

PEOPLES HOLDING CO
Form S-4
April 08, 2004
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As filed with the Securities and Exchange Commission on April 8, 2004

Registration No. 33-_____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

THE PEOPLES HOLDING COMPANY

(Exact name of registrant as specified in its charter)

Mississippi
(State or other jurisdiction of
incorporation or organization)

6022
(Primary Standard Industrial
Classification Code Number)

64-0676974
(I.R.S. Employer
Identification Number)

209 Troy Street
Tupelo, Mississippi 38802-0709
(662) 680-1001

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Stephen M. Corban

Executive Vice President

209 Troy Street

Tupelo, Mississippi 38802-0709

(662) 680-1001

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

**Mark A. Fullmer
Phelps Dunbar LLP
Suite 2000
365 Canal Street
New Orleans, LA 70130
(504) 566-1311**

**Robert Walker
Baker, Donelson, Bearman, Caldwell &
Berkowitz, P.C.
165 Madison Avenue
Memphis, TN 38103
(901) 577-0785**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, \$5.00 par value	1,478,000(1)	Not applicable	\$12,307,212.27(2)	\$1,560.00(2)

- (1) This amount is based upon the number of shares of common stock anticipated to be issued upon completion of the transactions contemplated in the Agreement and Plan of Merger dated as of February 17, 2004 (the Merger Agreement), by and among The Peoples Holding Company (Peoples), Peoples Merger Corporation and Renasant Bancshares, Inc. (Renasant).
- (2) Determined pursuant to Rule 457(f)(2) under the Securities Act of 1933, as amended, solely for the purpose of calculating the registration fee, based on the book value of common stock, \$1.00 par value, of Renasant as of the latest practicable date prior to the filing date (February 29, 2004). Pursuant to Rule 457(f)(3), the cash portion of the consideration to be paid by Peoples pursuant to the Merger Agreement has been deducted from the book value of the securities to be received by Peoples or cancelled in the transaction.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Information contained in this proxy statement/prospectus is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such State.

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the shares of common stock to be issued by Peoples in the merger, as described in this proxy statement/prospectus, or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The shares of Peoples common stock to be issued in the merger are not savings or deposit accounts or other obligations of any bank or savings association or non-bank subsidiary of Peoples and are not insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund, the Bank Insurance Fund or any other governmental agency.

[GRAPHIC]

The Peoples Holding Company

Renasant Bancshares, Inc.
Proxy Statement

The Peoples Holding Company
Prospectus

Dear Renasant Stockholders:

You are cordially invited to attend the special meeting of stockholders of Renasant Bancshares, Inc. (Renasant) which will be held at Renasant s main office, 2177 Germantown Road South, Germantown, Tennessee 38138, on _____, _____, 2004, at 5:30 p.m. local time. The accompanying notice of the special meeting, proxy statement/prospectus and proxy card set forth the formal business to be transacted at the special meeting. Please review these materials carefully and attend the special meeting.

At the special meeting, you will be asked to vote upon a proposal to adopt and approve a merger agreement, a related plan of merger and a merger of Renasant into a wholly owned subsidiary of The Peoples Holding Company (Peoples). If the merger is completed, each share of Renasant common stock you hold will be exchanged for either (1) \$36.37 in cash, (2) 1.117015 shares of Peoples common stock, \$5.00 per share par value, or (3) a combination consisting of cash for 45% of your common stock and shares of Peoples common stock for 55% of your common stock. You will be asked to elect your form of payment. Regardless of your election, however, elections will be limited by the requirements that not less than 50% or more than 55% of the aggregate shares of Renasant common stock owned by Renasant stockholders be exchanged for Peoples common stock and that not less than 45% or more than 50% of the aggregate shares of Renasant common stock owned by Renasant stockholders be exchanged for cash. Your election is also subject to further adjustment by Peoples in order for the merger to qualify as a tax-free reorganization for federal income tax purposes with respect to the shares of Peoples common stock that you receive in exchange for your shares of Renasant common stock.

If you wish, you may dissent from the merger agreement and obtain a cash payment for the fair value of your shares. To exercise dissenters rights, you must not vote in favor of the adoption and approval of the merger agreement, and you must strictly comply with all of the applicable requirements of Tennessee law summarized in the accompanying proxy statement/prospectus under the heading The Merger Dissenters Rights.

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Peoples common stock is listed on the American Stock Exchange under the symbol PHC . On April 5, 2004, the closing price of a share of Peoples common stock was \$35.40.

Your vote is very important. The Renasant board of directors has unanimously determined that the merger agreement, the related plan of merger and the merger are in the best interests of Renasant and its stockholders and unanimously recommends that you vote FOR the adoption and approval of the merger agreement, the related plan of merger and the merger. The merger cannot be completed unless the holders of a majority of the outstanding shares of Renasant common stock vote in favor of the adoption and approval of the merger agreement, the related plan of merger and the merger.

Whether or not you plan to attend the special meeting, please take the time to vote by promptly submitting the enclosed form of proxy. If you sign, date and mail your proxy card without indicating how you want to vote, your Renasant shares will be counted as a vote in favor of adoption and approval of the merger agreement, the related plan of merger and the merger. If you do not submit your proxy, the effect will be a vote against the merger agreement, the related plan of merger and the merger. If you are the record owner of your shares of Renasant common stock, returning your proxy does not deprive you of your right to attend the meeting and to vote your shares in person if you should decide to do so. Granting your proxy will impact your dissenters' rights as discussed in the accompanying proxy statement/prospectus.

The proposed merger is discussed in detail in the accompanying proxy statement/prospectus. We encourage you to read this entire document carefully. You can also obtain more information about Peoples in documents that it has filed with the Securities and Exchange Commission.

On behalf of your board of directors, we encourage you to vote FOR the adoption and approval of the merger agreement, the related plan of merger and the merger.

/s/ JACK C. JOHNSON

Chairman

/s/ FRANK J. CIANCIOLA

Vice Chairman and Chief Executive Officer

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This proxy statement/prospectus is dated _____, 2004, and it is first being mailed to Renasant stockholders, along with the enclosed form of proxy card, on or about _____, 2004.

YOU SHOULD READ RISK FACTORS BEGINNING ON PAGE 17 FOR A DESCRIPTION OF THE FACTORS THAT MAY AFFECT THE VALUE OF THE PEOPLES COMMON STOCK TO BE ISSUED IN THE MERGER AND OTHER RISK FACTORS THAT SHOULD BE CONSIDERED WITH RESPECT TO THE MERGER.

REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Peoples from documents that Peoples has filed with the Securities and Exchange Commission and that have not been included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference in this proxy statement/prospectus, other than exhibits to those documents, by requesting them in writing or by telephone from Peoples at the following address:

The Peoples Holding Company

209 Troy Street

Tupelo, Mississippi 38802

Attention: James W. Gray

Telephone: (662) 680-1001

IF YOU WOULD LIKE TO REQUEST DOCUMENTS, PLEASE DO SO PRIOR TO _____, 2004, IN ORDER TO RECEIVE THEM BEFORE THE SPECIAL MEETING.

See **Where You Can Find More Information** for more information about the documents referred to in this proxy statement/prospectus.

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[Renasant Bancshares, Inc. letterhead]

Renasant Bancshares, Inc.

Notice of Special Meeting

_____, 2004

To the Stockholders of Renasant Bancshares, Inc.:

A special meeting of stockholders of Renasant Bancshares, Inc. ("Renasant") will be held at Renasant's main office, 2177 Germantown Road South, Germantown, Tennessee 38138, on _____, _____, 2004 at 5:30 p.m., local time, and at any adjournments or postponements thereof, to consider and act upon the following matters:

To consider and vote upon a proposal to approve and adopt (a) the Agreement and Plan of Merger dated as of February 17, 2004, by and among Renasant Bancshares, Inc., The Peoples Holding Company ("Peoples") and Peoples Merger Corporation, a wholly owned subsidiary of Peoples, pursuant to which Renasant will, upon satisfaction of certain conditions, merge with and into Peoples Merger Corporation, with Peoples Merger Corporation surviving the merger as a wholly owned subsidiary of Peoples, (b) the related plan of merger contemplated by the Plan of Merger and (c) the merger. As a result of the merger, you, as a holder of Renasant common stock, will have the right to receive for each share of your Renasant common stock either (i) \$36.37 in cash, (ii) 1.117015 shares of Peoples common stock or (iii) a combination consisting of cash and shares of Peoples common stock.

Any other business properly brought before the special meeting or any adjournment or postponement thereof.

Regardless of your election, however, elections will be limited by the requirements that not less than 50% or more than 55% of the aggregate shares of Renasant common stock owned by Renasant stockholders be exchanged for Peoples common stock and not less than 45% or more than 50% of the aggregate shares of Renasant common stock owned by Renasant stockholders be exchanged for cash. Your election is also subject to further adjustment by Peoples in order for the merger to qualify as a tax-free reorganization for federal income tax purposes with respect to the shares of Peoples common stock that you receive in exchange for your Renasant common stock.

If you wish, you may dissent from the merger agreement and obtain a cash payment for the fair value of your shares. To exercise dissenters rights, you must not vote in favor of the adoption and approval of the merger agreement, and you must strictly comply with all of the applicable requirements of Tennessee law summarized under the heading "The Merger Dissenters Rights." The fair value of your shares, as determined by a court, may be more or less than the consideration to be paid in the merger.

The Renasant board of directors has fixed the close of business on _____, 2004 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Therefore, only stockholders of record on _____, 2004 are entitled to notice of, and to vote at, the special meeting. A list of stockholders entitled to vote will be available at Renasant's offices through the date of the special meeting as well as at the special meeting for examination by any stockholder, his agent or his attorney.

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The accompanying proxy statement/prospectus describes the terms and conditions of the merger agreement and includes a complete text of the merger agreement and the related plan of merger as Annex A-1 and Annex A-2, respectively. We urge you to read the enclosed materials carefully for a complete description of the merger agreement, the plan of merger, and the merger. The accompanying proxy statement/prospectus forms a part of this notice.

Your vote is very important. The merger agreement, the related plan of merger and the merger must be adopted and approved by the holders of a majority of the outstanding shares of Renasant common stock. Even if you plan to attend the special meeting, we urge you to submit a valid proxy promptly so that your shares will be voted.

Your board of directors unanimously recommends that you vote **FOR** the adoption and approval of the merger agreement, the related plan of merger and the merger.

By Order of the Board of Directors

/s/ MICHAEL J. MCCARVER

Its Secretary

Memphis, Tennessee

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Annex A-1	Agreement and Plan of Merger by and among The Peoples Holding Company, Peoples Merger Corporation and Renasant Bancshares, Inc. dated as of February 17, 2004
Annex A-2	Plan of Merger by and among The Peoples Holding Company, Peoples Merger Corporation, and Renasant Bancshares, Inc.
Annex B-1	Form of Lock-Up and Non-Competition Agreement
Annex B-2	Form of Lock-Up Agreement
Annex C	Opinion of Alex Sheshunoff & Co. Investment Banking, LP
Annex D	Chapter 23 of the Tennessee Business Corporation Act

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents that are made part of this proxy statement/prospectus by reference to other documents filed with the Securities and Exchange Commission include various forward-looking statements about The Peoples Holding Company (Peoples) and Renasant Bancshares, Inc. (Renasant) that are subject to risks and uncertainties. Forward-looking statements include information concerning future financial performance, business strategy, projected plans and objectives of Peoples and Renasant.

Statements preceded by, followed by or that otherwise include the words believes, expects, anticipates, intends, estimates, plans, may increase, may fluctuate, will likely result, and similar expressions, or future or conditional verbs such as will, should, would, and could are general forward-looking in nature and not historical facts. You should understand that the following important factors, in addition to those discussed elsewhere in this proxy statement/prospectus and in the documents which are incorporated by reference into this proxy statement/prospectus, could affect the future results of the combined company following the merger, and could cause results to differ materially from those expressed in such forward-looking statements:

the effect of economic conditions and interest rates on a national, regional or international basis;

the performance of Peoples businesses following the merger;

the timing of the implementation of changes in operations to achieve enhanced earnings or effect cost savings;

the ability of Peoples and Renasant to successfully integrate their operations, the compatibility of the operating systems of the combining companies, and the degree to which existing administrative and back-office functions and costs of Peoples and Renasant are complementary or redundant;

the ability to satisfy all conditions precedent to the merger (including stockholder and various regulatory approvals);

competitive pressures in the consumer finance, commercial finance, insurance, financial services, asset management, retail banking, mortgage lending and auto lending industries;

the financial resources of, and products available to, competitors;

changes in laws and regulations, including changes in accounting standards;

changes in policy by regulatory agencies;

changes in the securities and foreign exchange markets; and

opportunities that may be presented to and pursued by the combined company following the merger.

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Management of each of Peoples and Renasant believes the forward-looking statements about its company are reasonable. However, you should not place undue reliance on them. Any forward-looking

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statements in the proxy statement/prospectus are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results, developments and business decisions may differ from those contemplated by those forward-looking statements. Many of the factors that will determine these results are beyond Peoples and Renasant's ability to control or predict. Peoples and Renasant disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section.

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What is the proposed transaction for which I am being asked to vote?

A: You are being asked to vote to adopt and approve an agreement and plan of merger among Peoples, Peoples Merger Corporation and Renasant, a related plan of merger and the merger contemplated thereby. In this proxy statement/prospectus, we refer to the agreement and plan of merger and the related plan of merger as the merger agreement. In the merger, Renasant will be merged with and into Peoples Merger Corporation, a wholly owned subsidiary of Peoples. After the merger, Peoples Merger Corporation will be the surviving corporation and will remain a wholly owned subsidiary of Peoples.

Q: Who is Peoples?

A: The Peoples Holding Company is a Mississippi corporation incorporated in 1982 that is the owner of the fourth largest bank headquartered in Mississippi, The Peoples Bank & Trust Company (Peoples Bank), a Mississippi-chartered bank incorporated in 1904. Peoples and Peoples Bank are headquartered in Tupelo, Mississippi. Through Peoples Bank, Peoples also owns of The Peoples Insurance Agency. As of December 31, 2003, Peoples had total assets of approximately \$1.4 billion, deposits of approximately \$1.1 billion and total shareholders' equity of approximately \$138 million. Peoples operates 44 community bank, insurance and financial services offices in 27 cities throughout north and north central Mississippi. Peoples Bank's deposits are insured by the Federal Deposit Insurance Corporation.

Q: What will I receive in exchange for my Renasant common stock in the merger?

A: In the merger, each share of Renasant common stock, par value \$1.00 per share, will be converted into the right to receive either (i) \$36.37 in cash, (ii) 1.117015 shares of Peoples common stock, \$5.00 par value per share, or (iii) a combination of cash for 45% of your shares of Renasant common stock and Peoples common stock for 55% of your shares of Renasant common stock.

Q: Can I elect the type of consideration I will receive in the merger?

A: Yes. Subject to the redesignation and adjustment procedures described in this proxy statement/prospectus, you may elect to receive all cash, all shares of Peoples common stock or a combination of cash and Peoples common stock in exchange for your shares of Renasant common stock.

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Under the merger agreement, the aggregate number of shares of Renasant common stock to be converted into the right to receive cash shall not be less than 45% or more than 50% of the total number of shares of Renasant common stock outstanding immediately prior to the closing date of the merger (excluding shares owned by Renasant, Peoples or any subsidiary of Renasant or Peoples (other than in a fiduciary capacity)). The aggregate number of shares of Renasant common stock to be converted into the right to receive shares of Peoples common stock shall not be less than 50% or more than 55% of the total number of shares of Renasant common stock outstanding immediately prior to the closing date of the merger (excluding shares owned by Renasant, Peoples or any subsidiary of Renasant or Peoples (other than in a fiduciary capacity)).

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Regardless of your election, however, elections will be limited by two requirements:

not less than 50% or more than 55% of the aggregate shares of Renasant common stock owned by Renasant stockholders must be exchanged for Peoples common stock; and

not less than 45% or more than 50% of the aggregate shares of Renasant common stock owned by Renasant stockholders must be exchanged for cash.

Your election is also subject to further adjustment by Peoples in order for the merger to qualify as a tax-free reorganization for federal income tax purposes with respect to the shares of Peoples common stock that you receive in exchange for your Renasant common stock.

Q: If I elect to receive Peoples common stock in the merger, how many shares will I receive?

A: Subject to the redesignation and adjustment procedures described in this proxy statement/prospectus, if you elect to receive Peoples common stock for all or a portion of your Renasant common stock, you will receive 1.117015 shares of Peoples common stock for each share of Renasant common stock that you own.

You will not receive a fractional share of Peoples common stock. Instead, you will be paid cash in an amount equal to the fraction of a share of Peoples common stock otherwise issuable multiplied by the average closing price as reported by the American Stock Exchange of one share of Peoples common stock for the ten trading days immediately preceding the last trading day immediately prior to the closing date of the merger (the closing date is described in more detail in this proxy/prospectus).

For instance, if you own 100 shares of Renasant common stock and the ten-day average closing price of Peoples common stock is \$32.00 per share, a Renasant stockholder who elects to receive Peoples common stock in exchange for all 100 shares of Renasant common stock would receive 111 shares of Peoples common stock, plus \$22.45 in cash instead of a fractional share.

Q: How do I elect the form of consideration I prefer to receive?

A: A form of election is being mailed to you concurrently with the mailing of this proxy statement/prospectus. If your shares of Renasant common stock are registered in your own name, complete and sign the form of election and send it to Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey 07016-3572, the exchange agent for the merger. If your shares of Renasant common stock are held in the name of your nominee or other representative, such as the trustee of a trust of which you are the beneficiary, you must have such nominee or other representative submit the form of election on your behalf.

Q: Is there a deadline for making an election?

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A: Yes. Your completed election form must be received by the exchange agent not later than 5:00 p.m. eastern time on the third business day immediately prior to the closing date of the merger.

Q: What if I do not send an election form, it is not received before the deadline or I improperly complete or sign my election form?

A: If the exchange agent does not receive from you a properly completed and signed election form before the deadline, then it will be assumed that you have elected to receive a combination of cash for 45% of your shares of Renasant common stock and Peoples common stock for the remaining 55% of your shares of Renasant common stock.

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Q: When should I send in my stock certificate?

A: After the closing date of the merger, the exchange agent will deliver the necessary stock certificate transmittal materials to you. You should complete and sign the transmittal letter and deliver it, together with your stock certificate or certificates (and any other documents required by the exchange agent or Peoples), to the exchange agent at the address listed in the transmittal materials.

The exchange agent, upon receipt of your stock certificates and other documents, will deliver to you the cash, stock or combination thereof which you have elected to receive, as modified by any redesignation or adjustment procedures described in this proxy statement/prospectus. This delivery is subject to the payment of any transfer taxes that may arise in connection with the transfer of your shares of Renasant common stock.

Q: What happens if the number of shares elected to be converted into cash exceeds 50% of the outstanding shares of Renasant common stock or if the number of shares elected to be converted into shares of Peoples common stock exceeds 55% of the outstanding shares of Renasant common stock?

A: If the aggregate number of shares elected to be converted into cash exceeds 50% of the outstanding shares of Renasant common stock, then shares of Renasant common stock to be converted into cash will be redesignated on a pro rata basis into shares to be converted into shares of Peoples common stock so that the total number of Renasant shares to be converted into cash does not exceed 50% of the outstanding shares of Renasant common stock.

If the aggregate number of shares elected to be converted into shares of Peoples common stock exceeds 55% of the outstanding shares of Renasant common stock, then shares of Renasant common stock to be converted into shares of Peoples common stock will be redesignated on a pro rata basis into shares to be converted into cash so that the total number of Renasant shares to be converted into shares of Peoples common stock does not exceed 55% of the outstanding shares of Renasant common stock.

Holders of shares of Renasant common stock who elect to receive a combination of cash for 45% of their Renasant common stock and shares of Peoples common stock for 55% of their Renasant common stock will not be subject to these redesignation procedures. Also, a holder who has elected to receive cash for all of his or her shares of Renasant common stock and would receive less than 10 shares of Peoples common stock if his or her shares were redesignated is not subject to the redesignation procedures. Both of these types of holders, however, are subject to the adjustment procedures described immediately below.

Q: Can my election be affected in any other way?

A: Yes. Renasant and Peoples intend for the merger to qualify as a tax-free reorganization for federal income tax purposes with respect to shares of Peoples common stock received in exchange for shares of Renasant common stock. In order to satisfy the continuity of interest requirement for tax-free reorganizations, the merger agreement requires that the aggregate value of the Peoples common stock delivered to holders of Renasant common stock equal at least 40% of the total value of Renasant.

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If Peoples determines that the value of its common stock to be delivered to holders of Renasant common stock does not satisfy this 40% requirement, then Peoples will take two actions. Peoples will reduce the amount of cash into which each share of Renasant common stock is converted and Peoples will

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increase the number of shares of Peoples common stock into which each share of Renasant common stock is converted. The reduction in the cash payable to shareholders of Renasant will equal the increase in the value of the Peoples common stock that will be delivered to the shareholders of Renasant. This adjustment is mandatory unless the adjustment would cause Peoples to issue more than 85,000 additional shares of its common stock. If the adjustment would cause Peoples to issue more than 85,000 additional shares of its common stock and Peoples decides not to issue the additional shares, then either Peoples or Renasant may terminate the merger.

Q: What are the United States federal income tax consequences of the merger to Renasant stockholders?

A: The tax consequences of the transaction to you will depend on your particular facts and circumstances and the form of merger consideration you receive. You should consult your tax advisor for a full understanding of the tax consequences of the merger.

Assuming that the merger is completed as currently contemplated, you will not recognize any gain or loss for United States federal income tax purposes on any of your Renasant shares exchanged for Peoples shares in the merger, except with respect to cash received in lieu of a fractional Peoples share. You may recognize gain or loss if you exchange your Renasant shares solely for cash in the merger. You may recognize gain, but not loss, if you exchange your Renasant shares for a combination of Peoples shares and cash, but not in excess of the cash you receive in the merger.

Q: Am I entitled to dissenters' rights?

A: Yes. If you wish, you may dissent from the merger agreement and obtain a cash payment for the fair value of your shares. To exercise dissenters' rights, you must not vote in favor of the adoption and approval of the merger agreement, and you must strictly comply with all of the applicable requirements of Tennessee law summarized under the heading "The Merger - Dissenters' Rights." The fair value of your shares may be more or less than the consideration to be paid in the merger.

We have included a copy of Chapter 23 of the Tennessee Business Corporation Act (the "TBCA") as Annex D to this proxy statement/prospectus.

Q: When and where is the special meeting?

A: The Renasant special meeting is scheduled to take place at Renasant's main office, 2177 Germantown Road South, Germantown, Tennessee 38138 on _____, 2004 at 5:30 p.m. local time.

Q: Who can vote on the merger?

A: Holders of record of Renasant common stock at the close of business on _____, 2004 can vote at the special meeting. On that date, 1,429,697 shares were outstanding and entitled to vote.

Q: What vote is required for approval?

A: The merger agreement must be adopted and approved by a majority of the outstanding shares of Renasant common stock. Therefore, if you abstain or fail to vote, it will be the same as voting against the merger agreement.

If you hold your shares of Renasant in a broker's name (sometimes called "street name" or "nominee name"), then you must provide voting instructions to your broker. If you do not provide instructions to the broker, your shares will not be voted on any matter on which the broker does not have

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discretionary authority to vote, which includes the vote on the merger. A vote that is not cast for this reason is called a broker non-vote. Broker non-votes will be treated as shares present for the purpose of determining whether a quorum is present at the meeting. For purposes of the vote on the merger agreement, a broker non-vote has the same effect as a vote AGAINST the merger agreement. For purposes of the vote on other matters properly brought at the special meeting, broker non-votes will not be counted as a vote FOR or AGAINST such matters or as an abstention on such matters.

Q: When do you expect the merger to be completed?

A: We are working to complete the merger as promptly as possible. We expect to complete the merger promptly after we receive both Renasant stockholder approval at the special meeting and all necessary regulatory approvals. We currently expect this to occur during the third quarter of 2004. Fulfilling some of the conditions to closing the merger, such as receiving certain governmental clearances or regulatory approvals is not entirely within our control.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please complete and mail your proxy card as soon as possible so that your shares may be voted at the special meeting. Your proxy card will instruct the persons named on the proxy card to vote your shares at the special meeting as you direct. If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be voted FOR the adoption and approval of the merger agreement and the merger. If you do not vote or if you abstain, the effect will be a vote against the merger agreement and the merger. Your vote is very important.

You should also complete the form of election accompanying this proxy statement/prospectus and submit it to Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey 07016-3572, the exchange agent for the merger.

Q: May I change my vote after I have mailed my signed proxy card?

A: You may change your vote at any time before your proxy is voted at the special meeting. You can do this in one of three ways:

first, you can send a written notice stating that you want to revoke your proxy;

second, you can complete and submit a new proxy card; or

third, if you are the record owner of your shares of Renasant common stock, you can attend the Renasant special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy; you must vote at the meeting.

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If you choose either of the first two methods, you must submit your notice of revocation or your new proxy card to:

Renasant Bancshares, Inc.

Attention: Michael J. McCarver, Secretary

2177 Germantown Road South

Germantown, Tennessee 38138

Q: If I plan to attend the Renasant special meeting in person, should I still grant my proxy?

A: Yes. Whether or not you plan to attend the special meeting, you should grant your proxy as described above. The failure of a Renasant stockholder to vote in person or by proxy will have the same effect as a vote against the adoption and approval of the merger agreement. The failure to give voting instructions to your broker will have the same effect as a vote against the adoption and approval of the merger agreement.

Q: What does Renasant's board of directors recommend?

A: Renasant's board of directors has unanimously determined that the proposed merger is advisable and in the best interests of Renasant and its stockholders and unanimously recommends that you vote FOR the proposal to adopt and approve the merger agreement.

Q: Who can help answer my questions?

A: If you have any questions about the merger or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card or form of election, you should contact:

Francis J. Cianciola

Vice Chairman

2177 Germantown Road South

Germantown, Tennessee 38138

(901) 312-4000

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus and may not contain all the information that is important to you. For a more complete understanding of the merger and for a more complete description of the legal terms of the merger and the merger agreement, you should read this entire document carefully, as well as the additional documents to which we refer you. See [Where You Can Find More Information](#).

The Companies

The Peoples Holding Company

209 Troy Street

Tupelo, Mississippi 38802

(662) 680-1001

Peoples is a Mississippi corporation incorporated in 1982 that is the owner of the fourth largest bank headquartered in Mississippi, The Peoples Bank & Trust Company (Peoples Bank), a Mississippi-chartered bank incorporated in 1904. Peoples Bank is headquartered in Tupelo, Mississippi. Through Peoples Bank, Peoples is also the owner of The Peoples Insurance Agency. As of December 31, 2003, Peoples had total assets of approximately \$1.4 billion, deposits of approximately \$1.1 billion and total shareholders equity of approximately \$138 million. Peoples operates 44 community bank, insurance and financial services offices in 27 cities throughout north and north central Mississippi. Peoples Bank s deposits are insured by the Federal Deposit Insurance Corporation.

For financial statements and a discussion of Peoples recent results of operations, see Peoples Annual Report on Form 10-K for the year ended December 31, 2003, which is incorporated by reference in this proxy statement/prospectus.

Peoples Merger Corporation is a Tennessee corporation and a wholly owned subsidiary of Peoples. It was incorporated in 2004 for the purpose of effecting the merger between Peoples and Renasant.

Renasant Bancshares, Inc.

2177 Germantown Road South

Germantown, Tennessee 38138

(901) 312-4000

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Renasant Bancshares (Renasant) is a Tennessee corporation incorporated in 1998 that is the owner of Renasant Bank. Renasant's activities are conducted primarily through Renasant Bank. Renasant Bank conducts a full-service banking business in its service area, emphasizing the banking needs of individuals and small to medium-sized businesses. As of December 31, 2003, Renasant had total assets of approximately \$225 million, deposits of approximately \$186 million and total shareholders' equity of approximately \$17 million. Renasant Bank draws most of its customer deposits and conducts most of its lending transactions from and within a primary service area in the eastern area of Shelby County and western area of Fayette County, Tennessee, as well as the northern area of DeSoto County, Mississippi. Renasant Bank's deposits are insured by the Federal Deposit Insurance Corporation.

The Merger (pages 26 through 29)

Under the terms of the merger agreement, Renasant will be merged into Peoples Merger Corporation. After the merger, Peoples Merger Corporation will be the surviving corporation and will

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continue its corporate existence under Tennessee law as a wholly owned subsidiary of Peoples. The merger agreement and the plan of merger are attached to this document as Annex A-1 and Annex A-2, respectively, and are incorporated in this proxy statement/prospectus by reference. We encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

What You Will Receive in the Merger (pages 45 through 50)

The merger agreement provides that each share of Renasant common stock, other than treasury shares, shares owned by Peoples or any of the subsidiaries of Peoples or Renasant (other than in a fiduciary capacity) or by any person who has perfected dissenters' rights with respect to shares of Renasant common stock, will be converted on the closing date of the merger into the right to receive the merger consideration. The merger consideration is either:

for each share of Renasant common stock, cash in an amount equal to \$36.37, without interest;

for each share of Renasant common stock, 1.117015 shares of Peoples common stock; or

cash consideration for 45% of such holder's shares of Renasant common stock and stock consideration for 55% of such holder's shares of Renasant common stock.

Subject to the redesignation and adjustment procedures described below, as a holder of record of shares of Renasant common stock, you may elect to receive all cash, all shares of Peoples common stock or the combination of cash and Peoples common stock described above as consideration in exchange for your shares of Renasant common stock. You will not receive any fractional shares of Peoples common stock if you elect to receive all or a portion of the merger consideration as shares of Peoples common stock. Instead, you will be paid cash in an amount equal to the fraction of a share of Peoples common stock otherwise issuable upon conversion multiplied by the average closing price of one share of Peoples common stock as reported by the American Stock Exchange for the ten trading days immediately preceding the last trading day immediately prior to the closing date of the merger.

A form of election is being mailed to you concurrently with the mailing of this proxy statement/prospectus. If your shares of Renasant common stock are registered in your own name, you must complete and sign the form of election and send it to Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey 07016-3572, the exchange agent for the merger. If your shares of Renasant common stock are held in the name of your nominee or other representative, such as the trustee of a trust of which you are the beneficiary, you must have such nominee or other representative submit the form of election on your behalf. The form of election must be received by the exchange agent not later than 5:00 p.m. eastern time on the third business day immediately prior to the closing date of the merger.

The merger agreement contains redesignation procedures which may affect your election. Under the merger agreement, the number of shares of Renasant common stock to be converted into the right to receive cash must not be less than 45% or more than 50% of the total number of shares of Renasant common stock outstanding immediately prior to the closing date of the merger. Also, the number of shares of Renasant common stock to be converted into the right to receive shares of Peoples common stock must not be less than 50% or more than 55% of the total number of shares of Renasant common stock outstanding immediately prior to the closing date of the merger.

If the number of shares to be converted into the right to receive cash exceeds 50% of the outstanding shares of Renasant common stock, then all shares of Renasant common stock to be converted

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into the right to receive cash will be redesignated on a pro rata basis into a combination of shares to be converted into cash and shares to be converted into shares of Peoples common stock. Shares will be redesignated such that the total number of Renasant shares converted into cash does not exceed 50% of the outstanding shares of Renasant common stock. If the number of shares to be converted into shares of Peoples common stock exceeds 55% of the outstanding shares of Renasant common stock, then all shares of Renasant common stock to be converted into shares of Peoples common stock will be redesignated on a pro rata basis for a combination of shares to be converted into cash and shares to be converted into shares of Peoples common stock. Shares will be redesignated such that the total number of Renasant shares exchanged for stock does not exceed 55% of the outstanding shares of Renasant common stock. Holders who chose to receive a combination of cash for 45% of their Renasant common stock and shares of Peoples common stock for 55% of their Renasant common stock are not subject to the redesignation procedures. Also, any holder who elected to receive cash but after the redesignation procedures would receive less than ten shares of Peoples common stock for his or her shares of Renasant common stock is not subject to the redesignation procedures.

The merger agreement also contains certain readjustment procedures which may affect your election. Under the merger agreement, the value of the shares of Peoples common stock to be delivered to the holders of Renasant common stock pursuant to their elections to receive the merger consideration must have an aggregate value of at least 40% of the value of Renasant as a whole. This is required so that the merger qualifies as a tax-free reorganization for federal income tax purposes with respect to the shares of Peoples common stock received in exchange for shares of Renasant common stock. If, after the redesignation procedures described immediately above are completed, Peoples determines that the total value of its common stock included as part of the merger consideration does not satisfy the 40% threshold described above, then Peoples will take two actions. Peoples will reduce the amount of cash into which shares of Renasant common stock will be converted, and Peoples will increase the number of shares of Peoples common stock into which each share of Renasant common stock will be converted. The reduction in the cash payable to shareholders of Renasant will equal the increase in the value of the Peoples common stock that will be delivered to the shareholders of Renasant. This adjustment is mandatory unless the adjustment would cause Peoples to issue more than 85,000 additional shares of its common stock. If the adjustment would cause Peoples to issue more than 85,000 additional shares of its common stock and Peoples decides not to issue the additional shares, then either Peoples or Renasant may terminate the merger. All holders of Renasant common stock are subject to these adjustment procedures, except for holders who perfected their dissenters' rights under Chapter 23 of the Tennessee Business Corporations Act (the "TBCA").

If the exchange agent does not receive from you a properly completed election form before the third business day immediately prior to the closing date of the merger, then it will be assumed that you have elected to receive a combination of cash for 45% of your shares of Renasant common stock and Peoples common stock for the remaining 55% of your shares of Renasant common stock.

After the closing date of the merger, the exchange agent will deliver to the former holders of Renasant common stock the necessary stock certificate transmittal materials and instructions for use so that the certificates representing shares of Renasant common stock may be properly surrendered. After receipt of such materials, each former holder of Renasant common stock shall surrender for cancellation the certificate or certificates representing such stock, together with a properly executed and completed letter of transmittal (and any other documents required by the exchange agent or Peoples). Upon receipt of such certificate(s) and other materials, and subject to the payment of any transfer taxes that may arise in connection with the transfer of your shares of Renasant common stock, the exchange agent will deliver to the former holder of Renasant common stock the merger consideration such holder elected to receive.

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The Special Meeting

The Renasant special meeting will be held at Renasant's main office, 2177 Germantown Road South, Germantown, Tennessee 38138 on _____, _____, 2004 at 5:30 p.m. local time. At the meeting, the holders of Renasant common stock will be asked to vote upon a proposal to adopt and approve the merger agreement and the merger. The Renasant board of directors has fixed the close of business on _____, 2004 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting. At the record date, approximately 1,429,697 shares of Renasant common stock were issued and outstanding and entitled to vote. Each share of Renasant common stock is entitled to one vote on any matter that may properly come before the meeting. The affirmative vote of a majority of the outstanding shares of Renasant common stock is required to adopt and approve the merger agreement and the merger.

Vote of Management-Owned Shares

As of the record date, the directors and executive officers of Renasant and their respective affiliates collectively owned approximately 21.67% of the outstanding shares of Renasant common stock, including shares subject to options currently exercisable but not exercised. All of the directors and executive officers of Renasant have entered into agreements with Peoples pursuant to which they have agreed to vote all of their shares in favor of the adoption and approval of the merger agreement and the merger. A form of the agreement for non-employee directors is attached as Annex B-1 to this proxy statement/prospectus and a form of the agreement for employee directors is attached as Annex B-2 to this proxy statement/prospectus.

Renasant's Reasons for the Merger; Recommendation of the Renasant Board (pages 29 and 30)

Renasant's board of directors has unanimously approved the merger agreement and the merger. Renasant's board of directors believes that the merger is advisable and in the best interests of Renasant and its stockholders and unanimously recommends that Renasant's stockholders vote for the adoption and approval of the merger agreement and the merger. In reaching its decision, the Renasant board considered a number of factors, which are described in more detail in *The Merger - Renasant's Reasons for the Merger; Recommendation of the Renasant Board* beginning on page 29. The Renasant board of directors did not assign relative weights to the factors described in that section or the other factors considered by it. In addition, the Renasant board did not reach any specific conclusion on each factor considered, but conducted an overall analysis of these factors. Individual members of the Renasant board of directors may have given different weights to different factors.

Conditions to the Merger (pages 61 through 63)

The obligations of both Peoples and Renasant to complete the merger are conditioned on the following conditions being fulfilled:

receipt of all necessary regulatory governmental consents and approvals required to complete the merger and satisfaction of all conditions required to be satisfied prior to the closing date of the merger by the terms and conditions of such consents and approvals, and delivery of all notices, reports and other filings required to be delivered prior to the closing date;

adoption and approval of the merger agreement and the merger by the Renasant stockholders;

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the registration statement, of which this document is a part, having become effective under the Securities Act, and no stop order suspending the effectiveness of the registration statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC;

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receipt of all consents and approvals of persons other than governmental entities, except those consents which would not reasonably be expected to have a material adverse effect on Renasant or Peoples;

absence of any governmental or judicial enactment or order prohibiting, restricting or making illegal completion of the merger;

receipt of an opinion of Phelps Dunbar LLP, Peoples' outside counsel, that the merger will qualify as a tax-free reorganization under Section 368 of the Internal Revenue Code and that the exchange of shares of Renasant common stock for shares of Peoples common stock will not give rise to gain or loss to the holders of Renasant common stock; and

the shares of Peoples common stock issuable to the holders of shares of Renasant common stock shall have been approved for listing on the American Stock Exchange.

In addition, Peoples' obligation to complete the merger is subject to, among other things:

Renasant's performance of and compliance with in all material respects all obligations required by the merger agreement;

the representations and warranties of Renasant in the merger agreement being true and correct, as of the date of the merger agreement and as of the closing date of the merger (except those that relate specifically to another date, which shall be true and correct as of that date), with some exceptions;

the receipt of all permits, consents, waivers, clearances, approvals and authorizations necessary in connection with the completion of the merger, none of which contain any terms or conditions which would materially impair the value of Renasant to Peoples;

Renasant stockholders who dissent from the merger shall not hold more than 15% of the outstanding shares of Renasant common stock immediately prior to the merger; and

two qualified people selected by Renasant from its board of directors and who are acceptable to Peoples having been appointed by Peoples to the board of directors of Peoples as of the closing date.

In addition, Renasant's obligation to complete the merger is subject to, among other things:

Peoples' and Peoples Merger Corporation's performance of and compliance in all material respects with all obligations required by the merger agreement;

the representations and warranties of Peoples and Peoples Merger Corporation being true and correct as of the date of the merger agreement and as of the closing date of the merger (except those that relate specifically to another date, which shall be true and correct as of that date), with some exceptions; and

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the receipt of all permits, consents, waivers, clearances, approvals and authorizations necessary in connection with the completion of the merger, none of which adversely affect the merger consideration.

The merger is expected to be completed promptly after Renasant stockholder approval is received at the special meeting, all necessary regulatory approvals are received and other conditions to the closing described above are fulfilled. This is expected to occur during the third quarter of 2004, although fulfilling some of the conditions to closing the merger, such as receiving regulatory approvals, is not within the control of Peoples or Renasant.

Certain Covenants and Agreements (pages 55 through 61)

Renasant has agreed that neither it nor Renasant Bank, nor any person on either's behalf, will solicit or hold discussions with any third party regarding a merger, tender offer, recapitalization, consolidation or any similar transaction, sale or lease or other acquisition or assumption of all or a substantial portion of Renasant's or Renasant Bank's assets, purchase or acquisition of more than 20% of the voting power of Renasant or any similar transaction. Renasant may take the following actions:

provide information to a third party regarding a proposal to engage in any of the above-described transactions;

negotiate and discuss such a transaction with a third party;

recommend to the stockholders of Renasant the approval of such a transaction with a third party; or

withdraw a recommendation regarding the merger with Peoples.

Renasant may take these actions only if (i) the board of directors determines in good faith (after consultation with outside legal counsel) that any of the above-described actions are necessary in order for its directors to comply with their fiduciary duties under applicable law and (ii) the board of directors determines in good faith (after consultation with its financial advisor) that the transaction with the third party is likely to be consummated and to result in a transaction more favorable to Renasant stockholders than the merger with Peoples.

Peoples has the right to match or better any acquisition proposal from a third party, and the merger agreement will be amended to reflect any new terms offered by Peoples. If Peoples does match or better such proposal, Renasant must cease, and cause Renasant Bank or its representative to cease, all discussions with the third party.

The merger agreement requires Peoples to provide certain indemnification for a period of 6 years following the closing date of the merger. Peoples must indemnify and hold harmless from liability for acts or omissions occurring at or prior to the closing date of the merger certain current or former directors and officers of Renasant or Renasant Bank to the same extent as such directors or officers would be indemnified under the articles of incorporation or bylaws of Peoples as if they were directors or officers of Peoples. The merger agreement also provides that Peoples shall use reasonable efforts to cause Peoples Merger Corporation or Peoples to obtain for a period of six years after the closing date of the merger policies of directors' and officers' liability insurance covering acts or omissions occurring prior to the closing date of the merger for certain directors and officers of Renasant on terms and in amounts no less favorable than those in effect on the date of the merger agreement. However, neither Peoples nor

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Peoples Merger Corporation are required to pay an aggregate premium for such insurance coverage in excess of 200% of the amount for such coverage as currently held by Renasant but in such case shall purchase as much coverage as reasonably practicable for such amount.

Termination of the Merger Agreement (pages 63 and 64)

The merger agreement may be terminated and the merger may be abandoned at any time prior to the closing date of the merger:

by the mutual written consent of Peoples and Renasant;

by either Peoples or Renasant if:

(i) the closing date of the merger shall not have occurred on or prior to August 31, 2004 (or on or prior to October 31, 2004 where a governmental approval is pending and has not been finally resolved) or (ii) the merger agreement and the merger is not approved by Renasant's shareholders, unless the failure of either (i) or (ii) is caused by the party seeking to terminate to perform or observe its agreements at or before the closing date or the shareholders vote, as the case may be;

there has been a breach by the other party of (i) any covenant or undertaking contained in the merger agreement or (ii) any representation or warranty of the other party contained in the merger agreement preventing such party from satisfying a condition to closing in the merger agreement, and such breach has not been cured within thirty days following delivery of written notice of the breach;

any application for regulatory or governmental approval is denied or withdrawn at the request or recommendation of the governmental entity, but termination may not occur earlier than 30 days after such denial or withdrawal, unless within such 30-day period a petition for rehearing or an amended application is filed. A party may terminate 30 or more days after a petition for rehearing or an amended application is denied. No party may terminate when the denial or withdrawal is due to that party's failure to observe or perform its covenants or agreements;

any governmental entity shall have issued a final, non-appealable order prohibiting the completion of the merger; or

Peoples shall have elected not to make the adjustments necessary in the cash portion and stock portion of the merger consideration so that the merger qualifies as a tax-free reorganization for federal income tax purposes with respect to the shares of Peoples common stock to be exchanged for shares of Renasant common stock;

by Peoples if:

Renasant's board of directors fails to make, or withdraws, modifies or qualifies, or proposes publicly to withdraw, modify or qualify, the recommendation in this proxy statement/prospectus that Renasant's stockholders vote to adopt and approve the merger agreement and the merger;

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the special meeting to approve the merger agreement and plan of merger is not called or convened by Renasant;

Renasant approves or recommends, or publicly proposes to approve or recommend, an acquisition proposal by a third party; or

Renasant stockholders dissenting from the merger hold more than 15% of the outstanding shares of Renasant common stock immediately prior to the merger.

by Renasant if:

the board of directors of Renasant determines in good faith, after consultation with outside counsel, that the failure to terminate the merger agreement and accept an acquisition proposal from a third party would constitute a breach of its fiduciary duties; or

(i) Peoples makes the adjustments necessary in the cash portion and stock portion of the merger consideration so that the merger qualifies as a tax-free reorganization for federal income tax purposes with respect to the shares of Peoples common stock to be exchanged for shares of Renasant common stock in the merger and (ii) the shares of Peoples common stock do not meet the trading price target described on page 64 of this proxy statement/prospectus.

Termination Fees (pages 64 and 65)

Renasant must pay to Peoples a termination fee of \$5,000,000 if:

(i) prior to any event allowing either party to terminate the merger agreement, an acquisition proposal from a third party is publicly announced or otherwise made known to Renasant's senior management, board of directors or stockholders generally and not irrevocably withdrawn more than five business days prior to the special meeting, (ii) the merger agreement is then terminated (y) by either Peoples or Renasant, because Renasant's stockholders failed to approve the merger agreement and the plan of merger or (z) by Peoples, because of a willful breach by Renasant of any covenant, undertaking, representation or warranty contained in the merger agreement, and (iii) the acquisition contained in the acquisition proposal is consummated within 12 months of the termination of the merger agreement;

Peoples terminates the merger agreement because Renasant either (i) failed to recommend to its stockholders the approval of the merger agreement and the merger, (ii) effected a change in such recommendation, (iii) failed to call or convene the special meeting, or (iv) approved or recommended, or proposed publicly to approve or recommend any acquisition transaction; or

Renasant terminates the merger agreement because its board of directors determines in good faith after consultation with outside counsel that the failure to terminate the merger agreement and accept an acquisition proposal from a third party would constitute a breach of its fiduciary duties under applicable laws.

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Interests of Certain Persons in the Merger (pages 43 and 44)

In addition to their interests as stockholders, the directors and executive officers of Renasant may have interests in the merger that are different from, or in addition to, your interests. These interests exist because of rights they may have under individual employment agreements, under compensation and benefit plans, including the Renasant stock option plan, and under the merger agreement. These interests include, among other things:

an employment agreement to be entered into by Peoples, Renasant Bank and Frank J. Cianciola on the closing date, pursuant to which Frank J. Cianciola will serve as President and Chief Executive Officer of Renasant Bank, for a period commencing on the closing date and ending five years after the closing date;

an employment agreement to be entered into by Peoples, Renasant Bank and Michael J. McCarver on the closing date, pursuant to which Michael J. McCarver will serve as Executive Vice President of Renasant Bank, for a period commencing on the closing date and ending two years after the closing date.

an employment agreement to be entered into by Peoples, Renasant Bank and Donald E. Russell on the closing date, pursuant to which Donald E. Russell will serve as Executive Vice President of Renasant Bank, for a period commencing on the closing date and ending two years after the closing date.

the agreement between Renasant and Frank J. Cianciola which provides for a cash payment in the amount of \$500,000 in the event of a change of control of Renasant;

the agreement between Renasant and Jack C. Johnson which provides for a cash payment in the amount of \$250,000 in the event of a change of control of Renasant;

the agreements in the form attached to this proxy statement/prospectus as Annex B-1 entered into between Peoples and non-employee directors of Renasant, in which Peoples has agreed that for two years after the closing date Peoples will cause such directors to be appointed to the board of directors of Renasant Bank and will pay such directors the fees in accordance with the policy of Renasant Bank on directors' fees in place on the closing date;

the agreements between Peoples and the directors and officers of Renasant who hold warrants to purchase Renasant common stock, pursuant to which Peoples has offered to purchase such warrants for an amount equal to the number of shares of Renasant common stock specified in such warrant multiplied by \$36.37, less the aggregate exercise price for all shares of Renasant common stock specified in such warrant. The purchase price for the warrants will be paid entirely in cash. Any warrants that are not sold to Peoples will be amended such that each warrant will entitle the holder to purchase shares of Peoples common stock equal to the number of shares of Renasant common stock that the warrant allowed the holder to purchase multiplied by 1.117015, at an exercise price equal to the exercise price specified in such warrant divided by 1.117015; and

Peoples' agreement to indemnify and hold harmless certain present and former directors and officers of Renasant and Renasant Bank.

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The members of the Renasant board of directors knew of these additional interests, and considered them when they approved the merger agreement.

Dissenters' Rights (pages 40 through 43)

Under Tennessee law, Renasant stockholders have the right to dissent from the merger agreement and obtain payment for the fair value of their shares of Renasant common stock in connection with the merger. To exercise dissenters' rights, a holder of shares must not vote in favor of the adoption and approval of the merger agreement and the merger, and must otherwise strictly comply with all of the applicable requirements of Tennessee law. Dissenters' rights are described under the heading "The Merger - Dissenters' Rights." The relevant provisions of the applicable requirements of Tennessee law are included as Annex D to this proxy statement/prospectus.

Tax Consequences of the Merger (pages 36 through 38)

Assuming that the merger is completed as currently contemplated, a holder of Renasant common stock will not recognize any gain or loss for United States federal income tax purposes on any of the Renasant shares exchanged for Peoples shares in the merger, except with respect to cash received in lieu of a fractional Peoples share. A holder of Renasant common stock may recognize gain or loss if Renasant shares are exchanged solely for cash in the merger. Further, a holder of Renasant common stock may recognize gain, but not loss, if the Renasant shares are exchanged for a combination of Peoples shares and cash, but not in excess of the cash received in the merger.

Regulatory and Third-Party Approvals (pages 38 and 39)

Under the merger agreement, Peoples and Renasant have agreed to use their best efforts to obtain all necessary actions or nonactions, waivers, consents and approvals from any governmental authority necessary to complete and make effective the merger and other transactions contemplated by the merger agreement. The required regulatory approvals include approval from the Federal Reserve Board and the Tennessee Commissioner of Financial Institutions. All applications and notices have been filed, or are in the process of being filed.

RISK FACTORS

In addition to the other information included in this proxy statement/prospectus, you should carefully consider the matters described below in determining whether to adopt and approve the merger agreement and the merger.

Redesignation/Adjustment Risk. You may receive a form of consideration different from the form of consideration you elect. The consideration to be received by Renasant stockholders in the merger is subject to the requirement that not less than 50% or more than 55% of the shares of Renasant common stock be converted into the right to receive Peoples common stock and that not less than 45% or more than 50% of the shares of Renasant common stock be converted into the right to receive cash. The merger agreement contains redesignation procedures to achieve this desired result. If you elect to receive all cash and the available cash is oversubscribed, then a portion of your merger consideration will be paid in Peoples common stock. If you elect to receive all stock and the available stock is oversubscribed, then a portion of the merger consideration you

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receive will be paid in cash. Therefore, you may not receive exactly the form of consideration that you elect.

Your election is also subject to further adjustments by Peoples in order for the merger to qualify as a tax-free reorganization for federal income tax purposes with respect to the shares of Peoples common

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stock received in exchange for shares of Renasant common stock. These adjustment procedures allow Peoples to alter the amount of cash or the number of shares of Peoples common stock to be received for each share of Renasant common stock. On account of these procedures, you may receive less cash or more Peoples common stock than you elected to receive.

Stock Price Fluctuation Risk. Upon the closing of the merger, each share of Renasant common stock you own will automatically be converted into the right to receive either 1.117015 shares of Peoples common stock, \$36.37 in cash or a combination of both Peoples common stock and cash. Because the market price of Peoples common stock may fluctuate, you cannot be sure of the market value of the Peoples common stock that you elect to receive in the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in Peoples' businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond Peoples control. In addition, there will be a time period between the completion of the merger and the time when Renasant stockholders receiving stock consideration actually receive certificates evidencing Peoples common stock. Until stock certificates are received, Renasant stockholders will not be able to sell their Peoples shares in the open market and, thus, will not be able to avoid losses resulting from any decline in the trading price of Peoples common stock during this period.

Trading Volume Risk. For the three months ended March 31, 2004, the average daily trading volume for Peoples common stock was 4,090 shares per day. Because Peoples common stock has a low daily trading volume, significant purchases or sales of Peoples common stock may cause volatility in the price of Peoples common stock.

Interested Party Risk. You should be aware that the directors and some executive officers of Renasant have interests in the merger that are different from, or in addition to, the interests of stockholders generally. For example, on the closing date, the chief executive officer, the chief financial officer and an executive vice president of Renasant will enter into agreements that provide for their continued employment following the merger. Certain other interests of Renasant's directors and executive officers may cause some of these persons to view the proposed transaction differently than you view it. For a discussion of these interests, see "The Merger-Interests of Certain Persons in the Merger." Despite these additional or different interests, the directors of Renasant believe that the merger is in the best interests of Renasant and its stockholders.

SELECTED HISTORICAL FINANCIAL DATA OF PEOPLES

The following selected financial data for each of the five years in the period ended December 31, 2003 have been derived from Peoples' audited consolidated financial statements. This data should be read together with the audited consolidated financial statements of Peoples, including the notes to such financial statements, incorporated into this proxy statement/prospectus by reference and with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Peoples contained in, or incorporated in, the annual reports and other information that Peoples has filed with the Securities and Exchange Commission.

Table of Contents**PEOPLES SELECTED CONSOLIDATED****HISTORICAL FINANCIAL DATA***(Unaudited)**(In Thousands, Except Share Data)*

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Year ended December 31					
Interest income	\$ 70,810	\$ 78,418	\$ 87,766	\$ 89,434	\$ 83,500
Interest expense	21,777	26,525	40,922	44,132	37,342
Provision for loan losses	2,713	4,350	4,790	6,373	3,192
Noninterest income	31,223	27,442	24,389	18,529	19,476
Noninterest expense	52,523	50,496	46,747	42,474	41,480
Income before income taxes	25,020	24,489	19,696	14,984	20,962
Income taxes	6,839	6,819	5,109	3,800	6,182
Income before cumulative effect of accounting change	18,181	17,670	14,587	11,184	14,780
Cumulative effect of accounting change		(1,300)			
Net income	\$ 18,181	\$ 16,370	\$ 14,587	\$ 11,184	\$ 14,780
Net Income Per Common Share-Basic					
	\$ 2.20	\$ 1.95	\$ 1.66	\$ 1.22	\$ 1.59
Net Income Per Common Share-Diluted					
	\$ 2.19	\$ 1.94	\$ 1.66	\$ 1.22	\$ 1.59
Book value at December 31	\$ 16.79	\$ 15.88	\$ 14.44	\$ 13.39	\$ 12.47
Closing Price on the AMEX at December 31	\$ 33.00	27.17	24.67	12.00	19.25
Cash dividends declared and paid	\$ 0.75	0.69	0.64	0.59	0.56
At December 31					
Loans, net of unearned income	\$ 862,652	\$ 859,684	\$ 818,036	\$ 812,701	\$ 798,083
Securities	414,270	344,781	277,293	278,574	266,744
Assets	1,415,214	1,344,512	1,254,727	1,211,940	1,162,959
Deposits	1,133,931	1,099,048	1,063,055	1,046,605	978,958
Long term debt	95,918	64,696	32,254	15,087	17,424
Shareholders equity	137,625	132,778	123,582	121,661	116,089

Table of Contents**PEOPLES SELECTED CONSOLIDATED****HISTORICAL FINANCIAL DATA (continued)***(In Thousands, Except Share Data)*

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Selected Ratios					
Return on average:					
Total assets	1.33%	1.25%	1.18%	.93%	1.29%
Shareholders equity	13.41%	12.85%	11.70%	9.49%	13.19%
Before cumulative effect of accounting change, return					
on average:					
Total assets	1.33%	1.35%	1.18%	.93%	1.29%
Shareholders equity	13.41%	13.87%	11.70%	9.49%	13.19%
Average shareholders equity to average assets	9.89%	9.75%	10.07%	9.85%	9.77%
At December 31					
Shareholders equity to assets	9.72%	9.88%	9.85%	10.04%	9.98%
Allowance for loan losses to total loans, net of unearned Income	1.53%	1.42%	1.39%	1.30%	1.26%
Allowance for loan losses to non-performing loans	181.09%	338.22%	178.63%	147.89%	126.47%
Non-performing loans to total loans, net of unearned income	0.85%	0.42%	0.78%	0.88%	1.00%
Dividend payout	34.25%	35.59%	38.52%	47.76%	35.24%

All per share information listed above has been restated to reflect the three-for-two stock split effected in the form of a share dividend on December 1, 2003, and any other stock splits or stock dividends declared during the five-year period covered by the above table.

SELECTED HISTORICAL FINANCIAL DATA OF RENASANT

The following selected financial data for each of the five years in the period ended December 31, 2003 have been derived from Renasant's audited financial statements.

Table of Contents**RENASANT SELECTED HISTORICAL****CONSOLIDATED FINANCIAL DATA***(Unaudited)**(In Thousands, Except Share Data)*

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Year ended December 31					
Interest income	\$ 11,177	\$ 11,134	\$ 10,133	\$ 8,915	\$ 2,263
Interest expense	4,057	4,443	5,486	5,230	1,079
Provision for loan losses	506	802	630	364	740
Noninterest income	992	624	574	317	87
Noninterest expense	5,541	4,875	3,683	3,085	1,976
Income before income taxes	2,065	1,638	908	553	(1,445)
Income taxes	750	594	106		
Net income	\$ 1,315	\$ 1,044	\$ 802	\$ 553	\$ (1,445)
Net Income Per Common Share-Basic	\$ 0.92	\$ 0.73	\$ 0.56	\$ 0.46	\$ (1.36)
Net Income Per Common Share-Diluted	\$ 0.81	\$ 0.66	\$ 0.52	\$ 0.42	\$ (1.22)
Book value at December 31	\$ 12.07	\$ 11.38	\$ 10.37	\$ 9.84	\$ 8.60
At December 31					
Loans, net of unearned income	\$ 173,211	\$ 163,309	\$ 133,198	\$ 88,591	\$ 59,129
Securities	39,881	40,191	20,172	27,136	19,304
Assets	224,882	208,968	163,357	121,620	82,666
Deposits	185,739	172,967	134,012	101,509	65,373
Long term debt	8,178	3,226	4,092	3,000	4,000
Shareholders' equity	17,267	16,260	14,822	13,970	9,459

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA OF PEOPLES

The following table shows information about Peoples' financial condition and operations, including per share data and financial ratios, after giving effect to the merger. This information is called pro forma information. The table below sets forth the information as if the merger had become effective on December 31, 2003, with respect to financial condition, and January 1, 2003, with respect to operations data. The pro forma data in the table assumes that the merger is accounted for as an acquisition by Peoples of Renasant using the purchase method of accounting. See "The Merger - Accounting Treatment" on page 38 of this proxy statement/prospectus. Under this method of accounting, the assets and liabilities of Renasant will be recorded by Peoples at their estimated fair values as of the date the merger is completed. These estimates are subject to further adjustment as additional information becomes available and as additional analyses are performed. The pro forma statement of income includes amortization/accretion of fair value adjustments related to the purchase price allocation, but does not include the impact of merger related costs incurred subsequent to the

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merger. This table should be read in conjunction with, and is qualified in its entirety by, the historical financial statements, including the notes thereto, of Peoples. See [Where You Can Find More Information](#) on page 89 of this proxy statement/prospectus in order to obtain copies of such historical financial statements.

The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue, among other factors, that may result as a consequence of the merger, and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had Peoples and Renasant been combined during this period. Upon completion of the merger, the operating results of Renasant will be reflected in the consolidated financial statements of Peoples on a prospective basis.

PRO FORMA COMBINED**SELECTED FINANCIAL DATA**

(Unaudited)

(In Thousands, Except Share Data)

	<u>2003</u>
Year ended December 31	
Interest income	\$ 81,461
Interest expense	25,629
Provision for loan losses	3,219
Noninterest income	32,215
Noninterest expense	59,001
	<hr/>
Income before income taxes	25,827
Income taxes	7,149
	<hr/>
Net income	\$ 18,678
	<hr/>
Net Income Per Common Share-Basic	\$ 2.06
	<hr/>
Net Income Per Common Share-Diluted	\$ 2.02
	<hr/>
Book value at December 31	\$ 18.15
Cash dividends declared and paid	\$ 0.75
	<hr/>
At December 31	
Loans, net of unearned income	\$ 1,038,945
Securities	433,292
Assets	1,657,124
Deposits	1,319,931
Long term debt	104,096
Shareholders' equity	168,334

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Pro forma adjustments consisted of recording the impact of: stock and cash issued to effect the merger assuming a 50-50 ratio between such cash and stock, estimated fair value adjustments to the assets and liabilities of Renasant, estimated core deposit intangible of \$4.3 million, estimated goodwill of \$37 million and tax effects of the adjustments.

Table of Contents**COMPARATIVE PER SHARE DATA**

The following table sets forth for Peoples common stock and Renasant common stock certain historical, pro forma and pro forma-equivalent per share financial information. The pro forma and pro forma-equivalent per share information gives effect to the merger as if the merger had been effective as of December 31, 2003, with respect to book value information, and January 1, 2003, with respect to net income per share data. The pro forma data in the tables assume that the merger is accounted for using the purchase method of accounting and represents a current estimate based on available information of the combined company's results of operations. See *The Merger Accounting Treatment* on page 38. The pro forma financial adjustments record the assets and liabilities of Renasant at their estimated fair values and are subject to adjustment as additional information becomes available and as additional analyses are performed. This table should be read in conjunction with, and is qualified in its entirety by, the historical financial statements, including the notes thereto, of Peoples. See *Where You Can Find More Information* on page 89 of this proxy statement/prospectus in order to obtain copies of such historical financial statements.

The pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue, among other factors, that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had Peoples and Renasant been combined during this period. Upon completion of the merger, the operating results of Renasant will be reflected in the consolidated financial statements of Peoples on a prospective basis.

Renasant historically has not paid cash dividends on its common stock.

	Per Share		
	Net		
Year ended December 31, 2003	Income*	Book Value **	Dividends
<i>Peoples Historical</i>	\$ 2.19	\$ 16.79	\$ 0.75
<i>Renasant Historical</i>	\$ 0.81	\$ 12.07	\$ 0.00
<i>Pro Forma Combined</i>	\$ 2.02	\$ 18.15	\$ 0.75
<i>Per Equivalent Peoples Share***</i>	\$ 2.26	\$ 20.27	\$ 0.75

* Net income per share calculated on a fully diluted share basis.

** Book value per share is calculated on the number of shares outstanding as of the end of the period.

*** Per Equivalent Peoples Share is pro forma combined multiplied by 1.117015, except for dividends per share which is based on Peoples prior year dividend payout.

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COMPARATIVE STOCK PRICES AND DIVIDENDS

On February 13, 2004, the last trading day prior to the public announcement of the execution of the merger agreement, the last sales price of Peoples common stock was \$31.85 per share. Shares of Renasant common stock do not trade in any established public market, and thus no market value for Renasant shares on the last day prior to the announcement of the merger can be provided.

On April 5, 2004, the most recent practicable trading day prior to the printing of this proxy statement/ prospectus, the last sales price of Peoples common stock was \$35.40 per share. The market price of shares of Peoples common stock is subject to fluctuation. As a result, Renasant stockholders are urged to obtain current market quotations. On April 5, 2004, there were approximately 8,187,000 shares of Peoples common stock outstanding held by approximately 2,600 holders of record.

THE SPECIAL MEETING

Purpose, Time and Place

This proxy statement/prospectus is being furnished to you in connection with the solicitation of proxies by the Renasant board of directors from holders of Renasant common stock, the only class of Renasant capital stock outstanding, for use at the special meeting to be held at Renasant's main office, 2177 Germantown Road South, Germantown, Tennessee 38138 on _____, 2004, at 5:30 p.m. local time and at any adjournments or postponements of the special meeting. The members of the Renasant board of directors are listed under the heading Security Ownership of Certain Beneficial Owners and Management beginning on page 87 of this proxy statement/prospectus. This proxy statement/prospectus and the form of election are first being distributed to Renasant stockholders on or about _____, 2004.

At the special meeting, holders of Renasant common stock will be asked to consider and vote upon:

a proposal to adopt and approve the merger agreement and the merger;

such other matters as may properly come before the meeting.

Record Date; Voting Power

The Renasant board of directors has fixed the close of business on _____, 2004 as the record date for determining the holders of Renasant common stock entitled to notice of, and to vote at, the special meeting. Only holders of record of Renasant common stock at the close of business on the record date will be entitled to notice of, and to vote at, the special meeting.

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On the record date, 1,429,697 shares of Renasant common stock were issued and outstanding and entitled to vote at the special meeting. Each share of Renasant common stock is entitled to one vote on any matter which may properly come before the special meeting. Votes may be cast at the special meeting in person or by proxy.

Quorum

The presence at the special meeting, either in person or by proxy, of the holders of a majority of the outstanding Renasant common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting. However, if a quorum is not present at the special meeting, it is expected that the meeting will be adjourned or postponed in order to solicit additional proxies.

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Votes Required

Approval of the proposal to adopt and approve the merger agreement and the merger will require the affirmative vote of a majority of the outstanding shares of Renasant common stock. Under applicable Tennessee law, in determining whether the proposal to adopt and approve the merger agreement and the merger has received the requisite number of affirmative votes, abstentions and failures to vote will have the same effect as a vote against the proposal.

Renasant stockholders may not cumulate votes on the proposal to adopt and approve the merger agreement and the merger.

Share Ownership of Management and Certain Stockholders

As of the date hereof, Renasant's directors and executive officers and their affiliates may be deemed to be the beneficial owners of approximately 321,000 outstanding shares of Renasant common stock, including shares subject to options not exercised but currently exercisable (collectively representing approximately 21.67% of the voting power of the common stock). The directors and executive officers of Renasant are parties to agreements with Peoples whereby they agreed to vote their shares for adoption and approval of the merger agreement and the merger. Peoples and Renasant have been informed that all of the approximately 21.67% of the outstanding shares of Renasant common stock owned by the directors and executive officers of Renasant and their respective affiliates will be voted in favor of the approval and adoption of the merger agreement and the merger.

Voting of Proxies

Shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in the manner specified by such proxies. If your proxy is properly executed but does not contain voting instructions, your proxy will be voted FOR adoption and approval of the merger agreement and the merger. If other matters are properly presented before the special meeting, the persons named in such proxy will have authority to vote in accordance with their judgment on any other such matter, including without limitation, any proposal to adjourn or postpone the meeting or otherwise concerning the conduct of the special meeting. Please note, however, that a proxy that has been designated to vote against the adoption and approval of the merger agreement and the merger will not be voted, either directly or through a separate proposal, to adjourn the meeting to solicit additional votes. It is not expected that any matter other than as described in this proxy statement/prospectus will be brought before the special meeting.

If a shareholder holds shares of Renasant in a broker's name (sometimes called "street name" or "nominee name"), then the shareholder must provide voting instructions to the broker. If the shareholder does not provide instructions to the broker, the shares will not be voted on any matter on which the broker does not have discretionary authority to vote, which includes the vote on the merger. A vote that is not cast for this reason is called a "broker non-vote." Broker non-votes will be treated as shares present for the purpose of determining whether a quorum is present at the meeting. For purposes of the vote on the merger agreement, a broker non-vote is the same as a vote AGAINST the merger agreement. For purposes of the vote on other matters properly brought at the special meeting, broker non-votes will not be counted as a vote FOR or AGAINST such matter or as an abstention on such matter.

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Revocability of Proxies

The grant of a proxy on the enclosed proxy card does not preclude a stockholder from voting in person at the special meeting. You may revoke a proxy at any time prior to your proxy being voted at the special meeting by:

delivering, prior to the special meeting, a written notice of revocation bearing a later date or time than the proxy to the Secretary of Renasant at 2177 Germantown Road South, Germantown, Tennessee 38138;

submitting another proxy by mail that is later dated and properly signed; or

if you are the record owner of shares of Renasant common stock, attending the special meeting and voting such shares in person.

Attendance at the special meeting will not by itself constitute revocation of a proxy. If an adjournment or postponement occurs, it will have no effect on the ability of stockholders of record as of the record date to exercise their voting rights or to revoke any previously delivered proxies.

Solicitation of Proxies

Renasant generally will bear the cost of solicitation of proxies. In addition to solicitation by mail, the directors, officers and employees of Renasant and its subsidiaries may solicit proxies from stockholders by telephone, facsimile or in person.

Directors and Officers of Surviving Corporation

If you approve the merger, which is described below, Renasant will merge into Peoples Merger Corporation, which will be the surviving corporation. E. Robinson McGraw is the sole director of Peoples Merger Corporation, and E. Robinson McGraw and Stuart R. Johnson are the sole executive officers of Peoples Merger Corporation. Neither E. Robinson McGraw nor Stuart R. Johnson are paid any compensation in connection with their respective positions with Peoples Merger Corporation. E. Robinson McGraw is also a director and executive officer of Peoples and Stuart R. Johnson is an executive officer of Peoples, the parent of Peoples Merger Corporation. Information with respect to these individuals' duties, compensation and transactions, if any, with Peoples can be found under the headings "Directors and Executive Officers of the Registrant," "Executive Compensation" and "Certain Relationships and Related Transactions" in the Company's most recent annual report on Form 10-K, dated March 11, 2004 and filed with the Securities and Exchange Commission. Such annual report is incorporated by reference into this proxy statement/prospectus.

THE MERGER

The discussion in this proxy statement/prospectus of the merger and the principal terms of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement and the related plan of merger, copies of which are attached to this proxy statement/prospectus as

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Annex A-1 and A-2, respectively, and are incorporated into this proxy statement/prospectus by reference.

General

On February 13, 2004, the Renasant board of directors unanimously approved the merger agreement and the merger, subject to the resolution of outstanding issues to be resolved by a committee

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appointed by the board of directors, which issues have since been resolved. If all of the conditions set forth in the merger agreement are satisfied or waived (to the extent permitted by law) and if the merger is otherwise completed, Renasant will merge into Peoples Merger Corporation, a wholly owned subsidiary of Peoples. After completion of the merger, Peoples Merger Corporation will be the surviving corporation and will continue its corporate existence under Tennessee law as a wholly owned subsidiary of Peoples.

On the closing date of the merger each share of Renasant common stock outstanding immediately before the closing date of the merger (except as provided below) will, by virtue of the merger and without any action on the part of any stockholder, be converted into the right to receive (1) \$36.37 in cash, without interest, (2) 1.117015 shares of Peoples common stock, plus cash in lieu of any fractional share interest, or (3) a combination of Peoples common stock and cash.

Renasant stockholders will have the opportunity to elect the form of consideration to be received for all shares of Renasant common stock held by them, subject to redesignation and adjustment procedures set forth in the merger agreement. The redesignation procedures are intended to ensure that not less than 50% or more than 55% of the outstanding shares of Renasant common stock in the aggregate will be converted into the right to receive Peoples common stock and that not less than 45% or more than 50% of the outstanding shares of Renasant common stock in the aggregate will be converted into the right to receive cash. The adjustment procedures are intended to ensure that the merger qualifies as a tax-free reorganization for federal income tax purposes with respect to the shares of Peoples common stock received in exchange for shares of Renasant common stock. The redesignation and adjustment procedures are described in more detail below. Shares of Renasant common stock held by Peoples or Renasant or their subsidiaries, other than in a fiduciary capacity, or by Renasant stockholders who have elected to exercise dissenters' rights will not be converted into the right to receive the merger consideration upon completion of the merger.

Background of the Merger

Renasant was incorporated in September 1998. Renasant Bank, a wholly-owned subsidiary of Renasant, commenced operations as a Tennessee state bank in May 1999. Since its formation, Renasant Bank's primary service area has been the eastern area of Shelby County, Tennessee and the immediately surrounding areas. In early 2003, Renasant Bank began investigating the possibility of expanding its services into DeSoto County, Mississippi. Renasant Bank opened a loan production office in Hernando, Mississippi in January 2003.

On December 17, 2003, E. Robinson McGraw, the President of Peoples and Peoples Bank, met with Frank J. Cianciola, the Chairman of Renasant Bank and the Vice Chairman of Renasant. E. Robinson McGraw indicated that Peoples was interested in discussing the possibility of acquiring Renasant and Renasant Bank. On December 22, 2003, Frank J. Cianciola and Jack C. Johnson, the Vice Chairman of Renasant Bank and Chairman of Renasant, met with E. Robinson McGraw and discussed the potential strategic advantages of a combination of the two entities.

On January 6, 2004, Frank J. Cianciola and Michael J. McCarver, the Chief Financial Officer of Renasant Bank, met with E. Robinson McGraw and Stuart R. Johnson, the Chief Financial Officer of Peoples Bank, and held further discussions regarding each bank's philosophy, culture, and strategy. Renasant and Peoples executed a confidentiality agreement that provided that Peoples, E. Robinson McGraw and Stuart R. Johnson would maintain the confidentiality of the information provided to them by Renasant. On this date, Frank J. Cianciola and Michael J. McCarver provided E. Robinson McGraw and Stuart R. Johnson with preliminary due diligence information.

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On January 21, 2004, Frank J. Cianciola and Jack C. Johnson again met with E. Robinson McGraw, discussing the proposed structure of an acquisition.

On January 22, 2004, Peoples made a preliminary offer of \$36.00 per share of Renasant common stock, with 50% of the consideration to be paid in cash and the remaining consideration to be paid with shares of Peoples common stock. The offer price was subject to the completion of due diligence and the negotiation of the terms of a definitive agreement.

On January 23, 2004, the Renasant Board of Directors met and discussed the possibility of being acquired by Peoples. The Board of Directors authorized Frank J. Cianciola and Jack C. Johnson to continue negotiations with Peoples within a given stock price range, subject to the Board's approval of the terms and conditions of the acquisition to be set forth in a definitive agreement. Frank J. Cianciola and Jack C. Johnson then responded to Peoples' preliminary offer with a counteroffer of \$37.25 per share of Renasant common stock.

During the week of January 26, 2004, Peoples responded to Renasant's counteroffer by reiterating its original offer of \$36.00 per share of Renasant common stock but at the same time indicating its willingness to increase the price per share to \$36.62, subject to the results of its due diligence.

From January 28, 2004 until February 2, 2004, representatives of Peoples conducted due diligence at Renasant Bank's offices, reviewing Renasant Bank's records and conducting interviews with senior executive officers of Renasant Bank.

On February 2, 2004, the Renasant Board of Directors met via a telephonic meeting, and agreed to a sales price of the Renasant stock for \$36.62 per share, with approximately 50% of the consideration to be paid in cash and the remaining consideration to be paid with shares of Peoples common stock, subject to the Board's approval of a definitive agreement. The Board of Directors also approved an amendment to Frank J. Cianciola's employment agreement to provide for a cash payment in the amount of \$500,000 in the event of a change of control and approved a change of control agreement between Renasant and Jack C. Johnson which provides for a cash payment in the amount of \$250,000 in the event of a change in control.

On February 4, 2004, Frank J. Cianciola and Michael J. McCarver met with Peoples' financial advisers to discuss the possible structure of an acquisition and other factors concerning the proposed transaction.

On February 5, 2004, E. Robinson McGraw met with Jack C. Johnson and Frank J. Cianciola and proposed a purchase price of \$36.37 per share of Renasant stock based upon its due diligence review. Subject to the Renasant Board's approval and the negotiation of a definitive agreement, Frank J. Cianciola and Jack C. Johnson accepted the offer, and a stock exchange ratio of 1.117015 was agreed upon based upon the offer of \$36.37 per share of Renasant stock and the closing price of Peoples common stock as of January 27, 2004 of \$32.56 per share.

The parties negotiated the terms of a definitive agreement from February 5 to February 17, 2004. During this time, Renasant conferred with its legal and financial advisers regarding the terms of the transaction. Renasant conducted due diligence on Peoples and Peoples concluded its due diligence on Renasant and Renasant Bank during this time.

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On February 13, 2004, the Board of Directors of Renasant met and considered the form of the definitive agreement, discussing the pricing terms as well as the few outstanding issues to finalize the definitive agreement. The Board of Directors also reviewed and considered the opinion of Alex

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Sheshunoff & Co. Investment Banking, LP (Sheshunoff) that the merger consideration to be received by Renasant shareholders was fair from a financial point of view. The Board of Directors established a committee to resolve the outstanding issues and finalize the negotiations. Directors Johnson, Cianciola, and Bobango were appointed to the committee. Subject to the revisions deemed necessary by the appointed committee to resolve the remaining outstanding issues, the Board of Directors unanimously approved the definitive agreement and recommended that the definitive agreement be approved by Renasant s shareholders.

The committee of the Board of Directors finalized the outstanding issues on February 17, 2004 and the definitive agreement between Renasant and Peoples was executed on that date.

Renasant s Reasons for the Merger; Recommendation of the Board

The Renasant Board of Directors believes that the terms of the merger are fair to, and in the best interest of, Renasant and its shareholders and unanimously recommends that Renasant s shareholders vote FOR approval of the merger and the merger agreement. In reaching its determination that the merger and merger agreement are fair to, and in the best interest of, Renasant and its shareholders, the Renasant Board of Directors consulted with its legal and financial advisers, as well as with Renasant and Renasant Bank management, and considered a number of factors, including, without limitation, the following:

the consideration to be received by Renasant s shareholders in the merger, the premium over the market price represented by the merger consideration, and the opinion of Sheshunoff that the consideration to be received by Renasant s shareholders as a result of the merger is fair from a financial point of view;

the fact that, immediately following the merger, Renasant Bank would continue to operate under its existing name and management team;

the Board s familiarity with and review of Renasant s business, financial condition, results of operations, and prospects, including, without limitation, its potential growth and profitability and the general business risks of continued operation as a separate entity;

information concerning the business, financial condition, and results of operations of Peoples, including the recent performance of Peoples common stock and the historical financial data of Peoples;

the Board s belief that the terms of the merger agreement are attractive in that the merger agreement allows Renasant shareholders to elect to convert an illiquid asset into cash or into shares of an institution with publicly traded stock, whose capital base is strong and which has a history of paying dividends;

the expectation that the merger will generally be a tax-free transaction to the extent Renasant s shareholders receive shares of Peoples common stock;

the current and prospective economic and regulatory environment and competitive constraints facing the banking and financial institutions in the market area of Renasant Bank; and

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the recent business combinations involving financial institutions, either announced or completed, during the past year in the United States, the State of Tennessee and contiguous states and the effect of such combinations on competitive conditions in the market area of Renasant Bank.

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In view of the wide variety of factors considered by the Board, the Board did not quantify or otherwise attempt to assign relative weights to the specific factors considered in making its determination.

**FOR THE REASONS SET FORTH ABOVE, THE RENASANT BOARD OF DIRECTORS
UNANIMOUSLY RECOMMENDS THAT THE RENASANT STOCKHOLDERS VOTE FOR
THE APPROVAL AND ADOPTION OF THE MERGER AGREEMENT, THE PLAN OF
MERGER AND THE MERGER.**

Peoples' Reasons for the Merger

On February 17, 2004, the Peoples board of directors approved the merger agreement, the merger and the other transactions contemplated by those agreements. In connection with its approval of the merger, the board of directors recognized that:

the merger will expand Peoples' business into the high-growth Memphis, Tennessee region;

the merger will increase Peoples' core deposit base by \$186 million, an important funding source; and

the merger is expected to be initially dilutive to Peoples' earnings per share in 2004 and accretive in 2006 based on a generally accepted accounting principles basis.

The Peoples board of directors also considered the following risks associated with the merger in connection with its deliberations of the proposed transaction:

the challenges of integrating Renasant's businesses, operations and workforce with those of Peoples;

the increased exposure to the Memphis, Tennessee market; and

whether or not Peoples would be able to retain key management of Renasant.

The foregoing discussion of the factors considered by the board of directors is not intended to be exhaustive, but, rather, includes all principal factors considered by the board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The board of directors considered all these factors as a whole, and overall considered them to be favorable to, and to support, its determination.

Opinion of Alex Sheshunoff & Co. Investment Banking, LP

On February 2, 2004, Renasant retained Alex Sheshunoff & Co. Investment Banking, L.P. (Sheshunoff) to provide its opinion as to the fairness from a financial viewpoint of the merger consideration to the shareholders of Renasant. As part of its investment banking business, Sheshunoff is regularly engaged in the valuation of securities in connection with mergers and acquisitions and valuations for estate, corporate and other purposes. The Board of Directors of Renasant retained Sheshunoff based upon its experience as a financial advisor in mergers and acquisitions of financial institutions and its knowledge of financial institutions. The Board selected Sheshunoff based on its

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familiarity with the firm arising from its engagement of Sheshunoff in June 2003 to consult with the Board of Directors as to an appropriate price as of June 30, 2003 for the common stock of Renasant for the Board of Directors to use as a benchmark in determining the price at which to issue and redeem shares of Renasant common stock from time to time.

On February 17, 2004, Sheshunoff rendered its written opinion to Renasant's board of directors that, as of such date, the merger consideration was fair, from a financial point of view, to the shareholders of Renasant. Sheshunoff did not advise Renasant in connection with the proposed merger. The type and amount of consideration and the terms and conditions of the merger were negotiated directly by and between Peoples and Renasant.

The full text of the fairness opinion which sets forth, among other things, assumptions made, procedures followed and matters considered is attached as Annex C to this joint proxy statement/prospectus. No limitations were placed on Sheshunoff's review. The shareholders of Renasant are urged to read Sheshunoff's fairness opinion carefully and in its entirety. The fairness opinion is addressed to the Board of Directors of Renasant and does not constitute a recommendation to any shareholder of Renasant as to how such shareholder should vote at Renasant's special meeting.

In connection with the fairness opinion, Sheshunoff:

1. Reviewed the merger agreement;
2. Reviewed certain publicly available financial statements and other information about Peoples;
3. Reviewed internal financial statements, operating data, and financial forecasts for Renasant;
4. Conducted conversations with executive management of Renasant regarding recent and projected financial performance;
5. Analyzed the present value of the after-tax cash flows Renasant could produce on an independent basis through the year 2008, based on assumptions provided by management;
6. Compared the proposed financial terms of the merger with the financial terms of certain other transactions that Sheshunoff deemed to be relevant;
7. Compared the historical stock price data and trading volume of Peoples common stock with that of certain other comparable publicly traded companies;
8. Compared certain financial characteristics and performance measures of Peoples with that of certain other comparable publicly traded companies; and
9. Compared the historical stock price performance of Peoples common stock with that of selected indices Sheshunoff deemed relevant.

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In connection with its review, Sheshunoff relied upon and assumed the accuracy and completeness of all of the foregoing information provided to it or made publicly available, and Sheshunoff did not assume any responsibility for independent verification of such information. Sheshunoff assumed that internal confidential financial projections provided by Renasant were reasonably prepared reflecting the best currently available estimates and judgments of the future financial performance of Renasant, and did not independently verify the validity of such assumptions.

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Sheshunoff did not make any independent evaluation or appraisal of the assets or liabilities of Renasant or Peoples nor was Sheshunoff furnished with any such appraisals. Sheshunoff did not examine any individual loan files of Renasant or Peoples. Sheshunoff is not an expert in the evaluation of loan portfolios for the purposes of assessing the adequacy of the allowance for losses with respect thereto and has assumed that such allowances were, in the aggregate, adequate to cover such losses.

The fairness opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to Sheshunoff as of February 13, 2004.

In rendering the fairness opinion, Sheshunoff performed a variety of financial analyses. The preparation of an opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Consequently, the fairness opinion is not readily susceptible to partial analysis or summary description. Moreover, the evaluation of fairness, from a financial point of view, of the merger consideration is to some extent subjective, based on the experience and judgment of Sheshunoff, and not merely the result of mathematical analysis of financial data. Sheshunoff did not attribute particular weight to any analysis or factor considered by it. Accordingly, notwithstanding the separate factors summarized below, Sheshunoff believes that its analyses must be considered as a whole and that selecting portions of its analyses and of the factors considered by it, without considering all analyses and factors, could create an incomplete view of the evaluation process underlying its opinion. The ranges of valuations resulting from any particular analysis described below should not be taken to be Sheshunoff's view of the actual value of Renasant, Peoples, or the combined entity.

In performing its analyses, Sheshunoff made numerous assumptions with respect to industry performance, business, and economic conditions and other matters, many of which are beyond the control of Renasant or Peoples. The analyses performed by Sheshunoff are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by such analyses, nor are they appraisals. In addition, Sheshunoff's analyses should not be viewed as determinative of the opinion of the Board of Directors or the management of Renasant with respect to the value of Renasant or Peoples or to the fairness of the merger consideration.

The following is a summary of the analyses performed by Sheshunoff in connection with its opinion. The following discussion contains financial information concerning Renasant and Peoples as of December 31, 2003 and market information as of February 13, 2004.

For the purposes of the following analyses, Sheshunoff utilized a value of the merger consideration of \$36.37 per share and assumed Peoples ten-day average stock price was \$32.00 per share. The merger consideration may have a higher or lower value depending on Peoples' stock price at the time of the merger.

Renasant Discounted Cash Flow Analysis. Using discounted cash flow analysis, Sheshunoff estimated the present value of the future after-tax cash flow streams that Renasant could produce on a stand-alone basis through the year 2008, under various circumstances, assuming that it performed in accordance with the projections provided by Renasant management.

Sheshunoff estimated the terminal value for Renasant at the end of 2008 by capitalizing the final period projected earnings using a discount rate that is the quotient of (i) the assumed annual long-term growth rate of the earnings of Renasant of 5% plus one and (ii) the difference between a range of required rates of return and the assumed annual long-term growth rate of earnings in (i) above. Sheshunoff discounted the annual cash flow streams (defined as all earnings in excess of that required to maintain a tangible equity to asset ratio of 7.0%) and the terminal values using discount rates ranging from 12% to

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14%. The discount range was chosen to reflect different assumptions regarding the required rates of return of Renasant and the inherent risk surrounding the underlying projections. This discounted cash flow analysis indicated a range of values per share of \$14.55 to \$19.49 as shown in the table below compared to the merger consideration of \$36.37.

	DISCOUNT RATE		
	14.0%	13.0%	12.0%
Seller Present Value (in millions)	\$ 24,000	\$ 27,547	\$ 32,147
Seller Present Value (per share)	\$ 14.55	\$ 16.70	\$ 19.49

Analysis of Selected Transactions: Sheshunoff performed an analysis of premiums paid in selected recently completed acquisitions of banking organizations with comparable characteristics to the merger. Two sets of comparable transactions were selected to ensure a thorough analysis.

The first set of comparable transactions consisted of a group of transactions for banks in metropolitan areas in the Southeast Region (as defined by SNL Financial) of the United States for which pricing data were available. These comparable transactions consisted of eighteen mergers and acquisitions of banks with assets between \$100 million and \$300 million that were announced between January 1, 2003 and February 13, 2004. The analysis yielded multiples of the purchase prices in these transactions relative to:

1. Tangible book value ranging from 0.81 times to 4.8 times with an average of 2.6 times and a median of 2.6 times compared with the multiples implied in the merger of 3.3 times December 31, 2003 tangible book value for Renasant;
2. Last twelve months earnings ranging from 9.8 times to 41.7 times with an average of 26.4 times and a median of 26.5 times compared with the multiples implied in the merger of 43.2 times last twelve months earnings as of December 31, 2003 for Renasant;
3. Total assets ranging between 10.2% and 33.7% with an average of 22.0% and a median of 20.5% compared with the multiples implied in the merger of 25.1% of December 31, 2003 total assets for Renasant; and
4. Total deposits ranging from 11.8% to 41.2% with an average of 26.2% and a median of 25.1% compared with the multiples implied in the merger of 30.5% of deposits as of December 31, 2003 for Renasant.

The second set of comparable transactions consisted of banks in the United States with asset size and characteristics similar to Renasant for which pricing data were available. These comparable transactions consisted of thirty-four mergers and acquisitions of banks in the United States with total assets between \$100 million and \$300 million that were announced between July 1, 2003 and February 13, 2004. The analysis yielded multiples of the purchase prices in these transactions relative to:

1. Tangible book value ranging from 0.8 times to 4.8 times with an average of 2.5 times and a median of 2.5 times compared with the multiples implied in the merger of 3.3 times December 31, 2003 tangible book value for Renasant;
2. Last twelve months earnings ranging from 9.8 times to 42.1 times with an average of 25.1 times and a median of 23.7 times compared with the multiples implied in the merger of 43.2 times last twelve months earnings as of December 31, 2003 for Renasant;

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3. Total assets ranging between 10.2% and 33.7% with an average of 20.3% and a median of 19.8% compared with the multiples implied in the merger of 25.1% of December 31, 2003 total assets for Renasant; and
4. Total deposits ranging from 11.8% to 41.2% with an average of 24.4% and a median of 23.3% compared with the multiples implied in the merger of 30.5% of deposits as of December 31, 2003 for Renasant.

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Contribution Analysis: Sheshunoff reviewed the relative contributions of Renasant and Peoples to the combined company based on the December 31, 2003 financial data. Sheshunoff compared the pro forma ownership interests of Renasant and Peoples of 9.7% and 90.3%, respectively, to: (i) total assets of 13.8% and 86.2%, respectively; (ii) total loans of 16.7% and 83.3%, respectively; (iii) total deposits of 14.1% and 85.9%, respectively; (iv) total equity of 11.1% and 88.9%, respectively; (v) net interest income of 11.9% and 88.1%, respectively; (vi) non-interest income of 2.4% and 97.6%, respectively; (vii) non-interest expense of 9.2% and 90.8%, respectively; and (viii) earnings of 5.7% and 94.3%, respectively. The cash consideration paid by Peoples to Renasant shareholders reduced the equity position of Renasant shareholders in the combined company relative to their proportional contribution of the other criteria compared. The effect of the cash consideration paid was to increase the proportional ownership by Peoples shareholders of the criteria compared.

Comparable Company Analysis: Sheshunoff compared the operating and market results of Peoples to the results of other publicly traded companies. The comparable publicly traded companies were selected primarily on the basis of two criteria: geographic location and total asset size. The geographic location of the banks was the Southeast Region of the United States (as defined by SNL Financial). Within the selected region, Peoples was compared to companies with total assets between \$1 billion and \$2 billion (Peoples Peer Group). The data for the following tables are based on information provided by SNL Financial. Some of the ratios presented are proprietary to SNL Financial and may not strictly conform to the common industry calculations or to the calculations by Peoples in its financial statements.

	Peoples	Peoples Peer Group Mean
Net Interest Margin	4.23%	4.22%
Efficiency Ratio	62.8%	62.9%
Return on Average Assets	1.33%	1.22%
Return on Average Equity	13.41%	13.26%
Equity to Asset Ratio	9.72%	9.35%
Tangible Equity to Tangible Asset Ratio	9.40%	7.81%
Ratio of Non-performing Assets to Total Assets	0.45%	0.64%
Ratio of Non-performing Loans to Total Loans	0.54%	0.64%
Ratio of Loan Loss Reserves to Loans	1.53%	1.37%
Ratio of Loan Loss Reserves to Non-performing Assets	206%	192%

Generally, Peoples performance as measured by its net interest margin, efficiency ratio, and return on average equity were similar to the Peoples Peer Group Mean. Peoples return on average assets was somewhat higher than the Peoples Peer Group Mean. Its capital levels were similar as shown in the equity to asset ratio and its tangible equity to tangible assets ratio was higher. Peoples asset quality, as measured by its ratio of non-performing assets to total assets and its ratio of non-performing loans to total loans, was better than the Peoples Peer Group Mean. Its coverage of non-performing assets as shown by the ratio of loan loss reserves to non-performing assets was better.

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The companies' market results based on market data as of December 31, 2003 are shown in the following table.

	Peoples	Peoples Peer
	<u> </u>	<u> </u>
Market Price as a Multiple of Stated Book Value	1.97x	1.69x
Market Price as a Multiple of Stated Tangible Book Value	2.04x	