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 September 30, 1999
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, 6,232,384 shares outstanding as of November 12, 1999

THE PEOPLES HOLDING COMPANY

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THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	SEPTEMBER 30 1999 (Unaudited)	(Restated) DECEMBER 31 1998 (Note 1)
Assets		
Cash and due from banks	$ 36,935	$ 32,453
Interest bearing balances with banks	280	6,105
Securities held-to-maturity (market value-$83,534 and $80,868 at September 30, 1999 and December 31, 1998, respectively)	84,776	79,176
Securities available-for-sale (amortized cost-$196,015 and $213,138 at September 30, 1999 and December 31, 1998, respectively)	192,764	214,463
Loans, net of unearned income	786,490	729,157
Allowance for loan losses	(10,460)	(9,744)
Net Loans	776,030	719,413
Premises and equipment	27,659	26,634
Other assets	33,429	29,551
Total Assets	$ 1,151,873	$ 1,107,795
Liabilities		
Deposits:		
Noninterest-bearing	$ 133,833	$ 152,496
Certificates of deposit exceeding $100,000	134,648	129,347
Interest bearing	718,369	678,452
Total Deposits	986,850	960,295
Treasury tax and loan note account	8,644	2,455
Borrowings	25,496	20,020
Other liabilities	14,974	14,816
Total Liabilities	1,035,964	997,586
Shareholders' Equity		
Common Stock, $5 par value - 15,000,000 shares authorized, 6,232,384 and 6,191,854 shares issued and outstanding at September 30, 1999 and December 31, 1998, respectively	31,162	30,959
Additional paid-in capital	44,367	43,289
Treasury Stock, at cost	(373)	0
Accumulated other comprehensive income	(2,038)	830
Retained earnings	42,791	35,131
Total Shareholders' Equity	115,909	110,209
Total Liabilities and Shareholders' Equity	$ 1,151,873	$ 1,107,795

See Notes to Condensed Consolidated Financial Statements

THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except share data)

	NINE MONTHS ENDED SEPTEMBER 30		THREE MONTHS ENDED SEPTEMBER 30	
	1999	1998 (Restated)	1999	1998 (Restated)
	(Unaudited)		(Unaudited)	
Interest Income				
Loans	$ 49,621	$ 46,850	$ 16,644	$ 16,024
Securities:				
Taxable	9,207	10,248	3,093	3,483
Tax-exempt	3,081	2,689	1,052	957
Other	520	687	100	121
Total interest income	62,429	60,474	20,889	20,585
Interest Expense				
Time deposits exceeding $100,000	3,193	3,382	1,143	1,198
Other deposits	23,269	23,312	7,757	8,007
Borrowings	1,232	1,114	391	380
Total interest expense	27,694	27,808	9,291	9,585
Net interest income	34,735	32,666	11,598	11,000
Provision for loan losses	2,551	1,935	530	646
Net interest income after provision for loan losses ..	32,184	30,731	11,068	10,354
Noninterest income:				
Service charges on deposit accounts ..	6,190	5,381	2,188	1,824
Fees and commissions	2,038	1,825	728	710
Trust revenue	630	540	210	180
Gains on sale of securities and loans.	4,197	709	39	282
Other	2,390	2,003	744	639
Total noninterest income ...	15,445	10,458	3,909	3,635
Noninterest expenses:				
Salaries and employee benefits	16,353	15,703	5,754	5,268
Net occupancy	2,219	2,084	742	740
Equipment	1,596	1,502	459	505
Other	10,819	9,603	3,382	3,254
Total noninterest expenses .	30,987	28,892	10,337	9,767
Income before income taxes	16,642	12,297	4,640	4,222
Income taxes	5,078	3,522	1,448	1,212
Net income	$ 11,564	$ 8,775	$ 3,192	$ 3,010
Basic and diluted earnings per share	$ 1.86	$ 1.41	$ 0.51	$ 0.49
Weighted average shares outstanding	6,203,218	6,204,164	6,222,421	6,204,164

See Notes to Condensed Consolidated Financial Statements

THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except share data)

	NINE MONTHS ENDED SEPTEMBER 30 1999	(Restated) 1998
	(Unaudited)	
Operating Activities		
Net Cash Provided by Operating Activities	$ 10,558	$ 12,415
Investing Activities		
Net decrease in balances with other banks	6,270	15,134
Proceeds from maturities/calls of securities held-to-maturity	5,026	5,879
Proceeds from maturities/calls of securities available-for-sale	95,098	47,655
Proceeds from sales of securities available-for-sale	12,382	16,242
Purchases of securities held-to-maturity	(10,586)	(20,857)
Purchases of securities available-for-sale	(90,504)	(101,006)
Net increase in loans	(89,929)	(93,183)
Proceeds from sales of loans	34,873	54,375
Proceeds from sales of premises and equipment	235	530
Purchases of premises and equipment	(2,886)	(3,645)
Net Cash Used in Investing Activities	(40,021)	(78,876)
Financing Activities		
Net increase (decrease) in noninterest-bearing deposits	(18,662)	2,198
Net increase in interest-bearing deposits	45,218	55,536
Net increase in treasury tax and loan note account and federal funds purchased	9,389	2,343
Net increase in borrowings	2,276	5,188
Acquisition of treasury stock	(373)	(541)
Cash dividends paid	(3,903)	(3,199)
Net Cash Provided by Financing Activities	33,945	61,525
Increase (Decrease) in Cash and Cash Equivalents	4,482	(4,936)
Cash and Cash Equivalents at beginning of period	32,453	39,349
Cash and Cash Equivalents at end of period	$ 36,935	$ 34,413
Non-cash transactions:		
Transfer of loans to other real estate	$ 410	$ 1,159

See Notes to Condensed Consolidated Financial Statements

THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
SEPTEMBER 30, 1999
(in thousands, except share data)

Note 1 Basis of Presentation:

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine-month period ended September 30, 1999 are not necessarily indicative of the results that may be expected for the year ended December 31, 1999.

For further information, refer to the consolidated financial statements and footnotes thereto included in The Peoples Holding Company and Subsidiary's (collectively, the Company) annual report on Form 10-K for the year ended December 31, 1998.

The historical financial information presented in this Form 10-Q has been restated to include the results of Inter-City Federal Bank for Savings (Inter-City). Inter-City was acquired in a pooling-of-interests transaction on March 26, 1999. In accordance with the pooling-of-interests method of accounting, no adjustments have been made to the historical carrying amounts of assets and liabilities of Inter-City. However, the financial information has been restated to include the results of Inter-City for all stated periods prior to the combination.

Note 2 Mergers and Acquisitions

On June 24, 1999, the Company purchased Reed-Johnson Insurance Agency, Inc. (Reed-Johnson) with the issuance of 40,530 shares of the Company's common stock. Located in Tupelo, Mississippi, Reed-Johnson is an independent insurance agency representing property and casualty companies and providing personal and business coverages. Reed-Johnson has retained its name and staff and operates as a wholly owned subsidiary of The Peoples Bank and Trust Company. The transaction has been accounted for under the purchase method of accounting.

On March 26, 1999, the Company exchanged 347,382 shares of common stock for all of the outstanding shares of Inter-City, which is located in Louisville, Mississippi. The transaction has been accounted for under the pooling-of-interests method of accounting.

The following tables present selected financial information, split between the Company and Inter-City for the nine months ended and three months ended September 30, 1999 and 1998, respectively.

	Nine Months Ended September 30 1999	1998
Revenue		
The Peoples Holding Company...............	$ 77,010	$ 68,303
Inter-City Federal Bank for Savings (1)...	864	2,629
	$ 77,874	$ 70,932
Net Income		
The Peoples Holding Company...............	$ 11,693	$ 8,503
Inter-City Federal Bank for Savings (1)...	(129)	272
	$ 11,564	$ 8,775

(1) The 1999 amounts reflect the results of operations from January 1, 1999 through March 26, 1999. The results of operations from March 27, 1999 through September 30, 1999 are included in The Peoples Holding Company amounts.

	Three Months Ended September 30 1999	1998
Revenue		
The Peoples Holding Company...............	$ 24,798	$ 23,328
Inter-City Federal Bank for Savings	0	892
	$ 24,798	$ 24,220
Net Income		
The Peoples Holding Company...............	$ 3,192	$ 2,933
Inter-City Federal Bank for Savings	0	77
	$ 3,192	$ 3,010

Note 3 Comprehensive Income

For the nine month periods ended September 30, 1999 and 1998, total comprehensive income amounted to $8,696 and $11,115, respectively. For the quarters ended September 30, 1999 and 1998, total comprehensive income amounted to $3,209 and $5,010, respectively.

Note 4 Segment Reporting

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which established standards for the reporting of financial information from operating segments in annual and interim financial statements. SFAS No. 131 requires that financial information be reported on the same basis that it is reported internally for evaluating segment performance and allocating resources to segments. Because SFAS No. 131 addresses how supplemental financial information is disclosed in annual and interim reports, its adoption had no impact on the financial condition or operating results of the Company.

Segment information for the nine months ended September 30, 1999 and 1998, is presented below.

Nine Months Ended September 30, 1999

	Branches	Specialized Products	All Other	Total
Net interest income	$ 31,726	$ 2,972	$ 37	$ 34,735
Provision for loan loss	1,297	1,128	126	2,551
Net interest income after provision for loan loss ..	30,429	1,844	(89)	32,184
Non-interest income	8,339	5,760	1,346	15,445
Non-interest expense	17,996	3,188	9,803	30,987
Income before income taxes .	20,772	4,416	(8,546)	16,642
Income taxes	0	0	5,078	5,078
Net income (loss)	$ 20,772	$ 4,416	$(13,624)	$ 11,564
Intersegment revenue (expense)	$ 411	$ (411)	$ 0	$ 0

Nine Months Ended September 30, 1998

	Branches	Specialized Products	All Other	Total
Net interest income	$ 29,890	$ 2,589	$ 187	$ 32,666
Provision for loan loss	1,292	524	119	1,935
Net interest income after provision for loan loss ..	28,598	2,065	68	30,731
Non-interest income	7,346	2,307	805	10,458
Non-interest expense	18,414	3,140	7,338	28,892
Income before income taxes .	17,530	1,232	(6,465)	12,297
Income taxes	0	0	3,522	3,522
Net income (loss)	$ 17,530	$ 1,232	$ (9,987)	$ 8,775
Intersegment revenue (expense)	$ 356	$ (356)	$ 0	$ 0

Segment information for the three months ended September 30, 1999 and 1998, is presented below.

Three Months Ended September 30, 1999

	Branches	Specialized Products	All Other	Total
Net interest income	$ 10,755	$ 843	$ 0	$ 11,598
Provision for loan loss	451	37	42	530
Net interest income after provision for loan loss ..	10,304	806	(42)	11,068
Non-interest income	2,857	499	553	3,909
Non-interest expense	5,609	811	3,917	10,337
Income before income taxes .	7,552	494	(3,406)	4,640
Income taxes	0	0	1,448	1,448
Net income (loss)	$ 7,552	$ 494	$ (4,854)	$ 3,192
Intersegment revenue (expense)	$ 138	$ (138)	$ 0	$ 0

Three Months Ended September 30, 1998

	Branches	Specialized Products	All Other	Total
Net interest income	$ 10,000	$ 898	$ 102	$ 11,000
Provision for loan loss	403	197	46	646
Net interest income after provision for loan loss ..	9,597	701	56	10,354
Non-interest income	2,488	846	301	3,635
Non-interest expense	6,281	1,066	2,420	9,767
Income before income taxes .	5,804	481	(2,063)	4,222
Income taxes	0	0	1,212	1,212
Net income (loss)	$ 5,804	$ 481	$ (3,275)	$ 3,010
Intersegment revenue (expense)	$ 118	$ (118)	$ 0	$ 0

Note 5 Subsequent Events

As of September 30, 1999, the Company had repurchased 12,000 shares of its common stock in the open market during the year. Subsequent to that time, the Company purchased an additional 5,600 shares of its common stock. As of November 12, 1999, the Company had repurchased a total of 17,600 shares of the Company's stock during the year at an average price of $31.49 per share.

THE PEOPLES HOLDING COMPANY AND SUBSIDIARY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
(in thousands, except share data)

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 21E 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.

The historical financial information presented in this Form 10-Q has been restated to include the results of Inter-City Federal Bank for Savings (Inter-City). Inter-City was acquired in a pooling-of-interests transaction on March 26, 1999. In accordance with the pooling-of-interests method of accounting, no adjustments have been made to the historical carrying amounts of assets and liabilities of Inter-City. However, the financial information has been restated to include the results of Inter-City for all stated periods prior to the combination.

Financial Condition

Total assets of The Peoples Holding Company grew from $1,107,795 on December 31, 1998, to $1,151,873 on September 30, 1999, or 3.98% for the nine month period. Total securities decreased from $293,639 on December 31, 1998, to $277,540 on September 30, 1999. While U. S. Government Treasury and Agency securities and mortgage-backed securities have declined within the portfolio, state, county, and municipal securities have increased since the beginning of the year. This change in the mix was used to enhance portfolio yields.

Total loans, net of unearned income, increased $57,333, or 7.86%, from the beginning of the year despite the sale of approximately $19,000 of credit card loans during the second quarter of 1999. Most of the loan growth has come from commercial loan accounts.

Total deposits have grown from $960,295 on December 31, 1998, to $986,850 on September 30, 1999, or an increase of 2.77%, with the majority of growth in public fund checking and time deposits.

Equity capital to total assets was 10.06% and 9.95% for September 30, 1999 and December 31, 1998, respectively. Capital grew 5.17% from December 31, 1998 to September 30, 1999. While earnings and the acquisition of Reed-Johnson have improved capital, the growth has been curtailed due to the change in accumulated comprehensive income relating to unrealized portfolio losses as interest rates rose and the purchase of 12,000 shares of Company stock. Cash dividends for the first three quarters of 1999 have been $.21 per share, an increase from $.19 per share during the fourth quarter of 1998.

Results of Operations

The Company's net income for the nine month period ending September 30, 1999, was $11,564, representing an increase of $2,789, or 31.78%, over net income for the nine month period ending September 30, 1998, which totaled $8,775. Improvements in net income during the third quarter have been generated from the usual and customary deposit gathering and lending operations. System-wide changes made earlier in the year as a result of the Sheshunoff consulting engagement have also contributed to improved earnings. The largest identifiable impact on annual net income has been the effect of the sale and liquidation of the credit card loan portfolio. The after tax net effect of the sale was $1,893, which included the gain on the sale, the satisfaction of the data processing contract, and an increase to the provision for loan losses related to the sale. Eliminating the effects of the sale, core earnings of $9,671 for the nine month period ending September 30, 1999, were up $896, or 10.21%, over the same period of 1998. Net income was $3,192 and $3,010 for the quarters ending September 30, 1999 and 1998, respectively. The annualized return on average assets for the nine month periods ending September 30, 1999 and 1998, was 1.30% and 1.11%, 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 concerns in managing net interest income are the mix and the maturities of rate-sensitive assets and liabilities. Net interest margin was 4.67% and 4.72% for the nine month periods ending September 30, 1999 and 1998, respectively. The decline in net interest margin is due in large part to the current pricing environment. Despite the decrease in net interest margin, our continued growth in volume has allowed net interest income to increase over prior performance. As average earning assets increased from $977,464 for the nine month period ending September 30, 1998, to $1,055,023 for the same period in 1999, net interest income grew from $32,666 for the nine month period ending September 30, 1998, to $34,735 for the same period in 1999. For the three month periods ending September 30, 1999 and 1998, net interest income was $11,598 and $11,000, respectively.

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 absorb probable 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 $2,551 and $1,935 for the nine month periods ending September 30, 1999 and 1998, respectively. A one time charge of $523 has been added to the provision for loan losses relating to the sale of the credit card portfolio. For the quarters ending September 30, 1999 and 1998, the provision for loan losses totaled $530 and $646, respectively. The allowance for loan losses as a percentage of loans outstanding was 1.33% and 1.34% as of September 30, 1999 and December 31, 1998, respectively. Net charge-offs to average loans was .24% and .21% for the nine month periods ending September 30, 1999 and 1998, respectively.

Including a pre-tax gain of $3,715 on the sale of credit cards, noninterest income increased $4,987, or 47.69%, to $15,445 for the nine month period ending September 30, 1999, when compared to $10,458 for the same period in 1998. Excluding all gains from the sales of securities and loans, noninterest income was $11,248 for the nine month period ending September 30, 1999, compared to $9,749 for the same period in 1998, or an increase of 15.38%. The increase between core noninterest income for 1999 and 1998 is due to fees associated with the increases in loans and deposits and the increased emphasis in sales of miscellaneous services and products such as financial investment alternatives and cash management.

While non-sufficient fund fees accounted for the majority of the increase in service charges, other increases were the result of annuity sales, mortgage loan fees, merchant processing, interchange fees, skip payment fees, and loan document preparation fees. Noninterest income, excluding gains from the sales of securities and loans, for the quarter ending September 30, 1999, increased $517, or 15.42%, compared to the same period in 1998 due in part to the aforementioned items.

Noninterest expenses were $30,987 for the nine month period ending September 30, 1999, compared to $28,892 for the same period in 1998, or an increase of 7.25%. Significant increases in noninterest expenses between these periods include depreciation of new premises and equipment, computer processing costs associated with technology enhancements, and fees related to the Inter-City acquisition. The remaining components of noninterest expenses reflect normal increases for banking related expenses and general inflation in the cost of services and supplies purchased by the Company. Noninterest expenses for the quarter ending September 30, 1999, increased $570, or 5.84%, compared to the same period in 1998.

Income tax expense was $5,078 for the nine month period ending September 30, 1999, compared to $3,522 for the same period in 1998. The Company also continues to invest in assets whose earnings are given favorable tax treatment.

As the year 2000 approaches, an issue impacting all companies has emerged regarding how existing application software programs and operating systems can accommodate this date value. The "year 2000" problem is pervasive and complex as virtually every computer operation will be affected in some way by the rollover of the two digit value to 00. The issue is whether computer systems will properly recognize date sensitive information when the year changes to 2000. Management has been working with its software vendors to assure that the Company will be 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, such as those of our loan customers, will be converted on a timely basis which could have a material effect on the Company. The Company has not incurred significant operating expenses nor will it be required to invest heavily in computer system improvements to be year 2000 compliant.

The Company successfully completed testing for its mission critical applications processed by its third party service provider during the fourth quarter of 1998, following the conversion to the expanded code for year 2000. Nearly all other mission critical applications were successfully tested during the first quarter of 1999 and testing for year 2000 compliance was substantially completed by March 31, 1999. Contingency plans for year 2000 issues have been tested. These contingency plans address potential business interruptions related to the year 2000 as well as liquidity and cash availability contingencies as the millennium approaches.

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. When evaluating the movement of these funds even during times of 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.

Another source available for meeting the Company's liquidity needs is 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. 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, but may be used to provide short-term funding.

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 balances 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 September 30, 1999, 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)	Ratio
As of September 30, 1999		
Total Capital .... (to Risk Weighted Assets)	$ 122,081	15.5%
Tier I Capital .... (to Risk Weighted Assets)	$ 112,217	14.2%
Tier I Capital .... (to Adjusted Average Assets)	$ 112,217	9.8%
As of December 31, 1998		
Total Capital .... (to Risk Weighted Assets)	$ 112,850	15.2%
Tier I Capital .... (to Risk Weighted Assets)	$ 103,577	14.0%
Tier I Capital .... (to Adjusted Average Assets)	$ 103,577	9.8%

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 $18.60 and $17.80 at September 30, 1999 and December 31, 1998, respectively. Quarterly cash dividends were $.21 per share for the first three quarters of 1999, up from $.19 per share during the fourth quarter of 1998. All per-share figures have been restated to reflect the 50% stock dividend issued January 20, 1998.

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

There have been no significant changes to our disclosure on quantitative and qualitative disclosures about market risk since December 31, 1998. For additional information, see the Company's Form 10-K for the year ended December 31, 1998.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

There have been no material proceedings against the Company during the quarter ended September 30, 1999.

Item 2. Changes in Securities

On June 24, 1999, the Company purchased the business of Reed-Johnson Insurance Agency, Inc. with the issuance of 40,530 shares of the Company's common stock. The transaction is being accounted for under the purchase method of accounting, and increased the outstanding shares of common stock of the Company from 6,191,854 to 6,232,384.

Item 6(b) Reports on Form 8-K

There were no reports filed on Form 8-K during the third quarter of 1999.

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: November 12, 1999

/s/ John W. Smith

John W. Smith
President & Chief Executive Officer

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1000

9-MOS
DEC-31-1999
SEP-30-1999
36,935
280
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192,764
84,776
83,534
786,490
10,460
1,151,873
986,850
14,344
14,974
19,796
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31,162
84,747
1,151,873
49,621
12,288
520
62,429
26,462
27,694
34,735
2,551
85
30,987
16,642
16,642
0
0
11,564
1.86
1.86
4.67
1,674
8,010
158
0
9,744
2,320
485
10,460
10,460
0
331