

# Renasant to buy Metropolitan BancGroup in Mississippi

American Banker

January 19, 2017 Thursday

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**Section:** Vol. 1; No. 12

**Length:** 297 words

**Byline:** Paul Davis

## Body

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Renasant in Tupelo, Miss., has agreed to buy Metropolitan BancGroup in Ridgeland, Miss.

The \$8.7 billion-asset Renasant said in a press release Tuesday that it will pay about \$190 million in stock for the parent of the \$1.2 billion-asset Metropolitan Bank. The deal, which is expected to close in the third quarter, values Metropolitan at 201.5% of its tangible book value.

Metropolitan, founded in 2008, has branches around Jackson, Miss., along with locations in Nashville and Memphis in Tennessee. The bank has \$918 million in loans and \$888 million in deposits.

"Metropolitan is a high-quality commercial and private bank with a strong credit culture and an attractive client base," Robin McGraw, Renasant's chairman and CEO, said in the release.

Renasant will also cross \$10 billion in assets when it completes the acquisition, though the company said it has been preparing to do so for several years. The company said it expects the acquisition to more than offset a projected \$10 million decrease in pretax net income tied to crossing \$10 billion in assets that would start in the third quarter of 2018.

Curt Gabardi, Metropolitan's president and CEO, will become president and chief banking officer of Renasant Bank, where he will oversee commercial and mortgage banking.

Renasant said the deal will be immediately accretive to its earnings, excluding about \$23 million in merger-related costs and the impact of crossing the \$10 billion-asset threshold. It should take less than three years to earn back the deal's expected 2.9% dilution to Renasant's tangible book value.

Renasant also said it expects to cut about 38% of Metropolitan's noninterest expenses.

Renasant was advised by Sandler O'Neill and Phelps Dunbar. Metropolitan was advised by Raymond James and Troutman Sanders.

<http://www.americanbanker.com/news/renasant-to-buy-metropolitan-bancgroup-in-mississippi>

**Load-Date:** January 18, 2017