

PENNS WOODS BANCORP INC
Form 10-Q
August 09, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

x Quarterly Report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

for the Quarterly Period Ended June 30, 2012.

o Transition report pursuant to Section 13 or 15 (d) of the Exchange Act

for the Transition Period from to .

No. 0-17077

(Commission File Number)

PENNS WOODS BANCORP, INC.

(Exact name of Registrant as specified in its charter)

PENNSYLVANIA

23-2226454

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(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

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

17703-0967
(Zip Code)

(570) 322-1111

Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Small reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

On August 2, 2011 there were 3,837,908 shares of the Registrant's common stock outstanding.

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PENNS WOODS BANCORP, INC.
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

(In Thousands, Except Share Data)	June 30, 2012	December 31, 2011
ASSETS:		
Noninterest-bearing balances	\$ 16,052	\$ 13,829
Interest-bearing deposits in other financial institutions	21	56
Total cash and cash equivalents	16,073	13,885
Investment securities, available for sale, at fair value	295,121	270,097
Investment securities, held to maturity, (fair value of \$0 and \$55)		54
Loans held for sale	3,496	3,787
Loans	465,342	435,959
Allowance for loan losses	(7,438)	(7,154)
Loans, net	457,904	428,805
Premises and equipment, net	8,229	7,707
Accrued interest receivable	4,071	3,905
Bank-owned life insurance	16,101	16,065
Investment in limited partnerships	3,213	3,544
Goodwill	3,032	3,032
Deferred tax asset	5,960	7,991
Other assets	5,233	5,081
TOTAL ASSETS	\$ 818,433	\$ 763,953
LIABILITIES:		
Interest-bearing deposits	\$ 523,405	\$ 470,310
Noninterest-bearing deposits	117,762	111,354
Total deposits	641,167	581,664
Short-term borrowings	17,855	29,598
Long-term borrowings, Federal Home Loan Bank (FHLB)	61,278	61,278
Accrued interest payable	490	536
Other liabilities	9,532	10,417
TOTAL LIABILITIES	730,322	683,493
SHAREHOLDERS EQUITY:		
Preferred stock, no par value, 3,000,000 shares authorized; no shares issued		
Common stock, par value \$8.33, 15,000,000 shares authorized; 4,018,386 and 4,017,677 shares issued	33,486	33,480
Additional paid-in capital	18,136	18,115
Retained earnings	39,874	36,394

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Accumulated other comprehensive gain (loss):				
Net unrealized gain on available for sale securities		7,058		2,914
Defined benefit plan		(4,133)		(4,133)
Treasury stock at cost, 180,596 shares		(6,310)		(6,310)
TOTAL SHAREHOLDERS EQUITY		88,111		80,460
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		\$ 818,433		\$ 763,953

See accompanying notes to the unaudited consolidated financial statements.

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PENNS WOODS BANCORP, INC.
CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

(In Thousands, Except Per Share Data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
INTEREST AND DIVIDEND INCOME:				
Loans, including fees	\$ 6,294	\$ 6,144	\$ 12,608	\$ 12,432
Investment securities:				
Taxable	1,517	1,411	2,991	2,786
Tax-exempt	1,383	1,272	2,788	2,539
Dividend and other interest income	86	57	178	109
TOTAL INTEREST AND DIVIDEND INCOME	9,280	8,884	18,565	17,866
INTEREST EXPENSE:				
Deposits	934	1,182	1,895	2,376
Short-term borrowings	28	42	62	99
Long-term borrowings, FHLB	620	742	1,240	1,476
TOTAL INTEREST EXPENSE	1,582	1,966	3,197	3,951
NET INTEREST INCOME	7,698	6,918	15,368	13,915
PROVISION FOR LOAN LOSSES	600	600	1,200	1,200
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	7,098	6,318	14,168	12,715
NON-INTEREST INCOME:				
Service charges	458	527	905	1,030
Securities gains, net	170	9	759	134
Earnings on bank-owned life insurance	133	139	401	313
Gain on sale of loans	343	242	526	491
Insurance commissions	316	180	758	389
Brokerage commissions	247	281	459	556
Other	614	495	1,236	905
TOTAL NON-INTEREST INCOME	2,281	1,873	5,044	3,818
NON-INTEREST EXPENSE:				
Salaries and employee benefits	2,850	2,475	5,867	5,107
Occupancy, net	318	301	646	649
Furniture and equipment	357	349	703	657
Pennsylvania shares tax	167	172	336	344
Amortization of investment in limited partnerships	166	165	331	331
Federal Deposit Insurance Corporation deposit insurance	115	186	238	373
Other	1,370	1,208	2,686	2,383
TOTAL NON-INTEREST EXPENSE	5,343	4,856	10,807	9,844
INCOME BEFORE INCOME TAX PROVISION	4,036	3,335	8,405	6,689

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INCOME TAX PROVISION	638	371	1,318	872
NET INCOME	\$ 3,398	\$ 2,964	\$ 7,087	\$ 5,817
EARNINGS PER SHARE - BASIC	\$ 0.89	\$ 0.78	\$ 1.85	\$ 1.52
EARNINGS PER SHARE - DILUTED	\$ 0.89	\$ 0.78	\$ 1.85	\$ 1.52
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	3,837,579	3,835,785	3,837,391	3,835,542
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	3,837,579	3,835,785		