

FEDERAL RESERVE SYSTEM

Renasant Corporation  
Tupelo, Mississippi

Order Approving the Merger of Bank Holding Companies

Renasant Corporation (“Renasant”), Tupelo, Mississippi, a bank holding company within the meaning of the Bank Holding Company Act (“BHC Act”),<sup>1</sup> has requested the Board’s approval under section 3 of the BHC Act<sup>2</sup> to merge with The First Bancshares, Inc. (“FB”), a bank holding company, and thereby indirectly acquire FB’s state member bank subsidiary, The First Bank (“First Bank”), both of Hattiesburg, Mississippi. Following the proposed transaction, First Bank would be merged with and into Renasant’s subsidiary nonmember bank, Renasant Bank, Tupelo, Mississippi.<sup>3</sup>

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (89 Federal Register 67938 (August 22, 2024)), in accordance with the Board’s Rules of Procedure.<sup>4</sup> The time for submitting comments has expired, and the Board did not receive any comments. The Board has considered the proposal in light of the factors set forth in section 3 of the BHC Act.

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<sup>1</sup> 12 U.S.C. § 1841 et seq.

<sup>2</sup> 12 U.S.C. § 1842.

<sup>3</sup> The merger of First Bank with and into Renasant Bank is subject to the approval of the Federal Deposit Insurance Corporation (“FDIC”), under section 18(c) of the Federal Deposit Insurance Act. 12 U.S.C. § 1828(c) (“Bank Merger Act”). The FDIC approved the Bank Merger Act application on March 10, 2025.

<sup>4</sup> 12 CFR 262.3(b).

Renasant, with consolidated assets of approximately \$18.0 billion, is the 106th largest insured depository organization in the United States.<sup>5</sup> Renasant controls approximately \$14.5 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. Renasant controls Renasant Bank, which operates in Alabama, Florida, Georgia, Mississippi, and Tennessee. Renasant Bank is the 4th largest insured depository institution in Mississippi, controlling deposits of approximately \$5.9 billion, which represent approximately 7.6 percent of the total deposits of insured depository institutions in that state.

FB, with consolidated assets of approximately \$8.0 billion, is the 184th largest insured depository organization in the United States. FB controls approximately \$6.6 billion in consolidated deposits, which represent less than 1 percent of the total amount of deposits of insured depository institutions in the United States. FB controls First Bank, which operates in Alabama, Florida, Georgia, Louisiana, and Mississippi. First Bank is the 9th largest insured depository institution in Mississippi, controlling deposits of approximately \$2.0 billion, which represent approximately 2.5 percent of the total deposits of insured depository institutions in Mississippi.

On consummation of this proposal, Renasant would become the 84th largest insured depository organization in the United States, with consolidated assets of approximately \$25.9 billion, which would represent less than 1 percent of the total assets of insured depository organizations in the United States. Renasant would control total consolidated deposits of approximately \$21.0 billion, which would represent less than 1 percent of the total amount of deposits of insured depository institutions in the United

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<sup>5</sup> Consolidated asset data are as of December 31, 2024. Ranking, consolidated national deposit, and market share data are as of September 30, 2024. State deposit and ranking data are as of June 30, 2024, unless otherwise noted. In this context, insured depository institutions include commercial banks, savings associations, and savings banks.

States.<sup>6</sup> In Mississippi, Renasant Bank would remain the 4th largest insured depository institution, controlling deposits of approximately \$7.9 billion, which represent approximately 10.2 percent of the total deposits of insured depository institutions in that state.

### ***Interstate Analysis***

Section 3(d) of the BHC Act generally provides that, if certain conditions are met, the Board may approve an application by a bank holding company that is well capitalized and well managed to acquire control of a bank located in a state other than the home state of the bank holding company without regard to whether the transaction is prohibited under state law.<sup>7</sup> The Board may not approve under this provision an application that would permit an out-of-state bank holding company to acquire a bank in a host state if the target bank has not been in existence for the lesser of the state statutory minimum period of time or five years.<sup>8</sup> When determining whether to approve an application under this provision, the Board must take into account the record of the applicant's depository institution under the Community Reinvestment Act of 1977 ("CRA")<sup>9</sup> and the applicant's record of compliance with applicable state community reinvestment laws.<sup>10</sup> In addition, the Board may not approve an interstate application under this provision if the bank holding company controls or, upon consummation of the proposed transaction, would control more than 10 percent of the total deposits of insured depository institutions in the United States or, in certain circumstances, if the bank holding company, upon consummation, would control 30 percent or more of the total

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<sup>6</sup> See Appendix I for deposit ranking and deposit data by state, for states in which Renasant Bank and First Bank both have banking operations. State deposit and ranking data are as of June 30, 2024, unless otherwise noted.

<sup>7</sup> 12 U.S.C. § 1842(d)(1)(A).

<sup>8</sup> 12 U.S.C. § 1842(d)(1)(B).

<sup>9</sup> 12 U.S.C. § 2901 et seq.

<sup>10</sup> 12 U.S.C. § 1842(d)(3).

deposits of insured depository institutions in any state in which the acquirer and target have overlapping banking operations.<sup>11</sup>

For purposes of this provision, the home state of Renasant is Mississippi.<sup>12</sup> First Bank is located in Alabama, Florida, Georgia, Louisiana, and Mississippi. Renasant is well capitalized and well managed under applicable law. Renasant Bank has a “Satisfactory” rating under the CRA, and none of the jurisdictions in which Renasant Bank operates has a state community reinvestment law. First Bank has been in existence for more than five years.

On consummation of the proposed transaction, Renasant would control less than 1 percent of the total amount of consolidated deposits in insured depository institutions in the United States. Of the states in which Renasant and FB overlap, Alabama, Florida, and Georgia impose a 30 percent limit on the total amount of in-state deposits that a single banking organization may control, and Mississippi imposes a 25 percent limit.<sup>13</sup> The combined organization would control approximately 2.2 percent, less than 1 percent, 1.8 percent, and 10.2 percent of the total amount of deposits of insured depository institutions in Alabama, Florida, Georgia, and Mississippi, respectively. Accordingly, in light of all the facts of record, the Board is not precluded from approving the proposal under section 3(d) of the BHC Act.

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<sup>11</sup> 12 U.S.C. § 1842(d)(2)(A) and (B). Under section 3(d) of the BHC Act, the acquiring and target organizations have overlapping banking operations in any state in which any bank to be acquired is located and the acquiring bank holding company controls any insured depository institution or a branch. For purposes of section 3(d) of the BHC Act, the Board considers a bank to be located in the states in which the bank is chartered or headquartered or operates a branch. See 12 U.S.C. § 1841(o)(4)–(7).

<sup>12</sup> 12 U.S.C. § 1841(o)(4). A bank holding company’s home state is the state in which the total deposits of all banking subsidiaries of such company were the largest on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

<sup>13</sup> See Ala. Code § 5-13B-6; Fla. Stat. 658.2953; Ga. Code Ann. § 7-1-628.3; Miss. Code Ann. § 81-23-9.

### *Competitive Considerations*

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of an attempt to monopolize the business of banking in any relevant market.<sup>14</sup> The BHC Act also prohibits the Board from approving a proposal that would substantially lessen competition or tend to create a monopoly in any banking market, unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the communities to be served.<sup>15</sup>

Renasant and FB have subsidiary banks that compete directly in 13 banking markets in Alabama, Florida, Georgia, and Mississippi. The Board has considered the competitive effects of the proposal in these banking markets. In particular, the Board has considered the relative share of total deposits in insured depository institutions in the markets (“market deposits”) that Renasant would control;<sup>16</sup> the concentration level of market deposits and the increase in this level, as measured by the Herfindahl-Hirschman Index (“HHI”) under the 1995 Bank Merger Competitive Review guidelines (“1995 Bank Merger Guidelines”);<sup>17</sup> the number of competitors that would remain in each market; and other characteristics of the markets.

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<sup>14</sup> 12 U.S.C. § 1842(c)(1)(A).

<sup>15</sup> 12 U.S.C. § 1842(c)(1)(B).

<sup>16</sup> Local deposit and market share data are as of June 30, 2024, and are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors to commercial banks. See, e.g., Midwest Financial Group, 75 Federal Reserve Bulletin 386 (1989); National City Corporation, 70 Federal Reserve Bulletin 743 (1984). Thus, the Board regularly has included thrift deposits in market share calculations on a 50 percent weighted basis. See, e.g., First Hawaiian, Inc., 77 Federal Reserve Bulletin 52 (1991).

<sup>17</sup> Department of Justice, Bank Merger Competitive Review – Introduction and Overview, <https://www.justice.gov/atr/bank-merger-competitive-review-introduction-and-overview-1995> (1995). On September 17, 2024, the U.S. Department of Justice (“DOJ”) announced its withdrawal from the 1995 Bank Merger Guidelines and

*Banking Markets Within Established Criteria*

Consummation of the proposal would be consistent with Board precedent and within the thresholds in the 1995 Bank Merger Guidelines in 12 banking markets. On consummation, the change in the HHI in these markets generally either would be small or the resulting level of HHI would not be highly concentrated, consistent with Board precedent, and within the thresholds in the 1995 Bank Merger Guidelines.<sup>18</sup> In addition, numerous competitors would remain in most of these banking markets.<sup>19</sup>

*Banking Market Warranting Special Scrutiny*

The structural effects that consummation of the proposal would have in the Starkville, Mississippi, banking market (“Starkville market”)<sup>20</sup> warrant a detailed review because the concentration levels on consummation would exceed the threshold in the 1995 Bank Merger Guidelines and Board precedent when using initial merger screening data.

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emphasized that the 2023 Merger Guidelines, issued on December 18, 2023, remain its sole and authoritative statement across all industries. Press Release, Department of Justice, “Justice Department Withdraws from 1995 Bank Merger Guidelines,” <https://www.justice.gov/opa/pr/justicedepartment-withdraws-1995-bank-merger-guidelines>. The 1995 Bank Merger Guidelines had been adopted together with the federal banking agencies, and none of the federal banking agencies have withdrawn from the 1995 Bank Merger Guidelines. The Board continues to apply the 1995 Bank Merger Guidelines in evaluating bank merger proposals.

<sup>18</sup> While the change in HHI or the resulting level of HHI would be higher in the Tupelo, Mississippi, banking market (“Tupelo Market”) and Columbus, Mississippi, banking market (“Columbus Market”), those increases are still consistent with Board precedent and within the thresholds in the 1995 Bank Merger Guidelines. The Tupelo Market is defined as Calhoun, Chickasaw, Itawamba, Lee, Monroe, Pontotoc, Prentiss, and Union counties, Mississippi. The Columbus Market is defined as Lowndes and Noxubee counties, Mississippi; and District 1, District 2, and the entire city of West Point, Mississippi, in Clay County, Mississippi.

<sup>19</sup> These banking markets and the competitive effects of the proposal in these markets are described in Appendix II.

<sup>20</sup> The Starkville Market is defined as Choctaw, Noxubee, Oktibbeha, and Webster counties, Mississippi; and District 3, District 4, and District 5, minus the city of West Point, Mississippi, in Clay County, Mississippi.

Renasant Bank is the largest depository institution in the Starkville market, controlling approximately \$604.2 million in deposits, which represent 31.7 percent of market deposits. First Bank is the fifth largest depository institution in the market, controlling approximately \$138.1 million in deposits, which represent 7.3 percent of market deposits. On consummation of the proposal, Renasant Bank would become the largest depository institution in the Starkville market, controlling approximately \$742.3 million in deposits, which would represent 39.0 percent of market deposits. The HHI in this market would increase 460 points, from 1766 to 2226.

The Board has considered whether factors either mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Starkville market.<sup>21</sup> First, the Board has considered whether two credit unions in the market would merit inclusion at higher weights. Each of these credit unions is open to at least 75 percent of residents in the market, maintains street-level branches, and offers a broad range of banking products.<sup>22</sup> The Board finds that the deposits of each credit union with these characteristics should be included at a 50 percent weight in estimating the credit union's market influence (each a "qualifying credit union"). This weighting takes into account the limited lending done by credit unions to small businesses relative to commercial banks' lending levels. After accounting for the competitive impact of the qualifying credit unions, the combined organization would control approximately 38.4 percent of market deposits, and the HHI would increase by 445 points to a level of 2159.

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<sup>21</sup> The number and strength of factors necessary to mitigate the competitive effects of a proposal depend on the size of the increase in, and resulting level of, concentration in a banking market. See Magnolia Banking Corporation, FRB Order No. 2019-15 (Oct. 11, 2019); see also NationsBank Corporation, 84 Federal Reserve Bulletin 129 (1998).

<sup>22</sup> The Board previously has considered competition from certain active credit unions with these features as a mitigating factor. See, e.g., Bank First Corporation, FRB Order No. 2022-17 (June 22, 2022); MidWestOne Financial Group, Inc., FRB Order No. 2022-15 (May 23, 2022); Passumpsic Bancorp, 92 Federal Reserve Bulletin C175 (2006).

The Board also has considered other aspects of the structure of the Starkville market that mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Starkville market. Factors indicate that the increase in concentration in the Starkville market, as measured by the HHI and market share, overstates the potential competitive effects of the proposal in the market. Of note, a significant portion of Renasant's deposits in the Starkville market are related to deposits with a distinctive relationship feature (relative to those of a typical customer in the community). Considering the specific facts related to that relationship, the inclusion of these deposits in calculating Renasant's deposit share in the market could overstate Renasant's competitive presence. Additionally, due to runoff from recently acquired branches, First Bank's deposits in the market have been decreasing in recent years. If this trend were to continue, First Bank's current market share may overstate the future competitive impact of the transaction.

Further, analysis of available small business loan origination data suggests that the transaction would be unlikely to have substantial adverse competitive impact on small business lending in the market. Moreover, although consummation of this proposal would eliminate one existing competitor, the Starkville market would continue to be served by 14 other depository institutions, two of which would have a market share of more than 15.0 percent. The presence of multiple competitors suggests that Renasant Bank would have limited ability to offer less attractive terms to consumers unilaterally and that these competitors would be able to exert competitive pressure on Renasant Bank in the Starkville market.

#### *Conclusion Regarding Competitive Effects*

The DOJ also has conducted a review of the potential competitive effects of the proposal and has advised the Board that it did not conclude that the proposal would have a significantly adverse effect on competition. In addition, the appropriate banking agencies have been afforded an opportunity to comment and have not objected to the proposal.



Based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of resources in any relevant banking market. Accordingly, the Board determines that competitive considerations are consistent with approval.

***Financial, Managerial, and Other Supervisory Considerations***

In reviewing a proposal under section 3 of the BHC Act, the Board considers the financial and managerial resources and the future prospects of the institutions involved, the effectiveness of the institutions in combatting money laundering, and any public comments on the proposal.<sup>23</sup> In its evaluation of financial factors, the Board reviews information regarding the financial condition of the organizations involved on both parent-only and consolidated bases, as well as information regarding the financial condition of the subsidiary depository institutions and the organizations' significant nonbanking operations. In this evaluation, the Board considers a variety of public and supervisory information regarding capital adequacy, asset quality, liquidity, and earnings performance, as well as any public comments on the proposal. The Board evaluates the financial condition of the combined organization, including its capital position, asset quality, liquidity, earnings prospects, and the impact of the proposed funding of the transaction. The Board also considers the ability of the organization to absorb the costs of the proposal and to complete the proposed integration of the operations of the institutions effectively. In assessing financial factors, the Board considers capital adequacy to be especially important. The Board considers the future prospects of the organizations involved in the proposal in light of their financial and managerial resources and the proposed business plan.

Renasant, FB, and their subsidiary depository institutions are well capitalized, and the combined organization would remain so upon consummation of the proposal. The proposed transaction is a bank holding company merger that is structured

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<sup>23</sup> 12 U.S.C. § 1842(c)(2), (5), and (6).

as a share or cash exchange.<sup>24</sup> The capital, asset quality, earnings, and liquidity of Renasant are consistent with approval, and Renasant and Renasant Bank appear to have adequate resources to absorb the related costs of the proposal and to complete the integration of the institutions' operations. In addition, the future prospects of the institutions are considered consistent with approval.

The Board also has considered the managerial resources of the organizations involved and of the proposed combined organization. The Board has reviewed the examination records of Renasant, FB, and their subsidiary depository institutions, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered information provided by Renasant; the Board's supervisory experiences and those of other relevant bank supervisory agencies with the organizations; and the organizations' records of compliance with applicable banking, consumer protection, and anti-money-laundering laws.

Renasant, FB, and their subsidiary depository institutions are each considered to be well managed. The combined organization's proposed directors and senior executive officers have knowledge of and experience in the banking and financial services sectors, and Renasant's risk-management program appears consistent with approval of this proposal.

The Board also has considered Renasant's plans for implementing the proposal. Renasant has conducted comprehensive due diligence and is devoting sufficient financial and other resources to address all aspects of the post-acquisition integration process for this proposal. In addition, Renasant's management has the experience and resources to operate the resulting organization in a safe and sound

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<sup>24</sup> To effect the transaction, each share of FB common stock would be converted into a right to receive shares of Renasant common stock based on an exchange ratio. In addition, Renasant would use available cash to pay holders of FB common stock in lieu of any fractional shares and in-the-money stock options. Renasant has the financial resources to effect the proposed transaction.

manner, and Renasant plans to integrate First Bank's existing management and personnel in a manner that augments Renasant's management.

Based on all the facts of record, including Renasant's and FB's supervisory records, managerial and operational resources, and plans for operating the combined organization after consummation, the Board determines that considerations relating to the financial and managerial resources and the future prospects of the organizations involved in the proposal, as well as the records of effectiveness of Renasant and FB in combatting money-laundering activities, are consistent with approval.

***Convenience and Needs Considerations***

In acting on a proposal under section 3 of the BHC Act, the Board considers the effects of the proposal on the convenience and needs of the communities to be served.<sup>25</sup> In evaluating whether the proposal satisfies the convenience and needs statutory factor, the Board considers the impact that the proposal will or is likely to have on the communities served by the combined organization.

The Board reviews a variety of information to determine whether the relevant institutions' records demonstrate a history of helping to meet the needs of their customers and communities. The Board also reviews the combined institution's post-consummation plans and the expected impact of those plans on the communities served by the combined institution, including on low- and moderate-income ("LMI") individuals and communities. The Board considers whether the relevant institutions are helping to meet the credit needs of the communities they serve and are providing access to banking products and services that meet the needs of customers and communities, including the potential impact of branch closures, consolidations, and relocations on that access. In addition, the Board reviews the records of the relevant depository institutions under the CRA.<sup>26</sup> The Board strongly encourages insured depository institutions to help meet the

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<sup>25</sup> 12 U.S.C. § 1842(c)(2). Where applicable, the Board also considers any timely substantive comments on the proposal and, in its discretion, may consider any untimely substantive comments on the proposal.

<sup>26</sup> 12 U.S.C. § 2901 et seq.

credit needs of the local communities in which they operate, consistent with the institutions' safe and sound operation and their obligations under the CRA.<sup>27</sup>

In addition, the Board considers the banks' overall compliance records and recent fair lending examinations. Fair lending laws require all lending institutions to provide applicants with equal access to credit, regardless of their race, ethnicity, gender, or certain other characteristics. The Board also considers assessments of other relevant supervisors, the supervisory views of examiners, other supervisory information, information provided by the applicant, and public comments on the proposal. The Board also may consider the acquiring institution's business model and intended marketing and outreach, the combined organization's plans after consummation, and any other information the Board deems relevant.

In assessing the convenience and needs factor in this case, the Board has considered all the facts of record, including reports of examination of the CRA performance of Renasant Bank and First Bank; the fair lending and compliance records of both banks; the supervisory views of the FDIC, the Federal Reserve Bank of Atlanta ("Reserve Bank"), and the Consumer Financial Protection Bureau ("CFPB"); confidential supervisory information; and information provided by Renasant.

*Records of Performance under the CRA*

In evaluating the CRA performance of the involved institutions, the Board generally considers each institution's most recent CRA evaluation and the supervisory views of relevant federal supervisors, which in this case is the FDIC with respect to Renasant Bank and the Reserve Bank with respect to First Bank.<sup>28</sup> In addition, the Board considers information provided by the applicant.

The CRA requires that the appropriate federal financial supervisor for a depository institution prepare a written evaluation of the institution's record of helping to

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<sup>27</sup> See 12 U.S.C. § 2901(b).

<sup>28</sup> See Interagency Questions and Answers Regarding Community Reinvestment, 81 Federal Register 48506, 48548 (July 25, 2016).

meet the credit needs of its entire community, including LMI neighborhoods.<sup>29</sup> An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation by the institution's primary federal supervisor of the institution's overall record of lending in its communities.

In general, federal financial supervisors apply a lending test ("Lending Test"), an investment test ("Investment Test"), and a service test ("Service Test") to evaluate the performance of large banks, such as Renasant Bank and First Bank, in helping to meet the credit needs of the communities they serve. The Lending Test specifically evaluates an institution's lending-related activities to determine whether the institution is helping to meet the credit needs of individuals and geographies of all income levels. As part of the Lending Test, examiners review and analyze an institution's data reported under the Home Mortgage Disclosure Act of 1975 ("HMDA"),<sup>30</sup> in addition to small business, small farm, and community development loan data collected and reported under the CRA regulations, to assess an institution's lending activities with respect to borrowers and geographies of different income levels.

The institution's lending performance is evaluated based on a variety of factors, including (1) the number and amounts of home mortgage, small business, small farm, and consumer loans (as applicable) in the institution's CRA assessment areas ("AAs"); (2) the geographic distribution of the institution's lending, including the proportion and dispersion of the institution's lending in its AAs and the number and amounts of loans in low-, moderate-, middle-, and upper-income geographies; (3) the distribution of loans based on borrower characteristics, including, for home mortgage loans, the number and amounts of loans to low-, moderate-, middle-, and upper-income

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<sup>29</sup> 12 U.S.C. § 2906.

<sup>30</sup> 12 U.S.C. § 2801 et seq.

individuals;<sup>31</sup> (4) the institution's community development lending, including the number and amounts of community development loans and their complexity and innovativeness; and (5) the institution's use of innovative or flexible lending practices to address the credit needs of LMI individuals and geographies.<sup>32</sup> The Investment Test evaluates the number and amounts of qualified investments that benefit the institution's AAs. The Service Test evaluates the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of the institution's community development services.<sup>33</sup>

#### *CRA Performance of Renasant Bank*

Renasant Bank was assigned an overall "Satisfactory" rating at its most recent CRA performance evaluation by the FDIC, as of September 18, 2023 ("Renasant Bank Evaluation").<sup>34</sup> The bank received "High Satisfactory" ratings for each of the Lending, Service, and Investment Tests.<sup>35</sup>

With respect to the Lending Test, examiners found that Renasant Bank's lending levels reflected excellent responsiveness to the credit needs in the bank's AAs. Examiners also found that the geographic distribution of loans reflected adequate

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<sup>31</sup> Examiners also consider the number and amounts of small business and small farm loans made to businesses and farms with gross annual revenues of \$1 million or less; small business and small farm loans by loan amount at origination; and consumer loans, if applicable, to low-, moderate-, middle-, and upper-income individuals. See, e.g., 12 CFR 228.22(b)(3) (2023).

<sup>32</sup> See 12 CFR 228.22(b) (2023).

<sup>33</sup> See 12 CFR 228.23 and 228.24 (2023).

<sup>34</sup> The Renasant Bank Evaluation was conducted using Large Institution CRA Examination Procedures. Examiners reviewed small business and HMDA-reportable loan data from January 1, 2020, through December 31, 2022. Examiners also reviewed community development loans from July 27, 2020, through September 18, 2023.

<sup>35</sup> The Renasant Bank Evaluation involved a full-scope review of the bank's activities in the Memphis Multi-State Metropolitan Statistical Area; Auburn Metropolitan Statistical Area ("MSA"), Alabama; Birmingham MSA, Alabama; Crestview MSA, Florida; Atlanta MSA, Georgia; Mississippi non-MSA; and Nashville MSA, Tennessee. Examiners applied limited-scope procedures to the remaining assessment areas.

penetration throughout the bank's AAs and that the distribution to borrowers reflected adequate penetration among retail customers of different income levels and businesses and farm customers of different sizes, given the product lines offered by the bank. Examiners observed that the bank exhibited a good record of serving the credit needs of the most economically disadvantaged areas of its AAs, LMI individuals, and/or very small businesses, consistent with safe and sound banking practices. Examiners also noted that Renasant Bank made extensive use of innovative and/or flexible lending practices in order to serve AA credit needs and that the bank is a leader in originating community development loans. Examiners observed that an adequate percentage of Renasant Bank's loans were made in the bank's AAs.

With respect to the Investment Test, examiners found that Renasant Bank made a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. Examiners also found that the bank made occasional use of innovative and/or complex investments to support community development initiatives. Examiners characterized Renasant Bank as having exhibited adequate responsiveness to credit and community development needs.

With respect to the Service Test, examiners determined that Renasant Bank's delivery systems were reasonably accessible to essentially all portions of the bank's AAs. Examiners found that, to the extent changes have been made, the bank's record of opening and closing branches had generally not adversely affected the accessibility of the bank's retail delivery systems, particularly to LMI geographies and individuals. Examiners noted that Renasant Bank's services and hours of operation did not vary in a way that inconvenienced certain portions of the bank's AAs, particularly in LMI geographies and to LMI individuals. Examiners also noted that Renasant Bank was a leader in providing community development services.

#### *CRA Performance of First Bank*

First Bank was assigned an overall "Satisfactory" rating at its most recent CRA performance evaluation by the Reserve Bank, as of August 28, 2023 ("First Bank

Evaluation”).<sup>36</sup> First Bank received “Low Satisfactory” ratings for each of the Lending, Investment, and Service Tests.<sup>37</sup>

Examiners found that First Bank’s overall geographic distribution of loans reflected adequate penetration throughout the bank’s AAs and that the overall distribution of loans among borrowers of different income levels and businesses of different sizes was adequate. With respect to the Investment Test, examiners noted that First Bank made a relatively high level of community development loans and made an adequate level of qualified community development investments in response to community development needs. With respect to the Service Test, examiners also determined that First Bank’s delivery systems were accessible to the geographies and individuals of different income levels in the bank’s AAs. Examiners noted that First Bank provided an adequate level of community development services.

#### *Additional Supervisory Views*

In its review of the proposal, the Board consulted with and considered the views of the FDIC as the primary federal supervisor of Renasant Bank and of the Reserve Bank as the primary federal supervisor of First Bank. The Board also considered the results of the most recent consumer compliance examinations of Renasant Bank and First

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<sup>36</sup> The First Bank Evaluation was conducted using Large Institution CRA Examination Procedures. Examiners reviewed home mortgage data and small business loan data from January 1, 2020, through December 31, 2022. Examiners also reviewed community development activities from January 1, 2020, through December 31, 2022.

<sup>37</sup> The First Bank Evaluation involved a full-scope review of the bank’s activities in six of the bank’s AAs, including Mobile, Alabama; Tallahassee, Florida; Colquitt-Thomas-Tift, Georgia; Baton Rouge, Louisiana; Gulfport, Mississippi; and Hattiesburg, Mississippi. Examiners applied limited-scope procedures to the remaining assessment areas.

Examiners noted that the state of Mississippi was given the most weight in the First Bank evaluation, as it had the highest number of First Bank’s branches and largest concentration of lending activity. Additionally, because First Bank’s small business loan volume was larger than its home mortgage loans during the review period, small business loans were assigned significantly greater weight in the Lending Test. The Lending Test also received the most weight among tests performed.



Bank, which included reviews of the banks' compliance management programs and their compliance with consumer protection laws and regulations, including fair lending. The Board also considered the supervisory views of the CFPB regarding Renasant Bank.

The Board has taken this information, as well as the CRA performance records of Renasant Bank and First Bank, into account in evaluating the proposal, including in considering whether Renasant has the experience and resources to ensure that the combined organization would help meet the credit needs of the communities to be served following consummation of the proposed transaction.

*Additional Convenience and Needs Considerations*

The Board also considers other potential effects of the proposal on the convenience and needs of the communities to be served. This includes, for example, the combined organization's business model and intended marketing and outreach and existing and anticipated product and service offerings in the communities to be served by the organization; any additional plans the combined organization has for meeting the needs of its communities following consummation; and any other information the Board deems relevant.

Renasant represents that, following consummation of the proposal, it does not anticipate any significant changes to the products and services currently offered by either bank. Renasant further represents that, as a result of the transaction, customers will benefit from expanded products that would be offered throughout the combined branch network. Renasant represents that Renasant Bank and First Bank have a number of programs, products, and activities designed to meet their respective communities.

*Branch Closures*

Physical branches remain important to many banking organizations' ability to meet the credit needs of the local communities in which they operate. When banking organizations combine, whether through acquisitions, mergers, or consolidations, the combination has the potential to increase or to reduce consumers' and small businesses' access to available credit and other banking services. Although the Board does not have the authority to prohibit a bank from closing a branch, the Board focuses on the impact of

expected branch closures, consolidations, and relocations that occur in connection with a proposal on the convenience and needs of the communities to be served by the resulting institution. In particular, the Board considers the effect of any closures, consolidations, or relocations on LMI communities.

Federal banking law provides a specific mechanism for addressing branch closings, including requiring that a bank provide notice to the public and the appropriate federal supervisory agency before a branch is closed.<sup>38</sup> In addition, the federal banking supervisory agencies evaluate a bank's record of opening and closing branches, particularly branches located in LMI geographies or that primarily service LMI individuals, as part of the CRA examination process.<sup>39</sup>

Renasant represents that branch closings or consolidations may occur in connection with the proposed transaction due to physical proximity of certain branch locations of Renasant Bank and First Bank. In the Renasant Bank Evaluation, examiners found that Renasant Bank had a reasonably accessible branch distribution that supported the finding that delivery systems were reasonably accessible to essentially all portions of the bank's AAs, and that Renasant Bank's record of opening and closing branches had generally not adversely affected accessibility of its retail delivery systems, particularly in LMI communities or to LMI individuals. In the First Bank Evaluation, examiners found First Bank's retail delivery systems were accessible to the geographies and individuals of different income levels, and that overall, the bank's record of opening and closing of branches had not adversely affected the accessibility of its delivery systems, particularly to LMI communities and LMI individuals. The Board has consulted with the FDIC regarding Renasant Bank's plans to meet the convenience and needs of its communities, post-consummation.

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<sup>38</sup> See 12 U.S.C. § 1831r-1. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings.

<sup>39</sup> See, e.g., 12 CFR 228.24(d)(2) (2023).

The Board has considered all the facts of record relating to branch closures, consolidations, and relocations, including the records of the relevant depository institutions under the CRA and fair lending laws in relation to branch closures; the institutions' policies and procedures on and records of compliance with federal banking law regarding branch closures; the views of the FDIC and the Reserve Bank; supervisory information; and information provided by Renasant. Based on that review, the Board concludes that Renasant Bank has established policies, programs, and procedures designed to ensure the bank's branching network is consistent with the bank's CRA and fair lending obligations and to mitigate the impact of any branch closures on communities to be served by the combined bank.

*Conclusion on Convenience and Needs Considerations*

The Board has considered all the facts of record, including the records of the relevant depository institutions under the CRA, the institutions' records of compliance with fair lending and other consumer protection laws, supervisory information, information provided by Renasant, and other potential effects of the proposal on the convenience and needs of the communities to be served. Based on that review, the Board determines that the convenience and needs factor is consistent with approval.

***Financial Stability Considerations***

Section 3 of the BHC Act requires the Board to consider "the extent to which a proposed acquisition, merger, or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system."<sup>40</sup>

To assess the likely effect of a proposed transaction on the stability of the United States banking or financial system, the Board considers a variety of metrics that capture the systemic "footprint" of the resulting firm and the incremental effect of the transaction on the systemic footprint of the acquiring firm. These metrics include measures of the size of the resulting firm, the availability of substitute providers for any

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<sup>40</sup> 12 U.S.C. § 1842(c)(7).

critical products and services offered by the resulting firm, the interconnectedness of the resulting firm with the banking or financial system, the extent to which the resulting firm contributes to the complexity of the financial system, and the extent of the cross-border activities of the resulting firm.<sup>41</sup> These categories are not exhaustive, and additional categories could inform the Board's decision. In addition to these quantitative measures, the Board considers qualitative factors, such as the opacity and complexity of an institution's internal organization, that are indicative of the relative degree of difficulty of resolving the resulting firm. A financial institution that can be resolved in an orderly manner is less likely to inflict material damage on the broader economy.<sup>42</sup>

The Board's experience has shown that proposals involving an acquisition of less than \$10 billion in total assets, or that result in a firm with less than \$100 billion in total assets, generally are not likely to pose systemic risks. Accordingly, the Board presumes that a proposal does not raise material financial stability concerns if the assets involved fall below either of these size thresholds, absent evidence that the transaction would result in a significant increase in interconnectedness, complexity, cross-border activities, or other risk factors.<sup>43</sup>

In this case, the Board has considered information relevant to risks to the stability of the United States banking or financial system. The proposal involves a pro forma organization with less than \$100 billion in total assets. Both the acquirer and the

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<sup>41</sup> Many of the metrics considered by the Board measure an institution's activities relative to the United States financial system.

<sup>42</sup> For further discussion of the financial stability standard, see Capital One Financial Corporation, FRB Order No. 2012-2 (February 14, 2012).

<sup>43</sup> See People's United Financial, Inc., FRB Order No. 2017-08 at 25–26 (March 16, 2017). Notwithstanding this presumption, the Board has the authority to review the financial stability implications of any proposal. For example, an acquisition involving a global systemically important bank could warrant a financial stability review by the Board, regardless of the size of the acquisition.

target are predominantly engaged in retail and commercial banking activities.<sup>44</sup> The pro forma organization would not exhibit an organizational structure, complex interrelationships, or unique characteristics that would complicate resolution of the firm in the event of financial distress. In addition, the organization would not be a critical services provider or so interconnected with other firms or the markets that it would pose a significant risk to the financial system in the event of financial distress.

In light of all the facts and circumstances, this transaction would not appear to result in meaningfully greater or more concentrated risks to the stability of the United States banking or financial system. Based on these and all other facts of record, the Board determines that considerations relating to financial stability are consistent with approval.

### ***Conclusion***

Based on the foregoing and all the facts of record, the Board determines that the application should be, and hereby is, approved. In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by Renasant with all the conditions imposed in this order and on any commitments made to the Board in connection with the proposal. The Board's approval also is conditioned on receipt by Renasant of all required regulatory approvals. For purposes of this action, the conditions and commitments are deemed to be conditions imposed in writing by the Board in connection with its findings and decision herein and, as such, may be enforced in proceedings under applicable law.

The proposal may not be consummated before the 15th calendar day after the effective date of this order or later than three months thereafter, unless such period is

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<sup>44</sup> Renasant and FB offer a range of retail and commercial banking products and services. Renasant has, and as a result of the proposal would continue to have, a small market share in these products and services on a nationwide basis.

extended for good cause by the Board or the Federal Reserve Bank of St. Louis, acting under delegated authority.

By order of the Board of Governors,<sup>45</sup> effective March 14, 2025.

*(Signed) Michele Taylor Fennell*

Michele Taylor Fennell  
Associate Secretary of the Board

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<sup>45</sup> Voting for this action: Chair Powell, Vice Chair Jefferson, Governors Bowman, Waller, Cook, Barr, and Kugler.

## Appendix I

<i>Deposit Data in States Where Renasant Bank and First Bank Both Operate</i>									
	Renasant Bank			First Bank			Merged Entity		
State	Rank of Insured Depository Institution <sup>46</sup> by Deposits	Deposits Controlled (in millions)	Percentage of Total Deposits	Rank of Insured Depository Institution by Deposits	Deposits Controlled (in millions)	Percentage of Total Deposits	Rank of Insured Depository Institution by Deposits	Deposits Controlled (in millions)	Percentage of Total Deposits
Alabama	12th	\$2,105	1.53	31st	\$852	0.62	8th	\$2,957	2.16
Florida	92nd	\$433	0.05	50th	\$1,396	0.17	46th	\$1,829	0.22
Georgia	12th	\$4,359	1.27	23rd	\$1,722	0.50	12th	\$6,081	1.78
Mississippi	4th	\$5,949	7.64	9th	\$1,969	2.53	4th	\$7,918	10.17

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<sup>46</sup> In this context, insured depository institutions include commercial banks, savings and loan associations, and savings banks.

## Appendix II

Renasant/FB Banking Markets Consistent with Board Precedent and DOJ Bank Merger Guidelines						
Data are as of June 30, 2024. All rankings, deposit market shares, and HHIs are based on thrift deposits weighted at 50 percent. The remaining number of competitors noted in each market includes thrift institutions.						
Mobile AL – Mobile County, AL; and the towns of Bay Minette, Daphne, Fairhope, Loxley, Point Clear, Robertsdale, Silverhill, Spanish Fort, and Summerdale in Baldwin County, AL.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	22	\$71.0 M	0.5	1345	4	32
The First Bancshares, Inc.	8	\$500.9 M	3.6			
Renasant Post-Consummation	8	\$571.9 M	4.1			
Fort Walton Beach, FL – Oka loosa and Walton counties, FL; and the western half of Holmes County, FL, including the town of Ponce de Leon.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	21	\$52.8 M	0.7	821	8	28
The First Bancshares, Inc.	8	\$476.5 M	6.2			
Renasant Post-Consummation	6	\$529.3 M	6.9			
Jacksonville, FL-GA – Baker, Clay, Duval, and Nassau counties, FL; the towns of Fruit Cove, Ponte Vedra, Ponte Vedra Beach, Jacksonville, St. Johns, and Switzerland in St. Johns County, FL; and the city of Folkston in Charlton County, GA.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	28	\$49.0 M	0.1	3423	0	37
The First Bancshares, Inc.	32	\$26.9 M	0.0			
Renasant Post-Consummation	27	\$75.9 M	0.1			



Pensacola, FL – Escambia and Santa Rosa counties, FL.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	18	\$23.2 M	0.3	1075	1	18
The First Bancshares, Inc.	9	\$266.3 M	3.2			
Renasant Post-Consummation	9	\$289.5 M	3.4			
Albany, GA – Dougherty, Lee, and Worth counties, GA.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	3	\$403.9 M	13.6	1150	78	12
The First Bancshares, Inc.	10	\$84.9 M	2.9			
Renasant Post-Consummation	2	\$488.7 M	16.5			
Atlanta, GA – Bartow, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Jasper, Newton, Paulding, Rockdale, and Walton counties, GA; the towns of Auburn and Winder in Barrow County, GA; and Luthersville in Meriwether County, GA.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	14	\$2,430.6 M	1.0	1326	1	81
The First Bancshares, Inc.	28	\$640.3 M	0.3			
Renasant Post-Consummation	13	\$3,070.9 M	1.3			
Bulloch County, GA – Bulloch County, GA.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	3	\$212.9 M	11.3	2332	12	9
The First Bancshares, Inc.	11	\$9.7 M	0.5			
Renasant Post-Consummation	3	\$222.7 M	11.8			

Savannah, GA – Bryan, Chatham, and Effingham counties, GA; and the Midway CCD in Liberty County, GA.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	9	\$196.5 M	2.0	1127`	2	24
The First Bancshares, Inc.	22	\$55.3 M	0.6			
Renasant Post-Consummation	9	\$251.8 M	2.5			
Valdosta, GA – Echols, Lanier, and Lowndes counties, GA; and the Adel-Sparks CCD in Cook County, GA.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	6	\$237.9 M	7.4	1113`	65	13
The First Bancshares, Inc.	9	\$140.8 M	4.4			
Renasant Post-Consummation	4	378.7 M	11.8			
Columbus, MS – Lowndes and Noxubee counties, MS; District 1, District 2 and the entire city of West Point, MS, in Clay County, MS.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	3	286.2 M	13.4	1746	83	8
The First Bancshares, Inc.	9	66.2 M	3.1			
Renasant Post-Consummation	3	352.5 M	16.5			
Jackson, MS – Copiah, Hinds, Madison, Rankin, and Simpson counties, MS.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
Renasant Corporation	5	\$941.4 M	4.9	1708	2	30
The First Bancshares, Inc.	20	\$26.1 M	0.1			
Renasant Post-Consummation	5	\$967.6 M	5.1			

<b>Tupelo, MS</b> – Calhoun, Chickasaw, Itawamba, Lee, Monroe, Pontotoc, Prentiss and Union counties, MS.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>Renasant Corporation</i>	2	2449.5 M	30.0	2130	43	17
<i>The First Bancshares, Inc.</i>	12	58.6 M	0.7			
<i>Renasant Post-Consummation</i>	2	2508.1	30.7			