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)

Pennsylvania000-1707723-2226454(State or other jurisdiction(Commission(IRS Employerof incorporation)File Number)Ident. No.)300 Market Street, P.O. Box 967, Williamsport, Pennsylvania17703-0967<br/>(Zip Code)

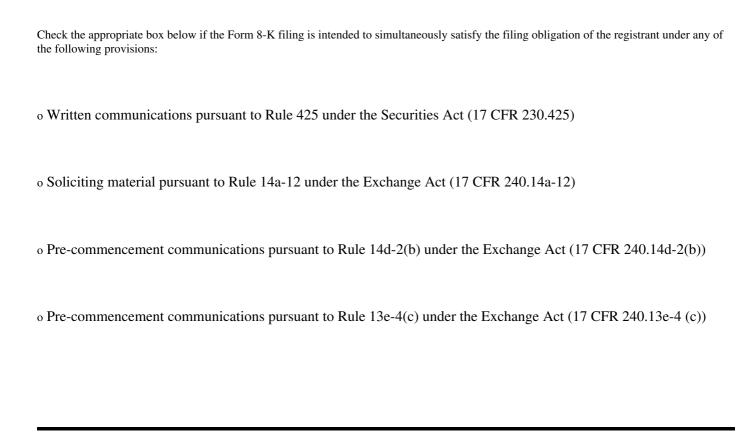
(570) 322-1111

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Registrant s telephone number, including area code

#### N/A

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



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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.

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#### **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

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