UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended June 30, 1998
Commission File Number 1-13253

THE PEOPLES HOLDING COMPANY

(Exact name of the registrant as specified in its charter)

MISSISSIPPI 64-0676974
------------------------ ------------------------------------
(State of Incorporation) (I.R.S. Employer Identification Number)

209 Troy Street, P. O. Box 709, Tupelo, Mississippi 38801

(Address of principal executive offices)

Registrant's telephone number including area code 601-680-1001

Indicate by check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.
YES__X__NO_____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as to the latest practicable date.

Common stock, $5 Par Value, 5,845,572 shares outstanding
as of August 13, 1998

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PART II. OTHER INFORMATION

THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	JUNE 30 1998	DECEMBER 31 1997
	(Unaudited)	(Note 1)
Assets		
Cash and due from banks	$ 36,500,066	$ 32,932,007
Federal Fund Sold		6,000,000
Cash and cash equivalents	36,500,066	38,932,007
Interest bearing balances with banks	817,610	14,972,568
Securities held-to-maturity (market value-$75,521,919 and $60,555,766 at June 30, 1998 and December 31, 1997, respectively)	74,678,847	59,893,375
Securities available-for-sale (amortized cost-$225,151,600 and $187,836,120 June 30, 1998 and December 31, 1997, respectively)	226,597,327	188,738,354
Loans, net of unearned income	642,197,376	627,945,380
Allowance for loan losses	(9,418,558)	(9,103,828)
Net Loans	632,778,818	618,841,552
Premises and equipment	24,379,885	23,492,657
Other assets	27,424,144	26,184,367
Total Assets	$1,023,176,697	$ 971,054,880
Liabilities		
Deposits:		
Noninterest-bearing	$ 124,246,494	$ 120,828,654
Certificates of deposit exceeding $100,000	107,997,406	106,952,104
Interest bearing	647,733,164	607,133,427
Total Deposits	879,977,064	834,914,185
Treasury tax and loan note account	10,000,000	6,101,276
Borrowings	18,289,105	18,454,080
Other liabilities	12,900,381	13,434,422
Total Liabilities	$ 921,166,550	$ 872,903,963
Shareholders' Equity		
Common Stock, $5 par value-15,000,000 authorized, 5,859,472 shares issued and outstanding at June 30, 1998 and December 31, 1997, respectively	29,297,360	29,297,360
Additional paid-in capital	39,875,796	39,875,796
Unrealized gains on securities available-for-sale, net of tax	906,471	565,708
Retained earnings	31,930,520	28,412,053
Total Shareholders' Equity	102,010,147	98,150,917
Total Liabilities and Shareholders' Equity	$1,023,176,697	$ 971,054,880

See Notes to Consolidated Financial Statements

THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME

	SIX MONTHS ENDED JUNE 30 1998 (Unaudited)	SIX MONTHS ENDED JUNE 30 1997 (Unaudited)	THREE MONTHS ENDED JUNE 30 1998 (Unaudited)	THREE MONTHS ENDED JUNE 30 1997 (Unaudited)
Interest Income				
Loans	$ 29,310,356	$ 26,764,006	$ 14,768,854	$ 13,634,333
Securities:				
Taxable	6,628,748	6,611,262	3,488,657	3,408,199
Tax-exempt	1,725,263	1,431,272	902,882	712,108
Other	566,611	359,996	188,878	153,205
Total interest income	38,230,978	35,166,536	19,349,271	17,907,845
Interest Expense				
Time deposits exceeding $100,000	2,912,859	2,409,665	1,464,363	1,542,026
Other deposits	13,718,223	12,265,105	6,985,223	5,998,580
Borrowings	720,109	626,694	373,838	327,617
Total interest expense	17,351,191	15,301,464	8,823,424	7,868,223
Net interest income	20,879,787	19,865,072	10,525,847	10,039,622
Provision for loan losses	1,281,336	1,140,000	640,668	570,000
Net interest income after provision for loan losses	19,598,451	18,725,072	9,885,179	9,469,622
Noninterest income:				
Service charges on deposit accounts	3,498,697	3,287,673	1,801,429	1,689,317
Fees and commissions	889,970	991,120	444,860	551,104
Trust revenue	360,022	299,400	180,022	149,700
Gains on sale of securities and loans.	427,257	77,711	197,218	(12,944)
Other	1,568,214	1,052,575	729,023	480,875
Total noninterest income	6,744,160	5,708,479	3,352,552	2,858,052
Noninterest expenses:				
Salaries and employee benefits	10,156,709	9,446,115	5,055,130	4,790,495
Net occupancy	1,319,668	1,247,362	675,847	563,353
Equipment	960,634	858,117	463,618	413,055
Other	6,136,361	5,426,665	3,293,716	2,859,407
Total noninterest expenses	18,573,372	16,978,259	9,488,311	8,626,310
Income before income taxes	7,769,239	7,455,292	3,749,420	3,701,364
Income taxes	2,199,946	2,223,737	1,034,852	1,070,975
Net income	$ 5,569,293	$ 5,231,555	$ 2,714,568	$ 2,630,389
Basic and diluted earnings per share	$ 0.95	$ 0.89	$ 0.46	$ 0.45
Weighted average shares outstanding	5,859,472	5,859,472	5,859,472	5,859,472

See Notes to Consolidated Financial Statements

THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	SIX MONTHS ENDED JUNE 30 1998	1997
	(Unaudited)	
Operating Activities		
Net Income	$ 5,569,293	$ 5,231,555
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	1,281,336	1,140,000
Provision for depreciation and amortization	1,277,998	1,165,995
Net amortization (accretion) of securities premiums/discounts	62,168	1,335,899
Gain on sale of loans	(407,144)	(139,580)
Losses (gains) on sales/calls of securities	(20,113)	61,869
Increase (decrease) in other liabilities	(534,041)	129,967
Deferred income taxes (credits)	208,913	(124,567)
Losses (gains) on sales of premises and equipment	83,660	106,712
Increase in other assets	(1,962,446)	(485,867)
Net Cash Provided by Operating Activities	5,559,624	8,421,983
Investing Activities		
Net (increase) decrease in balances with other banks	14,154,958	(4,968,078)
Proceeds from maturities/calls of securities held-to-maturity	1,943,940	1,772,594
Proceeds from maturities/calls of securities available-for-sale	32,045,636	37,377,232
Proceeds from sales of securities available-for-sale	5,078,456	31,311,869
Purchases of securities held-to-maturity	(16,700,980)	(2,782,000)
Purchases of securities available-for-sale	(74,510,059)	(91,825,004)
Net increase in loans	(53,038,324)	(38,297,990)
Proceeds from sales of loans	38,226,866	12,906,532
Proceeds from sales of premises and equipment	266,716	153,406
Purchases of premises and equipment	(2,204,576)	(1,824,831)
Net Cash Used in Investing Activities	(54,737,367)	(56,176,270)
Financing Activities		
Net increase (decrease) in noninterest-bearing deposits	3,417,840	(354,898)
Net increase in other interest-bearing deposits	41,645,039	33,774,905
Net increase in treasury tax and loan note account	3,898,724	2,163,352
Increase (decrease) in borrowings	(164,975)	3,978,697
Cash dividends paid	(2,050,826)	(1,640,803)
Net Cash Provided by Financing Activities	46,745,802	37,921,253
Decrease in Cash and Cash Equivalents	(2,431,941)	(9,833,034)
Cash and Cash Equivalents at beginning of period	38,932,007	46,874,641
Cash and Cash Equivalents at end of period	$ 36,500,066	$ 37,041,607
Non-cash transactions:		
Transfer of loans to other real estate	$ 555,517	$ 267,489

See Notes to Consolidated Financial Statements

THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
JUNE 30, 1998

Note 1 Basis of Presentation:

The consolidated balance sheet at December 31, 1997, has been derived from the audited financial statements at that date. The accompanying unaudited consolidated financial statements reflect all adjustments (consisting only of normally recurring accruals) which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. The statements should be read in conjunction with the notes to consolidated financial statements included in the Registrant's annual report for the year ended December 31, 1997. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles have been omitted in accordance with the rules of the Securities and Exchange Commission.

Note 2 Comprehensive Income

As of January 1, 1998, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income." SFAS No. 130 establishes new rules for the reporting and display of comprehensive income and its components; however, the adoption of this Statement had no impact on the Company's net income or shareholders' equity. SFAS No. 130 requires unrealized gains or losses on the Company's available-for-sale securities, which prior to adoption were reported separately in shareholders' equity, to be included in other comprehensive income. Prior year financial statements have been reclassified to conform to the requirements of SFAS No. 130.

For the six month periods ended June 30, 1998 and 1997, total comprehensive income amounted to $5,910,056 and $5,045,836, respectively. For the quarters ended June 30, 1998 and 1997, total comprehensive income amounted to $2,914,384 and $3,349,281, respectively.

Note 3 Other Accounting Pronouncements

In February 1998, SFAS No. 132, "Employers' Disclosures About Pensions and Other Postretirement Benefits," was issued, superseding the disclosure requirements of SFAS No. 87, "Employers' Accounting for Pensions," and SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." SFAS No. 132 is effective for fiscal years beginning after December 15, 1997, and therefore the Company will adopt the new requirements in its 1998 annual report. SFAS No. 132 suggests a parallel format for presenting information about pensions and other postretirement benefits, but the information disclosed is not substantially different than what is required under current guidance. The adoption of this statement will not have an impact on the Company's consolidated financial condition or results of operations.

Note 4 Subsequent Events

Subsequent to the second quarter of fiscal 1998, the Company repurchased shares of its common stock in the open market. As of August 13, 1998, the Company had repurchased 13,900 shares of the Company's stock at an average price of $36.20 per share for an aggregate amount of $503,198.

THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

This Form 10-Q may contain or incorporate by reference statements which may constitute "forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21 of the Securities Exchange Act of 1934, as amended. Prospective investors are cautioned that any such forward-looking statements are not guarantees for future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include significant fluctuations in interest rates, inflation, economic recession, significant changes in the federal and state legal and regulatory environment, significant underperformance in the Company's portfolio of outstanding loans, and competition in the Company's markets. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time.

Financial Condition

Total assets of The Peoples Holding Company grew from $971,054,880 on December 31, 1997, to $1,023,176,697 on June 30, 1998, or 5.37% for the six month period. Total securities increased from $248,631,729 on December 31, 1997, to $301,276,174 on June 30, 1998, with the majority of growth in State, County, and Municipal Bonds and Mortgage-backed securities. Loans, net of unearned income, increased $14,251,996 or 2.27%.

Total deposits for the first six months of 1998 grew from $834,914,185 on December 31, 1997 to $879,977,064 on June 30, 1998, or an increase of 5.40%, with the majority of growth in time deposits.

The equity capital to total assets ratio was 9.97% and 10.11% for June 30, 1998 and December 31, 1997, respectively. The decrease is mainly due to the significant growth in assets funded primarily by deposits. Capital grew 3.93% from December 31, 1997 to June 30, 1998 due to record earnings.

Results of Operations

The Company's net income for the six month period ending June 30, 1998, was $5,569,293 representing an increase of $337,738 or 6.46% over net income for the six month period ending June 30, 1997 which totaled $5,231,555. The increase in net income for the six month period came from usual and customary deposit gathering and lending operations. Net income was $2,714,568 and $2,630,389 for the second quarter ending June 30, 1998 and 1997, respectively. The annualized returns on average assets for the six month period ending June 30, 1998 and 1997, was 1.12% and 1.14%, respectively.

Net interest income, the difference between interest earned on assets and the cost of interest-bearing liabilities, is the largest component of the Company's net income. The primary items of concern in managing net interest income are the mix and maturity balance between interest-sensitive assets and related liabilities. The net interest income for the six month periods ending June 30, 1998 and 1997, was $20,879,787 and $19,865,072, respectively. The net interest income was $10,525,847 and $10,039,622 for the three month periods ending June 30, 1998 and 1997, respectively. Earning assets averaged $928.4 million for the six month period ending June 30, 1998, compared to $846.7 million for the same period in 1997. The increase in average earning assets is mainly in the securities portfolio as a result of increased deposit funding. Reduced customer demand and the competitive rate environment have slowed average loan growth over the first two quarters of 1998. The net interest margin was 4.79% and 4.94% for the six month periods ending June 30, 1998 and 1997, respectively. The net interest margin was 4.77% and 4.94% for the quarters ending June 30, 1998 and 1997, respectively. The decrease in net interest margin is due in part to the increase of the investment portfolio as a percentage of the earning asset mix in 1998. Investments by nature of the associated risk carry lower yields than loans.

The provision for loan losses charged to operating expense is an amount which, in the judgement of management, is necessary to maintain the allowance for loan losses at a level that is adequate to meet the present and potential risks of losses on the Company's current portfolio of loans. The appropriate level of the allowance is based on a quarterly analysis of the loan portfolio including consideration of such factors as the risk rating of individual credits, size and diversity of the portfolio, economic conditions, prior loss experience, and the results of periodic credit reviews by internal loan review and regulators. The provision for loan losses totaled $1,281,336 and $1,140,000 for the six month periods ending June 30, 1998 and 1997, respectively. The provision for loan losses totaled $640,668 and $570,000 for the quarters ending June 30, 1998 and 1997, respectively. The allowance for loan losses as a percentage of net loans outstanding was 1.47% and 1.45% as of June 30, 1998 and December 31, 1997, respectively. Net charge-offs to average loans was .14% and .20% for the six month periods ending June 30, 1998 and 1997, respectively. Net charge-offs to average loans was .05% and .10% for the quarters ending June 30, 1998 and 1997, respectively.

Noninterest income, excluding gains from the sales of securities and loans, was $6,316,903 for the six month period ending June 30, 1998, compared to $5,630,768 for the same period in 1997, or a increase of 12.19%. Service charges increased $211,024 due to the growth in deposits over that period. The increase in other noninterest income for the six months ending June 30, 1998, compared to the same period in 1997, was attributable to an increase in debit card and merchant activity and mortgage loan servicing. The recent introduction of skip payment fees and loan document preparation fees has also boosted noninterest income. Noninterest income, excluding gains from the sales of securities and loans, for the quarter ending June 30, 1998 increased $284,338 or 9.90% compared to the same period in 1997 due in part to the aforementioned items.

Noninterest expenses were $18,573,372 for six month period ending June 30, 1998, compared to $16,978,259 for the same period 1997, or an increase of 9.40%. The components of noninterest expenses for the quarter ending and six months ending June 30, 1998 and 1997, reflect normal increases for personnel related expenses and general inflation in the cost of services and supplies purchased by the Company as well as increases in depreciation and computer processing costs. Noninterest expenses for the quarter ending June 30, 1998 increased $862,001 or 9.99% compared to the same period in 1997.

As the year 2000 approaches, an issue impacting all companies has emerged regarding how existing application software and operating systems will properly recognize date sensitive information when the year changes to 2000. The Company is following the guidelines and timetables established by the FDIC in regards to becoming year 2000 compliant. Management has continued the process of working with its software vendors to assure that the Company is prepared for the year 2000. While the Company believes its planning efforts are adequate to address its year 2000 concerns, there can be no guarantee that the systems of other companies on which the Company's systems and operations rely will be converted on a timely basis and will not have a material effect on the Company. Management does not believe that the Company will incur significant operating expenses or be required to invest heavily in computer system improvements to be year 2000 compliant.

Income tax expense was $2,199,946 for the six month period ending June 30, 1998, compared to $2,223,737 for the same period in 1997. Permanent differences primarily from tax-free securities for the two periods in comparison offset the additional amount of taxes related to the increase in income over the same period causing taxes to decrease. The Company continues to invest in assets whose earnings are given favorable tax treatment, which lowered the effective tax rate from 29.83% to 28.32%, for the six month periods ended June 30, 1997 to June 30, 1998, respectively.

Liquidity Risk

Liquidity management is the ability to meet the cash flow requirements of customers who may be either depositors wishing to withdraw funds or borrowers needing assurance that sufficient funds will be available to meet their credit needs.

Core deposits are a major source of funds used to meet cash flow needs. Maintaining the ability to acquire these funds as needed in a variety of money markets is a key to assuring liquidity. Approximately 88% of the Company's deposits are composed of accounts with balances less than $100,000. When evaluating the movement of these funds even during large interest rate changes, it is apparent that the Company continues to attract deposits that can be used to meet cash flow needs. Management continues to monitor the liquidity and potentially volatile liabilities ratios to ensure compliance with Asset Liability Committee targets. These targets are set to ensure that the Company meets the liquidity requirements deemed necessary by management and regulators.

Other sources available for meeting the Company's liquidity needs include available-for-sale securities. The available-for-sale portfolio is composed of securities with a readily available market that can be used to convert to cash if the need arises. In addition, the Company maintains a federal funds position that provides day-to-day funds to meet liquidity needs and may also obtain advances from the Federal Home Loan Bank (FHLB) or the treasury tax and loan note account, in order to meet liquidity needs. Historically, the Company has not relied upon these sources to meet long-term liquidity needs. Sources of funds derived from the FHLB are used primarily to match mortgage loan originations in order to minimize interest rate risk.

Capital Resources

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios. All banks are required to have core capital (Tier I) of at least 4% of risk-weighted assets (as defined), 4% of average assets (as defined), and total capital of 8% of risk-weighted assets (as defined). As of June 30, 1998, the Bank has met all capital adequacy requirements to which it is subject.

As of June 30, 1998, the most recent notification from the Federal Deposit Insurance Corporation (FDIC) categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage ratios of 10%, 6%, and 5%, respectively. In the opinion of management, there are no conditions or events since the last notification that have changed the institution's category. The Bank's actual capital amounts and applicable ratios are as follows:

	Actual Amount (000)	Actual Ratio
As of June 30, 1998		
Total Capital .... (to Risk Weighted Assets)	$ 103,208	15.6%
Tier I Capital .... (to Risk Weighted Assets)	$ 94,905	14.3%
Tier I Capital .... (to Adjusted Average Assets)	$ 94,905	9.5%
As of December 31, 1997		
Total Capital .... (to Risk Weighted Assets)	$ 99,223	15.7%
Tier I Capital .... (to Risk Weighted Assets)	$ 91,315	14.5%
Tier I Capital .... (to Adjusted Average Assets)	$ 91,315	9.9%

Management recognizes the importance of maintaining a strong capital base. As the above ratios indicate, the Company exceeds the requirements for a well capitalized bank.

Book value per share was $ 17.41 and $16.75 at June 30, 1998 and December 31, 1997, respectively.

The Company's capital policy is to evaluate future needs based on growth, earnings trends and anticipated acquisitions.

THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

A sudden and substantial change in interest rates may adversely impact the Company's earnings to the extent that the interest rates borne by the assets and liabilities do not change at the same speed, to the same extent, or on the same basis. The Company has an Asset/Liability Committee (ALCO) which monitors the impact of changes in interest rates on its net interest income using several tools. One measure of the Company's exposure to differential changes in interest rates between assets and liabilities is shown in the Company's Maturity and Rate Sensitivity Analysis (GAP Analysis). Another test measures the impact on net interest income and on net portfolio value (NPV) of an immediate change in interest rates in 100 basis point increments. Net Portfolio value is defined as the net present value of assets, liabilities, and off-balance sheet contracts. Following are the estimated impacts of immediate changes in interest rates at the specified levels at June 30, 1998.

	Percentage Change In:	
Change In Interest Rates (In Basis Points)	Net Interest Income (1)	Net Portfolio Value (2)
+400	(9.0)%	(12.3)%
+300	(5.1)%	(9.0)%
+200	(1.4)%	(5.7)%
+100	0.6%	(2.7)%
-100	0.0%	2.2%
-200	(1.9)%	0.8%
-300	(3.4)%	(1.8)%
-400	(3.6)%	(7.9)%

(1) The percentage change in this column represents net interest income for 12 months in a stable interest rate environment versus the net interest income in the various rate scenarios.

(2) The percentage change in this column represents net portfolio value of the Company in a stable interest rate environment versus the net portfolio value in the various rate scenarios.

Under the assumptions used in the table above, immediate rate fluctuations within plus or minus 200 basis points would have minimal effects on pre-tax earnings. An adverse material impact on pre-tax earnings would not occur unless rates experienced an immediate increase of 300 basis points or more, which management feels is unlikely at this time. The results of the interest rate shock are within the limits set by the Board of Directors.

The computation of prospective effects of hypothetical interest rate changes are based on numerous assumptions, including relative levels of market interest rates, loan prepayments and deposits decay, and should not be relied upon as indicative of actual results. Further, the computations do not contemplate any actions the ALCO could undertake in response to changes in interest rates.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

There have been no material proceedings against the Company during the quarter ending June 30, 1998.

Item 4. Submission of Matters to a Vote of Shareholders

The annual meeting of the shareholders of The Peoples Holding Company was held on April 14, 1998, for the purpose of electing five members to the board of directors for a three year term, to approve a proposal to amend the articles of incorporation to increase to 15,000,000 the authorized shares of common stock of the Company, and to ratify the appointment of the independent auditors. Proxies for the meeting were solicited pursuant to Section 14(a) of the Securities Exchange Act of 1934.

Election of Directors	For	Withheld	Not Voting
THREE-YEAR TERM			
John M. Creekmore	4,573,386	14,780	1,271,306
John W. Smith	4,572,058	16,108	1,271,306
Jimmy S. Threldkeld	4,572,294	15,872	1,271,306
Robert H. Weaver	4,573,386	14,780	1,271,306
J. Larry Young	4,557,105	31,061	1,271,306

	For	Against	Abstain
Approve a proposal to amend the articles of incorporation to increase to 15,000,000 the authorized shares of common stock of the Company	4,517,177	24,162	1,318,133

	For	Against	Abstain
Ratify appointment of Ernst & Young LLP as independent auditors for 1998	4,579,085	331	1,280,750

Item 6(b) Reports on Form 8-K

Form 8-K was not filed during the quarter ending June 30, 1998.

SIGNATURES

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

THE PEOPLES HOLDING COMPANY

Registrant

DATE: August 13, 1998

/s/ John W. Smith

John W. Smith
President & Chief Executive Officer

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1,000
6-MOS
DEC-31-1998
JUN-30-1998
36,500
818
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226,597
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