

CNO Financial Group, Inc.
Form SC TO-I/A
March 27, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO

(Amendment No. 3)

Tender Offer Statement under Section 14(d)(1) or Section 13(e)(1)
of the Securities Exchange Act of 1934

CNO Financial Group, Inc.
(Name of Subject Company (Issuer) and Filing Person (Offeror))

7.0% Convertible Senior Debentures due 2016
(Title of Class of Securities)

12621EAC7
12621EAE3
12621EAF0
12621EAB9

(CUSIP Number of Class of Securities)

Karl W. Kindig
Senior Vice President and Secretary
11825 N. Pennsylvania Street
Carmel, Indiana 46032
(317) 817-6100

(Name, address and telephone number of person authorized to receive notices
and communications on behalf of filing person)

With copies to:
Roxane F. Reardon
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
(212) 455-2000

Calculation of Filing Fee

Transaction valuation (1)

\$177,892,978.36

Amount of filing fee (2)

\$24,264.61

(1) Calculated solely for purposes of determining the amount of the

filing fee. Pursuant to Rule 0-11(b)(1) of the Securities Exchange Act of 1934, as amended, the transaction valuation was calculated assuming that all of the outstanding \$92,996,000 aggregate principal amount of the issuer's 7.0% Convertible Senior Debentures due 2016 (the "Debentures") as of February 8, 2013 will be purchased pursuant to the Offer at a purchase price of \$1,912.91 per \$1,000 principal amount of Debentures, based on the average of the high and low prices per share of the Company's common stock reported on the New York Stock Exchange on February 6, 2013.

- (2) The amount of the filing fee was calculated in accordance with Rule 0-11 under the Exchange Act by multiplying the Transaction Valuation by 0.00013640.
-

- Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:	\$24,264.61	Filing Party: CNO Financial Group, Inc.
Form or Registration No.:	Schedule TO-I (File No. 005-79240)	Date Filed: February 11, 2013

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer. Check the appropriate boxes below to designate any transactions to which the statement relates:
- third-party tender offer subject to Rule 14d-1.
 - issuer tender offer subject to Rule 13e-4.
 - going private transaction subject to Rule 13e-3.
 - amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

- * If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:
- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 - Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
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INTRODUCTION

This Amendment No. 3 (this “Amendment No. 3”) amends the Tender Offer Statement on Schedule TO originally filed on February 11, 2013, as amended by Amendment No. 1 to the Schedule TO filed on February 19, 2013 and Amendment No. 2 to the Schedule TO filed on March 18, 2013 (as amended, the “Schedule TO”), by CNO Financial Group, Inc., a Delaware corporation (the “Company,” the “Offeror,” “CNO,” “we” or “us”), with the Securities and Exchange Commission (the “SEC”) pursuant to Rule 13e-4 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) in connection with the Company’s offer (the “Offer”) to purchase for cash any and all of its outstanding 7.0% Convertible Senior Debentures due 2016 (the “Debentures”), upon the terms and subject to the conditions set forth in the Company’s Offer to Purchase dated February 11, 2013 (as it may be amended or supplemented from time to time, the “Offer to Purchase”) and in the related Letter of Transmittal (as it may be amended or supplemented from time to time, the “Letter of Transmittal”).

The Schedule TO is amended by the information contained in this Amendment No. 3. Only those items amended are reported herein. Except as specifically provided herein, this Amendment No. 3 does not modify any of the information previously reported in the Schedule TO.

Item 1. Summary Term Sheet.

The information set forth under “Summary Terms of the Offer” in the Offer to Purchase and Item 1 of the Schedule TO, to the extent Item 1 incorporates by reference the information contained in the Offer to Purchase, is hereby amended and supplemented by adding the following:

On March 27, 2013, the Company issued a press release announcing that it has determined the final Purchase Price offered by the Company pursuant to the Offer. The final purchase price per \$1,000 principal amount of Debentures is \$2,123.82. The final Purchase Price is equal to the sum of (i) the Average VWAP (as defined in the Offer to Purchase) multiplied by 183.5145 plus (ii) a fixed cash amount of \$61.25. The Average VWAP at the close of trading on March 27, 2013 was \$11.2393.

Item 4. Terms of the Transaction.

The Offer to Purchase and Item 4(a) of the Schedule TO, to the extent Item 4(a) incorporates by reference the information contained in the Offer to Purchase, are hereby amended and supplemented by the information set forth above under Item 1, which information is incorporated by reference.

Item 7. Source and Amount of Funds or Other Consideration.

The information set forth under “The Offer—Source and Amount of Funds” in the Offer to Purchase and Item 7(a) of the Schedule TO, to the extent such items incorporate by reference the information contained in the Offer to Purchase, is hereby amended and supplemented by the information set forth above under Item 1, which information is incorporated by reference, and the following information:

Based on the final Purchase Price, we would need approximately \$199.1 million to purchase all of the Debentures outstanding as of February 8, 2013, assuming that the purchase of Debentures pursuant to the Offer is settled on March 28, 2013.

Item 12. Exhibits.

Exhibits filed as a part of this Schedule TO are listed below.

Exhibit Number	Description
(a)(1)(i)	Offer to Purchase, dated February 11, 2013.*
(a)(1)(ii)	Form of Letter of Transmittal.*
(a)(1)(iii)	Form of Voluntary Offering Instructions.*
(a)(1)(iv)	Form of Notice of Withdrawal.*
(a)(2)	Not applicable.
(a)(3)	Not applicable.
(a)(4)	Not applicable.
(a)(5)(i)	Press Release, issued February 11, 2013 (incorporated by reference to Exhibit 99.1 of our Current Report on Form 8-K filed on February 11, 2013 (first filing)).*
(a)(5)(ii)	Press Release, issued March 27, 2013.

- (b) Not applicable.
- (d)(1) Indenture, dated as of October 16, 2009, between CNO and The Bank of New York Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed October 19, 2009, as amended by First Supplemental Indenture dated as of February 3, 2010, incorporated by reference to Exhibit 4.2 of our Current Report on Form 8-K filed on February 5, 2010).*
- (d)(2) Debenture Repurchase Agreement, dated as of September 4, 2012, by and among CNO and Paulson Credit Opportunities Master Ltd. and Paulson Recovery Master Fund Ltd. (incorporated by reference to Exhibit 10.1 of our Amendment No. 1 to Current Report on Form 8-K/A filed on September 10, 2012).*
- (d)(3) Amended and Restated Section 382 Rights Agreement, dated as of December 6, 2011, between CNO and American Stock Transfer & Trust Company, LLC, as Rights Agent, which includes the Certificate of Designations for the Series B Junior Participating Preferred Stock as Exhibit A, the Form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed on December 6, 2011).*
- (d)(4) Stock and Warrant Purchase Agreement, dated as of October 13, 2009, by and between CNO and Paulson (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on October 13, 2009).*
- (d)(5) Investor Rights Agreement, dated as of November 13, 2009, by and between CNO and Paulson (incorporated by reference to Exhibit 10.3 of our Annual Report on Form 10-K for the year ended December 31, 2009).*
- (d)(6) Form of Warrant Certificate (incorporated by reference to Exhibit 10.3 of our Current Report on Form 8-K filed on October 13, 2009).*
- (d)(7) CNO Financial Group, Inc. Amended and Restated Long-Term Incentive Plan (incorporated by reference to Exhibit 10.13 of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011).*
- (d)(8) Form of performance unit award agreement under the Amended and Restated Long-Term Incentive Plan (incorporated by reference to Exhibit 10.22 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2006).*
- (d)(9) Form of executive stock option agreement under Amended and Restated Long-Term Incentive Plan (incorporated by reference to Exhibit 10.14 of our Annual Report on Form 10-K for the year ended December 31, 2005).*
- (d)(10) Form of executive restricted stock agreement under Amended and Restated Long-Term Incentive Plan (incorporated by reference to Exhibit 10.15 of our Annual Report on Form 10-K for the year ended December 31, 2004).*
- (d)(11) Indenture, dated as of September 28, 2012, by and among CNO, the subsidiary guarantors party thereto and Wilmington Trust, National Association, as trustee and as collateral agent

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(incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed on October 1, 2012).*

- (d)(12) Form of 6.375% Senior Secured Note due 2020 (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed on October 1, 2012).*
- (d)(13) Security Agreement, dated as of September 28, 2012, by and among CNO, the subsidiary guarantors party thereto and Wilmington Trust, National Association, as collateral agent (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on October 1, 2012).*
- (d)(14) Purchase Agreement, dated September 20, 2012, by and among CNO, the subsidiary guarantors named therein and Goldman, Sachs & Co. and J.P. Morgan Securities LLC as representatives of the several initial purchasers named therein (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on September 21, 2012).*
- (g) Not applicable.
- (h) Not applicable.

* Previously filed.

Item 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: March 27, 2013

CNO FINANCIAL GROUP, INC.

By: /s/ Karl W. Kindig
Name: Karl W. Kindig
Title: Senior Vice President and
Secretary

EXHIBIT INDEX

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- (g) Not applicable.
- (h) Not applicable.

* Previously filed.

tom:2px;">

(2,657

)

\$

(2,027

)

\$

(1,368

)

Estimated impact of a 200bp increase

(5,103

)

(3,896

)

(2,629
)

Weighted-average coupon interest rate

4.04
%

3.89
%

3.83
%

Weighted-average servicing fee (basis points)

27.47

26.36

25.87

Weighted-average remaining maturity (in years)

8.03

7.98

11.11

The Company recorded servicing fees of \$8,876, \$5,735 and \$3,212, respectively, for the twelve months ended December 31, 2018, 2017 and 2016, respectively. These fees are included under the line item "Mortgage banking income" in the Consolidated Statements of Income.

Note 11 – Deposits

(In Thousands)

The following is a summary of deposits as of December 31:

	2018	2017
Noninterest-bearing deposits	\$2,318,706	\$1,840,424
Interest-bearing demand deposits	4,822,382	3,702,019
Savings deposits	624,685	571,948
Time deposits	2,362,784	1,806,684
Total deposits	\$10,128,557	\$7,921,075

123

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 11 – Deposits (continued)

The approximate scheduled maturities of time deposits at December 31, 2018 are as follows:

2019	\$1,389,489
2020	562,971
2021	314,346
2022	72,034
2023	21,663
Thereafter	2,281
Total	\$2,362,784

The aggregate amount of time deposits in denominations of \$250 or more at December 31, 2018 and 2017 was \$549,351 and \$382,630, respectively. Certain executive officers and directors and their respective affiliates had amounts on deposit with Renasant Bank of approximately \$44,327 and \$43,777 at December 31, 2018 and 2017, respectively.

Note 12 – Short-Term Borrowings
(In Thousands)

Short-term borrowings as of December 31 are summarized as follows:

	2018	2017
Securities sold under agreements to repurchase	\$7,706	\$6,814
Federal Home Loan Bank short-term advances	380,000	83,000
Total short-term borrowings	\$387,706	\$89,814

Securities sold under agreements to repurchase (“repurchase agreements”) represent funds received from customers, generally on an overnight or continuous basis, which are collateralized by investment securities owned or, at times, borrowed and re-hypothecated by the Company. The securities used as collateral consist primarily of U.S.

Government agency mortgage-backed securities, U.S. Government agency collateralized mortgage obligations, obligations of U.S. Government agencies, and obligations of states and political subdivisions. All securities are maintained by the Company’s safekeeping agents. These securities are reviewed by the Company on a daily basis, and the Company may be required to provide additional collateral due to changes in the fair market value of these securities. The terms of the Company’s repurchase agreements are continuous but may be canceled at any time by the Company or the customer.

Federal Home Loan Bank short-term advances are borrowings with original maturities of less than one year.

The average balances and cost of funds of short-term borrowings for the years ending December 31 are summarized as follows:

	Average Balances			Cost of Funds		
	2018	2017	2016	2018	2017	2016
Federal Home Loan Bank short-term advances	\$147,749	\$208,332	\$344,724	2.21%	1.27%	0.46%
Securities sold under agreements to repurchase	7,986	9,215	12,205	0.17	0.17	0.20
Total short-term borrowings	\$155,735	\$217,547	\$356,929	2.10%	1.22%	0.45%

The Company maintains lines of credit with correspondent banks totaling \$150,000 at December 31, 2018. Interest is charged at the market federal funds rate on all advances. There were no amounts outstanding under these lines of credit at December 31, 2018 or 2017.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements

Note 13 – Long-Term Debt
(In Thousands)

Long-term debt as of December 31, 2018 and 2017 is summarized as follows:

	2018	2017
Federal Home Loan Bank advances	\$6,690	\$7,493
Other long-term debt	53	98
Junior subordinated debentures	109,636	85,881
Subordinated notes	147,239	114,074
Total long-term debt	\$263,618	\$207,546

Federal Home Loan Bank advances

Long-term advances from the FHLB outstanding at December 31, 2018 had maturities ranging from 2019 to 2030 with a combination of fixed and floating rates ranging from 1.09% to 5.28%. Weighted-average interest rates on outstanding advances at December 31, 2018 and 2017 were 3.28% and 3.33%, respectively. These advances are collateralized by a blanket lien on the Company's loans. The Company had availability on unused lines of credit with the FHLB of \$3,301,543 at December 31, 2018.

In connection with the prepayment of \$42,369 in long-term advances from the FHLB during 2016, the Company incurred penalty charges of \$2,539, which is included under the line item "Extinguishment of debt" in the Consolidated Statements of Income. The Company did not prepay any outstanding long-term advances from the FHLB during 2018 or 2017.

Junior subordinated debentures

The Company owns the outstanding common securities of business trusts that issued corporation-obligated mandatorily redeemable preferred capital securities to third-party investors. The trusts used the proceeds from the issuance of their preferred capital securities and common securities (collectively referred to as "capital securities") to buy floating rate junior subordinated debentures issued by the Company (or by companies that the Company subsequently acquired). The debentures are the trusts' only assets and interest payments from the debentures finance the distributions paid on the capital securities. Distributions on the capital securities are payable quarterly at a rate per annum equal to the interest rate being earned by the trusts on the debentures held by the trusts. The capital securities are subject to mandatory redemption, in whole or in part, upon repayment of the debentures. The Company has entered into an agreement which fully and unconditionally guarantees the capital securities of each trust subject to the terms of the guarantee.

The following table provides details on the debentures as of December 31, 2018:

	Principal Amount	Interest Rate	Year of Maturity	Amount Included in Tier 1 Capital
PHC Statutory Trust I	\$20,619	5.64 %	2033	\$ 20,000
PHC Statutory Trust II	31,959	4.66	2035	31,000
Capital Bancorp Capital Trust I	12,372	4.30	2035	12,000
First M&F Statutory Trust I	30,928	4.12	2036	20,550
Brand Group Holdings Statutory Trust I	10,310	4.85	2035	9,056
Brand Group Holdings Statutory Trust II	5,155	5.79	2037	5,061
Brand Group Holdings Statutory Trust III	5,155	5.79	2038	5,061
Brand Group Holdings Statutory Trust IV	3,093	6.54	2038	3,317

During 2003, the Company formed PHC Statutory Trust I to provide funds for the cash portion of the Renasant Bancshares, Inc. acquisition. The interest rate for PHC Statutory Trust I reprices quarterly equal to the three-month LIBOR at the determination date plus 285 basis points. In April 2012, the Company entered into an interest rate swap agreement effective March 17, 2014,

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 13 – Long-Term Debt (continued)

pursuant to which the Company receives a variable rate of interest based on the three-month LIBOR plus a spread of 2.85% and pays a fixed rate of interest of 5.49%. The debentures owned by PHC Statutory Trust I are currently redeemable at par.

During 2005, the Company formed PHC Statutory Trust II to provide funds for the cash portion of the Heritage Financial Holding Corporation (“HFHC”) acquisition. The interest rate for PHC Statutory Trust II reprices quarterly equal to the three-month LIBOR at the determination date plus 187 basis points. The debentures owned by PHC Statutory Trust II are currently redeemable at par.

In connection with the acquisition of HFHC, the Company assumed the debentures issued by Heritage Financial Statutory Trust I. On February 22, 2017, the Company redeemed these debentures. The debentures were redeemed for an aggregate amount of \$10,515, which included the principal amount of \$10,310 and a prepayment penalty of \$205. In connection with the acquisition of Capital Bancorp, Inc. (“Capital”) in 2007, the Company assumed the debentures issued to Capital Bancorp Capital Trust I. The discount associated with the Company’s assumption of the debentures issued to Capital Bancorp Capital Trust I was fully amortized during 2010. The interest rate for Capital Bancorp Capital Trust I reprices quarterly equal to the three-month LIBOR plus 150 basis points. In March 2012, the Company entered into an interest rate swap agreement effective March 31, 2014, whereby the Company receives a variable rate of interest based on the three-month LIBOR plus a spread of 1.50% and pays a fixed rate of interest of 4.42%. The debentures owned by Capital Bancorp Capital Trust I are currently redeemable at par.

In connection with the acquisition of First M&F Corporation (“First M&F”) in 2013, the Company assumed the debentures issued to First M&F Statutory Trust I. The discount associated with the Company’s assumption of the debentures issued to First M&F Statutory Trust I had a carrying value of \$9,450 at December 31, 2018 and \$9,997 at December 31, 2017. The discount is being amortized through March 2036. The interest rate for First M&F Statutory Trust I reprices quarterly equal to the three-month LIBOR plus a spread of 133 basis points. The swap agreement related to these debentures assumed from First M&F matured in March 2018. In April 2018, the Company entered into an interest rate swap agreement effective June 15, 2018, which calls for the Company to pay a fixed rate of 4.180% and receive a variable rate of three-month LIBOR plus a spread of 133 basis points on a quarterly basis and will mature in June 2028. The debentures owned by First M&F Statutory Trust I are currently redeemable at par.

In connection with the acquisition of Brand in 2018, the Company assumed the debentures issued to Brand Group Holdings Statutory Trust I, Brand Group Holdings Statutory Trust II, Brand Group Holdings Statutory Trust III and Brand Group Holdings Statutory Trust IV. The interest rate for the each trust acquired from Brand reprices quarterly equal to the three-month LIBOR at the determination date plus 205 basis points for Brand Group Holdings Statutory Trust I, plus 300 basis points for Brand Group Holdings Statutory Trust II and III, and plus 375 basis points for Brand Group Holdings Statutory Trust IV. The debentures owned by the respective trusts listed above are all currently redeemable at par. The net discount associated with the Company’s assumption of the debentures issued to the respective Brand trusts had a carrying value of \$505 at December 31, 2018 and is being amortized through September 2038.

The Company has classified \$106,045 of the debentures described in the above paragraphs as Tier 1 capital. The Federal Reserve Board issued guidance in March 2005 providing more strict quantitative limits on the amount of securities, similar to the junior subordinated debentures issued or assumed by the Company, that are includable in Tier 1 capital. The new guidance, which became effective in March 2009, did not impact the amount of debentures the Company includes in Tier 1 capital. Furthermore, the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act have no effect on the treatment of these debentures as Tier 1 capital while the Company remains below \$15,000,000 in assets.

For more information about the Company’s derivative financial instruments, see Note 15, “Derivative Instruments.”
Subordinated notes

On August 22, 2016, the Company issued and sold in an underwritten public offering \$60,000 aggregate principal amount of its 5.00% Fixed-to-Floating Rate Subordinated Notes due 2026 (the “2026 Notes”) and \$40,000 aggregate principal amount of its 5.50% Fixed-to-Floating Rate Subordinated Notes due 2031 (the “2031 Notes”), at a public offering price equal to 100% of the aggregate principal amounts of the Notes. As part of the Metropolitan acquisition in 2017, the Company assumed \$15,000 of 6.50% Fixed-to-Floating Rate Subordinated Notes due 2026 (the “Metropolitan Notes”). As part of the Brand acquisition in 2018, the Company assumed \$30,000 of 8.50% Fixed Rate Subordinated Notes due 2024 (the “Brand Notes”); the 2026 Notes, the 2031 Notes and the Metropolitan Notes are referred to collectively as the “Notes”).

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 13 – Long-Term Debt (continued)

The Brand Notes, Metropolitan Notes, 2026 Notes and 2031 Notes mature on June 27, 2024, July 1, 2026, September 1, 2026 and on September 1, 2031, respectively. The Company pays interest on the Brand Notes quarterly in arrears on each March 31, June 30, September 30 and December 31 at a fixed annual interest rate equal to 8.50%. Until but excluding July 1, 2021, the Company pays interest on the Metropolitan Notes semi-annually in arrears on each January 1 and July 1 at a fixed annual interest rate equal to 6.50%. From and including July 1, 2021 to but excluding the maturity date or the date of earlier redemption, the interest rate on the Metropolitan Notes will reset quarterly to an annual interest rate equal to the then-current three-month LIBOR rate plus a spread of 554.5 basis points, payable quarterly in arrears on each January 1, April 1, July 1 and October 1. Until but excluding September 1, 2021 and 2026, respectively, the Company pays interest on the 2026 Notes and 2031 Notes semi-annually in arrears on each March 1 and September 1 at a fixed annual interest rate equal to 5.00% and 5.50%, respectively. From and including September 1, 2021 and 2026, respectively, to but excluding the maturity date or the date of earlier redemption, the interest rate on the 2026 Notes and 2031 Notes will reset quarterly to an annual interest rate equal to the then-current three-month LIBOR rate plus a spread of 384 basis points and 407.1 basis points, respectively, payable quarterly in arrears on each March 1, June 1, September 1 and December 1. Notwithstanding the foregoing, for all of the Notes, in the event that three-month LIBOR is less than zero, three-month LIBOR shall be deemed to be zero. Beginning with the interest payment date of June 30, 2019, as to the Brand Notes, July 1, 2021, as to the Metropolitan Notes, September 1, 2021 as to the 2026 Notes, and September 1, 2026, as to the 2031 Notes, and on any interest payment date thereafter, the Company may redeem the applicable Notes in whole or in part at a redemption price equal to 100% of the principal amount of the respective Notes to be redeemed plus accrued and unpaid interest to but excluding the date of redemption.

The Company may also redeem any series of the Notes at any time, at the Company's option, in whole or in part, if: (i) a change or prospective change in law occurs that could prevent the Company from deducting interest payable on the Notes for U.S. federal income tax purposes; (ii) a subsequent event occurs that could preclude the Notes from being recognized as Tier 2 capital for regulatory capital purposes; or (iii) the Company is required to register as an investment company under the Investment Company Act of 1940, as amended. In each case, the redemption price is 100% of the principal amount of the Notes being redeemed plus any accrued and unpaid interest to but excluding the redemption date. There is no sinking fund for the benefit of the Notes, and none of the Notes are convertible or exchangeable.

The aggregate stated maturities of long-term debt outstanding at December 31, 2018, are summarized as follows:

2019	\$1,811
2020	272
2021	180
2022	516
2023	824
Thereafter	260,015
Total	\$263,618

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements

Note 14 – Employee Benefit and Deferred Compensation Plans

(In Thousands, Except Share Data)

Pension and Post-retirement Medical Plans

The Company sponsors a noncontributory defined benefit pension plan, under which participation and benefit accruals ceased as of December 31, 1996. The Company's funding policy is to contribute annually to the plan an amount not less than the minimum required contribution, as determined annually by consulting actuaries in accordance with funding standards imposed under the Internal Revenue Code of 1986, as amended. No contributions were made or required in 2018 or 2017. The Company does not anticipate that a contribution will be required in 2019. The plan's accumulated benefit obligation and projected benefit obligation are substantially the same since benefit accruals have ceased. The accumulated benefit obligation was \$24,945 and \$27,859 at December 31, 2018 and 2017, respectively. There is no additional minimum pension liability required to be recognized.

In connection with the acquisition of Heritage Financial Group, Inc., and its affiliates, in 2015, the Company assumed the HeritageBank of the South Defined Benefit Plan. The plan was terminated by HeritageBank of the South immediately prior to the acquisition, and final distribution of all benefits was completed in August 2016.

The Company provides retiree medical benefits, consisting of the opportunity to purchase coverage at subsidized rates under the Company's group medical plan. Employees eligible to participate must: (i) have been employed by the Company and enrolled in the Company's group medical plan as of December 31, 2004; and (ii) retire from the Company between ages 55 and 65 with at least 15 years of service or 70 points (points determined as the sum of age and service.) The Company periodically determines the portion of the premiums to be paid by each retiree and the portion to be paid by the Company. Coverage ceases when a retiree attains age 65 and is eligible for Medicare. The Company also provides life insurance for each retiree who receives retiree medical benefits. The face amount of the coverage is \$5; coverage is provided until each retiree attains age 70. Retirees may purchase additional insurance or continue coverage beyond age 70 at their sole expense. The Company contributed \$89 and \$119 to the plan in 2018 and 2017, respectively; the Company expects to contribute approximately \$156 in 2019.

The Company accounts for its obligations related to retiree benefits in accordance with ASC 715, "Compensation – Retirement Benefits." The assumed rate of increase in the per capita cost of covered benefits (i.e., the health care cost trend rate) for the next year is 5.6%. Increasing or decreasing the assumed health care cost trend rates by one percentage point in each year would not materially increase or decrease the accumulated post-retirement benefit obligation or the service and interest cost components of net periodic post-retirement benefit costs as of December 31, 2018 and for the year then ended.

Renasant Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Note 14 – Employee Benefit and Deferred Compensation Plans (continued)

Information relating to the defined benefit pension plan maintained by the Renasant Bank (“Pension Benefits - Renasant”) and to the post-retirement health and life plan (“Other Benefits”) as of December 31, 2018 and 2017 is as follows:

	Pension Benefits Renasant		Other Benefits	
	2018	2017	2018	2017
Change in benefit obligation				
Benefit obligation at beginning of year	\$27,859	\$28,012	\$1,170	\$1,566
Service cost	—	—	8	9
Interest cost	1,043	1,168	31	42
Plan participants’ contributions	—	—	75	77
Actuarial (gain) loss	(2,016)	582	(239)	(328)
Benefits paid	(1,941)	(1,903)	(164)	(196)
Benefit obligation at end of year	\$24,945	\$27,859	\$881	\$1,170
Change in fair value of plan assets				
Fair value of plan assets at beginning of year	\$26,913	\$25,241		
Actual return on plan assets	234	3,575		
Contribution by employer	—	—		
Benefits paid	(1,941)	(1,903)		
Fair value of plan assets at end of year	\$25,206	\$26,913		
Funded status at end of year	\$261	\$(946)	\$(881)	\$(1,170)
Weighted-average assumptions as of December 31				
Discount rate used to determine the benefit obligation	4.56	% 3.96	% 4.07	% 3.37

The discount rate assumptions at December 31, 2018 were determined using a yield curve approach. A yield curve was developed for a selection of high quality fixed-income investments whose cash flows approximate the timing and amount of expected cash flows from the plans. The selected discount rate is the rate that produces the same present value of the plans' projected benefit payments.

Renasant Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Note 14 – Employee Benefit and Deferred Compensation Plans (continued)

The components of net periodic benefit cost and other amounts recognized in other comprehensive income for the defined benefit pension and post-retirement health and life plans for the years ended December 31, 2018, 2017 and 2016 are as follows:

	Pension Benefits Renasant			Pension Benefits HeritageBank ⁽¹⁾	Other Benefits		
	2018	2017	2016	2016	2018	2017	2016
Service cost	\$—	\$—	\$—	\$—	\$8	\$9	\$12
Interest cost	1,043	1,168	1,216	172	31	42	58
Expected return on plan assets	(2,077)	(1,941)	(1,872)	(113)	—	—	—
Prior service cost recognized	—	—	—	—	—	—	—
Recognized actuarial loss	328	401	404	—	—	6	76
Settlement/curtailment/termination losses	—	—	—	(780)	—	—	—
Net periodic benefit cost	(706)	(372)	(252)	(721)	39	57	146
Net actuarial (gain) loss arising during the period	(173)	(1,051)	5	(397)	(240)	(328)	(56)
Net Settlement/curtailment/termination losses	—	—	—	780	—	—	—
Amortization of net actuarial loss recognized in net periodic pension cost	(328)	(401)	(404)	—	—	(6)	(76)
Total recognized in other comprehensive income	(501)	(1,452)	(399)	(383)	(240)	(334)	(132)
Total recognized in net periodic benefit cost and other comprehensive income	\$(1,207)	\$(1,824)	\$(651)	\$(338)	\$(201)	\$(277)	\$14
Weighted-average assumptions as of December 31							
Discount rate used to determine net periodic pension cost	3.96	% 4.35	% 4.56	% 4.27	% 3.37	% 3.57	% 3.63%
Expected return on plan assets	6.00	% 8.00	% 8.00	% 3.00	% N/A	N/A	N/A

Because the final distribution of benefits under the HeritageBank of the South Defined Benefit Plan was completed ⁽¹⁾ in 2016, there was no impact on the Company's consolidated financial statements as of and for the years ended December 31, 2018 and 2017.

Future estimated benefit payments under the Renasant defined benefit pension plan and post-retirement health and life plan are as follows:

	Pension Benefits Renasant	Other Benefits
2019	\$ 1,968	\$ 156
2020	1,973	141
2021	1,988	126
2022	1,980	103
2023	1,958	101
2024 - 2028	9,277	279

Renasant Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Note 14 – Employee Benefit and Deferred Compensation Plans (continued)

Amounts recognized in accumulated other comprehensive income, before tax, for the year ended December 31, 2018 are as follows:

	Pension Benefits Renasant	Other Benefits
Prior service cost	\$ —	\$ —
Actuarial loss (gain)	9,562	(155)
Total	\$ 9,562	\$ (155)

The estimated costs that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are as follows:

	Pension Benefits Renasant	Other Benefits
Prior service cost	\$ —	\$ —
Actuarial loss (gain)	345	(56)
Total	\$ 345	\$ (56)

The investment objective of the Company's defined benefit plan has been to achieve above average income and moderate long-term growth, by combining an equity income strategy (allocation of 65% to 75% of assets) and an intermediate fixed income strategy (allocation of 25% to 35% of assets) and investing directly in debt and equity securities. In 2018, the Company's investment committee modified the plan's investment strategy in a manner intended to preserve its funded status by focusing on the achievement of portfolio growth and including an interest rate hedging strategy. As a consequence, substantially all of the plan's assets were liquidated and the proceeds reinvested in a collective or pooled trust, which invests in other collective or pooled trusts with distinct investment mandates. The trust's asset allocation is approximately 55% in growth assets, consisting of interests in trusts invested in equity securities, high yield fixed income securities, and direct real estate investments (approximately 5% of assets), and approximately 45% to assets intended to hedge against volatility arising from interest rate risk, consisting of interests in trusts invested in long duration fixed income securities. The trust is actively managed allowing changes in asset allocations to enhance returns and mitigate risk. The Company's Trust Investment Committee, as designated by the senior management pension committee, periodically reviews the trust's performance and asset allocations to ensure the plan's investment objectives are satisfied and that the investment strategy of the trust has not materially changed. The expected long-term rate of return was estimated using market benchmarks for investment classes applied to the plan's target asset allocation and was computed using a valuation methodology which projects future returns based on current valuations rather than historical returns. The decrease in the expected return for 2018 (as compared to 2017) is attributable to the change in investment strategy, which resulted in a more conservative asset allocation.

The fair values of the Company's defined benefit pension plan assets by category at December 31, 2018 and 2017 are below. For 2018, investments in collective trusts, which are measured at net asset value per share (or "NAV"), consist of trusts that invest primarily in liquid equity and fixed income securities and have a small direct investment in real estate. There is generally no restriction on redemptions or withdrawals for benefit payments or in the event of plan termination; 60 day notice is required to redeem or withdraw assets for any other purpose. For 2017, direct investments in corporate stocks consisted primarily of common stocks of both U.S. companies and international companies that are traded in active markets and are valued based on quoted market prices of identical assets (Level 1). The investments in registered investment companies consist primarily of investments in funds that invest in investment grade fixed income securities. These investments are traded in active markets and are valued based on quoted market prices of identical assets (Level 1). Fixed income securities consist of U.S. Government securities, investment grade corporate debt, and foreign and municipal obligations. The fair values of these instruments are based

on quoted market prices of similar instruments or a discounted cash flow model (Level 2).

131

Renasant Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Note 14 – Employee Benefit and Deferred Compensation Plans (continued)

	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Totals
December 31, 2018					
Cash and cash equivalents	\$ 40	\$ —	\$ —	\$ 40	\$ 40
Investments in collective trusts	—	—	—	25,166	25,166
	\$ 40	\$ —	\$ —	\$ 25,166	\$ 25,206
	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Totals
December 31, 2017					
Cash and cash equivalents		\$ 387	\$ —	\$ —	—\$387
U.S. government securities		—	2,496	—	2,496
Corporate debt		—	1,908	—	1,908
Corporate stocks		20,557	—	—	20,557
Investments in registered investment companies		921	—	—	921
Foreign obligations		—	644	—	644
		\$ 21,865	\$ 5,048	\$ —	—\$26,913

Other Retirement Plans

The Company maintains a 401(k) plan, which is a contributory plan maintained in the form of a “safe harbor” arrangement. Employees are immediately enrolled in the plan and make pre-tax deferrals, subject to limits imposed under the plan and the deferral limit established annually by the IRS. Each pay period, the Company matches employee deferrals on a dollar for dollar basis, up to 4% of compensation. The Company also makes a nondiscretionary contribution for each eligible participant in an amount equal to 5% of plan compensation and 5% of plan compensation in excess of the Social Security wage base. In order to participate in the nondiscretionary contribution, an employee must: (i) be employed on the last day of the year and be credited with 1000 hours of service during the year; (ii) die or become disabled during the year; or (iii) have attained the plan’s early or normal retirement age (as defined in the plan). The Company’s costs related to the 401(k) plan, excluding employee deferrals, in 2018, 2017 and 2016 were \$13,477, \$11,471 and \$10,762, respectively.

In connection with the acquisition of Metropolitan BancGroup, Inc. and its affiliates, the Company assumed the Metropolitan BancGroup, Inc. 401(k) Plan. The plan was terminated by Metropolitan BancGroup, Inc. prior to the acquisition, and the distribution of all account balances was completed during 2018. There was no impact on the Company’s consolidated financial statements as of and for the years ended December 31, 2018 or 2017 associated with these plans.

In connection with the acquisition of Brand Group Holdings, Inc. and its affiliates, the Company assumed the Brand Group Holdings, Inc. 401(k) and Employee Stock Ownership Plan. The plan was terminated by Brand Group Holdings, Inc. immediately prior to the acquisition. The final distribution of account balances is expected to occur once a favorable determination as to the plan’s tax-qualified status is issued by the Internal Revenue Service. There was no impact on the Company’s consolidated financial statements as of and for the years ended December 31, 2018 or 2017 associated with the plan.

Deferred Compensation Plans and Arrangements

The Company maintains a Deferred Stock Unit Plan and two deferred compensation plans. Nonemployee directors may defer all or a portion of their fees and retainer to the Deferred Stock Unit Plan or the deferred compensation plan maintained for their benefit. Officers may defer base salary and bonus to the Deferred Stock Unit Plan or base salary to the deferred compensation plan maintained for their benefit, subject to limits determined annually by the Company. Amounts deferred to the Deferred Stock Unit Plan are invested in units representing shares of the Company's common stock; benefits are paid in the form of common stock, with cash distributed in lieu of fractional shares. Amounts credited to the deferred compensation plans are notionally invested in the discretion of each participant from among investment alternatives substantially similar to those available under the Company's

Renasant Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Note 14 – Employee Benefit and Deferred Compensation Plans (continued)

401(k) plan. Directors and officers who participated in these deferred compensation plans on or before December 31, 2006, may also invest in a preferential interest rate alternative that is derived from the Moody's Average Corporate Bond Rate. Benefits payable from the deferred compensation plans generally equal the account balances of each participant. Beneficiaries of eligible directors and officers may receive a preretirement death benefit in excess of the amounts credited to plan accounts (eligible directors and officers must have continuously deferred at rates prescribed by the Company since January 1, 2005 and die while employed by the Company).

In connection with the acquisition of Metropolitan BancGroup, Inc. and its affiliates, the Company assumed and now maintains the Metropolitan BancGroup, Inc. Nonqualified Deferred Compensation Plan. Deferral elections in effect as of the time of acquisition were continued through and until December 31, 2017; no further deferrals will be made to the plan. Account balances maintained under the plan will be distributed as provided under the terms of the plan and individual participant elections. Pending distribution, balances will be notionally invested by each participant in designated investment alternatives.

In connection with its acquisition of Brand Group Holdings, Inc. and its affiliates, the Company assumed the Brand Group Holdings, Inc. Deferred Compensation Plan. Deferral elections in effect as of the time of acquisition will be given effect for compensation earned during 2018; no further deferrals will be made to the plan. Account balances maintained under the plan will be distributed as provided under the terms of the plan and individual participant elections. Pending distribution, balances will be notionally invested by each participant in designated investment alternatives.

All of the Company's deferred compensation plans described above are unfunded. It is anticipated that the plans will result in no additional cost to the Company because life insurance policies on the lives of participants have been purchased in amounts estimated to be sufficient to pay plan benefits. The Company is both the owner and beneficiary of the policies. The expense recorded in 2018, 2017 and 2016 for the Company's Deferred Stock Unit and deferred compensation plans, inclusive of deferrals, was \$1,290, \$1,935 and \$1,537, respectively.

In 2007, the Company assumed supplemental executive retirement plans (SERPs) in connection with the acquisition of Capital Bancorp, Inc. and its affiliates. The plans are designed to provide four officers specified annual benefits for a 15-year period upon the attainment of a designated retirement age. Liabilities associated with the SERPs totaled \$3,865 and \$3,846 at December 31, 2018 and 2017, respectively. The plans are not qualified under Section 401 of the Internal Revenue Code.

Incentive Compensation Plans

Under the Company's Performance Based Rewards Plan, annual cash bonuses are paid to eligible officers and employees, subject to the attainment of designated performance criteria that may relate to the Company's performance, the performance of an affiliate, region, division or profit center, and/or to individual or team performance. The Company annually sets minimum, target, and superior levels of performance. Minimum performance must be attained for the payment of any bonus; superior performance must be attained for maximum payouts. The expense associated with the plan for 2018, 2017 and 2016 was \$5,117, \$4,490 and \$2,307, respectively.

The Company maintains a long-term equity compensation plan that provides for the grant of stock options and the award of restricted stock. The plan replaced the long-term incentive plan adopted in 2001, which expired in October 2011. Options granted under the plan permit the acquisition of shares of the Company's common stock at an exercise price equal to the fair market value of the shares on the date of grant. Options are subject to time-based vesting and expire ten years after the date of grant. Options that do not vest or expire unexercised are forfeited and canceled. There were no stock options granted during the years ended December 31, 2018, 2017 or 2016. There was no compensation expense associated with options recorded for the years ended December 31, 2018, 2017 or 2016.

Renasant Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Note 14 – Employee Benefit and Deferred Compensation Plans (continued)

The following table summarizes information about options outstanding, exercised and forfeited as of and for the three years ended December 31, 2018, 2017 and 2016:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding at January 1, 2016	621,446	\$ 17.88		
Granted	—	—		
Exercised	(435,177)	18.67		
Forfeited	(644)	29.67		
Outstanding at December 31, 2016	185,625	\$ 15.97	3.91	\$ 4,872
Exercisable at December 31, 2016	185,625	\$ 15.97	3.91	\$ 4,872
Granted	—	—		
Exercised	(95,875)	16.25		
Forfeited	—	—		
Outstanding at December 31, 2017	89,750	\$ 15.67	3.14	\$ 2,263
Exercisable at December 31, 2017	89,750	\$ 15.67	3.14	\$ 2,263
Granted	—	—		
Exercised	(41,000)	15.54		
Forfeited	(5,000)	15.32		
Outstanding at December 31, 2018	43,750	\$ 15.84	2.63	\$ 627
Exercisable at December 31, 2018	43,750	\$ 15.84	2.63	\$ 627

The total intrinsic value of options exercised during the three years ended December 31, 2018, 2017 and 2016 was \$1,180, \$2,487 and \$8,323, respectively. The total grant date fair value of options vested during December 31, 2016 was \$78. All options outstanding during 2018 and 2017 were fully vested and exercisable as of December 31, 2016. The Company also awards performance-based restricted stock to executives and other officers and employees and time-based restricted stock to non-employee directors, executives, and other officers and employees.

Performance-based awards are subject to the attainment of designated performance criteria during a fixed performance cycle. Performance criteria may relate to the Company's performance or to the performance of an affiliate, region, division or profit center in each case measured on an absolute basis or relative to a defined peer group. The Company annually sets minimum, target, and superior levels of performance. Minimum performance must be attained for the vesting of any shares; superior performance must be attained for maximum payouts. Time-based restricted stock awards relate to a fixed number of shares that vest at the end of a designated service period.

The fair value of each restricted stock award is the closing price of the Company's common stock on the business day immediately preceding the date of the award. For restricted stock awarded under the plan, the Company recorded compensation expense of \$7,251, \$5,293 and \$3,117 for the years ended December 31, 2018, 2017 and 2016, respectively. The following table summarizes the changes in restricted stock as of and for the year ended December 31, 2018:

	Performance- Based Restricted Stock ⁽¹⁾	Weighted Average Grant-Date Fair Value	Time- Based Restricted Stock	Weighted Average Grant-Date Fair Value
Not vested at beginning of year	—	\$ —	218,075	\$ 39.08
Granted	110,652	40.89	188,272	42.93

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Vested	(66,338)	40.89	(75,829)	36.98
Cancelled	(3,014)	40.89	(25,563)	40.97
Not vested at end of year	41,300	\$ 40.89	304,955	\$ 41.82

⁽¹⁾ In January 2018, the Company awarded an aggregate of 53,883 shares of performance-based restricted stock (at the target level), subject to a one-year performance cycle. An aggregate of 3,014 shares was forfeited and canceled prior to the end of the performance cycle. The Company's financial performance exceeded target levels, increasing the award by an aggregate of 15,469 shares.

Renasant Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Note 14 – Employee Benefit and Deferred Compensation Plans (continued)

Unrecognized stock-based compensation expense related to restricted stock totaled \$7,909 at December 31, 2018. As of such date, the weighted average period over which the unrecognized expense is expected to be recognized was approximately 1.45 years. There was no unrecognized stock-based compensation expense related to stock options at December 31, 2018.

At December 31, 2018, an aggregate of 2,043,402 shares of Company common stock were reserved for issuance under the Company's employee benefit plans.

Note 15 – Derivative Instruments

(In Thousands)

The Company utilizes derivative financial instruments, including interest rate contracts such as swaps, caps and/or floors, as part of its ongoing efforts to mitigate its interest rate risk exposure and to facilitate the needs of its customers. The Company enters into derivative instruments that are not designated as hedging instruments to help its commercial customers manage their exposure to interest rate fluctuations. To mitigate the interest rate risk associated with these customer contracts, the Company enters into an offsetting derivative contract position. The Company manages its credit risk, or potential risk of default by its commercial customers, through credit limit approval and monitoring procedures. At December 31, 2018, the Company had notional amounts of \$196,049 on interest rate contracts with corporate customers and \$196,049 in offsetting interest rate contracts with other financial institutions to mitigate the Company's rate exposure on its corporate customers' contracts.

In June 2014, the Company entered into two forward interest rate swap contracts on floating rate liabilities at the Bank level with notional amounts of \$15,000 each. The interest rate swap contracts are accounted for as cash flow hedges with the objective of protecting against any interest rate volatility on future FHLB borrowings for a four-year and five-year period beginning June 1, 2018 and December 3, 2018 and ending June 2022 and June 2023, respectively. Under these contracts, Renasant Bank will pay a fixed interest rate of interest, and will receive a variable interest rate based on the three-month LIBOR plus a pre-determined spread, with quarterly net settlements.

In March and April 2012, the Company entered into two interest rate swap agreements effective March 30, 2014 and March 17, 2014, respectively. Under these swap agreements, the Company receives a variable rate of interest based on the three-month LIBOR plus a pre-determined spread and pays a fixed rate of interest. The agreements, which both terminate in March 2022, are accounted for as cash flow hedges to reduce the variability in cash flows resulting from changes in interest rates on \$32,000 of the Company's junior subordinated debentures.

In April 2018, the Company entered into an interest rate swap agreement effective June 15, 2018. Under this swap agreement, the Company receives a variable rate of interest based on the three-month LIBOR plus a pre-determined spread and pays a fixed rate of interest. The agreement, which terminates in June 2028, is accounted for as a cash flow hedge to reduce the variability in cash flows resulting from changes in interest rates on \$30,000 of the Company's junior subordinated debentures.

The Company enters into interest rate lock commitments with its customers to mitigate the interest rate risk associated with the commitments to fund fixed-rate residential mortgage loans. The notional amount of commitments to fund fixed-rate mortgage loans was \$159,464 and \$131,000 at December 31, 2018 and 2017, respectively. The Company also enters into forward commitments to sell residential mortgage loans to secondary market investors. The notional amount of commitments to sell residential mortgage loans to secondary market investors was \$281,343 and \$199,000 at December 31, 2018 and 2017, respectively.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 15 – Derivative Instruments (continued)

The following table provides details on the Company's derivative financial instruments as of the dates presented:

	Balance Sheet Location	Fair Value	
		December 31, 2018	2017
Derivative assets:			
Not designated as hedging instruments:			
Interest rate contracts	Other Assets	\$2,779	\$3,171
Interest rate lock commitments	Other Assets	3,740	2,756
Forward commitments	Other Assets	—	50
Totals		\$6,519	\$5,977
Derivative liabilities:			
Designated as hedging instruments:			
Interest rate swap	Other Liabilities	\$2,046	\$2,536
Totals		\$2,046	\$2,536
Not designated as hedging instruments:			
Interest rate contracts	Other Liabilities	\$2,779	\$3,171
Interest rate lock commitments	Other Liabilities	—	4
Forward commitments	Other Liabilities	3,563	328
Totals		\$6,342	\$3,503

Gains (losses) included in the Consolidated Statements of Income related to the Company's derivative financial instruments were as follows, as of the dates presented:

	Year Ended December 31,		
	2018	2017	2016
Derivatives not designated as hedging instruments:			
Interest rate contracts:			
Included in interest income on loans	\$4,137	\$3,981	\$2,402
Interest rate lock commitments:			
Included in mortgage banking income	779	356	(2,111)
Forward commitments			
Included in mortgage banking income	(3,069)	(4,489)	4,275
Total	\$1,847	\$(152)	\$4,566

For the Company's derivatives designated as cash flow hedges, changes in fair value of the cash flow hedges are, to the extent that the hedging relationship is effective, recorded as other comprehensive income and are subsequently recognized in earnings at the same time that the hedged item is recognized in earnings. The ineffective portions of the changes in fair value of the hedging instruments are immediately recognized in earnings. The assessment of the effectiveness of the hedging relationship is evaluated under the hypothetical derivative method. There were no ineffective portions for the years ended December 31, 2018, 2017 and 2016. The impact on other comprehensive income for the years ended December 31, 2018, 2017, and 2016, can be seen at Note 19, "Other Comprehensive Income."

Offsetting

Certain financial instruments, including derivatives, may be eligible for offset in the consolidated balance sheet when the "right of setoff" exists or when the instruments are subject to an enforceable master netting agreement, which includes the right of the non-defaulting party or non-affected party to offset recognized amounts, including collateral posted with the counterparty, to determine a net receivable or net payable upon early termination of the agreement. Certain of the Company's derivative instruments are subject to master netting agreements; however, the Company has

not elected to offset such financial instruments in the

136

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 15 – Derivative Instruments (continued)

Consolidated Balance Sheets. The following table presents the Company's gross derivative positions as recognized in the Consolidated Balance Sheets as well as the net derivative positions, including collateral pledged to the extent the application of such collateral did not reduce the net derivative liability position below zero, had the Company elected to offset those instruments subject to an enforceable master netting agreement as of the dates presented:

	Offsetting Derivative Assets		Offsetting Derivative Liabilities	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Gross amounts recognized	\$1,620	\$ 717	\$6,768	\$ 5,303
Gross amounts offset in the consolidated balance sheets	—	—	—	—
Net amounts presented in the consolidated balance sheets	1,620	717	6,768	5,303
Gross amounts not offset in the consolidated balance sheets				
Financial instruments	1,620	717	1,620	717
Financial collateral pledged	—	—	2,745	4,357
Net amounts	\$—	\$ —	\$2,403	\$ 229

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements

Note 16 – Income Taxes
(In Thousands)

Significant components of the provision for income taxes are as follows for the periods presented:

	Year Ended December 31,		
	2018	2017	2016
Current			
Federal	\$ 22,658	\$ 28,380	\$ 31,679
State	2,625	1,354	2,131
	25,283	29,734	33,810
Deferred			
Federal	13,369	22,314	10,480
State	3,075	1,147	557
Revaluation of net deferred tax assets as a result of the Tax Cuts and Jobs Act	—	14,486	—
	16,444	37,947	11,037
	\$ 41,727	\$ 67,681	\$ 44,847

The reconciliation of income taxes computed at the United States federal statutory tax rates to the provision for income taxes is as follows, for the periods presented:

	Year Ended December 31,		
	2018	2017	2016
Tax at U.S. statutory rate	\$39,616	\$55,955	\$47,522
Increase (decrease) in taxes resulting from:			
Tax-exempt interest income	(1,433)	(3,595)	(3,467)
BOLI income	(975)	(1,524)	(1,622)
Investment tax credits	(1,863)	(1,591)	(1,390)
Amortization of investment in low-income housing tax credits	1,592	1,873	1,742
State income tax expense, net of federal benefit	4,502	1,626	1,747
Revaluation of net deferred tax assets as a result of the Tax Cuts and Jobs Act	—	14,486	—
Other items, net	288	451	315
	\$41,727	\$67,681	\$44,847

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 16 – Income Taxes (continued)

Significant components of the Company’s deferred tax assets and liabilities are as follows for the periods presented:

	December 31,	
	2018	2017
Deferred tax assets		
Allowance for loan losses	\$14,097	\$13,966
Loans	18,655	15,062
Deferred compensation	10,001	7,093
Net unrealized losses on securities	6,180	3,659
Impairment of assets	1,280	1,748
Net operating loss carryforwards	19,065	2,419
Other	3,610	4,722
Gross deferred tax assets	72,888	48,669
Valuation allowance on state net operating loss carryforwards	—	—
Total deferred tax assets	72,888	48,669
Deferred tax liabilities		
Investment in partnerships	1,572	757
Depreciation	3,865	3,163
Mortgage servicing rights	12,350	10,139
Subordinated debt	1,607	2,394
Other	1,792	1,859
Total deferred tax liabilities	21,186	18,312
Net deferred tax assets	\$51,702	\$30,357

The Tax Cuts and Jobs Act (the “Tax Act”), enacted on December 22, 2017, among other things, permanently lowered the statutory federal corporate tax rate from 35% to 21%, effective for tax years including or beginning January 1, 2018. Under the guidance of ASC 740, “Income Taxes” (“ASC 740”), the Company revalued its net deferred tax assets on the date of enactment based on the reduction in the overall future tax benefit expected to be realized at the lower tax rate implemented by the new legislation. After reviewing the Company’s inventory of deferred tax assets and liabilities on the date of enactment and giving consideration to the future impact of the lower corporate tax rates and other provisions of the new legislation, the Company’s revaluation of its net deferred tax assets was \$14,486, which was included in “Income taxes” in the Consolidated Statements of Income for the year ended December 31, 2017. No further adjustments related to the Tax Act were required in 2018.

The Company and its subsidiaries file a consolidated U.S. federal income tax return. The Company is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ending December 31, 2015 through 2017. The Company and its subsidiaries’ state income tax returns are open to audit under the statute of limitations for the years ended December 31, 2015 through 2017.

The Company acquired federal and state net operating losses as part of its previous acquisitions, with varying expiration periods. The federal and state net operating losses acquired in the Brand acquisition were \$83,960 and approximately \$67,168, respectively, all created in 2018. As part of the Tax Act and corresponding state tax laws, the federal net operating losses and the majority of the state net operating losses created by Brand during 2018 have an indefinite carryforward period. As of December 31, 2018, there are federal and state net operating losses, related to the Brand acquisition, without expiration periods of \$71,963 and \$63,218, respectively. The federal and state net operating losses acquired in the Heritage acquisition were \$18,321 and \$16,877, respectively, of which \$4,956 and \$2,365 remain to be utilized as of December 31, 2018. These losses begin to expire in 2029 and are expected to be fully utilized. Because the benefits are expected to be fully realized, the Company recorded no valuation allowance against the net operating losses for the year end December 31, 2018.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 16 – Income Taxes (continued)

The table below presents the breakout of net operating losses for the periods presented.

	December 31,	
	2018	2017
Net Operating Losses		
Federal	\$76,919	\$5,920
State	65,583	7,319

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest, related to federal and state income tax matters as of December 31 follows below. These amounts have been adjusted for the change in the tax rate from 35% to 21%.

	2018	2017	2016
Balance at January 1	\$1,606	\$1,510	\$1,485
Additions based on positions related to current period	313	467	25
Reductions due to lapse of statute of limitations	—	(371)	—
Balance at December 31	\$1,919	\$1,606	\$1,510

If ultimately recognized, the Company does not anticipate any material increase in the effective tax rate for 2018 relative to any tax positions taken prior to January 1, 2018. The Company had accrued \$244, \$169 and \$169 for interest and penalties related to unrecognized tax benefits as of December 31, 2018, 2017 and 2016, respectively.

Note 17 – Investments in Qualified Affordable Housing Projects

(In Thousands)

The Company has investments in qualified affordable housing projects (“QAHPs”) that provide low income housing tax credits and operating loss benefits over an extended period. At December 31, 2018 and December 31, 2017, the Company’s carrying value of QAHPs was \$6,037 and \$7,637, respectively. During the first quarter of 2017, the Company sold its interest in a limited liability partnership which reduced the carrying value of the investment in QAHPs by approximately \$2,450. On July 1, 2017, the Company acquired \$5,481 in QAHPs in its acquisition of Metropolitan. The Company has no remaining funding obligations related to the QAHPs. The investments in QAHPs are accounted for using the effective yield method. The investments in QAHPs are included in “Other assets” on the Consolidated Balance Sheets.

Components of the Company’s investments in qualified affordable housing projects were included in the line item “Income taxes” in the Consolidated Statements of Income for the periods presented as follows:

	Year Ended	
	December 31,	
	2018	2017
Investment amortization	\$1,592	\$1,714
Tax credits and other benefits	(2,290)	(2,190)
Total	\$(698)	\$(476)

Note 18 – Fair Value Measurements

(In Thousands)

Recurring Fair Value Measurements

The Company carries certain assets and liabilities at fair value on a recurring basis in accordance with applicable standards. The Company’s recurring fair value measurements are based on the requirement to carry such assets and liabilities at fair value or the Company’s election to carry certain eligible assets and liabilities at fair value. Assets and liabilities that are required to be carried

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 18 – Fair Value Measurements (continued)

at fair value include securities available for sale and derivative instruments. The Company has elected to carry mortgage loans held for sale at fair value on a recurring basis as permitted under the guidance in ASC 825.

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

Securities available for sale: Securities available for sale consist primarily of debt securities, such as obligations of U.S. Government agencies and corporations, mortgage-backed securities, trust preferred securities, and other debt securities. Where quoted market prices in active markets are available, securities are classified within Level 1 of the fair value hierarchy. If quoted prices from active markets are not available, fair values are based on quoted market prices for similar instruments traded in active markets, quoted market prices for identical or similar instruments traded in markets that are not active, or model-based valuation techniques where all significant assumptions are observable in the market. Such instruments are classified within Level 2 of the fair value hierarchy. When assumptions used in model-based valuation techniques are not observable in the market, the assumptions used by management reflect estimates of assumptions used by other market participants in determining fair value. When there is limited transparency around the inputs to the valuation, the instruments are classified within Level 3 of the fair value hierarchy.

Derivative instruments: The Company uses derivatives to manage various financial risks. Most of the Company's derivative contracts are actively traded in over-the-counter markets and are valued using discounted cash flow models which incorporate observable market based inputs including current market interest rates, credit spreads, and other factors. Such instruments are categorized within Level 2 of the fair value hierarchy and include interest rate swaps and other interest rate contracts including interest rate caps and/or floors. The Company's interest rate lock commitments are valued using current market prices for mortgage-backed securities with similar characteristics, adjusted for certain factors including servicing and risk. The value of the Company's forward commitments is based on current prices for securities backed by similar types of loans. Because these assumptions are observable in active markets, the Company's interest rate lock commitments and forward commitments are categorized within Level 2 of the fair value hierarchy.

Mortgage loans held for sale in loans held for sale: Mortgage loans held for sale are primarily agency loans which trade in active secondary markets. The fair value of these instruments is derived from current market pricing for similar loans, adjusted for differences in loan characteristics, including servicing and risk. Because the valuation is based on external pricing of similar instruments, mortgage loans held for sale are classified within Level 2 of the fair value hierarchy.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 18 – Fair Value Measurements (continued)

The following table presents assets and liabilities that are measured at fair value on a recurring basis as of the dates presented:

	Level 1	Level 2	Level 3	Totals
December 31, 2018				
Financial assets:				
Securities available for sale:				
Obligations of other U.S. Government agencies and corporations	\$	—\$2,511	\$—	\$2,511
Obligations of states and political subdivisions	—	203,269	—	203,269
Residential mortgage-backed securities:				
Government agency-mortgage backed securities	—	613,283	—	613,283
Government agency collateralized mortgage obligations	—	326,989	—	326,989
Commercial mortgage-backed securities:				
Government agency-mortgage backed securities	—	21,830	—	21,830
Government agency collateralized mortgage obligations	—	28,335	—	28,335
Trust preferred securities	—	—	10,633	10,633
Other debt securities	—	43,927	—	43,927
Total securities available for sale	—	1,240,144	10,633	1,250,777
Derivative instruments:				
Interest rate contracts	—	2,779	—	2,779
Interest rate lock commitments	—	3,740	—	3,740
Forward commitments	—	—	—	—
Total derivative instruments	—	6,519	—	6,519
Mortgage loans held for sale in loans held for sale	—	219,848	—	219,848
Total financial assets	\$	—\$1,466,511	\$10,633	\$1,477,144
Financial liabilities:				
Derivative instruments:				
Interest rate swap	\$	—\$2,046	\$—	\$2,046
Interest rate contracts	—	2,779	—	2,779
Interest rate lock commitments	—	—	—	—
Forward commitments	—	3,563	—	3,563
Total derivative instruments	—	8,388	—	8,388
Total financial liabilities	\$	—\$8,388	\$—	\$8,388

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 18 – Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Totals
December 31, 2017				
Financial assets:				
Securities available for sale:				
Obligations of other U.S. Government agencies and corporations	\$	—\$3,564	\$—	\$3,564
Obligations of states and political subdivisions	—	234,481	—	234,481
Residential mortgage-backed securities:				
Government agency mortgage-backed securities	—	193,950	—	193,950
Government agency collateralized mortgage obligations	—	176,639	—	176,639
Commercial mortgage-backed securities:				
Government agency-mortgage backed securities	—	31,170	—	31,170
Government agency collateralized mortgage obligations	—	5,006	—	5,006
Trust preferred securities	—	—	9,388	9,388
Other debt securities	—	17,290	—	17,290
Total securities available for sale	—	662,100	9,388	671,488
Derivative instruments:				
Interest rate contracts	—	3,171	—	3,171
Interest rate lock commitments	—	2,756	—	2,756
Forward commitments	—	50	—	50
Total derivative instruments	—	5,977	—	5,977
Mortgage loans held for sale in loans held for sale	—	108,316	—	108,316
Total financial assets	\$	—\$776,393	\$9,388	\$785,781
Financial liabilities:				
Derivative instruments:				
Interest rate swap	\$	—\$2,536	\$—	\$2,536
Interest rate contracts	—	3,171	—	3,171
Interest rate lock commitments	—	4	—	4
Forward commitments	—	328	—	328
Total derivative instruments	—	6,039	—	6,039
Total financial liabilities	\$	—\$6,039	\$—	\$6,039

The Company reviews fair value hierarchy classifications on a quarterly basis. Changes in the Company's ability to observe inputs to the valuation may cause reclassification of certain assets or liabilities within the fair value hierarchy.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 18 – Fair Value Measurements (continued)

The following table provides for the periods presented a reconciliation for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs, or Level 3 inputs:

	Securities available for sale
	Trust preferred securities
Balance at January 1, 2017	\$ 18,389
Realized (gains) losses included in net income, net of premium amortization	25
Unrealized gains included in other comprehensive income	2,364
Sales	(9,346)
Issues	—
Settlements	(2,044)
Transfers into Level 3	—
Transfers out of Level 3	—
Balance at December 31, 2017	\$ 9,388
Realized (gains) losses included in net income, net of premium amortization	34
Unrealized gains included in other comprehensive income	1,328
Sales	—
Issues	—
Settlements	(117)
Transfers into Level 3	—
Transfers out of Level 3	—
Balance at December 31, 2018	\$ 10,633

For 2018 and 2017, there were no gains or losses included in earnings that were attributable to the change in unrealized gains or losses related to assets or liabilities held at the end of each respective period that were measured on a recurring basis using significant unobservable inputs.

The following table presents information as of December 31, 2018 about significant unobservable inputs (Level 3) used in the valuation of assets and liabilities measured at fair value on a recurring basis:

Financial instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range of Inputs
Trust preferred securities	\$10,633	Discounted cash flows	Default rate	0-100%

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 18 – Fair Value Measurements (continued)

Nonrecurring Fair Value Measurements

Certain assets may be recorded at fair value on a nonrecurring basis. These nonrecurring fair value adjustments typically are a result of the application of the lower of cost or market accounting or a write-down occurring during the period. The following table provides as of the dates presented the fair value measurement for assets measured at fair value on a nonrecurring basis that were still held on the Consolidated Balance Sheets at period end and the level within the fair value hierarchy each is classified:

	Level 1	Level 2	Level 3	Totals
December 31, 2018				
Impaired loans	\$ —	—\$	—\$21,686	\$21,686
OREO	—	—	4,319	4,319
Total	\$ —	—\$	—\$26,005	\$26,005
	Level 1	Level 2	Level 3	Totals
December 31, 2017				
Impaired loans	\$ —	—\$	—\$19,365	\$19,365
OREO	—	—	7,392	7,392
Total	\$ —	—\$	—\$26,757	\$26,757

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

Impaired loans: Loans considered impaired are reserved for at the time the loan is identified as impaired taking into account the fair value of the collateral less estimated selling costs. Collateral may be real estate and/or business assets including but not limited to equipment, inventory and accounts receivable. The fair value of real estate is determined based on appraisals by qualified licensed appraisers. The fair value of the business assets is generally based on amounts reported on the business's financial statements. Appraised and reported values may be adjusted based on changes in market conditions from the time of valuation and management's knowledge of the client and the client's business. Since not all valuation inputs are observable, these nonrecurring fair value determinations are classified as Level 3. Impaired loans are reviewed and evaluated on at least a quarterly basis for additional impairment and adjusted accordingly, based on the same factors previously identified. Impaired loans that were measured or re-measured at fair value had a carrying value of \$22,621 and \$20,394 at December 31, 2018 and December 31, 2017, respectively, and a specific reserve for these loans of \$935 and \$1,029 was included in the allowance for loan losses for the same periods ended.

Other real estate owned: OREO is comprised of commercial and residential real estate obtained in partial or total satisfaction of loan obligations. OREO acquired in settlement of indebtedness is recorded at the fair value of the real estate less estimated costs to sell. Subsequently, it may be necessary to record nonrecurring fair value adjustments for declines in fair value. Fair value, when recorded, is determined based on appraisals by qualified licensed appraisers and adjusted for management's estimates of costs to sell. Accordingly, values for OREO are classified as Level 3. The following table presents, as of the dates presented, OREO measured at fair value on a nonrecurring basis that was still held in the Consolidated Balance Sheets at period-end:

	December 31, 2018	December 31, 2017
Carrying amount prior to remeasurement	\$ 5,258	\$ 8,732
Impairment recognized in results of operations	(939)	(1,340)
Fair value	\$ 4,319	\$ 7,392

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 18 – Fair Value Measurements (continued)

The following table presents information as of December 31, 2018 about significant unobservable inputs (Level 3) used in the valuation of assets measured at fair value on a nonrecurring basis:

Financial instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range of Inputs
Impaired loans	\$21,686	Appraised value of collateral less estimated costs to sell	Estimated costs to sell	4-10%
OREO	\$4,319	Appraised value of property less estimated costs to sell	Estimated costs to sell	4-10%

Fair Value Option

The Company elected to measure all mortgage loans originated for sale on or after July 1, 2012 at fair value under the fair value option as permitted under ASC 825. Electing to measure these assets at fair value reduces certain timing differences and better matches the changes in fair value of the loans with changes in the fair value of derivative instruments used to economically hedge them.

Net gains of \$4,892 resulting from fair value changes of these mortgage loans were recorded in income during 2018, as compared to net gains of \$1,594 in 2017 and net losses of \$4,851 in 2016. The amounts do not reflect changes in fair values of related derivative instruments used to hedge exposure to, market-related risks associated with these mortgage loans. The change in fair value of both mortgage loans held for sale and the related derivative instruments are recorded in “Mortgage banking income” in the Consolidated Statements of Income.

The Company’s valuation of mortgage loans held for sale incorporates an assumption for credit risk; however, given the short-term period that the Company holds these loans, valuation adjustments attributable to instrument-specific credit risk is nominal. Interest income on mortgage loans held for sale measured at fair value is accrued as it is earned based on contractual rates and is reflected in loan interest income on the Consolidated Statements of Income.

The following table summarizes the differences between the fair value and the principal balance for mortgage loans held for sale measured at fair value as of December 31, 2018:

	Aggregate Fair Value	Aggregate Unpaid Principal Balance	Difference
Mortgage loans held for sale	\$219,848	\$211,460	\$ 8,388
Past due loans of 90 days or more	—	—	—
Nonaccrual loans	—	—	—

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 18 – Fair Value Measurements (continued)

Fair Value of Financial Instruments

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

	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
December 31, 2018					
Financial assets					
Cash and cash equivalents	\$569,111	\$569,111	\$—	\$—	—\$569,111
Securities available for sale	1,250,777	—	1,240,144	10,633	1,250,777
Loans held for sale	411,427	—	219,848	191,579	411,427
Loans, net	9,034,103	—	—	8,818,039	8,818,039
Mortgage servicing rights	48,230	—	—	61,111	61,111
Derivative instruments	6,519	—	6,519	—	6,519
Financial liabilities					
Deposits	\$10,128,557	\$7,765,773	\$2,337,334	\$—	—\$10,103,107
Short-term borrowings	387,706	387,706	—	—	387,706
Other long-term borrowings	53	53	—	—	53
Federal Home Loan Bank advances	6,690	—	6,751	—	6,751
Junior subordinated debentures	109,636	—	109,766	—	109,766
Subordinated notes	147,239	—	148,875	—	148,875
Derivative instruments	8,388	—	8,388	—	8,388
		Fair Value			
	Carrying Value	Level 1	Level 2	Level 3	Total
December 31, 2017					
Financial assets					
Cash and cash equivalents	\$281,453	\$281,453	\$—	\$—	—\$281,453
Securities available for sale	671,488	—	662,100	9,388	671,488
Loans held for sale	108,316	—	108,316	—	108,316
Loans, net	7,574,111	—	—	7,514,185	7,514,185
Mortgage servicing rights	39,339	—	—	47,868	47,868
Derivative instruments	5,977	—	5,977	—	5,977
Financial liabilities					
Deposits	\$7,921,075	\$6,114,391	\$1,809,085	\$—	—\$7,923,476
Short-term borrowings	89,814	89,814	—	—	89,814
Other long-term borrowings	98	98	—	—	98
Federal Home Loan Bank advances	7,493	—	7,661	—	7,661
Junior subordinated debentures	85,881	—	69,702	—	69,702
Subordinated notes	114,074	—	118,650	—	118,650
Derivative instruments	6,039	—	6,039	—	6,039

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements

Note 19 – Other Comprehensive Income
(In Thousands)

Changes in the components of other comprehensive income, net of tax, were as follows:

	Pre-Tax	Tax Expense	Net of Tax (Benefit)
Year Ended December 31, 2018			
Securities available for sale:			
Unrealized holding losses on securities	\$(11,155)	\$(2,840)	\$(8,315)
Reclassification adjustment for losses realized in net income ⁽¹⁾	16	4	12
Total securities available for sale	(11,139)	(2,836)	(8,303)
Derivative instruments:			
Unrealized holding gains on derivative instruments	490	125	365
Total derivative instruments	490	125	365
Defined benefit pension and post-retirement benefit plans:			
Net gain arising during the period	413	105	308
Amortization of net actuarial loss recognized in net periodic pension cost ⁽²⁾	328	83	245
Total defined benefit pension and post-retirement benefit plans	741	188	553
Total other comprehensive loss	\$(9,908)	\$(2,523)	\$(7,385)
Year Ended December 31, 2017			
Securities available for sale:			
Unrealized holding losses on securities	\$(3,617)	\$(1,399)	\$(2,218)
Unrealized holding gains on securities transferred from held to maturity to available for sale	13,219	5,111	8,108
Reclassification adjustment for gains realized in net income ⁽¹⁾	(148)	(57)	(91)
Amortization of unrealized holding gains on securities transferred to the held to maturity category	(282)	(109)	(173)
Total securities available for sale	9,172	3,546	5,626
Derivative instruments:			
Unrealized holding gains on derivative instruments	874	338	536
Total derivative instruments	874	338	536
Defined benefit pension and post-retirement benefit plans:			
Net gain arising during the period	1,379	351	1,028
Amortization of net actuarial loss recognized in net periodic pension cost ⁽²⁾	407	158	249
Total defined benefit pension and post-retirement benefit plans	1,786	509	1,277
Total other comprehensive income	\$11,832	\$4,393	\$7,439

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 19 – Other Comprehensive Income (continued)

	Pre-Tax	Tax Expense	Net of Tax (Benefit)
Year Ended December 31, 2016			
Securities available for sale:			
Unrealized holding losses on securities	\$(10,119)	\$(3,913)	\$(6,206)
Reclassification adjustment for gains realized in net income ⁽¹⁾	(1,186)	(459)	(727)
Amortization of unrealized holding gains on securities transferred to the held to maturity category	(99)	(38)	(61)
Total securities available for sale	(11,404)	(4,410)	(6,994)
Derivative instruments:			
Unrealized holding gains on derivative instruments	856	329	527
Total derivative instruments	856	329	527
Defined benefit pension and post-retirement benefit plans:			
Net loss arising during the period	51	20	31
Amortization of net actuarial loss recognized in net periodic pension cost ⁽²⁾	480	178	302
Reclassification of adjustment for net settlement gain realized in net income ⁽²⁾	(383)	(148)	(235)
Total defined benefit pension and post-retirement benefit plans	148	50	98
Total other comprehensive loss	\$(10,400)	\$(4,031)	\$(6,369)

(1) Included in Net (losses) gains on sales of securities in the Consolidated Statements of Income

(2) Included in Salaries and employee benefits in the Consolidated Statements of Income

The accumulated balances for each component of other comprehensive income, net of tax, at December 31 were as follows:

	2018	2017	2016
Unrealized gains on securities	\$1,066	\$9,369	\$9,490
Non-credit related portion of other-than-temporary impairment on securities	(11,319)	(11,319)	(16,719)
Unrealized losses on derivative instruments	(630)	(995)	(1,355)
Unrecognized losses on defined benefit pension and post-retirement benefit plans obligations	(7,013)	(7,566)	(7,320)
Total accumulated other comprehensive loss	\$(17,896)	\$(10,511)	\$(15,904)

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statement

Note 20 – Quarterly Results of Operations
(In Thousands, Except Share Data) (Unaudited)

The following table sets forth a summary of the unaudited quarterly results of operations.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2018				
Interest income	\$ 100,380	\$ 106,574	\$ 117,795	\$ 137,105
Interest expense	11,140	14,185	18,356	21,648
Net interest income	89,240	92,389	99,439	115,457
Provision for loan losses	1,750	1,810	2,250	1,000
Noninterest income	33,953	35,581	38,053	36,374
Noninterest expense	77,944	79,026	94,746	93,313
Income before income taxes	43,499	47,134	40,496	57,518
Income taxes	9,673	10,424	8,532	13,098
Net income	\$ 33,826	\$ 36,710	\$ 31,964	\$ 44,420
Basic earnings per share	\$ 0.69	\$ 0.74	\$ 0.61	\$ 0.76
Diluted earnings per share	\$ 0.68	\$ 0.74	\$ 0.61	\$ 0.76

2017				
Interest income	\$ 81,889	\$ 87,579	\$ 100,695	\$ 104,587
Interest expense	7,874	7,976	10,678	11,325
Net interest income	74,015	79,603	90,017	93,262
Provision for loan losses	1,500	1,750	2,150	2,150
Noninterest income	32,021	34,265	33,413	32,441
Noninterest expense	69,309	74,841	80,660	76,808
Income before income taxes	35,227	37,277	40,620	46,745
Income taxes	11,255	11,993	14,199	30,234
Net income	\$ 23,972	\$ 25,284	\$ 26,421	\$ 16,511
Basic earnings per share	\$ 0.54	\$ 0.57	\$ 0.54	\$ 0.33
Diluted earnings per share	\$ 0.54	\$ 0.57	\$ 0.53	\$ 0.33

See Note 2, “Mergers and Acquisitions” above for a discussion of the effect on the Company’s results of operations of its acquisitions of Brand in the third quarter of 2018 and Metropolitan in the third quarter of 2017.

Note 21 – Net Income Per Common Share
(In Thousands, Except Share Data)

Basic net income per common share is calculated by dividing net income by the weighted-average number of common shares outstanding for the period. Diluted net income per common share reflects the pro forma dilution of shares outstanding, assuming outstanding stock options were exercised into common shares and nonvested restricted stock awards, whose vesting is subject to future service requirements, were outstanding common shares as of the awards’ respective grant dates, calculated in accordance with the treasury method.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statement
Note 21 – Net Income Per Common Share (continued)

Basic and diluted net income per common share calculations are as follows for the periods presented:

	Year Ended December 31,		
	2018	2017	2016
Basic			
Net income applicable to common stock	\$ 146,920	\$ 92,188	\$ 90,930
Average common shares outstanding	52,492,104	46,874,502	41,737,636
Net income per common share—basic	\$2.80	\$ 1.97	\$ 2.18
Diluted			
Net income applicable to common stock	\$ 146,920	\$ 92,188	\$ 90,930
Average common shares outstanding	52,492,104	46,874,502	41,737,636
Effect of dilutive stock-based compensation	134,746	127,014	251,819
Average common shares outstanding—diluted	52,626,850	47,001,516	41,989,455
Net income per common share—diluted	\$2.79	\$ 1.96	\$ 2.17

Outstanding stock-based compensation awards that could potentially dilute basic net income per common share in the future that were not included in the computation of diluted net income per common share due to their anti-dilutive effect were as follows for the periods presented:

	Year Ended December 31,		
	2018	2017	2016
Number of shares	73,257	77,545	—
Range of exercise prices (for stock option awards)	—	—	—

Note 22 – Commitments, Contingent Liabilities and Financial Instruments with Off-Balance Sheet Risk
(In Thousands)

Loan commitments are made to accommodate the financial needs of the Company's customers. Standby letters of credit commit the Company to make payments on behalf of customers when certain specified future events occur. Both arrangements have credit risk essentially the same as that involved in extending loans to customers and are subject to the Company's normal credit policies. Collateral (e.g., securities, receivables, inventory, equipment, etc.) is obtained based on management's credit assessment of the customer. The Company's unfunded loan commitments (unfunded loans and unused lines of credit) and standby letters of credit outstanding at December 31, 2018 were \$2,068,749 and \$104,664, respectively, compared to \$1,619,022 and \$68,946, respectively, at December 31, 2017. Various claims and lawsuits are pending against the Company and Renasant Bank. In the opinion of management, after consultation with legal counsel, resolution of these matters is not expected to have a material effect on the consolidated financial statements.

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

Note 23 – Restrictions on Cash, Securities, Bank Dividends, Loans or Advances
(In Thousands)

Renasant Bank is required to maintain minimum average balances with the Federal Reserve. At December 31, 2018 and 2017, Renasant Bank's reserve requirements with the Federal Reserve were \$113,341 and \$129,429, respectively, with which it was in full compliance.

The Company's balance of FHLB stock, which is carried at amortized cost, at December 31, 2018 and 2017, was \$19,777 and \$15,070, respectively. The required investment for the same time period was \$7,471 and \$7,181, respectively.

Renasant Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Note 23 – Restrictions on Cash, Securities, Bank Dividends, Loans or Advances (continued)

The Company's ability to pay dividends to its shareholders is substantially dependent on the ability of Renasant Bank to transfer funds to the Company in the form of dividends, loans and advances. Under Mississippi law, a Mississippi bank may not pay dividends unless its earned surplus is in excess of three times capital stock. A Mississippi bank with earned surplus in excess of three times capital stock may pay a dividend, subject to the approval of the Mississippi Department of Banking and Consumer Finance (the "DBCFC"). In addition, the FDIC also has the authority to prohibit the Bank from engaging in business practices that the FDIC considers to be unsafe or unsound, which, depending on the financial condition of the Bank, could include the payment of dividends. Accordingly, the approval of the DBCFC is required prior to Renasant Bank paying dividends to the Company, and under certain circumstances the approval of the FDIC may be required. At December 31, 2018, the Bank's earned surplus exceeded the Bank's capital stock by more than ten times.

Federal Reserve regulations also limit the amount Renasant Bank may loan to the Company unless such loans are collateralized by specific obligations. At December 31, 2018, the maximum amount available for transfer from Renasant Bank to the Company in the form of loans was \$133,162. As of December 31, 2018, no loans from the Bank to the Company were outstanding.

Note 24 – Regulatory Matters

(In Thousands)

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

The Federal Reserve, the FDIC and the Office of the Comptroller of the Currency have issued guidelines governing the levels of capital that bank holding companies and banks must maintain. Those guidelines specify capital tiers, which include the following classifications:

Capital Tiers	Tier 1 Capital to Average Assets (Leverage)	Common Equity Tier 1 to Risk - Weighted Assets	Tier 1 Capital to Risk - Weighted Assets	Total Capital to Risk - Weighted Assets
Well capitalized	5% or above	6.5% or above	8% or above	10% or above
Adequately capitalized	4% or above	4.5% or above	6% or above	8% or above
Undercapitalized	Less than 4%	Less than 4.5%	Less than 6%	Less than 8%
Significantly undercapitalized	Less than 3%	Less than 3%	Less than 4%	Less than 6%
Critically undercapitalized	Tangible Equity / Total Assets less than 2%			

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 24 – Regulatory Matters (continued)

The following table provides the capital and risk-based capital and leverage ratios for the Company and for Renasant Bank as of December 31:

	2018		2017	
	Amount	Ratio	Amount	Ratio
Renasant Corporation				
Tier 1 Capital to Average Assets (Leverage)	\$1,188,412	10.11%	\$979,604	10.18%
Common Equity Tier 1 Capital to Risk-Weighted Assets	1,085,751	11.05%	896,733	11.34%
Tier 1 Capital to Risk-Weighted Assets	1,188,412	12.10%	979,604	12.39%
Total Capital to Risk-Weighted Assets	1,386,507	14.12%	1,142,926	14.46%
Renasant Bank				
Tier 1 Capital to Average Assets (Leverage)	\$1,276,976	10.88%	\$1,000,715	10.42%
Common Equity Tier 1 Capital to Risk-Weighted Assets	1,276,976	13.02%	1,000,715	12.69%
Tier 1 Capital to Risk-Weighted Assets	1,276,976	13.02%	1,000,715	12.69%
Total Capital to Risk-Weighted Assets	1,331,619	13.58%	1,050,751	13.32%

Common equity Tier 1 capital (“CET1”) generally consists of common stock, retained earnings, accumulated other comprehensive income and certain minority interests, less certain adjustments and deductions. In addition, the Company must maintain a “capital conservation buffer,” which is a specified amount of CET1 capital in addition to the amount necessary to meet minimum risk-based capital requirements. The capital conservation buffer is designed to absorb losses during periods of economic stress. If the Company’s ratio of CET1 to risk-weighted capital is below the capital conservation buffer, the Company will face restrictions on its ability to pay dividends, repurchase outstanding stock and make certain discretionary bonus payments. At December 31, 2018, the required capital conservation buffer was 1.875% of CET1 to risk-weighted assets in addition to the amount necessary to meet minimum risk-based capital requirements, and the buffer increased to 2.5% as of January 1, 2019. In addition, the Basel III regulatory capital reforms and rules effecting certain changes required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 issued by the Federal Reserve, the FDIC and the Office of the Comptroller of the Currency (the “Basel III Rules”) have revised the agencies’ rules for calculating risk-weighted assets to enhance risk sensitivity and to incorporate certain international capital standards of the Basel Committee on Banking Supervision. These revisions affect the calculation of the denominator of a banking organization’s risk-based capital ratios to reflect the higher-risk nature of certain types of loans. As applicable to Renasant Bank:

— Residential mortgages: Replaced the current 50% risk weight for performing residential first-lien mortgages and a 100% risk-weight for all other mortgages with a risk weight of between 35% and 200% determined by the mortgage’s loan-to-value ratio and whether the mortgage falls into one of two categories based on eight criteria that include the term, use of negative amortization and balloon payments, certain rate increases and documented and verified borrower income.

— Commercial mortgages: Replaced the current 100% risk weight with a 150% risk weight for certain high volatility commercial real estate acquisition, development and construction loans.

— Nonperforming loans: Replaced the current 100% risk weight with a 150% risk weight for loans, other than residential mortgages, that are 90 days past due or on nonaccrual status.

Finally, Tier 1 capital treatment for “hybrid” capital items like trust preferred securities has been eliminated, subject to various grandfathering and transition rules.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements

Note 25 – Segment Reporting
(In Thousands)

The operations of the Company's reportable segments are described as follows:

The Community Banks segment delivers a complete range of banking and financial services to individuals and small to medium-size businesses including checking and savings accounts, business and personal loans, equipment leasing, as well as safe deposit and night depository facilities.

The Insurance segment includes a full service insurance agency offering all lines of commercial and personal insurance through major carriers.

The Wealth Management segment offers a broad range of wealth management and fiduciary services which includes the administration and management of trust accounts including personal and corporate benefit accounts, self-directed IRAs, and custodial accounts. In addition, the Wealth Management segment offers annuities, mutual funds and other investment services through a third party broker-dealer.

In order to give the Company's divisional management a more precise indication of the income and expenses they can control, the results of operations for the Community Banks, the Insurance and the Wealth Management segments reflect the direct revenues and expenses of each respective segment. Indirect revenues and expenses, including but not limited to income from the Company's investment portfolio, as well as certain costs associated with data processing and back office functions, primarily support the operations of the community banks and, therefore, are included in the results of the Community Banks segment. Included in "Other" are the operations of the holding company and other eliminations which are necessary for purposes of reconciling to the consolidated amounts.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 25 - Segment Reporting (continued)

The following table provides financial information for the Company's operating segments as of and for the years ended December 31, 2018, 2017 and 2016:

	Community Banks	Insurance	Wealth Management	Other	Consolidated
2018					
Net interest income	\$406,420	\$ 484	\$ 1,297	\$(11,676)	\$396,525
Provision for loan losses	6,810	—	—	—	6,810
Noninterest income	120,559	9,831	14,537	(966)	143,961
Noninterest expense	323,439	7,294	13,336	960	345,029
Income before income taxes	196,730	3,021	2,498	(13,602)	188,647
Income taxes	44,464	786	—	(3,523)	41,727
Net income (loss)	\$152,266	\$ 2,235	\$ 2,498	\$(10,079)	\$146,920
Total assets	\$12,828,586	\$25,798	\$ 60,794	\$19,700	\$12,934,878
Goodwill	930,161	2,767	—	—	932,928
2017					
Net interest income	\$344,499	\$ 457	\$ 2,160	\$(10,219)	\$336,897
Provision for loan losses	7,550	—	—	—	7,550
Noninterest income	110,308	9,530	12,863	(561)	132,140
Noninterest expense	281,698	6,957	11,785	1,178	301,618
Income before income taxes	165,559	3,030	3,238	(11,958)	159,869
Income taxes	70,257	1,184	—	(3,760)	67,681
Net income (loss)	\$95,302	\$ 1,846	\$ 3,238	\$(8,198)	\$92,188
Total assets	\$9,717,779	\$26,470	\$ 61,330	\$24,402	\$9,829,981
Goodwill	608,279	2,767	—	—	611,046
2016					
Net interest income	\$305,583	\$ 350	\$ 1,846	\$(6,788)	\$300,991
Provision for loan losses	7,530	—	—	—	7,530
Noninterest income	114,615	10,074	12,354	372	137,415
Noninterest expense	276,260	6,873	11,099	867	295,099
Income before income taxes	136,408	3,551	3,101	(7,283)	135,777
Income taxes	46,352	1,385	—	(2,890)	44,847
Net income (loss)	\$90,056	\$ 2,166	\$ 3,101	\$(4,393)	\$90,930
Total assets	\$8,602,022	\$23,693	\$ 54,857	\$19,279	\$8,699,851
Goodwill	467,767	2,767	—	—	470,534

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements

Note 26 – Renasant Corporation (Parent Company Only) Condensed Financial Information
(In Thousands)
Balance Sheets

	December 31,	
	2018	2017
Assets		
Cash and cash equivalents ⁽¹⁾	\$44,581	\$81,839
Investments	1,662	2,734
Loans, net	640	—
Investment in bank subsidiary ⁽²⁾	2,236,932	1,618,993
Accrued interest receivable on bank balances ⁽²⁾	6	6
Intercompany receivable ⁽²⁾	1,618	4,210
Other assets	18,574	10,839
Total assets	\$2,304,013	\$1,718,621
Liabilities and shareholders' equity		
Junior subordinated debentures	\$109,636	\$85,881
Subordinated notes	147,239	114,074
Other liabilities	3,225	3,683
Shareholders' equity	2,043,913	1,514,983
Total liabilities and shareholders' equity	\$2,304,013	\$1,718,621

(1) Eliminates in consolidation, with the exception of \$3,737 and \$3,643, in 2018 and 2017, respectively, pledged for collateral and held at non-subsidiary bank

(2) Eliminates in consolidation
Statements of Income

	Year Ended December 31,		
	2018	2017	2016
Income			
Dividends from bank subsidiary ⁽¹⁾	\$53,381	\$34,416	\$29,733
Interest income from bank subsidiary ⁽¹⁾	8	8	8
Other dividends	137	94	469
Other income	121	588	1,275
Total income	53,647	35,106	31,485
Expenses	13,869	12,649	9,036
Income before income tax benefit and equity in undistributed net income of bank subsidiary	39,778	22,457	22,449
Income tax benefit	(3,523)	(3,761)	(2,890)
Equity in undistributed net income of bank subsidiary ⁽¹⁾	103,619	65,970	65,591
Net income	\$146,920	\$92,188	\$90,930

(1) Eliminates in consolidation

Renasant Corporation and Subsidiaries

Notes to Consolidated Financial Statements

Note 26 - Renasant Corporation (Parent Company Only) Condensed Financial Information (continued)

Statements of Cash Flows

	Year Ended December 31,		
	2018	2017	2016
Operating activities			
Net income	\$146,920	\$92,188	\$90,930
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain on sale of securities	—	—	(1,186)
Equity in undistributed net income of bank subsidiary	(103,619)	(65,970)	(65,591)
Amortization/depreciation/accretion	160	656	560
Decrease (increase) in other assets	3,381	(1,069)	(556)
(Decrease) increase in other liabilities	(171)	(2,291)	564
Net cash provided by operating activities	46,671	23,514	24,721
Investing activities			
Purchases of securities held to maturity and available for sale	—	—	(1,380)
Sales and maturities of securities held to maturity and available for sale	1,052	1,555	6,101
Investment in subsidiaries	—	(25,000)	(75,000)
Net cash (paid) received in acquisition	(34,836)	4,834	—
Other investing activities	423	(54)	—
Net cash used in investing activities	(33,361)	(18,665)	(70,279)
Financing activities			
Cash paid for dividends	(43,614)	(34,416)	(29,734)
Cash received on exercise of stock-based compensation	201	173	415
Excess tax benefits from exercise of stock options	—	—	2,771
Repurchase of shares in connection with stock repurchase program	(7,062)	—	—
Repayment of long-term debt	—	(10,310)	—
Proceeds from issuance of long-term debt	—	—	98,127
Proceeds from equity offering	—	—	84,105
Other financing activities	(93)	310	—
Net cash (used in) provided by financing activities	(50,568)	(44,243)	155,684
(Decrease) increase in cash and cash equivalents	(37,258)	(39,394)	110,126
Cash and cash equivalents at beginning of year	81,839	121,233	11,107
Cash and cash equivalents at end of year	\$44,581	\$81,839	\$121,233

Note 27 – Revenue Recognition

(In Thousands)

The Company adopted ASU 2014-09, an update to ASC 606, “Revenue from Contracts with Customers” (“ASC 606”), in the first quarter of 2018. The majority of the Company’s revenue streams are governed by other authoritative guidance and, therefore, considered out-of-scope of ASC 606. The Company’s revenue streams that are considered in-scope of ASC 606 are discussed below.

ASC 606 requires costs that are incremental to obtaining a contract to be capitalized. In the case of the Company, these costs include sales commissions for insurance and wealth management products. ASC 606 has established, and the Company has utilized, a practical expedient allowing costs that, if capitalized, would have an amortization period of one year or less to instead be expensed as incurred.

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 27 – Revenue Recognition (continued)

Service Charges on Deposit Accounts

Service charges on deposit accounts include maintenance fees on accounts, per item charges, account enhancement charges for additional packaged benefits and overdraft fees. The contracts with deposit account customers are day-to-day contracts and are considered to be terminable at will by either party. Therefore, the fees are all considered to be earned when charged and simultaneously collected.

Fees and Commissions

Fees and commissions include fees related to deposit services, such as ATM fees and interchange fees on debit card transactions. These fees are earned at a point in time as the services are rendered, and therefore the related revenue is recognized as Company's performance obligation is satisfied.

Insurance Commissions

Through Renasant Insurance, we offer a range of commercial and personal insurance products through major insurance carriers, which include health and life insurance and property and casualty insurance. Insurance commissions are earned when policies are placed by customers with the insurance carriers and are collected and recognized using two different methods: the agency bill method and the direct bill method.

Under the agency bill method, Renasant Insurance is responsible for billing the customers directly and then collecting and remitting the premiums to the insurance carriers. Agency bill revenue is recognized at the later of the invoice date or effective date of the policy. The Company has established a reserve for such policies which is derived from historical collection experience and updated annually. The contract balances (i.e. accounts receivable and accounts payable related to insurance commissions earned and premiums due) and the reserve established are considered inconsequential to the overall financial results of the Company.

Under the direct bill method, premium billing and collections are handled by the insurance carriers, and a commission is then paid to Renasant Insurance. Direct bill revenue is recognized when the cash is received from the insurance carriers. While there is recourse on these commissions in the event of policy cancellations, based on the Company's historical data, significant or material reversals of revenue based on policy cancellations are not anticipated. The Company monitors policy cancellations on a monthly basis and, if a significant or material set of transactions occurred, the Company will adjust earnings accordingly.

The Company also earns contingency income that it recognizes on a cash basis. Contingency income is a bonus received from the insurance underwriters and is based both on commission income and claims experience on the Company's clients' policies during the previous year. Increases and decreases in contingency income are reflective of corresponding increases and decreases in the amount of claims paid by insurance carriers. Contingency income, which is included in "Other noninterest income" in the Consolidated Statements of Income, was \$832, \$816 and \$1,177, respectively, for each of the twelve months ended December 31, 2018, 2017 and 2016.

Wealth Management Revenue

Wealth management consists of the Trust division and the Financial Services division. The Trust division operates on a custodial basis which includes administration of benefit plans as well as accounting and money management for trust accounts. The division manages a number of trust accounts inclusive of personal and corporate benefit accounts, self-directed IRAs, and custodial accounts. Fees for managing these accounts are based on the value of assets under management in the account, with the amount of the fee depending on the type of account. Revenue is recognized on monthly basis, and there is little to no risk of a material reversal of revenue. The contract balance (i.e. management fee receivable) recognized is considered inconsequential to the overall financial results of the Company.

The Financial Services division provides specialized products and services to the Company's customers, which include investment guidance relating to fixed and variable annuities, mutual funds, stocks and other investments offered through a third party provider. Fees are recognized based on either trade activity, which are recognized at the time of the trade, or assets under management, which are recognized monthly.

Sales of Other Real Estate Owned

The Company continually markets the properties included in the OREO portfolio. The Company will at times, in the ordinary course of business, provide seller-financing on sales of OREO. In cases where a sale is seller-financed, the Company must ensure the commitment of both parties to perform their respective obligations and the collectability of the transaction price in order to

158

Renasant Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 27 – Revenue Recognition (continued)

properly recognize the revenue on the sale of OREO. This is accomplished through the Company's loan underwriting process. In this process the Company considers things such as the buyer's initial equity in the property, the credit quality of the buyer, the financing terms of the loan and the cash flow from the property, if applicable. If it is determined that the contract criteria in ASC 606 have been met, the revenue on the sale of OREO will be recognized on the closing date of the sale when the Company has transferred title to the buyer and obtained the right to receive payment for the property. In instances where sales are not seller-financed, the Company recognizes revenue on the closing date of the sale when the Company has obtained payment for the property and transferred title to the buyer. For additional information on OREO, please see Note 8, "Other Real Estate Owned."

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Based upon their evaluation as of December 31, 2018, our Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are effective for ensuring that information the Company is required to disclose in reports that it files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including its Principal Executive and Principal Financial Officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting and Attestation Report of Independent Registered Public Accounting Firm

The information required to be provided pursuant to this item is set forth under the headings "Report on Management's Assessment of Internal Control over Financial Reporting" and "Reports of Independent Registered Public Accounting Firm" in Item 8, Financial Statements and Supplementary Data.

Changes in Internal Control over Financial Reporting

There were no changes to internal control over financial reporting during the fourth quarter of 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Executive Officers of the Company

The information appearing under the heading "Executive Officers" in the Company's Definitive Proxy Statement for its 2019 Annual Meeting of Shareholders is incorporated herein by reference.

Code of Ethics

The Company has adopted a code of business conduct and ethics in compliance with Item 406 of Regulation S-K that applies to the Company's principal executive officer, principal financial officer, principal accounting officer and controller. The Company's Code of Ethics is available on its website at www.renasant.com under the "Investor Relations" tab by clicking on "Corporate Overview," and then "Governance Documents" and then "Code of Ethics." Any person may request a free copy of the Code of Ethics from the Company by sending a request to the following address: Renasant Corporation, 209 Troy Street, Tupelo, Mississippi, 38804-4827, Attention: Chief Financial Officer. The Company intends to satisfy the disclosure requirement under Item 5.05(c) of Form 8-K regarding an amendment to, or waiver from, a provision of the Company's Code of Ethics by posting such information on its website, at the address specified above.

Directors of the Company, Shareholder Recommendations of Director Candidates, Audit Committee Members and Section 16(a) Beneficial Ownership Reporting Compliance

The information appearing under the headings “Corporate Governance and Board of Directors,” “Board Members and Compensation” and “Stock Ownership” in the Company’s Definitive Proxy Statement for its 2019 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information appearing under the headings “Board Members and Compensation,” “Compensation Discussion and Analysis,” “Compensation Committee Report,” “Compensation Committee Interlocks and Insider Participation” and “Compensation Tables” in the Company’s Definitive Proxy Statement for its 2019 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information appearing under the heading “Stock Ownership” in the Company’s Definitive Proxy Statement for its 2019 Annual Meeting of Shareholders is incorporated herein by reference.

The table below includes information as of December 31, 2018 about the Company’s equity compensation plans, both approved and not approved by the Company’s shareholders. These plans and arrangements are:

Shareholder-Approved Plans: As of December 31, 2018, the Company’s shareholder-approved equity compensation plans are as follows:

Renasant Corporation 2011 Long-Term Incentive Compensation Plan. Under this plan, a total of 1,737,600 shares of Company common stock are reserved for issuance; as of December 31, 2018, an aggregate of 970,609 shares of common stock remained available, and options to purchase an aggregate of 27,250 shares of common stock were outstanding.

Renasant Corporation 2001 Long-Term Incentive Plan. This plan expired on October 8, 2011, and no further grants or other awards may be made under the plan. As of December 31, 2018, options to purchase an aggregate of 16,500 shares of Company common stock remained outstanding.

Non-Shareholder Approved Plans and Arrangements: As of December 31, 2018, there was one equity compensation plan that was not approved by the Company’s shareholders:

Deferred Stock Unit Plan. Under this plan, an aggregate of 317,500 shares of Company common stock are reserved for issuance; as of December 31, 2018, units representing an aggregate of 245,592 shares of common stock were allocated to accounts, some of which has been distributed in the form of common stock.

Equity Compensation Plan Information at December 31, 2018

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights ⁽¹⁾	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities in column (a))
Equity compensation plans approved by security holders	43,750	\$ 15.84	970,609
Equity compensation plans not approved by security holders	—	—	71,908
Total	43,750	\$ 15.84	1,042,517

(1) Does not take into account units allocated under the Deferred Stock Unit Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information appearing under the heading “Corporate Governance and Board of Directors” in the Company’s Definitive Proxy Statement for its 2019 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information appearing under the heading “Independent Registered Public Accountants” in the Company’s Definitive Proxy Statement for its 2019 Annual Meeting of Shareholders is incorporated herein by reference.

161

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) - (1) Financial Statements

The following consolidated financial statements and supplementary information for the fiscal years ended December 31, 2018, 2017 and 2016 are included in Part II, Item 8, Financial Statements and Supplementary Data:

- (i) Report on Management's Assessment of Internal Control over Financial Reporting
- (ii) Reports of Independent Registered Public Accounting Firm
- (iii) Consolidated Balance Sheets – December 31, 2018 and 2017
- (iv) Consolidated Statements of Income – Years ended December 31, 2018, 2017 and 2016
- (v) Consolidated Statements of Comprehensive Income – Years ended December 31, 2018, 2017 and 2016
- (vi) Consolidated Statements of Changes in Shareholders' Equity – Years ended December 31, 2018, 2017 and 2016
- (vii) Consolidated Statements of Cash Flows – Years ended December 31, 2018, 2017 and 2016
- (viii) Notes to Consolidated Financial Statements

(a) - (2) Financial Statement Schedules

All schedules have been omitted because they are either not applicable or the required information has been included in the consolidated financial statements or notes thereto.

(a) - (3) Exhibits required by Item 601 of Regulation S-K

- (2)(i) Agreement and Plan of Merger by and among Renasant Corporation, Renasant Bank, Heritage Financial Group, Inc. and HeritageBank of the South dated as of December 10, 2014, filed as exhibit 2.1 to the Form 8-K of the Company filed with the Securities and Exchange Commission (the "Commission") on December 15, 2014 and incorporated herein by reference.
- (2)(ii) Agreement and Plan of Merger by and among Renasant Corporation, Renasant Bank and KeyWorth Bank dated as of October 20, 2015, filed as exhibit 2.1 to the Form 8-K of the Company filed with the Commission on October 23, 2015 and incorporated herein by reference.
- (2)(iii) Agreement and Plan of Merger by and among Renasant Corporation, Renasant Bank, Metropolitan BancGroup, Inc. and Metropolitan Bank dated as of January 17, 2017, filed as exhibit 2.1 to the Form 8-K of the Company filed with the Commission on January 19, 2017 and incorporated herein by reference.
- (2)(iv) Agreement and Plan of Merger by and among Renasant Corporation, Renasant Bank, Brand Group Holdings, Inc. and The Brand Banking Company dated as of March 28, 2018, filed as exhibit 2.1 to the Form 8-K of the Company filed with the Commission on March 30, 2018 and incorporated herein by reference.
- (3)(i) Articles of Incorporation of the Company, as amended, filed as exhibit 3.1 to the Form 10-Q of the Company filed with the Commission on May 10, 2016 and incorporated herein by reference.
- (3)(ii) Amended and Restated Bylaws of the Company, filed as exhibit 3(ii) to the Form 8-K of the Company filed with the Commission on July 20, 2018 and incorporated herein by reference.
- (4)(i) Articles of Incorporation of the Company, as amended, filed as exhibit 3.1 to the Form 10-Q of the Company filed with the Commission on May 10, 2016 and incorporated herein by reference.

- (4)(ii) Amended and Restated Bylaws of the Company, filed as exhibit 3(ii) to the Form 8-K of the Company filed with the Commission on July 20, 2018 and incorporated herein by reference.

- (4)(iii) Subordinated Indenture dated August 22, 2016 between Renasant Corporation and Wilmington Trust, National Association, filed as exhibit 4.1 to the Form 8-K of the Company filed with the Commission on August 22, 2016 and incorporated herein by reference.

- (4)(iv) First Supplemental Indenture dated August 22, 2016 between Renasant Corporation and Wilmington Trust, National Association, filed as exhibit 4.2 to the Form 8-K of the Company filed with the Commission on August 22, 2016 and incorporated herein by reference.

- (4)(v) Second Supplemental Indenture dated August 22, 2016 between Renasant Corporation and Wilmington Trust, National Association, filed as exhibit 4.3 to the Form 8-K of the Company filed with the Commission on August 22, 2016 and incorporated herein by reference.

- (4)(vi) Form of 5.0% Fixed-to-Floating Subordinated Note due 2026 (included in exhibit (4)(iv))
- (4)(vii) Form of 5.50% Fixed-to-Floating Subordinated Note due 2031 (included in exhibit (4)(v))
- (10)(i) The Peoples Holding Company 2001 Long-Term Incentive Plan, filed as exhibit 4.1 to the Form S-8 Registration Statement of the Company (File No. 333-102152) filed with the Commission on December 23, 2002 and incorporated herein by reference.*
- (10)(ii) Amendment to The Peoples Holding Company 2001 Long-Term Incentive Plan dated December 4, 2002, filed as exhibit 4.2 to the Form S-8 Registration Statement of the Company (File No. 333-102152) filed with the Commission on December 23, 2002 and incorporated herein by reference.*
- (10)(iii) Amendment to The Peoples Holding Company 2001 Long-Term Incentive Plan dated February 8, 2005, filed as Appendix B to the Company's Definitive Proxy Statement filed with the Commission on March 14, 2005 and incorporated herein by reference.*
- (10)(iv) Amendment to The Peoples Holding Company 2001 Long-Term Incentive Plan dated July 18, 2006, filed as Exhibit 99.1 to the Form 8-K of the Company filed with the Commission on July 19, 2006 and incorporated herein by reference.*
- (10)(v) Renasant Corporation Deferred Stock Unit Plan, filed as exhibit 4.3 to the Form S-8 Registration Statement of the Company (File No. 333-102152) filed with the Commission on December 23, 2002 and incorporated herein by reference.*
- (10)(vi) Amendment to the Renasant Corporation Deferred Stock Unit Plan dated December 4, 2002, filed as exhibit 4.4 to the Form S-8 Registration Statement of the Company (File No. 333-102152) filed with the Commission on December 23, 2002 and incorporated herein by reference.*
- (10)(vii) Amended and Restated Renasant Corporation Deferred Stock Unit Plan, filed as exhibit 99.2 to the Form 8-K of the Company filed with the Commission on July 19, 2006 and incorporated herein by reference.*
- (10)(viii) Amendment to the Amended and Restated Renasant Corporation Deferred Stock Unit Plan dated June 5, 2007, filed as exhibit 99.1 to the Form S-8 Registration Statement of the Company (File No. 333-144185) filed with the Commission on June 29, 2007 and incorporated herein by reference.*
- (10)(ix) Amendment to the Amended and Restated Renasant Corporation Deferred Stock Unit Plan dated December 16, 2008, filed as exhibit 10.2 to the Form 8-K of the Company filed with the Commission on February 17, 2009 and incorporated herein by reference.*
- (10)(x) Amendment to the Amended and Restated Renasant Corporation Deferred Stock Unit Plan dated January 17, 2012, filed as exhibit 99.1 to the Form 8-K of the Company filed with the Commission on January 23, 2012 and incorporated herein by reference.*
- (10)(xi) Renasant Corporation Performance Based Rewards Plan, dated as of October 16, 2018, filed as exhibit 10.1 to the Form 8-K of the Company filed with the Commission on October 19, 2018 and incorporated herein by reference.*
- (10)(xii) Renasant Bank Executive Deferred Income Plan, filed as exhibit 99.1 to the Form 8-K of the Company filed with the Commission on January 5, 2007 and incorporated herein by reference.*

- (10)(xiii) Amendment to the Renasant Bank Executive Deferred Income Plan dated December 16, 2008, filed as exhibit 10.3 to the Form 8-K of the Company filed with the Commission on February 17, 2009 and incorporated herein by reference.*
- (10)(xiv) Amendment to the Renasant Bank Executive Deferred Income Plan dated December 27, 2016, filed as exhibit 10.1 to the Form 10-K/A of the Company filed with the Commission on February 28, 2017 and incorporated herein by reference.*
- (10)(xv) Renasant Bank Directors' Deferred Fee Plan, filed as exhibit 99.2 to the Form 8-K of the Company filed with the Commission on January 5, 2007 and incorporated herein by reference.*
- (10)(xvi) Amendment to the Renasant Bank Directors' Deferred Fee Plan dated December 16, 2008, filed as exhibit 10.4 to the Form 8-K of the Company filed with the Commission on February 17, 2009 and incorporated herein by reference.*
- (10)(xvii) Amendment to the Renasant Bank Directors' Deferred Fee Plan dated December 27, 2016, filed as exhibit 10.2 to the Form 10-K/A of the Company filed with the Commission on February 28, 2017 and incorporated herein by reference.*
- (10)(xviii) Employment Agreement dated as of June 29, 2007 by and between R. Rick Hart and Renasant Corporation, filed as exhibit 10.1 to the Form 8-K of the Company filed with the Commission on July 6, 2007 and incorporated herein by reference.*

- (10)(xix) Amendment to the Employment Agreement dated as of October 18, 2011 by and between R. Rick Hart and Renasant Corporation, filed as exhibit 10.1 to the Form 8-K of the Company filed with the Commission on March 7, 2012 and incorporated herein by reference.*
- (10)(xx) Amendment to Employment Agreement dated as of June 29, 2007 by and between R. Rick Hart and Renasant Corporation dated as of February 27, 2018, filed as exhibit 10.1 to the Form 10-K of the Company filed with the Commission on February 28, 2018 and incorporated herein by reference.*
- (10)(xxi) Termination and Release Agreement dated as of June 29, 2007 by and among R. Rick Hart, Capital Bancorp, Inc., Capital Bank & Trust Company and Renasant Corporation, filed as exhibit 10.2 to the Form 8-K of the Company filed with the Commission on July 6, 2007 and incorporated herein by reference.*
- (10)(xxii) Second Amendment to the Capital Bank & Trust Company Supplemental Executive Retirement Plan Agreement dated August 20, 2003 for R. Rick Hart, executed June 29, 2007, filed as exhibit 10.5 to the Form 8-K of the Company filed with the Commission on July 6, 2007 and incorporated herein by reference.*
- (10)(xxiii) Second Amendment to the Capital Bank & Trust Company Supplemental Executive Retirement Plan Agreement dated July 10, 2006 for R. Rick Hart, executed June 29, 2007, filed as exhibit 10.6 to the Form 8-K of the Company filed with the Commission on July 6, 2007 and incorporated herein by reference.*
- (10)(xxiv) Supplemental Agreement to the Capital Bancorp, Inc. 2001 Stock Option Plan for R. Rick Hart, executed June 29, 2007, filed as exhibit 10.9 to the Form 8-K of the Company filed with the Commission on July 6, 2007 and incorporated herein by reference.*
- (10)(xxv) Executive Employment Agreement dated January 2, 2008 by and between E. Robinson McGraw and Renasant Corporation, filed as exhibit 10.1 to the Form 8-K of the Company filed with the Commission on March 7, 2008 and incorporated herein by reference.*
- (10)(xxvi) Amendment to Executive Employment Agreement dated April 25, 2017 by and between E. Robinson McGraw and Renasant Corporation, filed as exhibit 10.1 to the Form 8-K of the Company filed with the Commission on April 28, 2017 and incorporated herein by reference.*
- (10)(xxvii) Renasant Corporation Severance Pay Plan, filed as exhibit 10.5 to the Form 8-K of the Company filed with the Commission on February 17, 2009 and incorporated herein by reference.*
- (10)(xxviii) Renasant Corporation 2011 Long-Term Incentive Compensation Plan, filed as Exhibit A to the Definitive Proxy Statement of the Company (File No. 001-13253) filed with the Commission on March 17, 2016 and incorporated herein by reference.*
- (10)(xxix) Amendment to the Renasant Corporation 2011 Long-Term Incentive Compensation Plan dated December 20, 2016, filed as exhibit 10.3 to the Form 10-K/A of the Company filed with the Commission on February 28, 2017 and incorporated herein by reference.*
- (10)(xxx) Executive Employment Agreement dated January 12, 2016, between Renasant Corporation and Kevin D. Chapman, filed as exhibit 10.1 to the Form 8-K of the Company filed with the Commission on January 13, 2016 and incorporated herein by reference.*

- (10)(xxxix) Amendment to the Executive Employment Agreement dated February 14, 2018, between Renasant Corporation and Kevin D. Chapman, filed as exhibit 10.2 to the Form 10-K of the Company filed with the Commission on February 28, 2018 and incorporated herein by reference.*
- (10)(xxxii) Executive Employment Agreement dated January 12, 2016, between Renasant Corporation and C. Mitchell Waycaster, filed as exhibit 10.2 to the Form 8-K of the Company filed with the Commission on January 13, 2016 and incorporated herein by reference.*
- (10)(xxxiii) Amendment to the Executive Employment Agreement dated February 14, 2018, between Renasant Corporation and C. Mitchell Waycaster, filed as exhibit 10.3 to the Form 10-K of the Company filed with the Commission on February 28, 2018 and incorporated herein by reference.*
- (10)(xxxiv) Executive Employment Agreement dated January 12, 2016, between Renasant Corporation and J. Scott Cochran, filed as exhibit 10.4 to the Form 10-K of the Company filed with the Commission on February 28, 2018 and incorporated herein by reference.*
- (10)(xxxv) Executive Employment Agreement dated September 1, 2018, between Renasant Corporation and Bartow Morgan, Jr., filed as exhibit 10.1 to the Registration Statement on Form S-4 of the Company (File No. 333-225395) filed with the Commission on June 1, 2018 and incorporated herein by reference.*
- (10)(xxxvi) Brand Group Holdings, Inc. Deferred Compensation Plan, as amended on January 1, 2016 and September 5, 2018, filed as exhibit 10.1 attached hereto.*

- (10)(xxxvii) Renasant Bank Deferred Income Plan, filed as exhibit 10.2 attached hereto.*
- (21) Subsidiaries of the Company
- (23) Consent of Independent Registered Public Accounting Firm
- (31)(i) Certification of the Principal Executive Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- (31)(ii) Certification of the Principal Financial Officer, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- (32)(i) Certification of the Principal Executive Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (32)(ii) Certification of the Principal Financial Officer, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- (101) The following materials from Renasant Corporation's Annual Report on Form 10-K for the year ended December 31, 2018 were formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2018 and December 31, 2017, (ii) Consolidated Statements of Income for the years ended December 31, 2018, 2017 and 2016, (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2018, 2017 and 2016, (iv) Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2018, 2017 and 2016, (v) Consolidated Statements of Cash Flows for the years ended December 31, 2018, 2017 and 2016 and (vi) Notes to Consolidated Financial Statements.

*Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form 10-K pursuant to Item 15(b) of Form 10-K.

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

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RENASANT CORPORATION

Date: February 27, 2019 by: /s/ C. Mitchell Waycaster
C. Mitchell Waycaster
President and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Date: February 27, 2019 by: /s/ Kevin D. Chapman
Kevin D. Chapman
Executive Vice President and
Chief Financial and Operating Officer
(Principal Financial and Accounting Officer)

Date: February 27, 2019 by: /s/ Donald Clark, Jr.
Donald Clark, Jr.
Director

Date: February 27, 2019 by: /s/ John M. Creekmore
John M. Creekmore
Vice Chairman of the Board and Director

Date: February 27, 2019 by: /s/ Albert J. Dale, III
Albert J. Dale, III
Director

Date: February 27, 2019 by: /s/ Jill V. Deer
Jill V. Deer
Director

Date: February 27, 2019 by: /s/ Marshall H. Dickerson
Marshall H. Dickerson
Director

Date: February 27, 2019 by: /s/ Connie L. Engel
Connie L. Engel
Director

Date: February 27, 2019 by: /s/ John T. Foy
John T. Foy
Director

Date: February 27, 2019 by: /s/ R. Rick Hart
R. Rick Hart
Executive Vice President and
Director

Date: February 27, 2019 by: /s/ Richard L. Heyer, Jr.
Richard L. Heyer, Jr.
Director

Date: February 27, 2019 by: /s/ Neal A. Holland, Jr.
Neal A. Holland, Jr.
Director

Date: February 27, 2019 by: /s/ E. Robinson McGraw
E. Robinson McGraw
Chairman of the Board and Director

Date: February 27, 2019 by: /s/ J. Niles McNeel
J. Niles McNeel
Director

Date: February 27, 2019 by: /s/ Michael D. Shmerling
Michael D. Shmerling
Director

Date: February 27, 2019 by: /s/ Sean M. Suggs
Sean M. Suggs
Director

Date: February 27, 2019 by: /s/ C. Mitchell Waycaster
C. Mitchell Waycaster
Director, President and
Chief Executive Officer
(Principal Executive Officer)