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PEOPLES BANCORP INC
Form 11-K
July 03, 2002

PEOPLES BANCORP, INC.
RETIREMENT SAVINGS PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

SIGNATURES
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The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

PEOPLES BANCORP INC.
RETIREMENT SAVINGS PLAN

Date: July 3, 2002

By:/s/ ROBERT E. EVANS

Robert E. Evans
President and Chief Executive Officer

PEOPLES BANCORP, INC. RETIREMENT SAVINGS PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000

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April 22, 2002

To the Plan Administrative Committee
Peoples Bancorp, Inc. Retirement Savings Plan
Marietta, Ohio

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of net assets available for benefits of Peoples Bancorp, Inc. Retirement Savings Plan as of December 31, 2001, and the related statements of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Peoples Bancorp, Inc. Retirement Savings Plan as of December 31, 2000, were audited by other auditors whose report dated May 15, 2001, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the December 31, 2001 financial statements referred to above present fairly, in all material respects, the net assets available for benefits with fund information of Peoples Bancorp, Inc. Retirement Savings Plan as of December 31, 2001, and the changes in net assets available for benefits with fund information for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included in Schedule H - Assets Held for Investment Purposes at End of Year referred to as "Supplemental Information" is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and,

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in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PEOPLES BANCORP, INC. RETIREMENT SAVINGS PLAN

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STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2001 AND 2000

	ASSETS	
	2001	2000
	-----	-----
ASSETS		
Cash and cash equivalents	\$ 429	\$ 37,230
Investments, at fair value:		
Money market funds	3,723,181	1,714,120
Peoples certificates of deposit	1,090,051	858,782
Shares of Registered Investment Companies:		
Acorn Fund	1,284,835	973,747
Templeton Foreign Fund	0	125,058
Vanguard 500 Index Fund	0	1,481,471
Vanguard Asset Allocation Fund	0	434,342
Common stock	5,140,753	3,756,972
Participant loan receivable	250,626	256,199
	-----	-----
Total investments	11,489,446	9,600,691
Receivables:		
Interest and dividends receivable	45,041	39,769
Other receivables	0	18
	-----	-----
Total receivables	45,041	39,787
TOTAL ASSETS	11,534,916	9,677,708
LIABILITIES		
Excess contributions payable	5,364	619
	-----	-----
Net assets available for benefits	\$11,529,552	\$9,677,089
	=====	=====

PEOPLES BANCORP, INC. RETIREMENT SAVINGS PLAN

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STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	2001	2000
	----	----
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Interest and dividend income	\$ 297,277	\$ 434,926
Net realized gain on sale/redemption of investments	0	915,135
Net unrealized appreciation in fair value of investments	1,154,376	0
Participant contributions	649,133	595,981
Rollover contributions	103,629	40,430

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Employers' contributions	351,551	323,554
	-----	-----
Total additions	\$2,555,966	2,310,026
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	564,801	776,450
Net unrealized depreciation in fair value of investments	0	2,492,925
Net realized loss on sale/redemption of investments	138,702	0
	-----	-----
Total deductions	703,503	3,269,375
	-----	-----
Net increase(decrease)	1,852,463	(959,349)
Net Assets Available for Benefits		
Beginning of year	9,677,089	10,636,438
	-----	-----
End of year	\$ 11,529,552	\$ 9,677,089
	=====	=====

PEOPLES BANCORP, INC.
RETIREMENT SAVINGS PLAN

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NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN

The following brief description of Peoples Bancorp, Inc. Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Peoples Bancorp, Inc. and its Subsidiary, Peoples Bank, NA. The Plan is a qualified trust under Sections 401(a) and 401(k) of the Internal Revenue Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Trustee of the Plan is Peoples Bank, NA.

Eligibility

Employees are eligible to participate in the Plan if they work 1,000 hours or more during the year, beginning the first calendar quarter after employment full time or upon reaching 1,000 hours part time. Employees may join the Plan on any calendar quarter beginning January 1, April 1, July 1 or October 1.

Contributions

Participants may elect to contribute up to 15% of pretax annual compensation and an additional 10% after tax annual compensation. Participants may also directly rollover amounts representing distributions from other qualified plans. In

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addition, Peoples Bancorp, Inc. or its Subsidiary will make a matching contribution on the employee's behalf. The amount of this matching contribution will be determined each year by the Employer's Board of Directors. Effective for 2001 and 2000, the Employer's matching was 100% of the employee's contribution up to the first 3% of the employee's compensation and 50% of the employee's contribution on the next 2% of the employee's compensation.

Participant Directed Investments

Participants direct the investment of their contributions and their allocated share of the matching contributions into various investment options offered by the Plan. The Plan currently offers eight funds as investment options for participants through the Plan's bank-administered trust fund with Peoples Bank, NA.

Participants may change their investment options quarterly.

PEOPLES BANCORP, INC.
RETIREMENT SAVINGS PLAN

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NOTES TO FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF PLAN (Continued)

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of the Employer's matching contribution and Plan earnings. Allocations are based on participants' earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Vesting

Participants are immediately fully vested in their voluntary contributions, the Employer's matching contributions and actual earnings thereon.

Participant Loans Receivable

Participants may apply for a loan from their account under the Plan. Certain legal restrictions impose limits on the amount of the loan and repayment terms. The maximum loan amount is \$50,000. The specific limit for any participant is 50% of their account balance. If a participant has an existing loan at the time of application, the \$50,000 limit is reduced by the highest outstanding balance of the participant's loan over the previous twelve-month period or the total of all outstanding loans the day the new loan is granted. Generally, the participant's loan must be repaid within five years, unless the proceeds are used to purchase a principal residence.

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Payment of Benefits

The participant's benefit will equal the sum of the salary deferral, the voluntary nondeductible contribution, the rollover contribution and the Employer's matching contribution plus net income and net losses resulting from the investment of these amounts as valued on the valuation date as defined. Payment of such amounts upon termination of employment may be deferred until the participant reaches normal retirement, becomes eligible for early retirement benefits, terminates employment prior to retirement, becomes disabled or dies. If the benefit is \$5,000 or less, the benefit will be paid in a lump-sum payment. If the benefit exceeds \$5,000, the participant may elect to have benefits paid in a lump-sum payment or in equal installments over a fixed period of time not to exceed ten years.

If a participant dies without a surviving spouse, either before or after retirement, but before a complete distribution of their accounts, then the full value of the participant's accounts will be paid to a designated beneficiary. If a participant dies with a surviving spouse, either before or after retirement, but before a complete distribution of their accounts, then the full value of the participant's accounts will be paid to the surviving spouse.

PEOPLES BANCORP, INC.
RETIREMENT SAVINGS PLAN

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NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investment Valuation and Income Recognition

Shares of the common/collective trusts, Peoples Stock Fund EB and Peoples Special Stock Fund EB are valued at the Plan's proportionate share of net shares of the fund as of the most recent valuation date.

Shares of the registered investment companies, Acorn Fund, Templeton Foreign Fund, Vanguard 500 Index Fund and Vanguard Asset Allocation Fund are valued at quoted market prices which

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represent the net asset value of shares held by the Plan at year end.

Investments in Peoples Bancorp, Inc. common stock are carried at quoted market prices.

The investment in Peoples Bank, NA, certificates of deposit and the participant loans are recorded at cost which approximates fair market value.

Dividends and interest received from investments are recorded as earned on an accrual basis.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Payment of Benefits

Benefits are recorded when paid.

PEOPLES BANCORP, INC.
RETIREMENT SAVINGS PLAN

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NOTES TO FINANCIAL STATEMENTS

NOTE 3: INVESTMENTS

The Plan's investments are held by a bank-administered trust fund. The following table presents the fair values of investments. Investments that represent 5% or more of the Plan's net assets are identified with an asterisk.

	2001	Decem
	UNITS	FAIR VALUE
INVESTMENTS AT FAIR VALUE AS DETERMINED BY QUOTED MARKET PRICE		
* Fidelity U.S. Treasury Income Portfolio Fund	3,723,181	\$3,723,181
* Acorn Fund	71,858.772	1,284,835
Templeton Foreign Fund	0.000	0
* Vanguard 500 Index Fund	0.000	0
Vanguard Asset Allocation Fund	0.000	0
* Peoples Bancorp, Inc. Common Stock	280,150	5,140,753

INVESTMENTS AT ESTIMATED FAIR VALUE		
* Peoples Certificates of Deposit	1,090,051	1,090,051
Participants Loans Receivable		250,626

\$1,340,677

\$11,489,446

TOTAL INVESTMENTS

PEOPLES BANCORP, INC.
RETIREMENT SAVINGS PLAN

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NOTES TO FINANCIAL STATEMENTS

NOTE 3: INVESTMENTS (Continued)

During 2001 and 2000, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value by \$1,015,674 and \$(1,577,790), respectively as follows:

	2001	2000
	-----	-----
CHANGES IN INVESTMENTS REPORTED AT FAIR VALUE AS DETERMINED BY QUOTED MARKET PRICE		
Acorn Fund	67,092	\$ (53,130)
Templeton Foreign Fund	(483)	(3,596)
Janus Worldwide Fund	(83,632)	0
White Oak Growth Fund	(162,125)	0
T Rowe Price Mid-Cap Growth	823	0
Vanguard Total Bond Fund	(361)	0
Vanguard 500 Index Fund	(183,655)	(160,865)
Vanguard Asset Allocation Fund	(53,228)	(4,494)
Bank One Corporation Common Stock	0	5,199
Peoples Bancorp, Inc. Common Stock	1,431,243	(1,204,220)
	-----	-----
	\$ 1,015,674	\$(1,421,106)
CHANGES IN INVESTMENTS REPORTED AT ESTIMATED FAIR VALUE		
Peoples Stock Fund EB	0	\$ (115,509)
Peoples Special Stock Fund EB		(41,175)
	-----	-----
	0	
NET CHANGE IN FAIR VALUE	\$ 1,015,674	\$(1,577,790)
	=====	=====

NOTE 4: RELATED PARTY TRANSACTIONS

Certain Plan investments such as certificates of deposit and shares in the common/collective trusts are managed by Peoples Bank, NA, a subsidiary of Peoples Bancorp, Inc. Peoples Bank, NA is also the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

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NOTE 5: PAYMENT OF EXPENSES

The Corporation elected to pay all of the administrative expenses and investment costs of the Plan. Should the Corporation elect not to pay all or part of such expenses, the Trustee then pays these expenses from the Plan.

PEOPLES BANCORP, INC.
RETIREMENT SAVINGS PLAN

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NOTES TO FINANCIAL STATEMENTS

NOTE 6: PLAN TERMINATION

Although it has not expressed any intent to do so, Peoples Bancorp, Inc. has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will continue to be 100% vested in their accounts.

NOTE 7: TAX STATUS

The Internal Revenue Service has determined and informed the Corporation by letter dated July 25, 1996, stating that the Plan constitutes a qualified trust under Sections 401(a) and 401(k) of the Internal Revenue Code and is, therefore, exempt from Federal income taxes under the provisions of Section 501(a). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

PEOPLES BANCORP RETIREMENT SAVINGS PLAN

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Employer Identification Number: 31-0987416

Three Digit Plan Number: 002

SCHEDULE H - Assets Held for Investment Purposes at End of Year

As of December 31, 2001

Certificate of Deposit Portion

(a)	(b) Identity of issues, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e)
		Fidelity US Treas Income #680	41,896	
		Peoples CD 95213760 6.00% 01/27/02	253,611	2
		Peoples CD 95215890 6.05% 02/24/02	60,000	
		Peoples CD 95249810 6.90% 03/02/02	205,877	2

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Peoples CD 29288123	2.73%	05/28/03	155,348	1
Peoples CD 29245337	4.28%	02/10/03	181,949	1
Peoples CD 29248288	4.46%	11/20/03	233,267	2

PEOPLES BANCORP RETIREMENT SAVINGS PLAN

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Employer Identification Number: 31-0987416

Three Digit Plan Number: 002

SCHEDULE H - Assets Held for Investment Purposes at End of Year

As of December 31, 2001

Peoples Bancorp Stock Portion

(a)	(b) Identity of issues, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost
		Fidelity US Treasury Income Portfolio #680	12,091
PEBO		Peoples Bancorp, Inc. 280,150	2,600,823

PEOPLES BANCORP RETIREMENT SAVINGS PLAN

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Employer Identification Number: 31-0987416

Three Digit Plan Number: 002

SCHEDULE H - Assets Held for Investment Purposes at End of Year

As of December 31, 2001

Acorn Fund

(a)	(b) Identity of issues, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost
		Fidelity US Treasury Income Portfolio #680	6,218
ACRN X		Liberty Acorn Fund Z #492 Small Cap Growth Stock Fund	1,218,418

PEOPLES BANCORP RETIREMENT SAVINGS PLAN

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Employer Identification Number: 31-0987416

Three Digit Plan Number: 002

SCHEDULE H - Assets Held for Investment Purposes at End of Year

As of December 31, 2001

Vanguard 500

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(a)	(b) Identity of issues, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost
		Fidelity US Treas Income Portfolio Fund #680	1,444,426

PEOPLES BANCORP RETIREMENT SAVINGS PLAN

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Employer Identification Number: 31-0987416

Three Digit Plan Number: 002

SCHEDULE H - Assets Held for Investment Purposes at End of Year

As of December 31, 2001

Vanguard Asset Allocation

(a)	(b) Identity of issues, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost
		Fidelity US Treas Income Portfolio Fund #680	670,449

PEOPLES BANCORP RETIREMENT SAVINGS PLAN

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Employer Identification Number: 31-0987416

Three Digit Plan Number: 002

SCHEDULE H - Assets Held for Investment Purposes at End of Year

As of December 31, 2001

Janus Worldwide

(a)	(b) Identity of issues, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost
		Fidelity US Treas Income Portfolio Fund #680	393,569

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Employer Identification Number: 31-0987416

Three Digit Plan Number: 002

SCHEDULE H - Assets Held for Investment Purposes at End of Year

As of December 31, 2001

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White Oak Growth

(a)	(b) Identity of issues, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost
		Fidelity US Treas Income Portfolio Fund #680	443,692

PEOPLES BANCORP RETIREMENT SAVINGS PLAN

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Employer Identification Number: 31-0987416

Three Digit Plan Number: 002

SCHEDULE H - Assets Held for Investment Purposes at End of Year

As of December 31, 2001

T. Rowe Price Mid-Cap Growth

(a)	(b) Identity of issues, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost
		Fidelity US Treas Income Portfolio Fund #680	532,789

PEOPLES BANCORP RETIREMENT SAVINGS PLAN

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Employer Identification Number: 31-0987416

Three Digit Plan Number: 002

SCHEDULE H - Assets Held for Investment Purposes at End of Year

As of December 31, 2001

Vanguard Total Bond Fund Index

(a)	(b) Identity of issues, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost
		Fidelity US Treas Income Portfolio Fund #680	178,052

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Employer Identification Number: 31-0987416

Three Digit Plan Number: 002

SCHEDULE H - Assets Held for Investment Purposes at End of Year

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As of December 31, 2001
Savings Plan

(a)	(b) Identity of issues, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost
	Participant Loans 66-0981	Peoples Note Receivables 7%-11%	0