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 quarterly period ended June 30, 2001
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 38802-0709
(Address of principal executive offices)

Registrant's telephone number including area code 662-680-1001

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, 5,803,843 shares outstanding as of August 13, 2001

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PART 1. FINANCIAL INFORMATION PAGE

Item 1.

Condensed Consolidated Financial Statements (Unaudited)

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

	JUNE 30 2001 (Unaudited)	DECEMBER 31 2000 (Note 1)
Assets		
Cash and due from banks	$ 46,879	$ 27,676
Interest-bearing balances with banks	10,342	29,141
Cash and Cash Equivalents	57,221	56,817
Securities available-for-sale	283,993	192,916
Securities held-to-maturity (fair value - $0 and $85,981 at June 30, 2001 and December 31, 2000, respectively)		85,658
Loans, net of unearned income	820,475	815,854
Allowance for loan losses	(11,403)	(10,536)
Net Loans	809,072	805,318
Premises and equipment, net	29,637	30,105
Other assets	60,151	41,126
Total Assets	$ 1,240,074	$ 1,211,940
Liabilities		
Deposits:		
Noninterest-bearing	$ 148,700	$ 131,718
Interest-bearing	919,155	914,887
Total Deposits	1,067,855	1,046,605
Treasury tax and loan note account	9,926	4,603
Advances from the Federal Home Loan Bank	19,970	19,946
Other liabilities	19,635	19,125
Total Liabilities	1,117,386	1,090,279
Shareholders' Equity		
Common Stock, $5 par value - 15,000,000 shares authorized, 6,212,284 shares issued; 5,807,568 and 6,056,899 shares outstanding at June 30, 2001 and December 31, 2000, respectively	31,061	31,061
Treasury stock, at cost	(9,487)	(3,688)
Additional paid-in capital	39,850	39,931
Retained earnings	58,531	54,423
Accumulated other comprehensive income	2,733	(66)
Total Shareholders' Equity	122,688	121,661
Total Liabilities and Shareholders' Equity	$ 1,240,074	$ 1,211,940

See Notes to Condensed Consolidated Financial Statements

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

	SIX MONTHS ENDED JUNE 30 2001	SIX MONTHS ENDED JUNE 30 2000	THREE MONTHS ENDED JUNE 30 2001	THREE MONTHS ENDED JUNE 30 2000
	(Unaudited)		(Unaudited)	
Interest Income				
Loans	$ 36,146	$ 35,441	$ 17,966	$ 17,918
Securities:				
Taxable	6,350	5,930	3,233	3,115
Tax-exempt	2,013	2,082	998	1,033
Other	586	266	225	49
Total interest income	45,095	43,719	22,422	22,115
Interest Expense				
Deposits	21,728	19,816	10,508	10,243
Borrowings	731	1,027	360	561
Total interest expense	22,459	20,843	10,868	10,804
Net interest income	22,636	22,876	11,554	11,311
Provision for loan losses	2,250	2,679	1,125	1,690
Net interest income after provision for loan losses	20,386	20,197	10,429	9,621
Noninterest income:				
Service charges on deposit accounts	5,608	4,823	2,816	2,390
Fees and commissions	3,434	2,172	1,646	1,319
Trust revenue	530	535	265	268
Gains on sale of securities	45		2	
Other	1,959	1,375	1,117	545
Total noninterest income	11,576	8,905	5,846	4,522
Noninterest expenses:				
Salaries and employee benefits	12,423	10,951	6,346	5,455
Data processing	1,727	1,626	869	792
Net occupancy	1,605	1,465	777	732
Equipment	1,462	1,461	733	761
Other	5,213	5,327	2,650	2,672
Total noninterest expenses	22,430	20,830	11,375	10,412
Income before income taxes	9,532	8,272	4,900	3,731
Income taxes	2,643	2,288	1,313	1,015
Net income	$ 6,889	$ 5,984	$ 3,587	$ 2,716
Basic and diluted earnings per share	$ 1.15	$ 0.97	$ 0.60	$ 0.44
Weighted average shares outstanding	5,992,167	6,141,264	5,935,987	6,077,744

See Notes to Condensed Consolidated Financial Statements

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

	SIX MONTHS ENDED JUNE 30 2001	2000
	(Unaudited)	
Operating Activities		
Net Cash Provided by Operating Activities	$ (8,837)	$ 4,662
Investing Activities		
Purchases of securities available-for-sale	(50,854)	(19,647)
Proceeds from sales of securities available-for-sale	7,004	
Proceeds from calls/maturities of securities available-for-sale	42,974	7,317
Proceeds from calls/maturities of securities held-to-maturity		1,975
Net increase in loans	(45,239)	(41,579)
Proceeds from sales of loans	38,338	11,043
Proceeds from sales of premises and equipment	16	219
Purchases of premises and equipment	(934)	(2,219)
Business combinations		(69)
Net Cash Used in Investing Activities	(8,695)	(42,960)
Financing Activities		
Net increase in noninterest-bearing deposits	16,982	16,209
Net increase in interest-bearing deposits	4,268	48,539
Net increase (decrease) in short-term borrowings	5,323	(1,320)
Proceeds from other borrowings	1,000	2,104
Repayments of other borrowings	(976)	(20,922)
Acquisition of treasury stock	(5,798)	(4,619)
Cash dividends paid	(2,782)	(2,688)
Other financing activities	(81)	
Net Cash Provided by Financing Activities	17,936	37,303
Increase (Decrease) in Cash and Cash Equivalents	404	(995)
Cash and Cash Equivalents at beginning of period	56,817	43,871
Cash and Cash Equivalents at end of period	$ 57,221	$ 42,876
Supplemental Disclosures:		
Non-cash transactions:		
Transfer of loans to other real estate	$ 1,167	$ 863

See Notes to Condensed Consolidated Financial Statements

(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 six month period ended June 30, 2001 are not necessarily indicative of the results that may be expected for the year ended December 31, 2001.

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, 2000.

Note 2 Comprehensive Income

For the six month periods ended June 30, 2001 and 2000, total comprehensive income amounted to $9,688 and $5,744, respectively. For the quarters ended June 30, 2001 and 2000, total comprehensive income amounted to $3,865 and $3,315, respectively. Total comprehensive income consists of net income and the change in the unrealized gain (loss) on securities available for sale.

Note 3 Segment Reporting

The operating segments for the three months ended and the six months ended June 30, 2001 are the same as prior years. However, the Company changed its internal reporting mechanism to more closely match expenses with the revenues generated by each segment. Accordingly, prior periods' segment information has been adjusted to reflect the current method of management reporting as though it had been in place for all periods presented.

Segment information for the six months ended June 30, 2001 and 2000, is presented below.

Six Months Ended June 30, 2001

	Branches	Specialized Products	All Other	Total
Net interest income	$ 21,291	$ 854	$ 491	$ 22,636
Provision for loan loss	2,197	0	53	2,250
Net interest income after provision for loan loss ..	19,094	854	438	20,386
Non-interest income	7,334	3,803	439	11,576
Non-interest expense	15,170	3,499	3,761	22,430
Income before income taxes .	11,258	1,158	(2,884)	9,532
Income taxes	0	0	2,643	2,643
Net income	$ 11,258	$ 1,158	$ (5,527)	$ 6,889

Six Months Ended June 30, 2000

	Branches	Specialized Products	All Other	Total
Net interest income	$ 21,037	$ 1,037	$ 802	$ 22,876
Provision for loan loss	2,410	54	215	2,679
Net interest income after provision for loan loss	18,627	983	587	20,197
Non-interest income	6,252	2,362	291	8,905
Non-interest expense	14,097	2,348	4,385	20,830
Income before income taxes	10,782	997	(3,507)	8,272
Income taxes	0	0	2,288	2,288
Net income	$ 10,782	$ 997	$ (5,795)	$ 5,984

Segment information for the three months ended June 30, 2001 and 2000, is presented below.

Three Months Ended June 30, 2001

	Branches	Specialized Products	All Other	Total
Net interest income	$ 10,818	$ 498	$ 238	$ 11,554
Provision for loan loss	1,079	0	46	1,125
Net interest income after provision for loan loss	9,739	498	192	10,429
Non-interest income	3,596	1,944	306	5,846
Non-interest expense	7,764	1,787	1,824	11,375
Income before income taxes	5,571	655	(1,326)	4,900
Income taxes	0	0	1,313	1,313
Net income	$ 5,571	$ 655	$ (2,639)	$ 3,587

Three Months Ended June 30, 2000

	Branches	Specialized Products	All Other	Total
Net interest income	$ 10,486	$ 408	$ 417	$ 11,311
Provision for loan loss	1,520	34	136	1,690
Net interest income after provision for loan loss	8,966	374	281	9,621
Non-interest income	3,014	1,320	188	4,522
Non-interest expense	7,140	1,299	1,973	10,412
Income before income taxes	4,840	395	(1,504)	3,731
Income taxes	0	0	1,015	1,015
Net income	$ 4,840	$ 395	$ (2,519)	$ 2,716

Note 4 Other Accounting Pronouncements

On January 1, 2001, the Company adopted Financial Accounting Standards Board Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." As permitted with the adoption of this Statement, the Company transferred its held-to-maturity securities to securities available-for-sale on January 1, 2001. At the time of the transfer, the held-to-maturity securities had a carrying value of $85,658 and a market value of $85,981. The adoption of the new Statement did not have a material impact on the earnings or the financial position of the Company.

In June 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets," effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill will no longer be amortized but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives.

The Company will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. The Company is currently evaluating the impact of the application of the nonamortization provisions of the Statement. During 2002, the Company will perform the first of the required impairment tests of goodwill as of January 1, 2002, and has not yet determined what the effect of these tests will be on the earnings and financial position of the Company.

Note 5 Subsequent Events

As of June 30, 2001, the Company had repurchased 249,331 shares of its common stock during the year. Subsequent to that time, the Company purchased an additional 3,725 shares of its common stock. As of August 13, 2001, the Company had repurchased a total of 253,056 shares of the Company's stock during the year.

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.

Financial Condition

Total assets of The Peoples Holding Company grew from $1,211,940 on December 31, 2000, to $1,240,074 on June 30, 2001, or 2.32% for the six month period. On June 30, 2001, average earning assets were $1,119,623, or 91.38% of total average assets, compared to $1,104,549, or 92.26% of total average assets on December 31, 2000. Growth in average fixed assets and other real estate owned, along with the purchase of bank owned life insurance, contributed to the reduction of average earning assets as a percentage of average total assets.

The securities portfolio is utilized as a means of liquidity, an alternative earning source for excess funds, and collateral on pledges for certain types of deposits. Securities increased from $278,574 on December 31, 2000, to $283,993 on June 30, 2001. The growth was primarily due to mortgage backed securities. As permitted with the adoption of Financial Accounting Standards Board Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities," all held-to-maturity securities were transferred to the available-for-sale portfolio at the beginning of the year which improved the Company's liquidity and provided more flexibility in asset management.

The loan portfolio represents the largest component of the Company's assets. Loans, net of unearned income, increased $4,621, or 0.57%, from $815,854 at December 31, 2000, to $820,475 at June 30, 2001. Most of the increase in the loan portfolio was attributable to commercial loans.

The Company's primary source of funding continues to be deposits generated in the communities served by the Bank. Total deposits for the first six months of 2001 grew from $1,046,605 on December 31, 2000, to $1,067,855 on June 30, 2001, or an increase of 2.03%, with the majority of growth in time deposits.

Total shareholders' equity for the Company grew from $121,661 on December 31, 2000, to $122,688 on June 30, 2001, or 0.84% for the six month period. The equity capital to total assets ratios were 9.89% and 10.04% at June 30, 2001, and December 31, 2000, respectively. Growth in capital as a result of net income and changes in unrealized portfolio gains attributable to recent decreases in interest rates was offset by the repurchase of approximately 221,000 shares of common stock through a tender offer during the second quarter of 2001. Cash dividends declared increased from $.23 per share in the first quarter of 2001 to $.24 per share in the second quarter of 2001.

Results of Operations

The Company's net income for the six month period ended June 30, 2001, was $6,889, representing an increase of $905, or 15.12% over net income for the six month period ended June 30, 2000, which totaled $5,984. For the three month periods ended June 30, 2001 and 2000, net income was $3,587 and $2,716, respectively. The increase in net income for the three and six month periods ended June 30, 2001, compared to the same periods for 2000, resulted from continued emphasis on improving net interest margin and loan quality, diversifying sources of noninterest income, and maintaining noninterest expense control. The annualized return on average assets for the six month periods ending June 30, 2001 and 2000, was 1.11% and 1.06%, respectively, while the annualized return on average equity over the same periods was 10.91% and 10.82%, 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 repricing of rate-sensitive assets and liabilities. The recent decline in economic activity resulted in slower demand for loans. In the third quarter of 2000, the Company intentionally curtailed its indirect loan portfolio, reducing the average loan to average deposit ratio from 79.17% at June 30, 2000, to 76.64% at June 30, 2001. As a result, more funds were shifted to the investment portfolio. Net interest income was also adversely impacted by time deposits, a higher cost funding source, which represented approximately 55% of total average deposits for the six month period ended June 30, 2001, compared to approximately 51% for the same period during 2000.

Net interest income for the six month periods ended June 30, 2001 and 2000, was $22,636 and $22,876, respectively. Although net interest margin for the six month period ended June 30, 2001, was 4.37% compared to 4.47% for the same period during 2000, recent changes in the pricing environment coupled with the pricing strategies enacted by management have improved the Company's net interest margin, which was 4.43% for the three month period ended June 30, 2001, compared to 4.30% for the three month period ended March 31, 2001. The improvement in net interest margin contributed to a higher net interest income for the three month period ended June 30, 2001, of $11,554, compared to $11,311 for the same period of 2000.

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 inherent 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 $2,250 and $2,679 for the six month periods ended June 30, 2001 and 2000, respectively. For the three month periods ended June 30, 2001 and 2000, the provision for loan losses totaled $1,125 and $1,690, respectively. An additional $700 was charged to the provision for loan losses during the second quarter of 2000 to improve the allowance for loan losses, which had fallen below desirable levels due to loan growth and some credit deteriorations. The allowance for loan losses as a percentage of loans outstanding was 1.39% and 1.29% as of June 30, 2001 and December 31, 2000, respectively. Net charge-offs to average loans was .17% and .23% for the six month periods ending June 30, 2001 and 2000, respectively.

Noninterest income, excluding gains from the sales of securities, was $11,531 for the six month period ending June 30, 2001, compared to $8,905 for the same period in 2000, or an increase of 29.49%. For the three month periods ended June 30, 2001 and 2000, noninterest income, excluding gains from the sales of securities, was $5,844 and $4,522, respectively. The Company's continued emphasis on sales of specialized products and services accounted for the majority of the increase in noninterest income between 2001 and 2000. The increase also reflects monthly insurance commissions that were not recognized until the second and fourth quarters of 2000 with the acquisitions of The Southern Insurance Group and The Dominion Insurance Agency, respectively. Excluding gains from the sales of securities and the additional fee income related to the insurance companies, growth in noninterest income was 18.73% for the six month period ended June 30, 2001, compared to the same period in 2000. Non-sufficient fund fees accounted for the majority of the increase in service charges while improvements within fees and commissions included mortgage loan fees, loan document preparation fees, PC banking fees, and cash management fees. Other noninterest income reflects the June 2001 purchase of bank owned life insurance and gains on the sale of mortgage loans.

Noninterest expense was $22,430 for the six month period ended June 30, 2001, compared to $20,830 for the same period in 2000, or an increase of 7.68%. Excluding the impact of the acquisition of the insurance companies, the Company experienced a modest 3.62% growth in noninterest expense, which was due largely to the Company's employee incentive plan and normal salary increases. The remaining components of noninterest expense reflect normal increases for banking related expenses and general inflation in the cost of services and supplies purchased by the Company. Noninterest expense for the three month period ended June 30, 2001, was $11,375, compared to $10,412 for the same period during 2000.

Income tax expense was $2,643 for the six month period ended June 30, 2001, (with an effective tax rate of 27.73%) compared to $2,288 (with an effective tax rate of 27.66%) for the same period in 2000. The Company continues to monitor its tax position and its impact on future earnings.

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 appropriate 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. Funds obtained 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.

On April 16, 2001, the Company announced a tender offer to repurchase up to 604,312 shares of its common stock at $23.00 per share. On May 15, 2001, the Company funded the repurchase of approximately 221,000 shares of its common stock under this tender offer from cash and the liquidation of short-term investments.

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 June 30, 2001, the Bank met all capital adequacy requirements to which it is subject.

As of June 30, 2001, 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 and do not differ materially from that of the Company.

	Actual Amount (in thousands)	Ratio
As of June 30, 2001		
Total Capital (to Risk Weighted Assets)	$ 121,353	14.6%
Tier I Capital (to Risk Weighted Assets)	$ 110,970	13.4%
Tier I Capital (to Adjusted Average Assets)	$ 110,970	9.1%
As of December 31, 2000		
Total Capital (to Risk Weighted Assets)	$ 122,165	15.1%
Tier I Capital (to Risk Weighted Assets)	$ 112,022	13.8%
Tier I Capital (to Adjusted Average Assets)	$ 112,022	9.4%

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 $21.13 and $20.09 at June 30, 2001, and December 31, 2000, respectively. Earnings per share for the six month periods ended June 30, 2001 and 2000, were $1.15 and $0.97, respectively. Quarterly cash dividends were $0.23 per share during the first quarter of 2001, up from $0.22 per share during the fourth quarter of 2000. Dividends were increased again during the second quarter of 2001 to $0.24 per share.

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, 2000. For additional information, see the Company's Form 10-K for the year ended December 31, 2000.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

There have been no material proceedings against the Company during the quarter ending June 30, 2001.

Item 2. Changes in Securities

On April 16, 2001, the Company filed Form SC TO-I with the Securities and Exchange Commission announcing a tender offer to repurchase up to 604,312 shares of its common stock at $23.00 per share. The Company repurchased 220,556 shares of its common on May 15, 2001, through the tender offer.

Excluding the shares of common stock repurchased through the tender offer, the Company repurchased an additional 32,500 shares of its common stock through August 13, 2001, at an average price of $25.91 per share.

These transactions reduced the outstanding shares of common stock of the Company from 6,056,899 at December 31, 2000, to 5,803,843 at August 13, 2001.

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 17, 2001, for the purpose of electing five members to the board of directors for a three year term 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	5,299,567	51,851	860,866
E. Robinson McGraw	5,305,455	45,963	860,866
John W. Smith	5,267,720	83,698	860,866
Robert H. Weaver	5,299,439	51,979	860,866
J. Larry Young	5,299,439	51,979	860,866

	For	Against	Abstain
Ratify appointment of Ernst & Young LLP as independent auditors for 2001	5,345,883	0	866,401

Item 6.(b) Reports on Form 8-K

There were no reports filed on Form 8-K during the second quarter of 2001.

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, 2001

/s/ E. Robinson McGraw

E. Robinson McGraw
President & Chief Executive Officer