

**2002**

**THE PEOPLES HOLDING COMPANY**  
**SUMMARY ANNUAL REPORT**

**LETTER TO OUR  
SHAREHOLDERS**

## TO OUR SHAREHOLDERS:

We are pleased to report another record year in 2002. Despite a general slowdown in the economy, we established consistent and sustained earnings growth. The record results reflect success in virtually every area of the Company, including net interest income, net interest margin, noninterest income, asset quality, and the returns on average assets and average equity.

In recognition of the Company's continued success, the Board of Directors increased the cash dividend twice in 2002 to a current annual rate of \$1.08 per share. This marks the 16th consecutive yearly increase in the cash payout. The stock price also reflected our accomplishments. After more than doubling in price in 2001, the Company's stock ended the year at \$40.75, up 10.14% for 2002. This compares with a decline of 4% in the Standard & Poor's bank index for 2002.

Key to our growth in 2002 was the strength of our primary markets. The healthy mix of manufacturing and non-manufacturing employment in our 16-county market in north and north-central Mississippi continued to sustain economic expansion. Leading the growth was the 10-county area around our home base in Lee County and the booming DeSoto County market, just south of Memphis, Tennessee.

Earnings per share, before the cumulative effect of an accounting change recognized in the first quarter of 2002, increased 27.02% to \$3.15 from \$2.48 per share in 2001. Net income, before the cumulative effect of the accounting change, increased 21.14% to \$17,670,000 from \$14,587,000 in 2001. As a result, the return on average equity before the accounting change for 2002 increased to 13.87% from 11.70% in 2001, and the return on average assets grew to 1.35% in 2002 from 1.18% the previous year. Earnings per share for the year ended December 31, 2002, increased 17.74% to \$2.92 from \$2.48 per share for 2001. Net income for 2002 increased 12.22% to \$16,370,000 from \$14,587,000 for 2001.

Loan quality improved again in 2002 as we continued to utilize our tools for credit scoring and risk assessment. The provision for loan losses decreased 9.19% to \$4,350,000 in 2002. Net charge-offs as a percentage of average loans and nonperforming loans as a percentage of total loans also declined for the year.

Noninterest income increased 12.52% in 2002. At year-end noninterest income represented 25.92% of gross income, further demonstrating the diversity of our revenue stream and the fact that we are achieving our goal of becoming the primary source of financial services for our clients.

Noninterest expense increased 8.02% in 2002 but was more than offset by the growth in noninterest income. As a result, net noninterest expense as a percentage of average assets, improved to 1.77% in 2002 from 1.82% in 2001. This helped improve our efficiency ratio to 61.24%.

We have continued to manage our capital through stock buybacks. During 2002, we repurchased 129,947 shares at an average price of \$36.09 per share, and we have authorization to purchase an additional 303,776 shares.

Our internal growth initiatives have focused on increasing the number of services per client household. We have now integrated our insurance operation, developed a program for seniors, significantly expanded our Wealth Management division, and generally enhanced our brand as a financial services company.

As we look ahead, our focus will remain on the key elements that are driving our growth. We will also continue to look for acquisition opportunities to fill in our existing markets and to expand into growing markets in southwestern Tennessee and northwestern Alabama. We believe we have positioned the Company for further growth in 2003. Over the longer term, the infrastructure, management team and clear direction are in place to more than double our asset base.

Finally, we would like to recognize the spirit and dedication of our people, as seen in the many daily selfless actions taken to insure that our clients get the best service possible and our shareholders are rewarded for their investment in our Company.

Sincerely,



**E. ROBINSON MCGRAW**  
President & Chief Executive Officer



**ROBERT C. LEAKE**  
Chairman of the Board

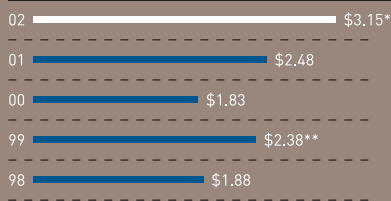


ROBERT C. LEAKE (LEFT) E. ROBINSON MCGRAW

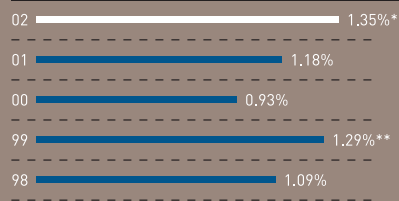
**2002 AT A GLANCE:**

- Record earnings resulted in a 27.02 percent increase in earnings per share for the year before the cumulative effect of an accounting change.
- The market price per share increased 10.14 percent.
- The Peoples Holding Company repurchased 129,947 shares of its common stock to improve its return on equity, better utilize capital, and improve its earnings per share growth.
- Credit quality improved and nonperforming loans as a percentage of total loans fell from .77 percent in 2001 to .42 percent in 2002.
- Noninterest income for 2002 grew 12.52 percent.

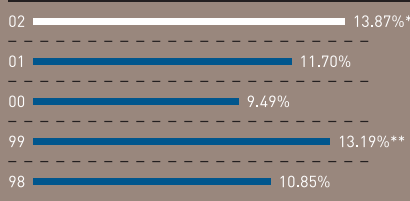
**Earnings Per Share**



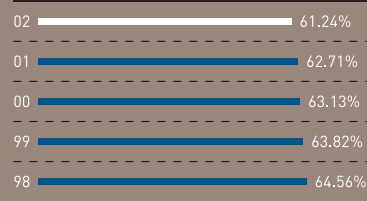
**Return on Assets**



**Return on Equity**



**Efficiency Ratio**



\*Before Cumulative Effect of Accounting Change

\*\*Reflects gain on sale of credit card portfolio of \$3,717,000 (\$2,379,000 net of taxes)

## **OUR VISION**

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**TO BE THE FINANCIAL SERVICES ADVISOR  
AND PROVIDER OF CHOICE IN EACH COMMUNITY  
WE SERVE.**

## **OUR MISSION**

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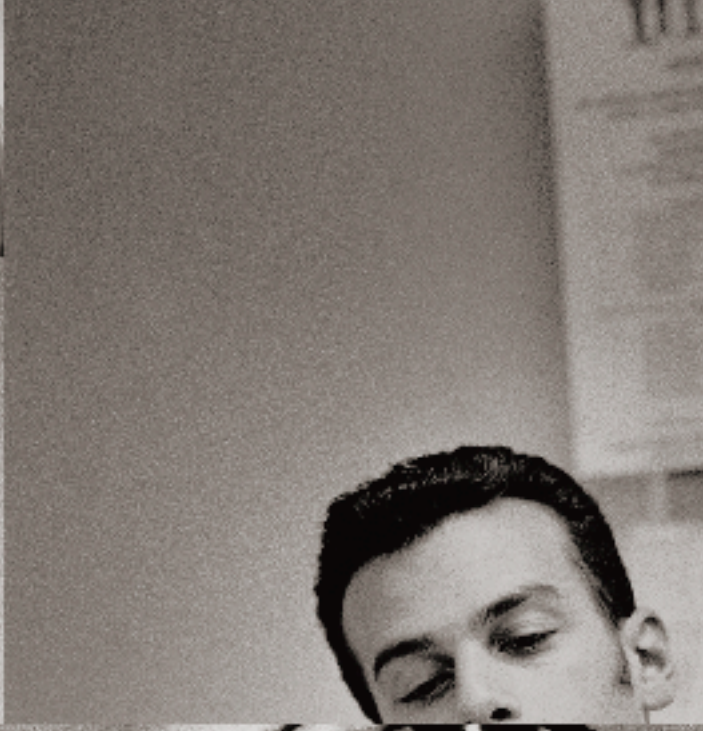
**TO PROVIDE QUALITY FINANCIAL SERVICES AND  
ADVICE BY:**

- **UNDERSTANDING, THEN MEETING THE  
NEEDS OF OUR CLIENTS**
- **PROVIDING OPTIMUM RETURN TO OUR  
SHAREHOLDERS**
- **CREATING SECURITY AND OPPORTUNITY FOR  
OUR EMPLOYEES**
- **BEING GOOD CITIZENS IN OUR COMMUNITIES**

OUR **VISION** FOR THE FUTURE AND OUR  
ONGOING **MISSION** ARE THE CATALYSTS FOR  
OUR **PLANNING, TEAMWORK** AND  
**ACTIVITY, CREATING POSITIVE RESULTS**  
FOR OUR CLIENTS AND SHAREHOLDERS.



**LONG-TERM  
VISION**



**TURNING IDEAS INTO  
SUCCESSFUL RESULTS**



## PLANNING

Two years ago, we adopted a strategic plan with defined goals: to rise to the top quartile of our peer banking group and to increase shareholder value by improving performance throughout our organization. To do this, we would boost profit margins, increase efficiency and expand into new markets with proven profit potential.

We understood that such an undertaking would be difficult, especially with so many areas targeted for fast-track action.

In response, we created an Implementation Team to monitor our progress on every front. This team comprises a

series of sub-teams, each charged with responsibility for a targeted area.

The responsibility for each initiative undertaken is then assigned to a team member who reports periodically on its progress.

Our Implementation Team has helped us turn promising plans into profitable action and has been crucial to our success.

## TEAMWORK

In 2002, we continued demonstrating our dedication to teamwork, which is absolutely essential if we are to exceed the expectations of our clients and shareholders. We remained focused on delivering consistent, high quality service to our clients.

Outstanding individual performance is a necessary part of teamwork. In recognition of this, we've introduced our Key Award which is presented quarterly to individuals for outstanding performance. These recipients embody Peoples' dedication to excellence, both at the service level and through innovation behind the scenes. We recently adopted a system-wide initiative called "Closing the Gap" to help our employees translate goals for their areas of responsibility into daily action. And because we are intent upon creating leaders, we've continued intensive staff training at every level, from executive managers to front-line bankers.

To increase the involvement and contributions of our community banks in our overall corporate strategy, we've created a task force of community bank presidents. Every major change proposed by the main office goes to the committee first, giving bank leaders the opportunity to contribute to decisions affecting their operations. And we introduced a "Beyond the Boardroom" initiative to provide community bank boards with information on local issues and needs.

Today, each community bank and business unit writes and presents its own plan allowing every division to contribute information and ideas. In addition, these areas have significantly more control over their own operations. Our incentive program rewards each business unit with primary emphasis on the performance of its area.

**OUR TEAM  
IS OUR  
STRENGTH**



**IT TAKES A TEAM  
TO EFFECT CHANGE**







**WE CONTINUE TO MOVE  
FORWARD**



**WE ARE MAKING  
POSITIVE STRIDES  
FOR OUR CLIENTS**



## ACTIVITY

In the past year, our bank improved and expanded its services to target markets.

One major achievement was the grand opening of a new branch in Corinth's new retail and commercial district. This full-service bank will give Peoples a better opportunity to serve this growing area. We also began building two additional locations, a full-service branch in Pontotoc and a new community bank in Horn Lake. The Pontotoc branch will increase our presence in that city, improving our access to services in its growing commercial/industrial section.

Our new community bank in Horn Lake will supplement our existing banks in Southaven, Hernando and Olive Branch. This will position Peoples to better serve residents and businesses of growing DeSoto County, which saw new capital investment of close to \$106 million and the creation of 1,759 new industrial jobs in 2002.

Last year, we laid the groundwork for a new financial services center in Tupelo for 2003. Located in the newly developed Fair Park area, the center will offer numerous wealth management services and allow our clients to benefit from the expertise of a certified public accountant, certified financial planner and have access to insurance professionals and lenders.

We implemented a new system to streamline the loan origination process. We upgraded our Internet banking services and soon will offer customers electronic access to their check images. We also continued to integrate our insurance agency, through cross-selling commercial and personal lines insurance to our

banking clients and opening new banking relationships with our insurance clients.

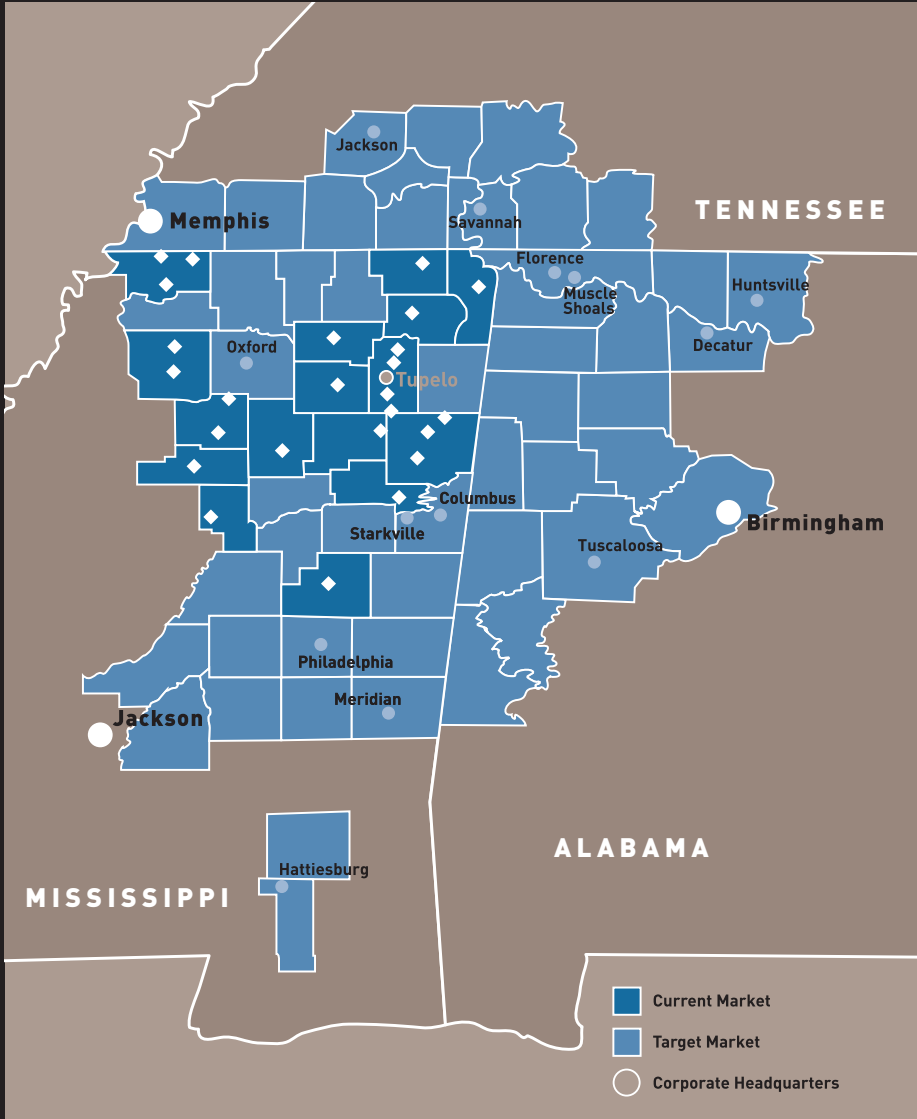
To improve our profitability and control expenses, we had to make many changes in our daily operations.

We increased our share of each customer's financial business by targeting underserved clients for the sale of additional products and services, and by attracting more affluent clients through wealth management services and a variety of carefully chosen insurance products. We modified our activities in existing markets in response to changes in local economies, and we identified promising new markets for future expansion.

In doing this, we generated increased profits through fees from loan and mortgage origination, our HandyCheck<sup>®</sup> debit card, commissions on the sale of insurance and investment products and leasing income. We expanded our net interest margin by reallocating our investment portfolio, employing loan-risk based pricing tools and responding swiftly to federal interest rate reductions on our deposits. We also used the Federal Home Loan Bank Advance program to lock in rates on long-term loans, protecting our margin against future interest rate increases.

To slow expense growth, we actively promoted automatic loan drafts, Internet banking and increased debit card transactions. We addressed loan quality by using advanced credit scoring and credit analysis and by centralizing collections and foreclosure activities. We also made staffing changes to increase our efficiency during peak banking hours and reduce teller numbers during slower periods.

# PLAN FOR GROWTH



The Peoples Bank growth strategy includes acquiring banks with quality management teams located in strong demographic markets. Those markets include areas of northwestern Alabama, southwestern Tennessee and north-central, central and south-central Mississippi.

SUCCESSFUL **RESULTS** FROM THE STRATEGIC  
PLAN HAVE CONTINUED THROUGH 2002.  
WE HAVE ACHIEVED TWO YEARS OF **RECORD**  
**EARNINGS**. STOCK VALUE HAS RISEN  
AGAIN THIS YEAR. CREDIT QUALITY HAS IMPROVED.  
NONINTEREST INCOME HAS INCREASED  
SIGNIFICANTLY. LOANS AND DEPOSITS HAVE  
SHOWN **CONSISTENT GROWTH**.

## RESULTS

We committed to improve our bank's performance and increase shareholder value... and we are succeeding.

Since adopting our strategic plan in late 2000, our return on assets has improved to 1.35 percent\* for 2002.

Similarly, our return on average equity rose to 13.87 percent\* for the same period.

Noninterest income has risen 48.10 percent since 2000. During this same timeframe, our net interest margin has improved to 4.66 percent.

Most important for our investors, the changes we have made resulted in Peoples' earnings per share rising 72.13 percent from \$1.83 to \$3.15\* in two short years.

\* Before Cumulative Effect of Accounting Change





THE PLAN IS  
PROVING ITS  
**SUCCESS**



WE'RE ACHIEVING OUR  
**GOALS**



# FINANCIAL HIGHLIGHTS

## CONSOLIDATED BALANCE SHEETS

(in thousands)

	December 31,		
	2002	2001	2000
<b>ASSETS</b>			
Cash	\$ 58,741	\$ 71,412	\$ 56,817
Securities and Time Deposits	\$ 344,781	\$ 277,293	\$ 278,574
Net Loans	\$ 851,105	\$ 816,342	\$ 805,318
Other Assets	\$ 89,885	\$ 89,680	\$ 71,231
<b>Total Assets</b>	<b>\$ 1,344,512</b>	<b>\$ 1,254,727</b>	<b>\$ 1,211,940</b>

## LIABILITIES

Deposits	\$ 1,099,048	\$ 1,063,055	\$ 1,046,605
Borrowed Funds	\$ 91,806	\$ 47,326	\$ 24,549
Other Liabilities	\$ 20,880	\$ 20,764	\$ 19,125
<b>Total Liabilities</b>	<b>\$ 1,211,734</b>	<b>\$ 1,131,145</b>	<b>\$ 1,090,279</b>
Shareholders' Equity	\$ 132,778	\$ 123,582	\$ 121,661
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,344,512</b>	<b>\$ 1,254,727</b>	<b>\$ 1,211,940</b>

## CONSOLIDATED STATEMENTS OF INCOME

(in thousands)

	December 31,			
	2002	2001	2000	1999
Interest Income	\$ 78,418	\$ 87,766	\$ 89,434	\$ 83,500
Interest Expense	\$ 26,525	\$ 40,922	\$ 44,132	\$ 37,342
<b>Net Interest Income</b>	<b>\$ 51,893</b>	<b>\$ 46,844</b>	<b>\$ 45,302</b>	<b>\$ 46,158</b>
Provision for Loan Losses	\$ 4,350	\$ 4,790	\$ 6,373	\$ 3,192
Noninterest Income	\$ 27,442	\$ 24,389	\$ 18,529	\$ 19,476 *
Noninterest Expense	\$ 50,496	\$ 46,747	\$ 42,474	\$ 41,480
<b>Income Before Taxes</b>	<b>\$ 24,489</b>	<b>\$ 19,696</b>	<b>\$ 14,984</b>	<b>\$ 20,962 *</b>
Income Taxes	\$ 6,819	\$ 5,109	\$ 3,800	\$ 6,182 *
<b>Income Before Cumulative Effect of Accounting Change</b>	<b>\$ 17,670</b>	<b>\$ 14,587</b>	<b>\$ 11,184</b>	<b>\$ 14,780 *</b>
Cumulative Effect of Accounting Change	\$ (1,300)	\$ 0	\$ 0	\$ 0
<b>Net Income</b>	<b>\$ 16,370</b>	<b>\$ 14,587</b>	<b>\$ 11,184</b>	<b>\$ 14,780 *</b>

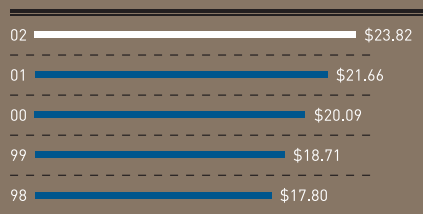
## EARNINGS PER SHARE

(basic and diluted)

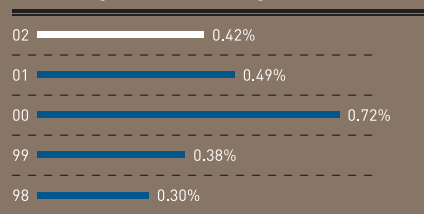
Income Before Cumulative Effect of Accounting Change	\$ 3.15	\$ 2.48	\$ 1.83	\$ 2.38 *
Cumulative Effect of Accounting Change	\$ (0.23)	\$ 0	\$ 0	\$ 0
<b>Earnings Per Share (basic and diluted)</b>	<b>\$ 2.92</b>	<b>\$ 2.48</b>	<b>\$ 1.83</b>	<b>\$ 2.38 *</b>

\*Reflects gain on sale of credit card portfolio of \$3,717,000 (\$2,379,000 net of taxes)

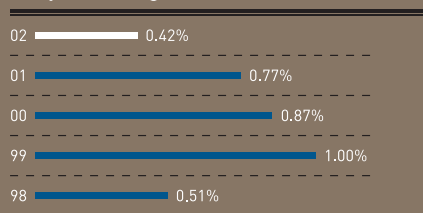
### Book Value Per Share



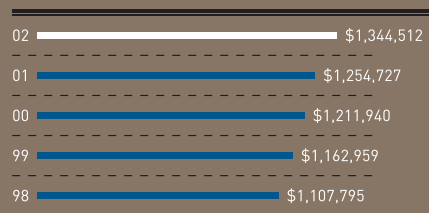
### Net Charge-offs to Average Loans



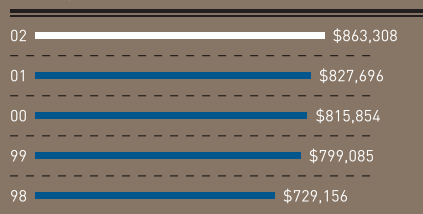
### Nonperforming Loans to Total Loans



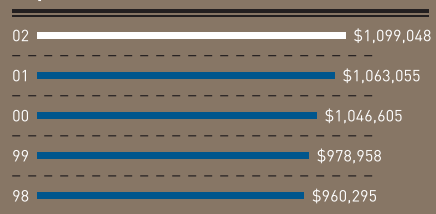
### Assets (in thousands)



### Loans, Net of Unearned Income (in thousands)



### Deposits (in thousands)



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# BOARD OF DIRECTORS

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1 **WILLIAM M. BEASLEY**  
**Attorney**  
**Phelps Dunbar, LLP**  
**TUPELO, MISSISSIPPI**

2 **GEORGE H. BOOTH, II**  
**President**  
**Tupelo Hardware Company**  
**TUPELO, MISSISSIPPI**

3 **FRANK B. BROOKS**  
**Farmer**  
**WATER VALLEY, MISSISSIPPI**

4 **JOHN M. CREEKMORE**  
**Attorney**  
**AMORY, MISSISSIPPI**

5 **MARSHALL H. DICKERSON**  
**Owner and Manager**  
**Dickerson Furniture Company**  
**BOONEVILLE, MISSISSIPPI**

6 **EUGENE B. GIFFORD, JR.**  
**Attorney**  
**Gifford, Allred and Tennon**  
**BOONEVILLE, MISSISSIPPI**

7 **RICHARD L. HEYER, JR., M.D.**  
**Physician**  
**Tupelo Anesthesia Group, P.A.**  
**TUPELO, MISSISSIPPI**

8 **ROBERT C. LEAKE**  
**Chairman of the Board**  
**The Peoples Holding Company**  
**Chairman of the Board**  
**The Peoples Bank & Trust Company**  
**Vice President**  
**Leake and Goodlett, Inc.**  
**TUPELO, MISSISSIPPI**

9 **E. ROBINSON MCGRAW**  
**President & Chief Executive Officer**  
**The Peoples Holding Company**  
**President & Chief Executive Officer**  
**The Peoples Bank & Trust Company**  
**TUPELO, MISSISSIPPI**

10 **J. NILES MCNEEL**  
**Attorney**  
**McNeel and Ballard**  
**LOUISVILLE, MISSISSIPPI**

11 **C. LARRY MICHAEL**  
**President**  
**Transport Trailer Service, Inc.**  
**Rent-A-Box, Inc.**  
**Precision Machine and**  
**Metal Fabrication, Inc.**  
**TUPELO, MISSISSIPPI**

12 **THEODORE S. MOLL**  
**Executive Vice President**  
**of Operations**  
**MTD Products**  
**TUPELO, MISSISSIPPI**

13 **JOHN W. SMITH**  
**Retired**  
**Former President**  
**& Chief Executive Officer**  
**The Peoples Holding Company**  
**Former President**  
**& Chief Executive Officer**  
**The Peoples Bank & Trust Company**  
**TUPELO, MISSISSIPPI**

14 **H. JOE TRULOVE**  
**Real Estate and Investments**  
**WEST POINT, MISSISSIPPI**

15 **J. HEYWOOD WASHBURN**  
**Self-Employed**  
**Investor**  
**TUPELO, MISSISSIPPI**

16 **ROBERT H. WEAVER**  
**Of Counsel**  
**Watkins, Ludlam, Winter**  
**and Stennis, P.A.**  
**JACKSON, MISSISSIPPI**

17 **J. LARRY YOUNG**  
**Retired Pharmacist**  
**Former Partner**  
**Ramsey-Young Pharmacy**  
**PONTOTOC, MISSISSIPPI**

## DIRECTORS EMERITUS

**HONORABLE GEORGE F. ADAMS**  
**Retired Chancellor, Place Number 3**  
**First Chancery Court District**  
**TUPELO, MISSISSIPPI**

**WALTER L. BOURLAND, M.D.**  
**Retired Physician**  
**TUPELO, MISSISSIPPI**

**A. M. EDWARDS, JR.**  
**Of Counsel**  
**Edwards, Storey, Marshall**  
**and Helveston**  
**WEST POINT, MISSISSIPPI**

**W. P. MITCHELL**  
**Chairman of the Board Emeritus**  
**Attorney**  
**Mitchell, Voge, Corban and Morris**  
**TUPELO, MISSISSIPPI**

## THE PEOPLES HOLDING COMPANY

**E. ROBINSON MCGRAW**  
**President & Chief Executive Officer**

**MARTIS D. RAMAGE, JR.**  
**Vice President**

**MARTHA S. WEBB**  
**Secretary**

**KAREN S. DIXON**  
**Assistant Secretary**

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# OFFICERS

(and Branch Associates)

**E. ROBINSON MCGRAW**  
President &  
Chief Executive Officer

**MARTHA S. WEBB**  
Assistant Vice President  
Administrative Assistant

## AUDIT

**MARY JOHN WITT**  
Division Vice President  
Senior Auditor

**KAREN D. WEEKS**  
Vice President  
Auditor

**EDDIE K. LINDSEY**  
Vice President  
Auditor

**R. LYNN ROBERSON**  
Assistant Vice President  
Auditor

**MICHELLE YOUNG**  
Assistant Cashier  
Auditor

## Compliance

**TIA O. BREEDLOVE**  
Assistant Vice President  
Compliance & CRA Officer

## CONTROL

**STUART R. JOHNSON**  
Executive Vice President  
Chief Financial Officer

## Accounting

**KAREN S. DIXON**  
Senior Vice President  
Controller

**WAYNE A. VANLANDINGHAM**  
First Vice President  
Finance Officer

**JOHN A. ALDRIDGE**  
Vice President  
Assistant Controller

**KATHY A. FRANKS**  
Assistant Cashier

**AUNDRA M. KOHLHEIM**  
Assistant Cashier

## Investment

**PHYLLIS C. DROPE**  
Senior Vice President  
Investment Officer

## CREDIT ADMINISTRATION

**CLAUDE H. SPRINGFIELD, III**  
Executive Vice President  
Chief Credit Risk Officer

## Business Manager

**JANIS PATRICK**  
Assistant Cashier  
Business Manager Coordinator

## Central Document Preparation

**BETH S. BAKER**  
Assistant Vice President  
Central Document Preparation  
Manager

**DOROTHY M. WORLEY**  
Assistant Cashier  
Central Document Preparation  
Assistant Manager

## Consumer Electronic Delivery Sales

**EDWIN L. BROWN**  
Vice President  
Sales Manager

## Student Loans

**LYVONNE Y. BERRY**  
Assistant Cashier  
Student Loan Administrator

## Loan Operations

**MARLENE N. UNDERWOOD**  
Vice President  
Loan Operations Manager

**CATHERINE M. RILEY**  
Assistant Cashier  
Compliance/Documentation Supervisor

## Loan Review

**BURLESS J. OYLER**  
Vice President  
Loan Review Manager

**JAMES E. POLLARD**  
Assistant Vice President  
Senior Loan Review Officer

**L. KENT DEES**  
Assistant Cashier  
Loan Review Officer

**PAMELA D. HADLEY**  
Assistant Cashier  
Fair Lending Officer

## Mortgage Loans

**CAROLYN PARISH**  
Vice President  
Mortgage Loan Processing Manager

## CREDIT QUALITY ADMINISTRATION

**HAROLD H. LIVINGSTON**  
Executive Vice President  
Chief Credit Quality Officer

**GREGORY L. GOLDBERG**  
Senior Vice President  
Senior Lender

## Credit Analysis & Auto Underwriting

**BRADLEY A. BROWN**  
Assistant Vice President  
Underwriter Supervisor

**JANIE I. MALONE**  
Assistant Cashier  
Senior Underwriter

## Sales Finance

**WILLIAM A. SISK**  
Vice President

## Special Assets

**LARRY COGGIN**  
First Vice President  
Special Assets Manager

## Bankruptcy

**HERBERT G. WESTBROOK**  
Vice President  
Bankruptcy Administrator

## Collections

**DANNY D. GLADNEY**  
Vice President  
Collections Administrator

## Recovery

**JASON A. GRAHAM**  
Assistant Vice President  
Senior Loan Recovery Specialist

**TERESA J. COOK**  
Assistant Cashier

## Workouts

**B. SCOTT WILLIAMS**  
Assistant Vice President  
Special Assets Officer

## EMPLOYEE & CLIENT RELATIONS

**H. L. ROBINSON**  
Executive Vice President  
Director of Employee  
& Client Relations

**J. MICHAEL ARMOUR**  
Vice President  
Seniors Relations Officer



**ANN V. McMILLAN**  
Assistant Vice President  
Sales/Service Support  
& Training Officer

#### **HUMAN RESOURCES**

**HOLLIS RAY SMITH**  
Division Vice President  
Human Resources Director

**PATSY H. BRANDON**  
Assistant Vice President  
Benefits Administrator

**ABBY G. JAMIESON**  
Assistant Vice President  
Security Officer

**STACY J. CROWLEY**  
Assistant Cashier  
Employment Representative

#### **INVESTOR RELATIONS, PLANNING & MARKETING**

**JAMES W. GRAY**  
Executive Vice President  
Investor Relations  
& Planning Director

**DONALD S. WILSON**  
First Vice President  
Marketing Communications  
Manager

**BARBARA R. TIMMONS**  
Vice President  
Marketing Services Manager

**MELONIE M. COUNCE**  
Assistant Vice President  
Marketing Services Manager

**ROBERT C. GENO**  
Assistant Vice President  
Database Manager

#### **NEW PRODUCTS**

**MARTIS D. RAMAGE, JR.**  
Division Vice President  
Products Specialist

#### **TECHNOLOGY CENTER**

**LAWSON E. McCLELLAN**  
Division Vice President  
Operations and Technology Director

##### **Operations**

**GERALD W. IVERSON**  
Senior Vice President  
Operations Administrator

**JOHN R. LETTERI**  
Vice President  
Deposit Applications Manager

**JANE SMART**  
Assistant Cashier  
Adjustments

**JEFF WELFORD**  
Assistant Cashier  
Data Processing Manager

#### **Property Management**

**JIMMY R. MORGAN**  
Vice President  
Properties Manager

#### **Information Technology Management**

**BARBARA F. DANIELS**  
First Vice President  
Information Technology Manager

**D. PATRICK CAPPLEMAN**  
Vice President  
LAN Administrator

**JUDY G. MAGERS**  
Vice President  
Business Analyst

**LIBBY G. OSWALT**  
Assistant Vice President  
Business Analyst

**LINDA T. BOYD**  
Assistant Cashier  
ATM Coordinator

#### **Purchasing**

**MARCELL S. BROWN**  
Assistant Cashier  
Purchasing Agent

#### **RETAIL BANKING ADMINISTRATION**

**C. MITCHELL WAYCASTER**  
Executive Vice President  
Director of Retail Banking

**JEFFREY L. PEDRON**  
First Vice President  
Community Bank Performance &  
Lending Support

**W. MARK WILLIAMS**  
First Vice President  
Community Bank Performance &  
Lending Support

**SUZANNE M. SMITH**  
Vice President  
Branch Administrator

**JOYCE P. MORRIS**  
Assistant Cashier  
Regional Branch Administrator

**ELIZABETH E. RESTER**  
Assistant Cashier  
Regional Branch Administrator

#### **Telephone Banking Center**

**KANDYE S. BAILEY**  
Assistant Cashier  
Telephone Banking Center Manager

#### **Wealth Management**

**DONALD L. CARTER**  
Division Vice President  
Wealth Management Administrator

#### **Cash Management**

**JAN L. CARNATHAN**  
Vice President  
Cash Management Officer

#### **Peoples Financial Services**

**STACY W. SPEARMAN**  
Assistant Vice President  
Retail Investment Manager

#### **Private Banking**

**GABRIELLE G. COOPER**  
Vice President

**BENTON M. HILBUN**  
Vice President

#### **Trust**

**TERRY L. BULLARD**  
Senior Vice President  
Senior Trust Officer

**DAVID L. BARNES**  
Vice President  
Trust Officer

**CONSTIN L. SMITH**  
Assistant Vice President  
Trust Operations Officer

#### **1 ABERDEEN**

**ROGER MITCHELL**  
Community Bank President

**WILMA B. McMILLIAN**  
Assistant Cashier  
Branch Manager

#### **2 AMORY**

**CHARLES A. KILLEBREW**  
Community Bank President

**BETTY P. PARKER**  
First Vice President  
Branch Manager  
Main Office

**PHYLLIS J. WILLIAMS**  
Vice President

**JON P. ALEXANDER**  
Assistant Cashier

**PHYLLIS C. MORGAN**  
Assistant Cashier  
Branch Manager  
Smithville Office

**LEATRICE L. PRESTRIDGE**  
Assistant Cashier  
Branch Manager  
Highway 278 Office

### **3 BATESVILLE**

**CALVIN E. FLINT, III**  
Community Bank President

**MARY D. REEDER**  
Assistant Cashier

### **4 BOONEVILLE**

**HAL C. WRIGHT**  
Community Bank President

**BRYAN A. McCUTCHEN**  
Assistant Vice President

**LINDA J. WALLIS**  
Assistant Vice President  
Branch Manager  
Main Office

**ELIZABETH R. FLOYD**  
Assistant Cashier

**SHIRLEY G. BROOKS**  
Assistant Cashier  
Branch Manager  
Northgate Office

**KATHY F. EATON**  
Assistant Cashier

### **5 CALHOUN CITY**

**JIMMY W. CLEMONS**  
Community Bank President

**LINDA W. McPHAIL**  
Assistant Vice President  
Branch Manager

### **6 CORINTH**

**F. JASON MARLAR**  
Community Bank President

**MARTHA S. HALE**  
Vice President  
Branch Manager  
Main Office

**CAROLE G. SPENCER**  
Assistant Vice President

**JAMIE D. TIMBES**  
Assistant Cashier  
Branch Manager  
Harper Road Office

### **7 GRENADA**

**TOMMY L. JONES**  
Community Bank President

**SANDRA N. TRUSSELL**  
Vice President

**CHRISTOPHER T. HATHCOCK**  
Assistant Vice President

**CHERYL B. BRASHER**  
Assistant Cashier  
Branch Manager

### **8 GUNTOWN**

**ALICE B. BAILEY**  
Community Bank President

**CARON H. HOPKINS**  
Assistant Cashier

### **9 HERNANDO**

**R. ALAN SIMS**  
Community Bank President

**TERESA S. EDMISTON**  
Assistant Cashier

### **10 IUKA**

**JOHN T. CASTLEBERRY**  
Community Bank President

**CORNELIA B. EMMONS**  
Assistant Cashier

### **11 LOUISVILLE**

**RICHARD W. CRAWLEY**  
Community Bank President

**CLARENCE M. McADORY**  
Vice President

**MARSHA R. ROELAND**  
Vice President  
Branch Manager

### **12 NEW ALBANY**

**MICHAEL J. BROWN**  
Community Bank President

### **13 OKOLONA**

**JAMES W. MANN, II**  
Community Bank President

**BRENDA H. McCREIGHT**  
Assistant Cashier  
Branch Manager

### **14 OLIVE BRANCH**

**JEFFREY L. PEDRON**  
Community Bank President (Interim)

### **15 PONTOTOC**

**JERRY Q. ROBBINS**  
Community Bank President

**A. CALVIN ROBERSON**  
Senior Vice President

**KAY P. WITT**  
Vice President  
Branch Manager  
Main Office

**SARAH S. BROWN**  
Assistant Cashier  
Branch Manager  
Bypass Office

**BEVERLY M. CUMMINGS**  
Assistant Cashier

### **16 SALTILLO**

**BILLY H. WILLIAMS, JR.**  
Community Bank President

**BRIAN S. PORTER**  
Assistant Vice President

**JANIS M. SMITH**  
Assistant Cashier

### **17 SARDIS**

**WILLIAM B. RIPPEE, JR.**  
Community Bank President

### **18 SHANNON**

**WALTER L. TRICE, JR.**  
Community Bank President

### **19 SOUTHAVEN**

**RICHARD H. DILLEY**  
Community Bank President

**JANICE R. EDWARDS**  
Vice President

**NANCY ANGLIN**  
Vice President

### **20 TUPELO**

**SAMUEL H. MILTON**  
Community Bank President

**WILL HOYLE LYLE, III**  
Senior Vice President  
Commercial Lending Manager

**RICHARD H. MAYNARD**  
Senior Vice President

**J. SCOTT COCHRAN**  
First Vice President

**GARY L. SPARKMAN**  
First Vice President

**J. RICHARD JACKSON**  
Vice President

### Main Office

**JASON T. BEASLEY**  
Vice President  
Branch Manager

**FREDERICK N. COOK**  
Assistant Vice President

**ANN S. ROBINSON**  
Assistant Vice President

### Barnes Crossing Office

**JONATHAN B. MCCOY**  
Assistant Vice President

### South Gloster Office

**TONYA H. HENSLEY**  
Assistant Cashier

### Traceway Office

**BRENDA P. JACKSON**  
Assistant Cashier  
Branch Manager

### Veterans Office

**C. JUNE BYARS**  
Assistant Vice President

**PATRICIA E. YANT**  
Assistant Cashier  
Branch Manager

### Westgate Office

**ANN H. GODWIN**  
Assistant Cashier  
Branch Manager

## 21 WEST POINT

**B. PERRY GREEN**  
Community Bank President

**F. GENE CHILDS, JR.**  
Assistant Vice President

**BETTIE F. BYRD**  
Assistant Cashier

**STEPHANIE W. DOSS**  
Assistant Cashier

**RACHEL W. PATE**  
Assistant Cashier

## 22 WINONA

**JOHN R. THOMAS**  
Community Bank President

**MARGARET S. ADAMS**  
Assistant Cashier

## 23 YALOBUSHA COUNTY

**WILLIAM E. JEFFREYS, III**  
Community Bank President

### Coffeerville

**CONNIE C. BOND**  
Assistant Cashier  
Branch Manager

### Water Valley

**BOBBY L. ADAMS**  
Vice President

**JANET L. DICKEY**  
Assistant Vice President  
Branch Manager

## THE PEOPLES INSURANCE AGENCY, INC.

**WILLIAM T. DALTON**  
President

**RAY REED**  
Consultant

**M. ROLAND BYRD**  
Executive Vice President

**ALLEN MAXWELL**  
Executive Vice President

**RICKY E. JAMES**  
Senior Vice President

**STEVEN C. ROBERTS**  
Senior Vice President

**DEBORAH A. SHERPERT**  
Senior Vice President

**JACKIE S. HOLT**  
Vice President

**BRAD ROBERTSON**  
Vice President

**TINA MCKEE**  
Secretary

**KATHY ANDERSON**  
Assistant Secretary

**JUDY ROSS**  
Assistant Secretary

**PAM WOMMACK**  
Assistant Secretary

This 2002 Annual Report is dedicated to the memory of Leonard W. Walden and Harry H. Sunderland, Jr.

### LEONARD W. WALDEN

Mr. Walden was elected to the Board of Directors of The Peoples Bank & Trust Company and The Peoples Holding Company on March 11, 1982, and served until his retirement on April 15, 1996. He was a Director Emeritus at the time of his death on December 7, 2002. He served the Company and the Bank with honor and integrity, always exercising sound business judgment and common sense in attending to the affairs of the shareholders of our Companies.

### HARRY H. SUNDERLAND, JR.

Harry H. Sunderland, Jr., our good friend and associate, was Community Bank President of our bank in Water Valley at the time of his death on July 26, 2002. Harry served our bank long and well since being employed on August 1, 1977. He was highly regarded in the banking industry. We will miss his enthusiastic friendship.



# CORPORATE AND SHAREHOLDER INFORMATION

THE PEOPLES HOLDING COMPANY  
THE PEOPLES BANK & TRUST COMPANY  
209 Troy Street  
Tupelo, MS 38804  
Tel: (662) 680-1001  
Fax: (662) 680-1234  
[www.thepeoplesbankandtrust.com](http://www.thepeoplesbankandtrust.com)

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## ANNUAL MEETING

The Peoples Holding Company's Annual Meeting of Shareholders will be held at 2:00 p.m., CDT, Tuesday, April 15, 2003, in the Fourth Floor Training Room at 209 Troy Street, Tupelo, MS.

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## FINANCIAL INFORMATION

Analysts and investors seeking financial information about The Peoples Holding Company may contact Stuart R. Johnson, Chief Financial Officer.

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## STOCK LISTING

The Peoples Holding Company common stock is traded on the American Stock Exchange under the symbol PHC.

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## STOCK TRANSFER AGENT

Registrar and Transfer Company  
10 Commerce Drive  
Cranford, NJ 07016-3572

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## FINANCIAL PUBLICATIONS

Additional copies of the Company's Annual Report, Form 10-K, quarterly reports and other corporate publications are available on request by contacting the Chief Financial Officer.

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## INDEPENDENT AUDITORS

Ernst & Young LLP  
2400 One Commerce Square  
Memphis, TN 38103

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## FORWARD LOOKING STATEMENT

This summary annual report may contain forward-looking statements regarding The Peoples Holding Company. All forward-looking statements involve risk and uncertainty, and actual results could differ materially from the anticipated results or other expectations expressed in the forward-looking statements. A discussion of factors that could cause actual results to differ materially from those expressed in the forward-looking statements is included in The Peoples Holding Company's filings with the United States Securities and Exchange Commission.

**THE PEOPLES HOLDING COMPANY**

209 TROY STREET  
TUPELO, MISSISSIPPI 38804  
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