

PENNS WOODS BANCORP INC  
Form 8-K  
March 25, 2009

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of**  
**The Securities Exchange Act of 1934**

**March 24, 2009**

Date of Report (Date of earliest event reported)

**PENNS WOODS BANCORP, INC.**

(Exact name of registrant as specified in its charter)

**Pennsylvania**  
(State or other jurisdiction

of incorporation)

**300 Market Street, P.O. Box 967, Williamsport, Pennsylvania**  
(Address of principal executive offices)

**000-17077**  
(Commission

File Number)

**23-2226454**  
(IRS Employer

Ident. No.)

**17703-0967**  
(Zip Code)

(570) 322-1111

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Registrant's telephone number, including area code

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))
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**Item 2.06**      **Material Impairments.**

On March 24, 2009, Penns Woods Bancorp, Inc. ( Penns Woods ) determined that it expects to record a pre-tax other than temporary impairment charge for the first quarter of 2009 of between \$2,250,000 and \$2,750,000, depending upon actual market conditions at March 31, 2009. The non-cash charge relates to certain holdings of financial sector equity securities held in the investment portfolio that have experienced a significant reduction in market price as a result of the current economic crisis and deterioration in the financial markets, which market prices are not expected to recover in the near term.

As of December 31, 2008, Penns Woods maintained an equity securities portfolio having a cost value of \$16,429,000 and a fair value of \$13,269,000. The portfolio consists primarily of financial sector holdings of both common and preferred equities. Certain holdings within the equities securities portfolio may be sold during 2009 as part of a strategy to carry back capital losses for tax purposes.

After giving effect to the impairment charge, both Penns Woods and its wholly-owned banking subsidiary, Jersey Shore State Bank, will continue to be well capitalized under applicable bank regulatory guidelines.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PENNS WOODS BANCORP, INC.

Dated: March 25, 2009

By: */s/ Brian L. Knepp*  
Brian L. Knepp  
Chief Financial Officer