



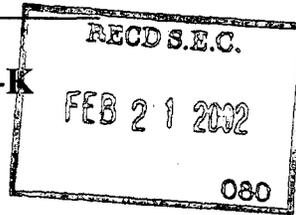
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

0-16421

FORM 11-K



MANUALLY SIGNED

(Mark One)

(X) ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 2000

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED) for the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-16421

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**The Employees' Retirement Savings Plan of Provident Bank**

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**Provident Bankshares Corporation  
114 East Lexington Street  
Baltimore, Maryland 21202**

PROCESSED

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THOMSON FINANCIAL

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## REQUIRED INFORMATION

**Item 1-3.** The Employees' Retirement Savings Plan of Provident Bank (the "Plan") is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and files plan financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA.

### Exhibits

23.1 Consent of PriceWaterHouseCoopers LLP

Report of Independent Accountants of Financial Statements and Supplemental Schedule for the years ended December 31, 2000 and 1999.

**THE EMPLOYEES' RETIREMENT SAVINGS PLAN OF PROVIDENT BANK**

**REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE FOR THE YEARS ENDED  
DECEMBER 31, 2000 AND 1999**

**EMPLOYEES' RETIREMENT  
SAVINGS PLAN OF  
PROVIDENT BANK**

**Report of Independent Accountants on  
Financial Statements and Supplemental Schedule  
for the years ended December 31, 2000 and 1999**

**MANUALLY SIGNED**

**Employees' Retirement Savings Plan of Provident Bank**  
**Index to Financial Statements and Supplemental Schedule**

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\* Other schedules required by Section 29 2520-103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA have been omitted because they are not applicable.

**Report of Independent Accountants**

Retirement Benefits Committee of the  
Employees' Retirement Savings Plan of Provident Bank

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Employees' Retirement Savings Plan of Provident Bank ("the Plan") at December 31, 2000 and 1999, and the changes in net assets available for benefits for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. 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 audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) 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 schedule is the responsibility of the Plan's management. The supplemental schedule 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.

*PricewaterhouseCoopers LLP*

October 9, 2001

**Employees' Retirement Savings Plan of Provident Bank**  
**Statements of Net Assets Available for Benefits**  
**as of December 31, 2000 and 1999**

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ASSETS	2000	1999
Investments, at fair value (see Note 3)	\$48,023,897	\$41,058,662
Employee contributions receivable	93,170	101,117
Employer contributions receivable	<u>51,962</u>	<u>56,361</u>
Net assets available for benefits	<u>\$48,169,029</u>	<u>\$41,216,140</u>

The accompanying notes are an integral part of these financial statements.

**Employees' Retirement Savings Plan of Provident Bank**  
**Statement of Changes in Net Assets Available for Benefits**  
**for the year ended December 31, 2000**

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Additions	
Employer contributions	\$ 1,568,102
Employee contributions	2,986,129
Dividends and interest	4,494,702
Net realized and unrealized appreciation	
in the aggregate fair value of investments (see Note 3)	1,095,530
Total additions	<u>10,144,463</u>
Deductions	
Benefits paid to participants	3,185,697
Administrative expenses (see Note 2)	5,877
Total deductions	<u>3,191,574</u>
Net increase	6,952,889
Net assets available for benefits at beginning of year	<u>41,216,140</u>
Net assets available for benefits at end of year	<u>\$48,169,029</u>

The accompanying notes are an integral part of these financial statements.

# Employees' Retirement Savings Plan of Provident Bank

## Notes to Financial Statements

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### 1. Description of the Plan

The following description of the Employees' Retirement Savings Plan of Provident Bank (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

#### A. General

The Plan is a defined contribution plan which is available to all full-time and certain part-time employees of Provident Bank of Maryland (the "Plan Sponsor") after completion of six months of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

#### B. Contributions

Employee contributions are voluntary and may range from one to sixteen percent, or eight percent for "highly compensated" employees, of the participant's base salary plus commissions for products sold. These contributions are invested, at the participant's election, into various investment options offered by the Plan. The Plan Sponsor contributes a matching amount equal to seventy-five percent of the employee's contributions up to six percent of the employee's compensation. The Plan Sponsor's contributions are allocated in the same manner as the participant's deferrals.

#### C. Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Plan Sponsor's contribution and Plan earnings. Allocations are based on participant contributions and fund earnings on account balances. The benefit to which a participant is entitled is that portion of the participant's account which is vested.

#### D. Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Plan Sponsor contributions plus earnings thereon become vested at the rate of 20% for each year of service for all participants who earn at least one hour of service. A participant is 100% vested after five years of credited service.

#### E. Benefits

Participants or their beneficiaries will receive lump sum distributions in the event of retirement, death or disability. Employee contributions and pre-1989 vested Plan Sponsor contributions made under the matching feature of the Plan may only be withdrawn by current employees for financial hardship, retirement, death or disability.

#### F. Forfeitures

A terminating member of the Plan is paid the current value of his/her vested balance in the Plan as of the end of the quarter during which payment is requested but must forfeit any nonvested portions of their account. In accordance with the terms of the Plan, any forfeitures of Plan Sponsor contributions will be used to reduce future Plan Sponsor contributions. Unapplied forfeitures of the Plan Sponsor contributions at December 31, 2000 and 1999 were \$114,070 and \$29,725, respectively. In 2000 and 1999, Plan Sponsor contributions were offset by \$0 and \$80,490, respectively, from forfeited nonvested accounts.

# Employees' Retirement Savings Plan of Provident Bank

## Notes to Financial Statements

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### **G. Plan Termination**

The Plan Sponsor expects and intends to continue the Plan indefinitely but reserves the right to amend or terminate the Plan at any time without the consent of any participant or beneficiary. In the event of a termination of the Plan, all interests of participants not already vested become immediately vested. The assets of the Plan remaining after payment of liquidation expenses are to be allocated for the payment of benefits.

### **H. Outstanding Participant Loans**

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Outstanding Participant Loan. Loan terms range from 1-10 years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the Plan administrator. Principal and interest is paid ratably through monthly payroll deductions.

## **2. Summary of Significant Accounting Policies**

### **A. Basis of Accounting**

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

### **B. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

### **C. Investment Valuation and Income Recognition**

The Plan's investments are stated at fair value based on quoted market prices except for its stable value investments and investment contracts which are valued at contract value. Participant loans are recorded at cost, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

### **D. Net Appreciation/(Depreciation) of Investments**

The Plan presents in the statement of changes in net assets available for benefits, the net appreciation in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

# Employees' Retirement Savings Plan of Provident Bank

## Notes to Financial Statements

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### E. Administrative Expenses

All costs and expenses incurred in connection with administration of the Plan are borne by the Plan Sponsor. The expenses disclosed in the statement of changes in net assets available for benefits for the year ended December 31, 2000 are loan administration expenses which are deducted directly from the individual participant's account.

### F. Investment Contract With Insurance Company

The Plan holds an investment in a common/collective trust with John Hancock. Investments in the common/collective fund are valued at net unit value as determined by the trustee.

### G. Payment of Benefits

Benefits are recorded when paid.

## 3. Investments

The fair value of individual investments that represent 5% or more of the Plan's net assets as of December 31, 2000 and 1999 are as follows:

	2000	1999
John Hancock Stable Value Trust	\$ 7,296,136	\$ 7,840,307
John Hancock Balanced Fund	3,881,408	4,760,349
John Hancock Large Cap Value Fund	8,754,533	10,399,875
Provident Bankshares Corporation Stock	23,009,808	16,891,472

During 2000, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

Mutual funds	\$ (3,250,296)
Common stock	4,345,826
	<u>\$ 1,095,530</u>

## 4. Income Tax Status

The Internal Revenue Service has ruled that the Plan is qualified under Sections 401(a) and 401(k) of the Internal Revenue Code (IRC) and is, therefore, not subject to tax under present income tax regulations. The Plan received a favorable tax determination letter dated September 29, 1998. The Plan has since been amended, 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 IRC.

## **Employees' Retirement Savings Plan of Provident Bank**

### **Notes to Financial Statements**

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#### **5. Transactions With Parties-In-Interest**

During the year ended December 31, 2000, the Plan invested in a guaranteed interest account and several mutual funds with John Hancock. John Hancock was the trustee and the recordkeeper as defined by the Plan during 2000, and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan Sponsor for trustee services amounted to \$11,842 for the year ended December 31, 2000.

The Plan also invests in shares of Provident Bankshares Corporation common stock.

#### **6. Subsequent Events**

Effective June 26, 2001, all Plan assets were transferred from John Hancock to Sterling Trust Company. Effective as of that date, Sterling Trust Company became the custodian of the plan assets and Universal Pensions, Inc. the recordkeeper.

**SUPPLEMENTAL SCHEDULE**

**Employees' Retirement Savings Plan of Provident Bank**  
**Schedule H, Line 4i, Schedule of Assets (Held at End of Year)**  
**as of December 31, 2000**

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral Par or Maturity Value	Current Value
* John Hancock Stable Value Trust	Commom/Collective Fund	\$ 7,296,136
* John Hancock Balanced Fund	Registered Investment Company	3,881,408
* John Hancock Large Cap Value Fund	Registered Investment Company	8,754,533
* Provident Bankshares Corporation Stock	Common Stock	23,009,808
* John Hancock Small Cap Value Fund	Registered Investment Company	1,017,317
* John Hancock Bond Fund	Registered Investment Company	89,395
Gabelli Growth Fund	Registered Investment Company	1,802,923
T. Rowe Price Equity Index Fund	Registered Investment Company	1,019,447
* Participant loans	Participant loans with interest rates ranging from 7.75% to 10.50%, maturity dates ranging from 1/16/01 to 7/5/09	1,152,930
		<u>\$48,023,897</u>

\* Represents a party in interest as defined by ERISA.

## SIGNATURES

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.

**The Employees' Retirement Savings Plan of  
Provident Bank**

Date: February 15, 2002

By:   
Peter M. Martin  
Retired Benefits Committee Member

**EXHIBIT 23.1**

**CONSENT OF PRICEWATERHOUSECOOPERS LLP**

**Consent of Independent Accountants**

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-8 (Nos. 33-19352, 33-22552, 33-51462, 33-92510, 33-34409, and 33-45651) of Provident Bankshares Corporation of our report dated October 9, 2001 relating to the financial statements of the Employees' Retirement Savings Plan of Provident Bank, which appears in this Form 11-K.

*PricewaterhouseCoopers LLP*

Baltimore, Maryland  
February 12, 2002