

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the transition period from _____ to _____.

Commission file number: 001-13253

A. Full title of the plan and the address of the plan, if different from that
of the issuer named below:

THE PEOPLES BANK & TRUST COMPANY 401(K) PLAN

B. Name of issuer of the securities held pursuant to the plan and the address
of its principal executive office:

THE PEOPLES HOLDING COMPANY
209 Troy Street
Tupelo, MS 38802

FINANCIAL REPORT

THE PEOPLES BANK
AND TRUST COMPANY

401(k) PLAN

Tupelo, Mississippi
December 31, 2001

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INDEPENDENT AUDITORS' REPORT

To the Administrative Committee
The Peoples Bank and Trust Company
401(k) Plan
Tupelo, Mississippi

We were engaged to audit the financial statements of The Peoples Bank and Trust Company 401(k) Plan as of December 31, 2001 and 2000, and for the years then ended and the supplemental schedules as of and for the year ended December 31, 2001 as listed in the accompanying index. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the cash, investments, investment transactions, and related income, which were certified by The Peoples Bank and Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2001 and 2000, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

/s/ Nail McKinney Professional Association

March 8, 2002

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

THE PEOPLES BANK AND TRUST COMPANY
401(k) PLAN

December 31, 2001 and 2000

	2001	2000
ASSETS		
INVESTMENTS AT FAIR VALUE (Note 6)		
Mutual funds	\$ 3,851,058	\$ 3,046,109
Common stock	1,566,136	642,600
Trust for U.S. Treasury Obligations	32,423	8,032
	-----	-----
Total investments	5,449,617	3,696,741
CASH	-	4,692
RECEIVABLES		
Employer contribution	440,214	450,376
Dividends	11,247	8,581
	-----	-----
Total receivables	451,461	458,957
	-----	-----
Total assets	5,901,078	4,160,390
	-----	-----
LIABILITIES		
Due to brokers	-	744
Due to participants	474	474
	-----	-----
Total liabilities	474	1,218
	-----	-----
Net assets available for benefits	\$ 5,900,604	\$ 4,159,172
	=====	=====

The notes to financial statements are an integral part of these statements.

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

THE PEOPLES BANK AND TRUST COMPANY
401(k) PLAN

Years ended December 31, 2001 and 2000

	2001	2000
	-----	-----
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Net appreciation (depreciation) in fair value of investments (Note 6)	\$ 533,399	\$ (378,020)
Interest	4,398	4,084
Dividends	126,531	93,412
	-----	-----
	664,328	(280,524)
Contributions		
Employer	440,347	450,376
Participant deferrals	891,413	893,628
	-----	-----
	1,331,760	1,344,004
	-----	-----
Total additions	1,996,088	1,063,480
	-----	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	254,656	78,899
	-----	-----
Total deductions	254,656	78,899
	-----	-----
Net increase	1,741,432	984,581
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	4,159,172	3,174,591
	-----	-----
End of year	\$ 5,900,604	\$ 4,159,172
	=====	=====

The notes to financial statements are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

THE PEOPLES BANK AND TRUST COMPANY
401(k) PLAN

December 31, 2001

NOTE 1. DESCRIPTION OF PLAN

The following brief description of The Peoples Bank and Trust Company 401(k) Plan (Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

- A. General. The Plan is a defined contribution plan covering substantially all employees of The Peoples Bank and Trust Company. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).
- B. Contributions . Each year, participants may contribute up to 25% of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The employer matches 100% of the employee's salary deferral contribution up to three percent of the employee's compensation. The employer may make a discretionary profit sharing contribution. Contributions are subject to certain limitations.
- C. Participant Accounts. Each participant's account is credited with the participant's contribution and allocations of the employer contribution and plan earnings. Each participant's account is also charged with an allocation of administrative expenses, when applicable. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
- D. Vesting. Participants are immediately 100% vested in salary deferral contribution and earnings allocated to those accounts. Vesting in matching employer contributions and profit sharing contributions is based on a seven year graduated schedule. Forfeitures of non-vested employer match contributions will reduce employer match contribution or reduce expenses of the plan. Forfeitures of non-vested employer profit sharing contributions will be allocated to other participants based on compensation.
- E. Investment Options. Upon enrollment in the Plan, a participant may direct contributions in any of six investment options.
 - Peoples Holding Company Common Stock
 - Money Market Obligation Trust
 - Federated Index Trust
 - Federated U.S. Government Securities Fund
 - Vanguard/Wellington Fund, Inc.
 - Vanguard/Wellesley Income Fund

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 1. DESCRIPTION OF PLAN - (Continued)

F. Payment of Benefits . Upon termination of service with the employer, a participant may elect to receive either a lump-sum amount equal to the value of his or her account or in-installments over a term certain not to extend beyond the life expectancy of the participant or his or her beneficiary.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting . The financial statements of the Plan are prepared under the accrual method of accounting.

B. Valuation of Investments. The Plan's investments are stated at market value. If avail-able, quoted market prices are used to value investments. If quoted market prices are not available, the trustee estimates the fair value of the asset.

C. Payment of Benefits. Benefits are recorded when paid.

D. Plan Termination. Although it has not expressed any intent to do so, the Employer has the right to terminate the Plan at any time subject to the provisions of ERISA.

E. Operating Expenses. The Plan sponsor absorbs substantially all of the administrative ex-penses of the Plan.

F. Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may dif-fer from those estimates.

NOTE 3. PLAN TERMINATION

Although it has not expressed any intent to do so, The Peoples Bank and Trust Company has the right at any time to terminate the Plan. In the event of plan termination, all employees will become 100% vested in their accounts

NOTE 4. INCOME TAX STATUS

The plan received a favorable determination letter from the Internal Revenue Service dated February 12, 1998. The plan administrator and the plan's tax counsel believe that the plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code.

NOTE 5. CERTIFIED INFORMATION

Information furnished and certified by The Peoples Bank and Trust Company, the trustee of the Plan, consisted of the following:

- (1) Summary of assets at December 31, 2001 and 2000 at cost and market value;
- (2) Statement of transactions for the years ended December 31, 2001 and 2000.

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 6. INVESTMENTS

All of the Plan's investments are held by a bank-administered trust fund. The following table presents the fair value of investments at December 31, 2001 and 2000. Investments that represent 5% or more of the Plan's net assets are separately identified.

	2001	2000
	-----	-----
Investments at fair value as determined by quoted market price		
Mutual funds:		
Money Market Obligation Trust	\$ 151,529	\$ 54,067
Federated Index Trust	1,839,451	1,680,430
Federated U.S. Government Securities Index...	121,809	69,729
Vanguard / Wellington Fund Inc.	1,346,267	994,114
Vanguard / Wellesley Income Fund	392,002	247,769
Common stock:		
Peoples Holding Company	1,566,136	642,600
Trust for U.S. Treasury Obligations	32,423	8,032
	-----	-----
	\$ 5,449,617	\$ 3,696,741
	=====	=====

During 2001 and 2000, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by \$ 533,399 and \$ (378,020), respectively as follows:

	2001	2000
	-----	-----
Investments at fair value as determined by quoted market price		
Mutual funds	\$ (260,489)	\$ (76,649)
Common stock	793,888	(301,371)
	-----	-----
	\$ 533,399	\$ (378,020)
	=====	=====

SUPPLEMENTAL SCHEDULES

SCHEDULE OF ASSETS HELD FOR INVESTMENT
PURPOSES AT END OF YEAR

THE PEOPLES BANK AND TRUST COMPANY
401(k) PLAN

Year ended December 31, 2001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
	Trust for U.S. Treasury Obligations	Mutual Fund	\$ 32,423	\$ 32,423
	Money Market Obligations Trust	Mutual Fund	151,529	151,529
	Federated Index Trust Max-Cap. Inst.	Mutual Fund	2,009,124	1,839,451
	Federated U.S. Govt. Securities	Mutual Fund	119,641	121,809
	Vanguard Wellington Fund	Mutual Fund	1,410,917	1,346,267
	Vanguard Wellesley Fund	Mutual Fund	404,613	392,002
	Peoples Holding Company	Common stock	1,157,349	1,566,136
			----- \$ 5,285,596	----- \$ 5,449,617
			=====	=====

SCHEDULE OF REPORTABLE TRANSACTIONS

THE PEOPLES BANK & TRUST COMPANY
401(k) PLAN

Year ended December 31, 2001

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling Price	(e) Lease rental	(f) Expense incurred w/transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Trust for U.S. Treasury Obligations	Mutual Fund Multiple Purchases	\$ 283,518	\$	\$	\$	\$	\$ 283,518	\$
Trust for U.S. Treasury Obligations	Mutual Fund Multiple Sales		259,127			259,127	259,127	
Federated Index Trust Max-Cap Inst.	Mutual Fund Multiple Purchases	716,656				716,656	716,656	
Federated Index Trust Max-Cap Inst.	Mutual Fund Multiple Purchases		283,621			316,909	283,621	(33,288)
Vanguard Wellington Fund	Mutual Fund Multiple Purchases	507,176				507,176	507,176	

EXPLANATORY STATEMENT

This initial Form 11-K for The Peoples Bank & Trust Company 401(k) Plan is being filed concurrently with the registration statement on Form S-8 for the plan. It includes the financial statements and supplemental schedule of the plan as of December 31, 2001, and 2000 and for the year ended December 31, 2001. These financial statements were examined by the plan's independent accountant, who issued its report pursuant to the requirements of ERISA, including the limited scope exemption available thereunder. The examination by the independent accountant of the financial statements and supplemental schedule for the plan year ended December 31, 2002 is currently in process. As soon as this examination is completed, the plan will file a Form 11-K for the year ended December 31, 2002, which will include the financial statements and supplemental schedule prepared in accordance with the financial reporting requirements of ERISA, without reliance upon the limited scope exemption.

SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this Annual Report on Form 11-K to be signed on its behalf by the undersigned hereunto duly authorized.

THE PEOPLES BANK & TRUST
COMPANY 401(K) PLAN

Date: April 10, 2003

/s/ Hollis Ray Smith

Hollis Ray Smith
Senior Vice President
Human Resources Department

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference of our report dated March 8, 2002, covering the financial statements and supplemental schedule of The Peoples Bank & Trust Company 401(k) Plan as of December 31, 2001, and 2000 and for the year ended December 31, 2001, included in this Form 11-K, into The Peoples Bank & Trust Company 401(k) Plan Registration Statement on Form S-8 (File No. 333-XXXX), filed concurrently with this Form 11-K.

/s/ Nail McKinney Professional Association

Tupelo, MS
March 31, 2003