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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 5, 2010 there were 3,833,849 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, 2010	December 31, 2009
<b>ASSETS:</b>		
Noninterest-bearing balances	\$ 12,378	\$ 13,760
Interest-bearing deposits in other financial institutions	11,963	28
Total cash and cash equivalents	24,341	13,788
Investment securities, available for sale, at fair value	225,625	208,768
Investment securities held to maturity (fair value of \$83 and \$108)	82	107
Loans held for sale	5,584	4,063
Loans	411,960	405,529
Less: Allowance for loan losses	5,047	4,657
Loans, net	406,913	400,872
Premises and equipment, net	7,966	7,988
Accrued interest receivable	3,673	3,523
Bank-owned life insurance	15,188	14,942
Investment in limited partnerships	4,615	4,898
Goodwill	3,032	3,032
Deferred tax asset	8,399	9,491
Other assets	4,873	4,732
<b>TOTAL ASSETS</b>	<b>\$ 710,291</b>	<b>\$ 676,204</b>
<b>LIABILITIES:</b>		
Interest-bearing deposits	\$ 442,002	\$ 417,388
Noninterest-bearing deposits	87,979	79,899
Total deposits	529,981	497,287
Short-term borrowings	14,209	18,354
Long-term borrowings, Federal Home Loan Bank (FHLB)	86,778	86,778
Accrued interest payable	900	1,073
Other liabilities	7,820	5,796
<b>TOTAL LIABILITIES</b>	<b>639,688</b>	<b>609,288</b>
<b>SHAREHOLDERS EQUITY</b>		
Common stock, par value \$8.33, 10,000,000 shares authorized; 4,014,272 and 4,011,985 shares issued	33,452	33,443
Additional paid-in capital	18,032	18,008
Retained earnings	28,910	27,218

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Accumulated other comprehensive loss:

Net unrealized loss on available for sale securities	(1,561)	(3,569)
Defined benefit plan	(1,920)	(1,920)
Less: Treasury stock at cost, 180,596 and 179,028 shares	(6,310)	(6,264)
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>70,603</b>	<b>66,916</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>\$ 710,291</b>	<b>\$ 676,204</b>

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,	
	2010	2009	2010	2009
<b>INTEREST AND DIVIDEND INCOME:</b>				
Loans including fees	\$ 6,398	\$ 6,349	\$ 12,728	\$ 12,568
Investment securities:				
Taxable	1,405	1,374	2,754	2,737
Tax-exempt	1,270	1,249	2,528	2,495
Dividend and other interest income	51	41	103	130
<b>TOTAL INTEREST AND DIVIDEND INCOME</b>	<b>9,124</b>	<b>9,013</b>	<b>18,113</b>	<b>17,930</b>
<b>INTEREST EXPENSE:</b>				
Deposits	1,551	2,204	3,261	4,209
Short-term borrowings	56	78	120	236
Long-term borrowings, FHLB	927	926	1,844	1,843
<b>TOTAL INTEREST EXPENSE</b>	<b>2,534</b>	<b>3,208</b>	<b>5,225</b>	<b>6,288</b>
<b>NET INTEREST INCOME</b>	<b>6,590</b>	<b>5,805</b>	<b>12,888</b>	<b>11,642</b>
<b>PROVISION FOR LOAN LOSSES</b>	<b>400</b>	<b>186</b>	<b>700</b>	<b>312</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>6,190</b>	<b>5,619</b>	<b>12,188</b>	<b>11,330</b>
<b>NON-INTEREST INCOME:</b>				
Service charges	537	541	1,047	1,066
Securities gains (losses), net	56	(2,086)	53	(4,455)
Earnings on bank-owned life insurance	128	112	299	274
Gain on sale of loans	330	103	512	221
Insurance commissions	273	347	537	701
Other	684	591	1,256	1,025
<b>TOTAL NON-INTEREST INCOME</b>	<b>2,008</b>	<b>(392)</b>	<b>3,704</b>	<b>(1,168)</b>
<b>NON-INTEREST EXPENSE:</b>				
Salaries and employee benefits	2,615	2,595	5,352	5,077
Occupancy, net	313	318	644	657
Furniture and equipment	322	306	626	613
Pennsylvania shares tax	169	172	338	343
Amortization of investment in limited partnerships	141	141	283	283
Other	1,430	1,353	2,733	2,557
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>4,990</b>	<b>4,885</b>	<b>9,976</b>	<b>9,530</b>
<b>INCOME BEFORE INCOME TAX PROVISION (BENEFIT)</b>	<b>3,208</b>	<b>342</b>	<b>5,916</b>	<b>632</b>
<b>INCOME TAX PROVISION (BENEFIT)</b>	<b>436</b>	<b>(490)</b>	<b>696</b>	<b>(1,039)</b>
<b>NET INCOME</b>	<b>\$ 2,772</b>	<b>\$ 832</b>	<b>\$ 5,220</b>	<b>\$ 1,671</b>

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<b>NET INCOME PER SHARE - BASIC</b>	\$	0.72	\$	0.22	\$	1.36	\$	0.44
<b>NET INCOME PER SHARE - DILUTED</b>	\$	0.72	\$	0.22	\$	1.36	\$	0.44
<b>WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC</b>		3,834,164		3,832,520		3,834,230		3,832,135
<b>WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED</b>		3,834,291		3,832,596		3,834,370		3,832,173
<b>DIVIDENDS PER SHARE</b>	\$	0.46	\$	0.46	\$	0.92	\$	0.92

See accompanying notes to the unaudited consolidated financial statements.