

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15 (d) of
The Securities Exchange Act of 1934

January 22, 2003

Date of Report (Date of Earliest Event Reported)

THE PEOPLES HOLDING COMPANY

(Exact Name of Registrant as Specified in its Charter)

Mississippi	1-13253	64-0676974
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Iden- tification Number)

209 Troy Street, Tupelo, Mississippi 38802-0709

(Address of Principal Executive Office) (Zip Code)

Registrant's Telephone Number: (662)680-1001

ITEM 7: FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) The following exhibit is filed herewith:

99.1 Press Release, dated January 22, 2003, issued by The Peoples
Holding Company.

ITEM 9: REGULATION FD DISCLOSURE.

At the close of business on January 22, 2003, The Peoples Holding
Company issued a press release announcing record fourth quarter and
annual earnings for 2002. The press release is filed as Exhibit 99.1
to this Form 8-K.

SIGNATURE

Pursuant to the requirements of The Securities Exchange Act of 1934, the
registrant has duly caused this report to be signed on its behalf by the
undersigned hereunto duly authorized.

THE PEOPLES HOLDING COMPANY

Registrant

/s/ E. Robinson McGraw

E. Robinson McGraw
President & Chief Executive Officer

DATE: January 22, 2003

EXHIBIT INDEX

EXHIBIT NUMBER

DESCRIPTION

99.1

Press Release, dated January 22, 2003, issued by
The Peoples Holding Company.

The Peoples Holding Company

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THE PEOPLES HOLDING COMPANY ANNOUNCES RECORD
FOURTH QUARTER AND ANNUAL RESULTS

TUPELO, Miss. (January 22, 2003) - The Peoples Holding Company (AMEX:PHC) today announced record results for the fourth quarter and year ended December 31, 2002. Earnings per share for the fourth quarter increased 22.39% to \$0.82 from \$0.67 in the same period a year ago. Net income for the fourth quarter increased 18.57% to \$4,572,000 from \$3,856,000 in the fourth quarter of 2001. Net interest income for the fourth quarter of 2002 was up 6.64% while non-interest income grew 8.39%. These results produced an annualized return on average equity of 13.48% compared with 12.28% for the fourth quarter of 2001. The annualized return on average assets for the fourth quarter was 1.35% compared with 1.22% for the prior-year period.

ANNUAL EARNINGS PERFORMANCE

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.

"We are particularly pleased that, despite a general slowing in the economy, we have established consistent and sustained earnings growth," said E. Robinson McGraw, President and Chief Executive Officer of The Peoples Holding Company. "The record results reflect success in virtually every area of the Company. Both loans and deposits continued to grow. Risk-based pricing for loans helped improve asset quality and the net interest margin. Non-interest income continued to increase as we work toward achieving our strategic goal of becoming our clients primary source for all their financial services."

STOCK PRICE, DIVIDENDS AND REPURCHASES

After more than doubling in price in 2001, the Company's stock ended the year at \$40.75, up 10.14% for 2002. That compares with a 4% decline in the Standard & Poor's bank index for 2002.

The Company's board of directors increased the quarterly cash dividend twice in 2002. The first increase, declared in June, was from \$0.25 per share to \$0.26 per share. The second increase, declared in November, moved the dividend up to \$0.27 per share. This now represents an annual cash dividend of \$1.08 per share and marks the sixteenth consecutive yearly increase.

As part of an overall capital management process, the Company has an ongoing stock repurchase program. During 2002 the Company repurchased 129,947 shares of its common stock at an average price of \$36.09 per share. At year-end, the Company had an additional 303,776 shares, or approximately 5% of the Company's shares outstanding, authorized for repurchase.

FINANCIAL DETAILS

Net interest margin for the fourth quarter of 2002 was 4.61% up from 4.54% for the comparable period in 2001. For the year, net interest margin increased to 4.66% from 4.47% in 2001. This improvement has occurred despite an aggressive economic stimulus program by the Federal Reserve that produced twelve interest rate reductions during the last two years.

McGraw indicated that loan quality improved again in 2002 as the Company continued to utilize new tools for credit scoring and risk assessment. The provision for loan losses was \$4,350,000 in 2002, down 9.19% from \$4,790,000 in 2001 and down 31.74% from the 2000 provision. Allowance for loan losses as a percentage of loans was 1.41% at year-end 2002 compared with 1.37% at December 31, 2001. Net charge-offs as a percentage of average loans decreased to 0.42% at December 31, 2002, from 0.49% in the prior year. Non-performing loans as a percentage of total loans decreased to 0.42% at December 31, 2002, from 0.77% in 2001. The non-performing loan coverage ratio was 338.22% for 2002 compared with 178.63% for 2001.

Non-interest income increased 12.52% to \$27,442,000 from \$24,389,000 in 2001. "This increase resulted from the sale of property and casualty insurance products, fees from wealth management and trust services, loan and deposit fees, merchant discount services, and debit card income. The growth in non-interest income demonstrates progress toward becoming the financial services provider of

choice in the communities we serve," McGraw said. At year-end 2002, non-interest income represented 25.92% of gross income.

Non-interest expense increased 8.02% for 2002. This was primarily due to increases in depreciation related to recent technology upgrades, computer processing charges, normal salary increases, commission and incentive bonuses, and increased health insurance premiums. Net non-interest expense as a percentage of assets improved to 1.77% for 2002 from 1.82% in 2001.

CONFERENCE CALL INFORMATION

A live audio webcast of a conference call with analysts will be available beginning at 11:00 a.m. Eastern time on Friday, January 24, 2003, through the Investor Relations page of the Company's website: www.thepeoplesbankandtrust.com, and through www.companyboardroom.com, or any of CCBN's distribution network. The event will be archived for 30 days. If Internet access is unavailable, the conference may also be heard live (listen-only) via telephone by dialing (913) 981-5520. A telephonic replay of the conference call will be available approximately two hours after the call ends and run through the end of the business day on January 31. To listen to the replay, dial (719) 457-0820, and enter 106664 when prompted for the access code.

ABOUT THE PEOPLES HOLDING COMPANY

The Peoples Holding Company is the parent of Mississippi's fourth largest commercial bank headquartered in the state. Through its wholly owned subsidiary, The Peoples Bank & Trust Company, the Company also is parent of The Peoples Insurance Agency, Inc. The Peoples Bank has assets of approximately \$1.3 billion and operates 40 community bank offices in 27 north and north-central Mississippi cities.

NOTE TO INVESTORS

This news release contains forward-looking statements regarding The Peoples Holding Company. All forward-looking statements involve risk and uncertainty and a number of factors could cause actual results to differ materially from the anticipated results or other expectations expresses in the forward-looking statements. Those factors include, but are not limited to, interest rate fluctuation, regulatory changes, portfolio performance and other factors discussed in our recent filings with the Securities and Exchange Commission.

THE PEOPLES HOLDING COMPANY Summary Financial Highlights (Unaudited) (Dollars in thousands, except per share amounts)

Earnings Summary - - - - -	Three Months Ended December 31,		Year Ended December 31,	
	2002	2001	2002	2001
Net interest income	\$ 13,050	\$ 12,238	\$ 51,893	\$ 46,844
Provision for loan losses	1,025	1,315	4,350	4,790
Net interest income after provision for loan losses ..	12,025	10,923	47,543	42,054
Noninterest income	7,198	6,641	27,442	24,389
Noninterest expenses	13,030	12,444	50,496	46,747
Income before provision for income taxes	6,193	5,120	24,489	19,696
Provision for income taxes	1,621	1,264	6,819	5,109
Income before cumulative effect of accounting change .	4,572	3,856	17,670	14,587
Cumulative effect of accounting change	--	--	(1,300)	--
Net income	\$ 4,572	\$ 3,856	\$ 16,370	\$ 14,587
	=====	=====	=====	=====
Basic and diluted earnings per share:				
Income before cumulative effect of accounting change.	\$ 0.82	\$ 0.67	\$ 3.15	\$ 2.48
Cumulative effect of accounting change	--	--	(0.23)	--
Net income	\$ 0.82	\$ 0.67	\$ 2.92	\$ 2.48
	=====	=====	=====	=====
Weighted average shares outstanding - Basic	5,574,162	5,719,549	5,609,289	5,873,423
Weighted average shares outstanding - Diluted	5,580,698	5,719,549	5,614,266	5,873,423
Selected Ratios - - - - -				
Net interest rate spread	4.26%	4.02%	4.27%	3.80%
Net interest margin	4.61%	4.54%	4.66%	4.47%
Noninterest expense ratio	3.94%	3.93%	3.86%	3.78%
Overhead ratio	1.84%	1.83%	1.77%	1.82%
Return on average assets	1.35%	1.22%	1.25%	1.18%
Return on average equity	13.48%	12.28%	12.85%	11.70%
Balance Sheet Summary: - - - - -			Dec. 31, 2002	Dec. 31, 2001
Total assets			\$ 1,344,512	\$ 1,254,727
Loans, net			863,308	827,696
Deposits			1,099,048	1,063,055
Shareholders' equity			132,778	123,582
Book value per common share			23.82	21.66

Financial information contained in this news release is derived from the unaudited Condensed Balance Sheets and unaudited Condensed Statements of Operations for the indicated periods. Additional financial information is available on the Company's website (www.thepeoplesbankandtrust.com) under the Financial Releases section of Investor Relations.