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PEOPLES BANCORP INC
Form 11-K
June 12, 2003

PEOPLES BANCORP INC. RETIREMENT SAVINGS PLAN

FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

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: June 12, 2003

By: /s/ ROBERT E. EVANS

Robert E. Evans
President and Chief Executive Officer

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May 22, 2003

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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, 2002 and 2001, and the related statements of changes in net assets available for benefits for the years 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.

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, 2002 and 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, 2002 and 2001, and the changes in net assets available for benefits with fund information for the years 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, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

REA & ASSOCIATES, INC.

PEOPLES BANCORP, INC. RETIREMENT SAVINGS PLAN

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STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2002 AND 2001

	2002	2001
	-----	-----
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 0	\$ 429
Investments, at fair value:		
Money market funds	293,810	3,723,181
Peoples certificates of deposit	0	1,090,051
Shares of Registered Investment Companies	3,125,176	1,284,835
Shares of Common/Collective Trusts	3,192,167	0
Common stock-Peoples Bancorp Stock Fund	7,116,109	5,140,753
Participant loan receivable	262,406	250,626
	-----	-----
Total investments	13,989,668	11,489,446
Receivables:		
Interest and dividends receivable	41,233	45,041
	-----	-----
Total receivables	41,233	45,041
 TOTAL ASSETS	 14,030,901	 11,534,916
LIABILITIES		
Accrued expenses	4,086	0
Excess contributions payable	0	5,364
 TOTAL LIABILITIES	 4,086	 5,364
 Net assets available for benefits	 \$ 14,026,815	 \$ 11,529,552
	=====	=====

PEOPLES BANCORP, INC. RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
	-----	-----
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Interest and dividend income	\$ 798,011	\$ 1,117,490
Net realized gain and unrealized appreciation on investments	1,117,490	816,948
Participant contributions	816,948	89,906
Rollover contributions	89,906	413,324
Employers' contributions	413,324	
	-----	-----
Total additions	3,235,679	2,347,668
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	728,029	

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Administration fees	10,387	

Total deductions	738,416	

Net increase	2,497,263	1
Net Assets Available for Benefits		
Beginning of year	11,529,552	9
	-----	---
End of year	\$ 14,026,815	\$ 11
	=====	=====

PEOPLES BANCORP INC.
RETIREMENT SAVINGS PLAN

FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001

PEOPLES BANCORP, INC.
RETIREMENT SAVINGS PLAN

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 Invesco.

Eligibility

Employees are eligible to participate in the Plan upon reaching age 21 and with one hour of service. The employee completes the service requirement on his/her employment commencement date. Employees may join the Plan at any time by completing the election form on a day to day basis beginning January 1, 2002.

Contributions

Each year, participants may contribute a percentage of pretax

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annual compensation not to exceed a dollar limit which is set by law. Participants may also directly rollover amounts representing distributions from other qualified plans. In 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 2002 and 2001, 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. From the period of January to October of 2002 the Plan was administered by First Merchantile. The Plan currently offers twelve funds as investment options for participants through the Plan's administered trust fund with Invesco.

Participants may change their investment options at any time via the internet.

PEOPLES BANCORP, INC. RETIREMENT SAVINGS PLAN

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

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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.

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

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

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Shares of the common/collective trusts 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 are revalued at quoted market prices which 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, money market funds, 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

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.

	December	
	----- 2002 -----	
INVESTMENTS AT FAIR VALUE AS DETERMINED BY QUOTED MARKET PRICE	UNITS	FAIR VALUE
Fidelity U.S. Treasury Income Portfolio Fund	0	\$0
Invesco Cash Reserve Fund	293,810	293,810
* Acorn Fund	70,015	1,085,232

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American Century Strategic Allocation	1,290	6,289
American Growth Fund	18,358	339,079
Dodge & Cox Common Stock	2,083	183,378
* Dodge & Cox Balanced Fund	12,295	746,967
ING Pilgrim International Value	32,935	338,905
Aim Mid-Cap Core Equity	20,081	425,326
* Invesco 500 Index Trust	57,929	1,259,366
Invesco Structured Small-Cap Val Equity Trust	1,310	72,921
Invesco Core Fixed Income Trust	11,786	342,017
* Invesco Stable Value Trust	1,517,863	1,517,863
* Peoples Bancorp, Inc. Common Stock	531,551	7,116,109

		\$13,727,262
		=====
INVESTMENTS AT ESTIMATED FAIR VALUE		
Peoples Certificates of Deposit	0	\$ 0
Participants Loans Receivable		262,406

		\$ 262,406

TOTAL INVESTMENTS		\$13,989,668
		=====

PEOPLES BANCORP, INC.
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 3: INVESTMENTS (Continued)

During 2002 and 2001, the Plan's investments (including investments bought, sold and held during the year) appreciated in value by \$1,117,490 and \$1,015,674, respectively as follows:

	200

CHANGES IN INVESTMENTS REPORTED AT FAIR VALUE AS DETERMINED BY QUOTED MARKET PRICE	
Acorn Fund	\$ (19
Templeton Foreign Fund	
Janus Worldwide Fund	
White Oak Growth Fund	(16
T Rowe Price Mid-Cap Growth	
Vanguard Total Bond Fund	
Vanguard 500 Index Fund	(35
Vanguard Asset Allocation Fund	
ING International Value	(9
Calvert Income A	
Dodge & Cox Balanced Fund	(4
Dodge & Cox Stock Fund	(1
Money Market Funds	

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AMRO Income Plus-Stable Value	(
Heartland Value Fund	(13
Fidelity Mid-Cap	(1
American Funds-Growth Fund of America	(2
Invesco 500 Index Trust	(
Invesco Structured Small-Cap Value Equity Trust	(
Invesco Core Fixed Income Trust	(
Aim Mid-cap Core Equity	(
American Century Strategic Allocation Funds	(
Notes Receivable-participant loan fund	(
Domini Social Equity	(
Peoples Bancorp, Inc. Common Stock	2,13

NET CHANGE IN FAIR VALUE	\$1,11
	=====

NOTE 4: RELATED PARTY TRANSACTIONS

Certain Plan investments such as certificates of deposit and shares in the common/collective trusts were managed by Peoples Bank, NA, a subsidiary of Peoples Bancorp, Inc. for the first few days of the this plan year. Peoples Bank, NA was also the trustee as defined by the Plan for the first few days of this plan year and, therefore, these transactions qualify as party-in-interest.

PEOPLES BANCORP, INC.
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 5: PAYMENT OF EXPENSES

The Corporation elected to pay certain 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.

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

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determination letter. However, the plan administrator has not applied for a determination letter from the Internal Revenue Service because the Plan adopted a prototype plan sponsored by Institutional Trust Co. which has received a favorable determination letter (dated August 30, 2001) from the IRS. Therefore, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

PEOPLES BANCORP RETIREMENT SAVINGS PLAN

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, 2002

(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	Units

		Invesco Cash Reserve Fund	293,810
		Acorn Fund	70,015
		American Century Strategic Allocation	1,290
		American Growth Fund	18,358
		Dodge & Cox Common Stock	2,083
		Dodge & Cox Balanced	12,295
		ING Pilgrim International Value	32,935
		Aim Mid-Cap Core Equity	20,081
		Invesco 500 Index Trust	57,929
		Invesco Structured Small-Cap Value Equity Trust	1,310
		Invesco Core Fixed Income Trust	11,786
		Invesco Stable Value Trust	1,517,863
		Peoples Bancorp Inc Common Stock	531,551
		Participant loans	