expand.

Grow Through Strategic Acquisitions and Targeted De Novo Branching. As a result of our 2000 strategic shift in our bank s focus, we have focused on expansion opportunities in markets with favorable growth characteristics and in which we believe we will be able to execute our strategy. Our mergers with Renasant Bancshares and Heritage have supported our goals of expanding into attractive markets. We believe that our proposed merger with Capital is consistent with this growth strategy.

In addition to seeking to capitalize on attractive acquisition opportunities in our key markets, we are also opening de novo branches to fill in our expanded footprint. Since 2005, we have opened full service de novo branches in Oxford, Mississippi, and East Memphis and Collierville, Tennessee, and a loan production office in Brentwood, Tennessee, a suburb of Nashville. Our strategic plans call for opening up to six additional branches in our Oxford, Mississippi, and Huntsville and Birmingham, Alabama, markets as well as in our Tennessee markets by the end of 2010. We believe that our de novo efforts will bolster our ability to take advantage of the opportunities for growth that have been created by our Tennessee and Alabama acquisitions (including our pending acquisition of Capital) and to capitalize on organic growth opportunities presented in our markets.

Increase Core Profitability. We have centralized our legal, accounting, investment, loan review, audit and data processing functions. The centralization of these processes enables us to maintain consistent quality of these functions and achieve certain economies of scale so that increases in our expense base should be lower than our proportional increase in assets and revenue as our franchise grows. Also, as we expand our fee-based services throughout our entire market area, including the new areas we enter into through expansion, we believe that we will be able to increase our noninterest income. This should improve our profitability over time.

Commencing in 2004, we conducted a strategic analysis of the operations in our legacy footprint markets aimed at reducing expenses. Based on this analysis, we streamlined the management of many of our Mississippi operations by placing our community bank presidents in charge of the operations of multiple branches and eliminating the position of community bank president at several of our branches. We remain committed to aggressively managing our costs within the framework of our business model.

Maintain Credit Quality. Maintaining strong credit quality is integral to our success. Our process for evaluating loans and determining the appropriate allowance for loan losses is described in more detail below. We believe that our policies and procedures with respect to the approval and monitoring of loans have been established in a manner that limits our exposure to the credit risk that is inherent in our lending activity. Despite our growth, we have consistently maintained strong asset quality. At December 31, 2006, our nonperforming assets, which include nonaccrual loans, loans 90 days or more past due and other real estate owned, as a percentage of total assets was 0.61%, and our net charge-offs to average loans for 2006 was 0.07%.

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Market Areas

Our market areas are located in north and north central Mississippi, west and middle Tennessee and north and north central Alabama. Over the past three years, we have made significant efforts to expand our market area outside of our traditional Mississippi markets and into what we believe are attractive growth markets. In addition, we believe that our acquisition of Capital, discussed in more detail below, illustrates that we are continuing our efforts to expand our franchise into attractive markets. Over the next two to three years, however, we intend to focus on integrating Capital into our operations and expanding through organic growth. Accordingly, we have no current expectations regarding any new acquisitions during this period, although we expect to continue to evaluate attractive acquisition opportunities that are presented to us.

On July 1, 2004, we acquired Renasant Bancshares, a bank holding company headquartered in Germantown, Tennessee, and its wholly-owned subsidiary, Renasant Bank of Tennessee. At the time of the acquisition, Renasant Bank of Tennessee had two banking offices in Germantown and Cordova, Tennessee, which are within the Memphis, TN-MS-AR Metropolitan Statistical Area (which we refer to as the Memphis MSA), and a loan production office in the Brentwood area of Williamson County, within the Nashville MSA.

We believe that Memphis and Nashville are very attractive growth markets for us. The Nashville and Memphis MSAs are the first and second largest Tennessee metropolitan statistical areas, respectively, according to data compiled by SNL Financial LC, with projected population growth rates from 2006 to 2011 of 10.88% and 6.51%, respectively. We believe that both of these markets offer desirable demographics in terms of our target customers. In addition, Memphis was recognized in the Winter 2006 edition of Southern Business and Development Magazine as one of the top 10 cities in the United States for business and industry headquarters relocation. The Nashville MSA has experienced a higher rate of population growth than the national average with a lower cost of living and lower unemployment rate. In 2007, Expansion Management magazine named the Nashville MSA one of the Hottest Cities for Business Expansion for the third consecutive year. According to SNL Financial, within the Nashville MSA, the Williamson County average annual household income is projected to increase from $122,625 in 2006 to $155,331 in 2011, while the total number of households is projected to increase 21.6% during the same time period.

We expanded into Alabama when we acquired Heritage Financial Holding Corporation, a bank holding company headquartered in Decatur, Alabama, and Heritage Bank, a wholly-owned subsidiary of Heritage, on January 1, 2005. At the time of the acquisition, Heritage Bank operated eight banking offices in Decatur, Huntsville and Birmingham, Alabama.

We believe that the three Alabama markets in which we operate also present enticing growth opportunities. Birmingham enjoyed several high-profile job announcements in the fourth quarter of 2006 and was ranked by the Gold Guide (published by the National Policy Research Council) as the eighth best location in the nation for entrepreneurs. It was also listed by the U.S. Bureau of Labor Statistics as one of the Top 10 largest Southeastern technology centers. Huntsville has the highest concentration of Inc. Magazine s 500 fastest-growing private companies and was rated the number one mid-market in the South in the June 2005 edition of Southern Business & Development Magazine. Decatur is home to 20 Fortune 500 companies, and Morgan County, in which Decatur is located, had the most announced capital investment in the state in 2004, according to the Morgan County Economic Development Association. Finally, both Huntsville and Decatur expect to receive a substantial influx of new residents over the next few years as a result of the Department of Defense s Base Realignment and Closure assignments.

While we have expanded into Tennessee and Alabama, we believe that the demographics and prospects in a number of our Mississippi markets also present attractive opportunities for growth. On February 27, 2007, Toyota announced plans to locate a vehicle assembly plant in the Tupelo area. Construction is set to begin in late 2007, with manufacturing operations commencing in 2010. We believe that the construction and operation of this Toyota plant enhances the future growth prospects of the Tupelo micropolitan area, and may help to insulate the Tupelo market from the full effect of any downturns in the Mississippi or national economy. We also believe the

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new Toyota plant will have a positive effect on the local construction industry and on the general employment outlook in the area. Even prior to the announcement of the new Toyota plant, Tupelo-Lee County ranked as the 2nd most active micropolitan area in the United States, according to Site Selection magazine. DeSoto County, another key growth market in Mississippi, is the fastest growing county in the state and is the 36th fastest growing county in the United States, according to the U.S. Census Bureau. In addition, according to SNL Financial, Desoto County is projected to grow 26.5% from 2006 until 2011 and is expected to see a 28.1% growth rate in total households during this same period. Lafayette County, where the City of Oxford is located, has a projected population growth rate from 2006 to 2011 of 8.23%, according to SNL Financial. In addition, the average home value in Oxford was calculated to be $226,404 according to a 2006 national Coldwell Banker real estate study.

Recent Developments

On February 5, 2007, we announced the signing of a definitive merger agreement pursuant to which we will acquire Capital, a bank holding company headquartered in Nashville, Tennessee, and the parent of Capital Bank, a Tennessee banking corporation. Based on our market close of $27.92 on February 2, 2007, the trading day immediately prior to the announcement of our execution of the definitive merger agreement with Capital, the aggregate transaction value, including the dilutive impact of Capital s options, is approximately $134.9 million.

At December 31, 2006, Capital operated seven full-service banking offices in the Nashville MSA, five branches in Davidson County and one branch in both Sumner and Williamson Counties. Capital had total assets of $564.4 million, total deposits of $465.0 million and total shareholders equity of $35.0 million at December 31, 2006. For the year ended December 31, 2006, Capital s basic and diluted earnings per share were $1.18 and $1.14, respectively. This marks an increase of 27% and 30%, respectively, compared to basic and diluted earnings per share for 2005. Net income for 2006 was $4.2 million, up 30% from 2005. Net loans and deposits grew 19% and 23%, respectively, in 2006.

As consideration for their shares of Capital common stock, each Capital shareholder (other than Capital shareholders who have exercised and maintained their dissenter s rights) may elect to receive for each share of Capital common stock they hold either (1) $38.00 in cash, (2) 1.2306 shares, which we refer to as the exchange ratio, of our common stock or (3) a combination of 40% cash, in the amount listed above, and 60% common stock, at the exchange ratio listed above. Shareholders elections are subject to an overall limitation that the aggregate stock consideration shall be no more than 65% and no less than 60% of the total merger consideration received by Capital shareholders. The merger is intended to qualify as a tax-free reorganization with respect to the portion of the merger consideration received as shares of our common stock. Outstanding options to purchase Capital common stock granted under Capital s equity plans will be automatically converted into options to purchase our common stock, except that (1) the per share exercise price of such options will be adjusted by dividing such exercise price by the exchange ratio and (2) the number of shares subject to such options will be adjusted by multiplying such number of shares by the exchange ratio. In the event that both the market value of our common stock and the value of the NASDAQ Bank Index decline by amounts specified in the merger agreement as of the date of determination, we may adjust the exchange ratio used in the merger to account for the decline in the value of our stock price; if no adjustment is made, Capital may terminate the merger agreement.

Three directors from Capital will join our board of directors. R. Rick Hart, Chairman and Chief Executive Officer of Capital, and John W. Gregory, Jr., Chief Operating Officer of Capital, will join our executive management team, with Mr. Hart overseeing our operations in our middle Tennessee markets.

Consummation of the merger is subject to various conditions, including (1) requisite approval of the merger from the holders of Capital common stock, (2) requisite approval of the merger by our shareholders to the extent required by applicable law and the rules of The NASDAQ Stock Market, (3) receipt of regulatory approvals and (4) the absence of any law or order prohibiting the consummation of the merger. In addition, each party s obligation to consummate the merger is subject to certain other conditions, including (1) the accuracy of the representations and warranties of the other party, (2) compliance by the other party with its covenants in all

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material respects, (3) the delivery of an opinion from our counsel relating to the U.S. federal income tax treatment of the merger, (4) the redemption of the rights issued to Capital shareholders under Capital s shareholder rights plan and (5) the approval for listing on The NASDAQ Global Select Market, subject to notice of issuance, of our common stock to be issued to holders of Capital common stock.

The acquisition is expected to close early in the third quarter of 2007. Pursuant to the terms of the merger agreement, Capital Bank is expected to merge with and into our bank immediately after the merger of Capital with and into us.

Our completion of the Capital acquisition is not contingent on the success of this offering. Additionally, the completion of the Capital acquisition is not certain, and we may or may not be able to consummate the transaction.

The summary of selected provisions of the merger agreement above is not complete and is qualified in its entirety by the merger agreement, which is filed as an exhibit to one of the documents incorporated by reference into this prospectus. We urge you to read the merger agreement for a more complete description of the merger.

Lending Activities

(Dollar amounts in this section in thousands)

General. Income generated by our lending activities, in the form of both interest income and loan-related fees, comprises a substantial portion of our revenue, accounting for approximately 70.32%, 69.06% and 62.12% of our total interest income and noninterest income in 2006, 2005 and 2004, respectively. Our lending philosophy is to minimize credit losses by following strict credit approval standards, diversifying our loan portfolio and conducting ongoing review and management of the loan portfolio.

Types of Loans and Current Maturities. The tables below set forth the amount of loans, net of unearned income, outstanding by type at the indicated dates and the amount of loans due in the periods indicated:

			December 31,		
Type of Loan	**2006**	**2005**	**2004**	**2003**	**2002**
Commercial, financial, agricultural	$ 236,741	$ 226,203	$ 175,571	$ 140,149	$ 139,457
Lease financing	4,234	7,468	10,809	12,148	15,338
Real estate construction	242,669	169,543	96,404	50,848	37,141
Real estate 1-4 family mortgage	636,060	566,455	375,698	293,097	293,022
Real estate commercial mortgage	629,354	597,273	395,048	280,097	277,824
Installment loans to individuals	77,704	79,281	87,950	86,313	96,902
Total loans, net of unearned income	$ 1,826,762	$ 1,646,223	$ 1,141,480	$ 862,652	$ 859,684

	Loan Maturities at December 31, 2006			
Type of Loan	**Within One Year**	**After One But Within Five Years**	**After Five Years**	**Total**
Commercial, financial and agricultural	$ 149,168	$ 76,095	$ 11,478	$ 236,741
Lease financing	3,480	442	312	4,234
Real estate construction	196,349	39,166	7,154	242,669
Real estate 1-4 family mortgage	366,065	211,882	58,113	636,060
Real estate commercial mortgage	268,282	246,263	114,809	629,354
Installment loans to individuals	34,044	42,554	1,106	77,704
	$ 1,017,388	$ 616,402	$ 192,972	$ 1,826,762

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The table below sets forth the fixed and variable rate loans maturing after one year as of December 31, 2006:

	Interest Sensitivity	
	Fixed Rate	Variable Rate
Due after 1 but within 5 years	$ 559,453	$ 56,949
Due after 5 years	192,658	314
	$ 752,111	$ 57,263

Description of Loans. The following is a description of the principal types of loans in our loan portfolio, the relative risk of each type of loan and the steps we take to reduce credit risk. We have omitted a discussion of lease financing, as it comprises only 0.23% of our portfolio at December 31, 2006.

Commercial, Financial and Agricultural Loans. Commercial, financial and agricultural loans (referred to as commercial loans), which accounted for approximately 12.96% of our total loans at December 31, 2006, are customarily granted to established local business customers in our market area on a fully collateralized basis to meet their credit needs. Many of these loans have terms allowing the loan to be extended for periods of between one and five years. Loans are usually structured either to fully amortize over the term of the loan or to balloon after the third year or fifth year of the loan, typically with an amortization period not to exceed 10 years. The terms and loan structure are dependent on the collateral and strength of the borrower. The loan-to-value ratios generally do not exceed 50% to 80%. The risks of these types of loans depend on the general business conditions of the local economy and the local business borrower s ability to sell its products and services in order to generate sufficient operating revenue to repay us under the agreed upon terms and conditions.

Commercial lending generally involves greater credit risk than residential real estate or installment loans to individuals and generally different risks from those associated with commercial real estate lending or construction loans. Although commercial loans may be collateralized by equipment or other business assets, the liquidation of collateral in the event of a borrower default may represent an insufficient source of repayment because equipment and other business assets may, among other things, be obsolete or of limited use. Accordingly, the repayment of a commercial loan depends primarily on the creditworthiness and projected cash flow of the borrower (and any guarantors), while liquidation of collateral is considered a secondary source of repayment. To manage these risks, our bank s policy is to secure its commercial loans with both the assets of the borrowing business and any other additional collateral and guarantees that may be available. In addition, we actively monitor certain financial measures of the borrower, including advance rate, cash flow, collateral value and other appropriate credit factors.

Real Estate Commercial Mortgage. Our Real Estate Commercial Mortgage loans (referred to as commercial real estate loans) represented approximately 34.45% of our total loans at December 31, 2006. We offer commercial real estate loans to developers of both commercial and residential properties. In addition, loans in which the owner develops a property with the intention of occupying it are also represented in commercial real estate. Because payments on these loans are often dependent on the successful development, operation and management of the properties, repayment of these loans may be affected by adverse conditions in the real estate market or the economy as a whole, in addition to the borrower s ability to generate sufficient operating revenue to repay us. If our estimate of value proves to be inaccurate, we may not be able to obtain full repayment on the loan in the event of default and foreclosure. We seek to minimize risks by limiting the maximum loan-to-value ratio and by strictly scrutinizing the financial condition of the borrower, the quality of the collateral and the management of the property securing the loan. We also actively monitor such financial measures as advance rate, cash flow, collateral value and other appropriate credit factors. We generally obtain loan guarantees from financially capable parties to the transaction based on a review of personal financial statements.

Real Estate 1-4 Family Mortgage. We are active in the Real Estate 1-4 Family Mortgage area (referred to as residential real estate loans), with approximately 34.82% of our total loans at December 31, 2006 being residential real estate loans. We offer both first and second mortgages on residential real estate as well as home equity lines of credit and term loans secured by first and second mortgages on the residences of borrowers for purchases, refinances, home improvements, education and other personal expenditures. Both fixed and variable rate loans are offered with competitive terms and fees. Originations of residential real estate loans are generated through either retail efforts in our branches or wholesale marketing, which involves obtaining mortgage referrals from third-party mortgage brokers. We attempt to minimize the risk associated with residential real estate loans by strictly scrutinizing the financial condition of the borrower; typically, we also limit the maximum loan-to-value ratio.

We retain loans for our portfolio when the bank has sufficient liquidity to fund the needs of established customers and when rates are favorable to retain the loans. We also originate residential real estate loans with the intention of selling them in the secondary market to third party private investors. These loans are collateralized by one-to-four family residential real estate and are sold with servicing rights released. Mortgage loan originations to be sold are locked in at a contractual rate with third party private investors, and we are obligated to sell the mortgages to such investors only if the mortgages are closed and funded. The risk we assume is conditioned upon loan underwriting and market conditions in the national mortgage market.

We also offer home equity loans or lines of credit as an option to borrowers who elect to utilize the accumulated equity in their homes by borrowing money through either a first or second lien home equity loan or line of credit. We limit our exposure to second lien home equity loans or lines of credit, which inherently carry a higher risk of loss upon default, by limiting these types of loans to borrowers with high credit scores.

Real Estate Construction. Our Real Estate Construction loans (referred to as construction loans) represented approximately 13.28% of our total loans at December 31, 2006. Our construction loan portfolio consists of single family residential properties, multi-family properties and commercial projects. Maturities for construction loans generally range from 6 to 12 months for residential property and from 12 to 24 months for non-residential and multi-family properties. Construction lending entails significant additional risks compared to residential mortgage or commercial real estate lending. A significant additional risk is that loan funds are advanced upon the security of the property under construction, which is of uncertain value prior to the completion of construction. Thus, it is more difficult to evaluate accurately the total loan funds required to complete a project and to calculate related loan-to-value ratios. To minimize the risks associated with construction lending, we limit loan-to-value ratios to 85% of when-completed appraised values for owner-occupied and investor-owned residential or commercial properties. We believe that these loan-to-value ratios will be sufficient to compensate for fluctuations in the real estate market and thus minimize the risk of loss.

Installment Loans to Individuals. Installment Loans to Individuals (referred to as consumer loans), which represented approximately 4.26% of our total loans at December 31, 2006, are granted to individuals for the purchase of personal goods. These loans are generally granted for periods ranging between one and five years at fixed rates of interest 1% to 5% above the prime interest rate quoted in *The Wall Street Journal*. Loss or decline of income by the borrower due to unplanned occurrences may represent risk of default to us. In the event of default, a shortfall in the value of the collateral may pose a loss to us in this loan category. Before granting a consumer loan, we assess the applicant s credit history and ability to meet existing and proposed debt obligations. Although the applicant s creditworthiness is the primary consideration, the underwriting process also includes a comparison of the value of the collateral, if any, to the proposed loan amount. We obtain a lien against the item securing the loan and hold title until the loan is repaid in full.

Credit Quality. Inherent in any lending activity is credit risk, that is, the risk of loss should a borrower default. Credit risk is monitored and managed by our loan committees, our loss management committee and our loan review staff. Credit quality and policies are major concerns of these committees. We try to maintain diversification within our loan portfolio in order to minimize the effect of economic conditions within a particular industry.

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Nonperforming Loans. Nonperforming loans are those on which the accrual of interest has stopped or loans which are contractually past due 90 days but on which interest continues to accrue. Generally, the accrual of income is discontinued when the full collection of principal or interest is in doubt or when the payment of principal or interest has been contractually 90 days past due, unless the obligation is both well secured and in the process of collection. Management, the loss management committee and our loan review staff closely monitor loans that are considered to be nonperforming. 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.

The following table shows the principal amounts of nonperforming and restructured loans at the periods indicated:

	December 31,				
	2006	2005	2004	2003	2002
Nonperforming loans:					
Nonaccruing	$ 7,821	$ 3,984	$ 6,443	$ 4,624	$ 1,417
Accruing loans past due 90 days or more	3,467	2,306	2,228	2,683	2,191
Total nonperforming loans	11,288	6,290	8,671	7,307	3,608
Restructured loans	768	116	760	384	
Total nonperforming and restructured loans	$ 12,056	$ 6,406	$ 9,431	$ 7,691	$ 3,608
Interest income foregone	$ 9	$ 10	$ 265	$ 6	

We believe that all loans where information exists about possible credit problems that would cause us to have serious doubts about the borrower s ability to comply with the current repayment terms of the loan have been reflected in the table above.

The increase in nonperforming loans from 2005 to 2006 is primarily attributable to four loans totaling $8,335. Three of these loans were placed on nonaccrual during the year while the other was 90 days past due as of December 31, 2006. Although our nonperforming loans increased by $4,998, two of the four loans identified above did not result in a significant increase to the provision for loan losses because of our well-secured collateral position on these loans. Further, management has evaluated these loans and other loans classified as non-performing and concluded that all non-performing loans have been adequately reserved for in the allowance for loan losses at December 31, 2006.

At December 31, 2006, there were no concentrations of loans exceeding 10% of total loans other than loans in categories discussed above.

At December 31, 2006, the recorded investment in loans identified as impaired totaled approximately $8,589. The allowance for loan losses related to these loans was approximately $2,912. The average recorded investment in impaired loans during the year ended December 31, 2006 was $6,645.

Allowance for Loan Losses. The allowance for loan losses is maintained at a level that management believes is adequate to absorb all probable credit losses inherent in the entire loan portfolio. The amount of the allowance is affected by: (1) loan charge-offs, which decrease the allowance; (2) recoveries on loans previously charged-off, which increase the allowance; and (3) the provision for possible loan losses charged to income, which increases the allowance. In determining the provision for possible loan losses, it is necessary for management to monitor fluctuations in the allowance resulting from actual charge-offs and recoveries, and to periodically review the size and composition of the loan portfolio in light of current and anticipated economic conditions in an effort to evaluate portfolio risks. The amount of the provision is based on management s judgment of those risks. The allowance for loan losses was $19,534, $18,363 and $14,403 at December 31, 2006, 2005 and 2004, respectively. If actual losses exceed the amount of the allowance for loan losses, our earnings could be adversely affected.

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The table below reflects the activity in the allowance for loan losses for the periods indicated:

	Years ended December 31,				
	2006	**2005**	**2004**	**2003**	**2002**
Balance at beginning of year	$ 18,363	$ 14,403	$ 13,232	$ 12,203	$ 11,354
Addition from acquisition		4,214	2,845		
Provision for loan losses	2,408	2,990	1,547	2,713	4,350
Charge-offs					
Commercial, Financial, Agricultural	659	467	1,685	511	1,025
Real Estate Construction	222	141			142
Real Estate 1-4 Family Mortgage	1,762	2,027	1,083	488	876
Real Estate Commercial Mortgage	217	419	125	530	1,096
Installment Loans To Individuals	222	832	724	514	1,028
Total charge-offs	3,082	3,886	3,617	2,043	4,167
Recoveries					
Commercial, Financial, Agricultural	501	71	132	52	81
Real Estate Construction		32			51
Real Estate 1-4 Family Mortgage	249	279	66	68	157
Real Estate Commercial Mortgage	1,014	35	8	50	69
Installment Loans To Individuals	81	225	190	189	308
Total recoveries	1,845	642	396	359	666
Net Charge-Offs	1,237	3,244	3,221	1,684	3,501
Balance at end of year	$ 19,534	$ 18,363	$ 14,403	$ 13,232	$ 12,203
Net charge-offs to average loans	0.07%	0.20%	0.32%	0.20%	0.42%

The following table sets forth the ratio of the allowance for loan losses to loans outstanding at year end:

	As of December 31,				
	2006	**2005**	**2004**	**2003**	**2002**
Allowance for loan losses to loans outstanding at year end	1.07%	1.12%	1.26%	1.53%	1.42%

In 2006, we maintained our credit quality while the loan portfolio grew $180,539 compared to 2005, and this resulted in the reduction of the allowance for loan losses as a percentage of loans from 2005 to 2006. The reduction of the allowance for loan losses as a percentage of loans from 2004 to 2005 was primarily a result of the application of SOP 03-3 to certain loans acquired in connection with the Heritage acquisition. These loans, which had an outstanding balance of $18,739 at the date of acquisition, were reduced to $13,012, which we believe reflects the estimated future cash flows, based on the facts and circumstances surrounding each respective loan at the date of acquisition. We continually monitor these loans as part of our normal credit review and monitoring procedures for changes in the estimated future cash flows. We increased the provision for loan losses by $79 through a charge to the income statement as one of these loans with a carrying value of $191 deteriorated further in 2006. Other than this one loan, we believe that as of December 31, 2006 the credit quality of the loans accounted for under SOP 03-3 has not deteriorated further since the date of acquisition.

Determination of Allowance for Loan Losses. The allowance for loan losses is established after input from management, loan review and the loss management committee. 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. Each loan that we fund is assigned a grade by lending personnel based on the scoring of these loans. Loan grades range from 1 to 9, with 1 being loans with the least credit risk. Allowance factors established by management are applied to each grade to determine the amount needed in the allowance for loan losses. The allowance factors are established based on our loss experience, adjusted for trends and expectations

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about losses inherent in our existing portfolios, as well as regulatory guidelines for criticized loans. Large groups of smaller balance homogeneous loans are evaluated collectively for impairment. For impaired loans, a specific reserve is established to adjust the carrying value of the loan to its estimated net realizable value. Other considerations in establishing the allowance for loan losses include economic conditions reflected within industry segments, the unemployment rate in our markets, loan segmentation, the growth in the size of individual loans we make and historical losses that are inherent in the loan portfolio. If the allowance is deemed inadequate, management provides additional reserves through the provision for loan losses.

Please refer to Note A in the notes to consolidated financial statements included elsewhere in this prospectus for additional information regarding our allowance for loan losses.

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 at the end of each of the years presented:

	As of December 31,				
	2006	**2005**	**2004**	**2003**	**2002**
Specific reserves	$ 4,377	$ 3,985	$ 2,786	$ 2,630	$ 1,806
Allocated reserves based on loan grades	15,157	14,378	11,617	10,584	10,198
Unallocated				18	199
Total	$ 19,534	$ 18,363	$ 14,403	$ 13,232	$ 12,203

Loan review personnel monitor the grades assigned to loans through periodic examination. The loss management committee monitors loans that are past due or those that have been downgraded due to a decline in the collateral value or cash flow of the debtor and adjusts the loan credit grade accordingly. This information is used to assist management in monitoring the credit quality.

Investment Activities

The securities portfolio is used to provide a source for meeting liquidity needs and to supply securities to be used in collateralizing public funds. Income from our investments is the second largest source of our interest income. The following table shows the carrying value of our securities portfolio by investment type, and the percentage of such investment type relative to the entire securities portfolio, as of the dates indicated:

	As of December 31,					
	2006		**2005**		**2004**	
U.S. Government agencies	$ 90,950	21%	$ 87,199	22%	$ 74,747	20%
Mortgage-backed securities	203,962	48	173,098	43	171,863	46
Obligations of states and political subdivisions	110,914	26	106,343	27	104,110	28
Trust preferred securities	4,986	1	12,518	3	3,216	1
Corporate bonds					503	
Equity securities	17,253	4	19,876	5	17,142	5
Total	$ 428,065	100%	$ 399,034	100%	$ 371,581	100%

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The following table sets forth the scheduled maturity distribution and weighted average yield based on the amortized cost of our available for sale securities portfolio as of December 31, 2006:

	Within One Year		After One But Within Five Years		After Five But Within Ten Years		After Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
U.S. Treasury and agency securities	$ 17,786	3.20%	$ 34,558	4.09%	$ 40,135	5.14%	$	
Obligations of state and political subdivisions	7,475	6.35%	34,978	6.32%	50,129	5.91%	17,698	5.60%
Mortgage-backed securities	74	5.53%	8,121	4.67%	12,451	4.70%	185,571	5.23%
Trust preferred securities							4,949	6.03%
Other equity securities							17,253	3.83%
Total	$ 25,335		$ 77,657		$ 102,715		$ 225,471	

The maturity of mortgage-backed securities reflects scheduled repayments based upon the contractual maturities of the securities. Weighted average yields on tax-exempt obligations have been computed on a fully tax-equivalent basis assuming a federal tax rate of 35% and a Mississippi state tax rate of 3.3%, which is net of federal tax benefit.

Deposit Services

We offer a broad range of deposit services and products to our consumer and commercial clients. Through our community branch networks, we offer totally free consumer checking accounts with free internet banking with bill pay and free debit cards, interest bearing checking accounts, money market accounts and savings accounts. In addition, we offer complete lines of certificates of deposit, individual retirement accounts and health saving accounts.

For our commercial clients, we offer a competitive suite of cash management products which include, but are not limited to, remote deposit capture, CD ROM statements with account reconciliation, electronic statements, positive pay, ACH origination and wire transfer, wholesale and retail lockbox, investment sweep accounts, enhanced business internet banking, outbound data exchange, multi-bank reporting and international services.

The following table sets forth the average amount and average interest rates based on daily balances for deposits for the periods indicated.

	December 31,					
	2006		2005		2004	
	Average Balance	Rate	Average Balance	Rate	Average Balance	Rate
Interest-bearing demand	$ 77,424	2.16%	$ 67,424	1.18%	$ 17,351	1.01%
Savings and money market	665,752	2.15	611,112	1.28	509,053	0.86
Time deposits	990,973	4.18	865,559	3.08	549,036	2.34
Noninterest-bearing deposits	261,401		235,998		176,908	
Total	$ 1,995,550	2.88%	$ 1,780,093	1.98%	$ 1,252,348	1.39%

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The following table shows the maturity of time certificates of deposit over $100 at December 31, 2006:

Less than 3 Months	$ 116,389
3 Months-6 Months	116,551
6 Months-12 Months	192,030
Over 12 Months	71,034
	$ 496,004

No material portion of our deposits has been obtained from a single or small group of customers, and the loss of any single customer s deposits or a small group of customer s deposits would not have a materially adverse effect on our business. The deposits held by our bank have been primarily generated within their respective market areas. Neither we nor our bank have any foreign activities.

Other Products and Services

Through the Financial Services division of our bank, we offer a wide variety of fiduciary services and administer (as trustee or in other fiduciary or representative capacities) qualified retirement plans, profit sharing and other employee benefit plans, personal trusts and estates. In addition, the Financial Services division offers fixed and variable annuities, mutual funds and other investment services through a third party broker-dealer. Fixed annuities consist of a line of twelve products. We use six insurance carriers, all of which have an A. M. Best rating of an A or better. The mutual funds we offer originate primarily from five fund families.

Competition

Vigorous competition exists in all major product and geographic areas in which we conduct banking business. We compete through our bank with state and national banks in all of our service areas, as well as savings and loan associations, credit unions, finance companies, mortgage companies, insurance companies, brokerage firms and investment companies for available loans and depository accounts. All of these numerous institutions compete in the delivery of services and products through availability, quality and pricing, and many of our competitors are larger and have substantially greater resources than we do, including higher total assets and capitalization, greater access to capital markets and a broader offering of financial services.

For 2006, we maintained approximately 16% of the deposit market share in our Mississippi area, approximately 1% in our Tennessee area and less than 1% in our Alabama area. The following table shows our deposit share in the counties that we consider our key growth markets:

Market	**Available Deposits (in billions)**	**Deposit Share**
Mississippi		
Tupelo	$ 1.4	23.3%
DeSoto County	1.6	8.5
Oxford	0.6	1.4
Alabama		
Birmingham	22.6	0.5
Decatur	1.1	17.0
Huntsville/Madison	4.4	3.0
Tennessee		
Germantown	1.3	12.0
Collierville	0.6	1.7
Memphis/Cordova	21.0	0.5
Nashville/Brentwood	16.0	

Total	$	70.6

Source: FDIC, dated as of June 30, 2006.

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Our major competitor in the Birmingham and Huntsville/Madison markets is Regions Bank, which maintains approximately 33% and 34% of the deposit market share, respectively, in those two markets. We compete with Regions Bank for both loans and deposits. First Tennessee Bank has a significant market share in the Memphis market. However, because of our footprint and our current lines of business in the Memphis market, our business does not materially overlap with that of First Tennessee Bank in the Memphis market.

In addition to the specific markets discussed above, Regions Bank and First Tennessee Bank compete with us in our other markets. Other competitors in these areas include BancorpSouth, Cadence Bank, Compass Bank, Colonial Bank, Merchants and Farmers Bank (primarily in Mississippi) and Trustmark National Bank. In addition, there are local community banks in our service areas that compete with us on an individual market basis.

Please refer to Risk Factors on page 13 for a discussion of our risks related to competition.

Sources and Availability of Funds

The funds essential to our, and our bank s, business consist primarily of funds derived from customer deposits, federal funds purchased, Federal Home Loan Bank advances and borrowings from correspondent banks by our bank. The availability of such funds is primarily dependent upon the economic policies of the federal government, the economy in general and the general credit market for loans.

Personnel

As of February 28, 2007, we employed 861 people at all of our subsidiaries on a full-time equivalent basis. Of this total, our bank accounted for 826 employees, and Renasant Insurance employed 35 individuals. Renasant has no additional employees; however, as of February 28, 2007, 13 employees of our bank also serve as our officers in addition to their positions with our bank.

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MANAGEMENT

Executive Officers

The following table sets forth information regarding our executive officers:

Name	Age	Position
E. Robinson McGraw	60	Mr. McGraw has served as both our and our bank s president and chief executive officer since 2000. Since June, 2005, Mr. McGraw has also served as our and our bank s chairman of the board of directors. Mr. McGraw served as executive vice president of our bank prior to becoming chief executive officer.
Francis J. Cianciola	56	Mr. Cianciola has served as our executive vice president and the president of the Tennessee Division of the bank since 2004. Prior to our acquisition of Renasant Bancshares, Inc., Mr. Cianciola served as president, chief executive officer and vice chairman of the board of directors of Renasant Bancshares and president, chief executive officer and chairman of the board of directors of Renasant Bank of Tennessee since 1999. Mr. Cianciola was appointed as a director of ours and the bank upon the completion of our acquisition of Renasant Bancshares.
Stephen M. Corban	51	Mr. Corban has served as our executive vice president and general counsel and our bank s senior executive vice president and general counsel since July, 2003. Mr. Corban was a partner in the law firm of Mitchell, Voge, Corban, and Hendrix LLP from 1998 until June, 2003.
James W. Gray	50	Mr. Gray has served as our executive vice president since February, 2003 and as our bank s senior executive vice president since April, 1996 and our strategic planning director since November, 2000. Mr. Gray served as chief operations officer of our bank from November, 1998 until October, 2000.
Stuart R. Johnson	53	Mr. Johnson has served as our executive vice president since February, 2003 and our bank s senior executive vice president, chief financial officer and cashier since April, 1996.
Harold H. Livingston	58	Mr. Livingston has served as our executive vice president since April, 2005 and our bank s senior executive vice president and chief credit officer since January, 2002. Mr. Livingston served as senior vice president of our bank from 1983 until January, 2002.
Larry R. Mathews	54	Mr. Mathews has served as our executive vice president and president of the Alabama Division of our bank since January, 2005. Mr. Mathews served as director, president and chief executive officer of Heritage Bank from October, 2002 until January, 2005 and chief executive officer of The Bank in Birmingham, Alabama, from July, 2000 until August, 2001.
Claude H. Springfield, III	59	Mr. Springfield has served as our executive vice president since April, 2005 and our bank s senior executive vice president and chief credit policy officer since October, 2000. Mr. Springfield served as executive vice president of our bank from 1993 until September, 2000.
C. Mitchell Waycaster	48	Mr. Waycaster has served as our executive vice president since April, 2005 and president of our bank s Mississippi Division since January, 2005. Mr. Waycaster served as executive vice president and director of retail banking of our bank from 2000 until December, 2004.

Directors

The following table sets forth information regarding the members of our board of directors, except for information about Messrs. Cianciola and McGraw, who are also executive officers. Information about Messrs. Cianciola and McGraw is found in the table immediately above.

There are currently eighteen members of the board, divided into three classes of directors. There are five directors in Class 1, seven directors in Class 2 (Messrs. McGraw and Cianciola are both Class 2 directors) and six directors in Class 3. The current term of office for our Class 1 directors expires at the 2009 annual meeting, while the current term of office for our Class 2 directors expires at the 2007 annual meeting, and the current term of office for our Class 3 directors expires at the 2008 annual meeting. All of the directors also presently serve on the board of directors of our bank.

Our board of directors has determined that, with the exception of Messrs. McGraw, Cianciola and Johnson, each of our directors is an independent director as defined under Rule 4200(a)(15) of The Nasdaq Stock Market Marketplace Rules.

Name	Age	Class	Experience
George H. Booth II Director since 1994	52	1	Mr. Booth is co-owner of Tupelo Hardware Company, a closely held family business primarily engaged in wholesale and retail hardware sales. Mr. Booth is currently serving as president of Tupelo Hardware Company, having served as its vice president from 1976 until 2000.
Frank B. Brooks Director since 1989	63	1	Mr. Brooks has been a cotton farmer since 1959 and has served as president of Yalobusha Gin Company, Inc., a cotton gin located in Yalobusha County, Mississippi, since 1992.
John T. Foy Director since 2004	59	1	Mr. Foy served as president and chief executive officer of Lane Furniture Industries from October, 1996 until February, 2004, when he was named president and chief operating officer of Furniture Brands International, where he also serves as a member of its board of directors. Furniture Brands International is engaged in the manufacture of upholstered and wooden furniture.
Harold B. Jeffreys Director since 2005	62	1	Mr. Jeffreys is a consultant to several small high technology businesses. He was founder and chairman of Applied Research, Inc., in Huntsville, Alabama, until its sale in 1994 to Science Applications International Corp. He was a founding director of Heritage Bank until its sale to us in 2005. He served as interim President/CEO of Heritage Financial Holding Corporation from March, 2002 until September, 2003. Mr. Jeffreys was appointed as our director following our acquisition of Heritage. He also operates Cedar Lake Farms and is a partner in several venture capital partnerships. Additionally, he serves on the board for Southeastern Bible College in Birmingham, Alabama.
Jack C. Johnson Director since 2004	64	1	Mr. Johnson has served as president of Germantown Home Builders, Inc., located in Germantown, Tennessee, since 1974. Since March, 2001, he has also served as the chief manager of Colonnade, LLC, a company engaged in the leasing of storage and office space in Memphis, Tennessee. Mr. Johnson was appointed as our director upon the completion of our acquisition of Renasant Bancshares.

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Name	Age	Class	Experience
John M. Creekmore Director since 1997	51	2	Mr. Creekmore has engaged in the practice of law since 1987 as the owner of the law firm Creekmore Law Office, PLLC.
Neal A. Holland, Jr. Director since 2005	50	2	Mr. Holland has been president of Holland Company, Inc., a diversified sand, stone and trucking company in Decatur, Alabama, since 1980. He is also the owner and president of Cedar Ridge Golf Course, Inc. Mr. Holland was appointed as our director upon the completion of our acquisition of Heritage in 2005.
Theodore S. Moll Director since 2002	64	2	Mr. Moll has been with MTD Products, a company primarily engaged in the production of outdoor power equipment, since 1965. Mr. Moll presently serves as executive vice president of its worldwide operations.
John W. Smith Director since 1978	71	2	Mr. Smith is retired. Prior to his retirement, Mr. Smith served as our president and chief executive officer and our bank s president and chief executive officer from 1993 until 2000.
J. Larry Young Director since 1982	68	2	Mr. Young has been employed as a part-time pharmacist with Fred s Pharmacy in Pontotoc, Mississippi, since 1998. Prior to 1998, Mr. Young was a pharmacist for and a partner in Ramsey-Young Pharmacy. He has also served as our vice chairman and lead director since June, 2005.
William M. Beasley Director since 1989	55	3	Mr. Beasley has engaged in the practice of law as a partner of the law firm of Phelps Dunbar LLP since 1999 and has practiced law since 1975. He also served as our vice chairman from 2001 until June, 2005.
Marshall H. Dickerson Director since 1996	57	3	Mr. Dickerson has been the owner and manager of Dickerson Furniture Company, a company primarily engaged in retail home furnishings, since 1978.
Eugene B. Gifford, Jr. Director since 1987	72	3	Mr. Gifford has engaged in the practice of law since 1960 as a partner in the law firm of Gifford, Allred, Tennison and Smith.
Richard L. Heyer, Jr. Director since 2002	50	3	Dr. Heyer has served as a physician and partner of Tupelo Anesthesia Group, P.A. since 1989.
J. Niles McNeel Director since 1999	60	3	Mr. McNeel has engaged in the practice of law as a partner of the law firm of McNeel and Ballard since 1983.
H. Joe Trulove Director since 1999	69	3	Mr. Trulove is presently a partner of Landmark Enterprises, a company primarily engaged in real estate and investments. Mr. Trulove has been chairman of the board of directors of Rose Hill Manufacturing Company, a company primarily engaged in the manufacture of upholstered furniture, since 2002. Prior to 2001, Mr. Trulove was senior vice president of York Casket Company, a company primarily engaged in the manufacture of caskets.

Mr. Gifford, a Class 3 director, will retire effective as of April 17, 2007, the date of our 2007 Annual Meeting of Shareholders, because he has reached the mandatory retirement age for directors, which is age 72. Under our bylaws, a director who has reached age 72 may remain in office only until the next annual meeting of shareholders. In addition, Mr. Smith, currently a Class 2 director, has been nominated by our board of directors for election as a Class 3 director at the 2007 Annual Meeting of Shareholders, with a term expiring at our 2008 Annual Meeting of Shareholders.

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Mr. Smith is currently age 71 and thus must retire at the 2008 Annual Meeting. By shifting to Class 3, Mr. Smith s retirement now coincides with the expiration of his term as a Class 3 director.

In our merger agreement with Capital, we have agreed to appoint three individuals selected by Capital to our board of directors effective on the closing date of the merger. These individuals must be reasonably acceptable to us and must meet the qualifications for directors set forth in our bylaws.

Certain Transactions and Business Relationships

Certain of our directors and officers, businesses with which they are associated, and members of their immediate families are customers of our bank and have entered into loan transactions with our bank. In the opinion of the board of directors, these transactions were made in the ordinary course of our bank s business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and do not involve more than the normal risk of collectability or present other unfavorable features.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of February 28, 2007, we had approximately 5,367 shareholders of record. To the knowledge of management, no shareholder owns beneficially more than 5% of our issued and outstanding common stock. As of February 28, 2007, our 401(k) plan held an aggregate of 747,147 shares, or 4.80%, of our common stock. All shares held by the plan are allocated to individual participant accounts. Participants direct the voting of their allocated shares.

The following table includes information about the common stock owned by our directors and executive officers, as of February 28, 2007, including their name, position and the number of shares beneficially owned. As of that date, 15,560,006 shares of our common stock were outstanding, and the percent of class set forth in the following table is based on such number of shares outstanding. Beneficial ownership has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. Unless otherwise noted, these persons have sole voting power and investment power with respect to the listed shares (subject to any applicable community property laws). The business address for each of the directors and executive officers listed below is 209 Troy Street, Tupelo, Mississippi 38804.

	Amount and Nature of Beneficial Ownership				
	Direct	Options/Warrants Exercisable Within 60 Days	Other	Total	Percent of Class
Directors:					
William M. Beasley	44,273		4,858 (1)	49,131	*
George H. Booth, II	12,097			12,097	*
Frank B. Brooks	33,417			33,417	*
Francis J. Cianciola	54,309 (2)	6,000		60,309	*
John M. Creekmore	8,680		660 (3)	9,340	*
Marshall H. Dickerson	7,924 (4)			7,924	*
John T. Foy	5,428			5,428	*
Eugene B. Gifford, Jr.	111,298		49,060 (5)	160,358	1.03%
Richard L. Heyer, Jr.	6,132			6,132	*
Neal A. Holland, Jr.	30,298	27,000	160,697 (6)	217,995	1.40%
Harold B. Jeffreys	201,345			201,345	1.29%
Jack C. Johnson	30,967	50,265	9,363 (7)	90,595	*
J. Niles McNeel	28,408		1,512 (8)	29,920	*
Theodore S. Moll	4,500		3,150 (9)	7,650	*
John W. Smith	41,148		17,608 (10)	58,756	*
H. Joe Trulove	29,672		600 (11)	30,272	*
J. Larry Young	8,162		599 (12)	8,761	*
Named Executive Officers:					
E. Robinson McGraw	49,555 (13)	112,500	601 (13)	162,656	1.04%
Stuart R. Johnson	19,941 (14)	31,375		51,316	*
James W. Gray	17,975 (15)	31,375	575 (15)	49,925	*
Larry R. Mathews	4,239 (16)	38,500	24,409 (16)	67,148	*
C. Mitchell Waycaster	13,499 (17)	31,375		44,874	*
Other Executive Officers	84,162	74,250	9,800	168,212	*
All directors and executive officers as a group (25 persons total)	847,429	402,640	283,492	1,533,561	9.59%

* Less than 1% of the outstanding common stock.

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(1) Includes 4,858 shares held by Mr. Beasley s spouse.

(2) Mr. Cianciola is also one of our executive officers. Includes an aggregate of 2,916 shares that are allocated to his accounts under our 401(k) plan, over which Mr. Cianciola has voting power, and 1,500 shares representing a target award under our 2001 Long-Term Incentive Plan with respect to which he possesses voting and dividend rights.

(3) Includes 660 shares held by Mr. Creekmore s children.

(4) Of these shares, 3,656 are pledged as collateral for a loan.

(5) Includes 49,060 shares held by Mr. Gifford s children and grandchildren, for which Mr. Gifford s spouse serves as custodian. Mr. Gifford disclaims beneficial ownership of the shares held by his children and grandchildren.

(6) Includes 1,303 shares held in an individual retirement account owned by Mr. Holland s spouse, of which Mr. Holland is the beneficiary, 7,248 shares held by a family limited liability partnership, Holland, LLP, and 152,146 shares held by a family limited liability partnership, Holland Holdings, LLP. Of these shares, 49,918 shares are pledged as collateral for a loan.

(7) Includes 5,631 shares held by Germantown Home Builders, Inc. Retirement Plan, for which Mr. Johnson serves as Trustee, and 3,732 shares held by Mr. Johnson s spouse. Mr. Johnson disclaims beneficial ownership of the shares held by Germantown Home Builders, Inc. Retirement Plan.

(8) Includes 1,512 shares held by Mr. McNeel s spouse.

(9) Includes 3,150 shares held by Mr. Moll s children, for which Mr. Moll serves as custodian.

(10) Includes 17,608 shares held by Mr. Smith s spouse.

(11) Includes 600 shares held by Mr. Trulove s spouse of which he disclaims beneficial ownership.

(12) Includes 599 shares held by Mr. Young s spouse.

(13) Mr. McGraw is also the chairman of our board of directors. Of these shares, 6,508 shares are pledged as collateral for a loan. His direct ownership includes an aggregate of 12,926 shares that are allocated to his accounts under our 401(k) plan, over which Mr. McGraw has voting power, and 7,500 shares of restricted stock representing a target award under our 2001 Long-Term Incentive Plan with respect to which he possesses voting and dividend rights. His other ownership includes 601 shares held by Mr. McGraw s son, for which Mr. McGraw serves as custodian.

(14) Direct ownership includes an aggregate of 16,517 shares allocated to Mr. Johnson s accounts under our 401(k) plan, over which he has voting power, and 1,500 shares of restricted stock representing a target award under our 2001 Long-Term Incentive Plan with respect to which he possesses voting and dividend rights.

(15) Direct ownership includes an aggregate of 14,668 shares allocated to Mr. Gray s accounts under our 401(k) plan, over which he has voting power, and 1,500 shares of restricted stock representing a target award under our 2001 Long-Term Incentive Plan with respect to which he possesses voting and dividend rights. Other ownership includes 575 shares held by Mr. Gray s spouse.

(16) Direct ownership includes 2,250 shares of restricted stock representing a target award under our 2001 Long-Term Incentive Plan with respect to which Mr. Mathews possesses voting and dividend rights. His other ownership includes 24,409 shares held by a family limited liability corporation, Summitt LLC.

(17) Includes an aggregate of 8,759 shares that are allocated to Mr. Waycaster s accounts under our 401(k) plan, over which he has voting power, and 2,250 shares of restricted stock representing a target award under our 2001 Long-Term Incentive Plan with respect to which he possesses voting and dividend rights.

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UNDERWRITING

We have entered into an underwriting agreement with the underwriters named below with respect to the common stock to be offered in this offering. Subject to the terms and conditions contained in the underwriting agreement, each underwriter has severally agreed to purchase from us the number of shares of common stock set forth opposite its name in the following table.

Name of Underwriter	Number of Shares
Keefe, Bruyette & Woods, Inc.	
Stephens Inc.	
FTN Midwest Securities Corp	
Total:	

The underwriters obligations are several, which means that each underwriter is required to purchase a specific number of shares of common stock, but it is not responsible for the commitment of any other underwriter. The underwriting agreement provides that the underwriters several obligations to purchase shares of our common stock depend on the satisfaction of the conditions contained in the underwriting agreement, including:

- the representations and warranties made by us to the underwriters are true;
- there is no material adverse change in the financial markets;
- we deliver customary closing documents to the underwriters; and
- if an underwriter defaults, purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The underwriters are committed to purchase and pay for all shares of our common stock offered by this prospectus, if any such shares are taken. However, the underwriters are not obligated to take or pay for the shares of our common stock covered by the underwriters over-allotment option described below, unless and until this option is exercised.

Our common stock is currently quoted and traded on The NASDAQ Global Select Market under the symbol RNST.

Over-Allotment Option

We have granted the underwriters an option, exercisable no later than 30 days after the date of the underwriting agreement, to purchase up to an aggregate of additional shares of common stock at the public offering price, less the underwriting discount and commissions set forth on the cover page of this prospectus. We will be obligated to sell these shares of common stock to the underwriters to the extent the over-allotment option is exercised. The underwriters may exercise this option only to cover over-allotments made in connection with the sale of the common stock offered by this prospectus. If any shares are purchased with this option, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares are purchased, the underwriters will offer the additional shares on the same terms as that on which the shares are being offered.

Commissions and Expenses

The underwriters propose to offer the common stock directly to the public at the offering price set forth on the cover page of this prospectus and to dealers at the public offering price less a concession not in excess of $ per share. The underwriters may allow, and the dealers may reallow, a concession not in excess of

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$ per share on sales to other brokers and dealers. After the public offering of the common stock, the underwriters may change the offering price and other selling terms.

The following table shows the per share and total underwriting discounts and commissions that we will pay to the underwriters and the proceeds we will receive before expenses. These amounts are shown assuming both no exercise and full exercise of the underwriters option to purchase additional shares.

	Per Share	Total Without Over-Allotment Exercise	Total With Over-Allotment Exercise
Public offering price	$	$	$
Underwriting discount payable by us	$	$	$
Proceeds before expenses	$	$	$

We estimate that the total expenses of this offering, exclusive of underwriting discounts and commissions, will be approximately $400,000, and are payable by us. These expenses include legal fees, travel expenses and other miscellaneous expenses.

Lock-Up Agreements

We, and each of our directors and executive officers have agreed, for a period of 90 days after the date of the underwriting agreement, not to offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any shares of our common stock or any securities convertible into or exchangeable or exercisable for our common stock, or to enter into any swap or any other agreement or any transaction that transfers the economic consequences of ownership of our common stock, without, in each case, the prior written consent of Keefe, Bruyette & Woods, Inc., on behalf of the underwriters, subject to certain specified exceptions. These restrictions expressly preclude us, and our executive officers and directors, from engaging in any hedging or other transaction or arrangement that is designed to, or which reasonably could be expected to, lead to or result in a sale, disposition or transfer, in whole or in part, of any of the economic consequences of ownership of our common stock, whether such transaction would be settled by delivery of common stock or other securities, in cash or otherwise.

The 90-day restricted period described above is subject to extension under limited circumstances. In the event either (1) during the period that begins on the date that is 15 calendar days plus three business days before the last day of the 90-day restricted period and ends on the last day of the 90-day restricted period, we issue an earnings release or material news or a material event relating to us occurs; or (2) prior to the expiration of the 90-day restricted period, we announce we will release earnings results during the 16-day period beginning on the last day of the 90-day restricted period, then the restricted period will continue to apply until the expiration of the date that is 15 calendar days plus three business days after the date on which the earnings release is issued or the material news or material event related to us occurs.

Indemnity

We have agreed to indemnify the underwriters and persons who control the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, and to contribute to payments that the underwriters may be required to make for these liabilities.

Stabilization

In connection with this offering, the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids.

Stabilizing transactions permit bids to purchase common stock so long as the stabilizing bids do not exceed a specified maximum and are engaged in for the purpose of preventing or retarding a decline in the market price of the common stock while the offering is in progress.

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Over-allotment transactions involve sales by the underwriters of common stock in excess of the number of shares the underwriters are obligated to purchase. This creates a syndicate short position that may be either a covered short position or a naked short position. In a covered short position, the number of shares of common stock over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any short position by exercising their over-allotment option and/or purchasing shares in the open market.

Syndicate covering transactions involve purchases of common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared with the price at which they may purchase common stock through exercise of the over-allotment option. If the underwriters sell more common stock than could be covered by exercise of the over-allotment option and, therefore, have a naked short position, the position can be closed out only by buying common stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that after pricing there could be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in the offering.

Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the common stock originally sold by that syndicate member is purchased in stabilizing or syndicate covering transactions to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock in the open market may be higher than it would otherwise be in the absence of these transactions. Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the price of our common stock. These transactions may be effected on The NASDAQ Global Select Market, in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

Passive Market Making

In connection with this offering, the underwriters and any selling group members who are qualified market makers on The NASDAQ Global Select Market may engage in passive market making transactions in our common stock on The NASDAQ Global Select Market in accordance with Rule 103 of Regulation M under the Securities Act. Rule 103 permits passive market making activity by the participants in our common stock offering. Passive market making may occur before the pricing of our offering, and before the commencement of offers or sales of the common stock. Each passive market maker must comply with applicable volume and price limitations and must be identified as a passive market maker. In general, a passive market maker must display its bid at a price not in excess of the highest independent bid for the security. If all independent bids are lowered below the bid of the passive market maker, however, the bid must then be lowered when purchase limits are exceeded. Net purchases by a passive market maker on each day are limited to a specified percentage of the passive market maker s average daily trading volume in the common stock during a specified period and must be discontinued when that limit is reached. The underwriters and other dealers are not required to engage in passive market making and may end passive market making activities at any time.

Our Relationship with the Underwriters

The common stock is being offered by the underwriters, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of certain legal matters by counsel for the underwriters and other conditions. The underwriters reserve the right to withdraw, cancel or modify this offer and to reject orders in whole or in part.

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Keefe, Bruyette & Woods, Inc. has performed, and expects to continue to perform, financial advisory and investment banking services for us in the ordinary course of their respective businesses, and may have received, and may continue to receive, compensation for those services. In addition, we expect to pay Keefe, Bruyette & Woods, Inc. a fee for services rendered in connection with the Capital acquisition if that transaction closes.

Keefe, Bruyette & Woods, Inc., Stephens Inc. and FTN Midwest Securities Corp regularly publish research reports on our common stock and make a market in our common stock.

Finally, we have engaged Keefe, Bruyette & Woods, Inc. and FTN Midwest Securities Corp to provide specified brokerage services to us in connection with our stock repurchase program.

LEGAL MATTERS

The validity of the common stock to be issued in the offering and certain other legal matters with respect to the offering will be passed upon for us by Phelps Dunbar LLP, New Orleans, Louisiana. William M. Beasley, a partner of Phelps Dunbar LLP, is one of our directors. Phelps Dunbar LLP also provides legal advice to us on a regular basis. As of the date of this prospectus, members of Phelps Dunbar LLP participating in the matters described in this paragraph as being passed upon by Phelps Dunbar LLP for Renasant owned an aggregate of approximately 49,131 shares of our common stock.

Certain legal matters in connection with this offering will be passed upon for the underwriters by Bass, Berry & Sims PLC, Nashville, Tennessee.

EXPERTS

The consolidated financial statements of Renasant Corporation and its subsidiaries as of December 31, 2006 and 2005 and for the two-year period ended December 31, 2006 and management s report on the effectiveness of internal control over financial reporting as of December 31, 2006 appearing in this prospectus (and the related registration statement) have been audited by HORNE LLP, an independent registered public accounting firm, as stated in their report appearing elsewhere herein, and are included in reliance upon such report and upon the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Renasant Corporation and its subsidiaries as of December 31, 2004 and for the one-year period ended December 31, 2004 have been included herein in reliance on the reports with respect to the consolidated financial statements of Ernst & Young LLP, independent registered public accounting firm, and the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Capital Bancorp, Inc. and its subsidiaries as of December 31, 2006 and for the one-year period ended December 31, 2006 have been included herein in reliance on the report with respect to the consolidated financial statements of Porter Keadle Moore, LLP, independent registered public accounting firm, and upon the authority of said firm as experts in accounting and auditing.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on its public reference rooms. The SEC also maintains an Internet website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. In addition, we maintain a website at www.renasant.com and make available free of charge on this website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file this material with, or furnish it to, the SEC.

We have filed a registration statement on Form S-3 to register with the SEC the shares of common stock to be issued in this offering. This prospectus, which is part of the registration statement, omits some of the information included in the registration statement as permitted by the rules and regulations of the SEC. For further information about us and the common stock, you should refer to the registration statement and exhibits. You can obtain a copy of the full registration statement from the SEC as described above.

DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents that we have previously filed with the SEC or documents that we will file with the SEC in the future. The information incorporated by reference contains important information about us and our finances, and is considered to be part of this prospectus; later information that we file with the SEC will automatically update and supersede this information. Absent unusual circumstances, we will have no obligation to amend this prospectus, other than filing subsequent information with the SEC. This prospectus incorporates by reference the following documents that we have previously filed with the SEC:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, filed with the SEC on March 7, 2007;
- Our Current Reports on Form 8-K filed with the SEC on January 5, 2007, January 17, 2007, February 5, 2007 and March 6, 2007; and
- The description of our common stock contained in our Form 8-A Registration Statement filed with the SEC on April 28, 2005, and including any other amendments or reports filed for the purpose of updating such description.

We are also incorporating by reference into this prospectus any filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date hereof and prior to the filing of a post-effective amendment to this registration statement which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold. Any statements contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or replaced for purposes hereof to the extent that a statement contained herein (or in any other subsequently filed document which also is incorporated or deemed to be incorporated by reference herein) modifies or replaces such statement. Any statement so modified or replaced shall not be deemed, except as so modified or replaced, to constitute a part hereof.

Notwithstanding the foregoing, information furnished under Items 2.02 and 7.01 of any Current Report on Form 8-K, including the related exhibits, is not incorporated by reference in this prospectus or the accompanying registration statement.

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You should rely only on the information provided in this prospectus or incorporated by reference herein. We have not authorized anyone else to provide you with different information. We will provide to each person, including any beneficial owner, to whom this prospectus is delivered a copy of any or all of the information that we have incorporated by reference into this prospectus but not delivered with this prospectus. To receive a free copy of any of the documents incorporated by reference in this prospectus, other than exhibits, unless they are specifically incorporated by reference in those documents, call or write to James W. Gray, Renasant Corporation, 209 Troy Street, Tupelo, Mississippi 38804, telephone: (662) 680-1217. The information relating to us contained in this prospectus does not purport to be comprehensive and should be read together with the information contained in the documents incorporated or deemed to be incorporated by reference in this prospectus. Please see the section entitled Where You Can Find More Information.

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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT ON MANAGEMENT S ASSESSMENT OF

INTERNAL CONTROL OVER FINANCIAL REPORTING

Renasant Corporation (the Company) is responsible for the preparation, integrity and fair presentation of the consolidated financial statements included in this annual report. The consolidated financial statements and notes included in this annual report have been prepared in conformity with accounting principles generally accepted in the United States and necessarily include some amounts that are based on management s best estimates and judgments.

We, as management of the Company, are responsible for establishing and maintaining effective internal control over financial reporting that is designed to produce reliable financial statements in conformity with accounting principles generally accepted in the United States. The Company s internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material effect on the financial statements.

The system of internal control over financial reporting as it relates to the financial statements is evaluated for effectiveness by management and tested for reliability through a program of internal audits. Actions are taken to correct potential deficiencies as they are identified. Any system of internal control, no matter how well designed, has inherent limitations, including the possibility that a control can be circumvented or overridden, and misstatements due to error or fraud may occur and not be detected. Also, because of changes in conditions, internal control effectiveness may vary over time. Accordingly, even an effective system of internal control will provide only reasonable assurance with respect to financial statement preparation.

Management, with the participation of the Company s chief executive officer and chief financial officer, conducted an assessment of the Company s system of internal control over financial reporting as of December 31, 2006, based on criteria for effective internal control over financial reporting described in Internal Control Integrated Framework,&#14