CAPITAL BANCORP INC
Form 425
February 06, 2007

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On February 6, 2007, management of Renasant Corporation hosted an investor conference call during which management made a presentation discussing the proposed merger of Capital Bancorp, Inc. with and into Renasant Corporation. A series of electronic slides accompanied such presentation. A copy of such electronic slides are below.

Capital Bancorp, Inc.
Capital Bancorp, Inc.
Acquisition of
February 6, 2007

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Capital Bancorp, Inc.
Forward Looking Statements
This presentation contains forward looking statements with respect to financial

condition, results of operations and business of Renasant Corporation (Renasant) and Capital Bancorp, Inc. (Capital). These forward looking statements include, but are not limited to, statements about (i) the expected benefits of the transaction between Renasant and Capital and between Renasant Bank and Capital Bank, including future financial and operating

results, cost savings, enhanced revenues and expected market position of the combined company that may be realized from the transaction and (ii) Renasant and Capital s plans, objectives, expectations and intentions and other statements contained in this presentation that are not historical facts. Other statements identified by words such as expects, anticipates,

intends,
plans,
believes,
seeks,
estimates,
targets,
projects
or
words
of
similar
meaning
generally
are
intended
to
identify
forward
looking
statements.
These
statements
are
based
upon
the
current
beliefs
and
expectations
of
Renasant s
and
Capital s
management
and
are
inherently
subject
to
significant
business,
economic
and
competitive
risks
and
uncertainties,
many
of

which are beyond their respective control. In addition, these forwardlooking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from those indicated or implied in the forward looking statements. Neither Renasant nor Capital assume any obligation

to
update
forward
looking
statements.

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Capital Bancorp, Inc.
In
connection
with
the
proposed
merger,
Renasant
and
Capital
intend
to

file relevant materials with the Securities and Exchange Commission, including a registration statement on Form S-4 that will contain a proxy statement/prospectus. This proxy statement/prospectus will be mailed to the shareholders of Capital. INVESTORS AND SECURITY HOLDERS OF CAPITAL ARE URGED TO READ THESE MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE

THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT RENASANT, CAPITAL AND THE PROPOSED MERGER. The proxy statement/prospectus and other relevant materials (when they become available), and any other documents filed by Renasant or Capital with the SEC, may be obtained free of charge at the SEC s website at www.sec.gov. In addition, investors

may obtain free copies of the documents filed with the SEC by Renasant by directing a written request to Renasant Corporation, 209 Troy Street, Tupelo, Mississippi 38802 Attention: Investor Relations, and free copies of the documents filed with the SEC by Capital by directing a written request to Capital Bancorp,

Inc., 1816 Hayes Street, Nashville, Tennessee 37203. Renasant, Capital and their respective directors and executive officers and other persons may be deemed to be participants in the solicitation of proxies from the shareholders of Capital in connection with the proposed transaction. Information about the directors and executive officers of Renasant

is set forth in the proxy statement for Renasant Corporation s 2006 annual meeting of shareholders, as filed with the SEC on March 9, 2006. Information about the directors and executive officers of Capital is set forth in the proxy statement for Capital Bancorp, Inc. s 2006 annual meeting of shareholders, as

filed with the SEC on April 13, 2006. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus when it becomes available.

Additional Information About the Transaction

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Capital Bancorp, Inc.
Acquiring Capital Bancorp, Inc. is an excellent entry point for Renasant into the Nashville market
Strategic fit that enhances the franchise
Similar banking cultures and operating models
R. Rick Hart (Capital CEO) & John H. Gregory, Jr. (Capital COO) will join Renasant s management team

Significant revenue enhancement
opportunities
Low integration risk
Overview of Acquisition
CPBB Branch

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Capital Bancorp, Inc.
Aggregate Value:
(1)
$134.9 million
Deal Value Per Share:
(2)
$35.82
Per Share Consideration:
Fixed exchange ratio of 1.2306 shares of Renasant common stock or $38.00 in cash for each share of

Capital Bancorp common
stock
Consideration Mix:
60
65% stock, remainder
in cash
Termination Fee:
$5.0 million
Expected Close:
Third quarter 2007
Terms of the Transaction

(1) Includes dilutive impact of options. Based on Renasant s closing price of $27.92 on 2/2/07.
(2) Based on 60% common stock / 40% cash consideration to common shareholders.

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Capital Bancorp, Inc.
Pricing
Price / LTM EPS:
31.4 x
Price / Book Value per Share:
370.8 %
Price / Tangible Book Value per Share:
370.8
Core Deposit Premium:
36.8
One Day Market Premium:

(1)
39.1
Data as of or for the twelve months ended 12/31/06.
(1) Based on CPBB s
closing price of $25.75 on 2/2/07.

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Capital Bancorp, Inc.
Rationale for Acquisition
Consistent with Renasant s previously announced strategy to expand into attractive high growth markets
Accelerates Renasant s long term earnings growth rates
Provides Renasant with an experienced management team and quality bank branches
Presents an opportunity to sell Renasant s broad array of banking and insurance products to Capital Bancorp s client base
Establishes Renasant in the Nashville MSA with an opportunity to take share from the competition

Market turmoil from recent banking mergers creates opportunities
for relationship-
driven banks to move market share
Consistent with past acquisitions into markets that have been successfully executed

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Capital Bancorp, Inc.
Pro Forma Franchise
CPBB Branch
RNST Branch
Balance Sheet
Source: SNL Financial and Company filings.
Financial data as of 12/31/06.
Dollars in thousands.
Does not include purchase accounting adjustments.
Renasant
Capital
Corporation

Bancorp
Combined
Offices:
63
7
70
Assets:
$2,611,356
$564,442
$3,175,798
Gross Loans:
1,865,434
465,682
2,331,116
Deposits:
2,108,965
464,952
2,573,917

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Capital Bancorp, Inc.
Market Characteristics
Capital is located is the heart of the Nashville MSA
Population increase has caused the housing market to surpass national trends with 14,304 permits issued year to date as of November 2006, an increase of 32% since 2002
The diverse economy is generally more insulated from national economic trends
Recent Accolades:

#1 Smart City *(Kiplinger s Personal Finance Magazine)*
#1 America s Hottest City *(Expansion Management)*
#7 Best Place for Business and Careers
(Forbes Magazine)
#8 Hot City For Entrepreneurs
(Entrepreneur Magazine)

Manufacturing	16.4%
Trade, Transportation, and Utilities	20.0%
Profession and Business Services	13.0%
Education and Health Services	13.5%
Finance	6.0%
Government	15.2%
Leisure and Hospitality	10.4%
Other	5.5%

Source: U.S. Department of Labor.
Nashville

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Capital Bancorp, Inc.
Attractive Market Dynamics
Population in the Nashville MSA has increased by 13.1%
since 2000 while deposits have increased by 66.0%
2006
2011 projected population growth of 10.9%
2006
2011 projected median household income growth of
19.7%
Source: SNL Financial and FDIC.
1
Miami-Fort Lauderdale-Miami Beach, FL

5.57
2
Washington-Arlington-Alexandria, DC-VA-MD-WV
5.38
3
Atlanta-Sandy Springs-Marietta, GA
5.23
4
Tampa-St.Petersburg-Clearwater, FL
2.72
5
Orlando-Kissimmee, FL
2.03
6
Virginia Beach-Norfolk-Newport News, VA-NC
1.68
7
Charlotte-Gastonia-Concord, NC-SC
1.57
8
Nashville-Davidson-Murfreesboro, TN
1.48
9
Jacksonville, FL
1.32
10
Memphis, TN-MS-AR
1.30
Top Southeast MSAs
2006 Population (in Millions)
1
Washington-Arlington-Alexandria, DC-VA-MD-WV
$187.8
2
Miami-Fort Lauderdale-Miami Beach, FL
151.7
3
Atlanta-Sandy Springs-Marietta, GA
116.7
4
Charlotte-Gastonia-Concord, NC-SC
95.3
5
Tampa-St.Petersburg-Clearwater, FL
55.2
6
Richmond, VA
38.7
7
Orlando-Kissimmee, FL

34.9
8
Jacksonville, FL
33.0
9
New Orleans-Metairie-Kenner, LA
29.8
10
Nashville-Davidson-Murfreesboro, TN
29.6
Top Southeast MSAs
Total Deposits (in Billions)

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Capital Bancorp, Inc.
Market Share Opportunity
Top 3 institutions in the Nashville MSA control over 54% of the deposits
Source: SNL Financial.
Deposit data as of 6/30/06.
Deposits
Market
Rank
Institution
($000)
Share

Branches
1
Regions Financial Corp. (AL)
$6,421,550
22.65
%
88
2
SunTrust Banks Inc. (GA)
4,491,264
15.84
59
3
Bank of America Corp. (NC)
4,444,939
15.68
40
4
First Horizon National Corp. (TN)
1,639,615
5.78
44
5
Pinnacle Financial Partners (TN)
1,523,298
5.37
16
6
Fifth Third Bancorp (OH)
1,127,806
3.98
24
7
U.S. Bancorp (MN)
945,331
3.33
41
8
Wilson Bank Holding Company (TN)
913,319
3.22
19
9
Greene County Bancshares Inc. (TN)
897,184
3.16
24
10
Mid-America Bancshares Inc. (TN)
758,964

2.68
14
11
Synovus
Financial Corp. (GA)
503,081
1.77
8
12
Tennessee Commerce Bancorp Inc (TN)
462,018
1.63
1
13
Pro Forma Company (MS)
422,212
1.49
8
14
First Farmers Bancshares Inc. (TN)
319,905
1.13
9
15
First South Bancorp Inc. (TN)
295,901
1.04
8

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Capital Bancorp, Inc.
Deposit Composition by State
Current Renasant Franchise
Pro Forma Franchise
AL
17%
MS
54%
TN
29%
AL
21%

MS
65%
TN
14%
Source: SNL Financial.
RNST and CPBB deposit data as of 6/30/06.

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Capital Bancorp, Inc.
Loan Composition by State
Current Renasant Franchise
Pro Forma Franchise
AL
21%
MS
43%
TN
36%
Source: Company reports.
RNST and CPBB loan data as of 12/31/06.

AL
27%
MS
54%
TN
19%

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Capital Bancorp, Inc.
Cost Savings:
$1.8 million after-tax
Core Deposit Intangible:
3.0% of Capital s transaction
accounts amortized over 10
years, 150% declining method
Earnings Estimates:
-
RNST earnings estimates per
First Call consensus
-

CPBB earnings estimates per management
One-Time Transaction Costs:
$5.0 million after-tax
Due Diligence:
Completed
Financial Assumptions

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Capital Bancorp, Inc.
EPS Impact
We expect initial GAAP EPS dilution as a result of the acquisition
Using our assumptions, we anticipate approximately 2 years of GAAP EPS dilution

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Capital Bancorp, Inc.
Summary
The acquisition of Capital is a strong strategic fit for Renasant
Nashville market enhances Renasant s franchise
Low execution risk with Capital management team joining Renasant
Opportunities for synergies and revenue enhancements
Excellent platform for growth in the demographically attractive Nashville market

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