

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**

Date of Report (Date of earliest event reported): April 25, 2007

PROVIDENT COMMUNITY BANCSHARES, INC.  
(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other Jurisdiction of incorporation or organization)	<u>1-5735</u> (Commission File Number)	<u>57-1001177</u> (IRS Employer Identification No.)
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<u>2700 Celanese Road, Rock Hill, South Carolina</u> (Address of principal executive offices)	<u>29732</u> (Zip Code)
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Registrant's telephone number, including area code: (803) 325-9400

Not Applicable  
(203 West Main Street, Union, SC 29379)

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:

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

**Item 2.02      Results of Operations and Financial Condition.**

On April 25, 2007, Provident Community Bancshares, Inc., the holding company for Provident Community Bank, N.A., announced its financial results for the quarter ending March 31, 2007. The press release announcing financial results for the quarter ending March 31, 2007 is included as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01      Financial Statements and Exhibits.**

- (a) Financial Statement of Businesses Acquired: Not applicable
- (b) Pro Forma Information: Not applicable
- (c) Shell Company Transactions: Not applicable
- (d) Exhibits

<u>Number</u>	<u>Description</u>
99.1	Press Release Dated April 25, 2007

## 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.

Provident Community Bancshares, Inc.

Dated: April 25, 2007

By: /s/ Dwight V. Neese  
Dwight V. Neese  
President and Chief Executive Officer



**FOR IMMEDIATE RELEASE**

**PROVIDENT COMMUNITY BANCSHARES, INC.  
REPORTS EARNINGS AND ANNOUNCES INCREASE IN QUARTERLY CASH DIVIDEND**

**Contact: Dwight V. Neese,  
President & CEO  
803.980.1863  
[dneese@providentonline.com](mailto:dneese@providentonline.com)**

**Rock Hill, South Carolina** - April 25, 2007: Provident Community Bancshares, Inc. (NASDAQ GM: PCBS) reported net income for the quarter ended March 31, 2007 of \$649,000 compared to \$699,000 for the three months ended March 31, 2006. Earnings per share were \$0.35 per share (diluted) for the first quarter of 2007 versus \$0.36 per share (diluted) for the first quarter of 2006. The decrease in earnings from the prior year quarter reflects the additional expenses associated with opening three banking centers in the previous twelve months.

Net interest income before the loan loss provision for the first quarter increased \$80,000, or 3.0%, to \$2.7 million compared to \$2.6 million. The increase reflects higher average loan balances along with an increase in the yield on loans that resulted from a higher concentration of consumer and commercial loans offset by higher funding costs over the previous year period as a result of an increase in balances and rising rates. The provision for loan losses for the first quarter totaled \$160,000 compared to \$175,000 for the same period in the previous year. The decrease in provision for loan losses was due to a reduction in classified loans offset by a 17.5% increase in net loans over the previous year and a higher concentration of commercial loans in the portfolio which carry a higher risk of default.

Non-interest income for the first quarter increased \$37,000, or 5.4%, to \$723,000 compared to \$686,000 for the same period in the previous year. The increase was due to higher fees for financial services that resulted from an increase in transaction accounts. Non-interest expense for the first quarter increased \$253,000, or 11.6%, to \$2.4 million compared to \$2.2 million for the same period in the previous year. The increase was due primarily to higher operating costs associated with banking centers opened in Simpsonville, South Carolina and Rock Hill, South Carolina during the previous twelve months.

At March 31, 2007, assets totaled \$396.8 million, a 2.4% increase from \$387.6 million at December 31, 2006. Net loans receivable increased \$5.0 million, or 2.2%, during the period to \$236.9 million at March 31, 2007, compared to \$231.9 million at December 31, 2006. The net growth in loans was driven by a \$8.8 million increase in the commercial loan portfolio as the Company continued to focus on this lending segment with specialized loan officers and products. Reductions in lower-yielding investments and mortgage-backed securities and deposit growth of \$16.0 million was used to fund the increase in loans and paydown borrowings. Shareholders' equity increased \$576,000, or 2.2%, to \$26.5 million at March 31, 2007 from \$25.9 million at December 31, 2006 due primarily to net income of \$649,000 and a \$187,000 decrease in unrealized losses on securities available for sale, offset by the repurchase of 5,061 shares at a cost of \$100,000 and dividend payments of \$0.11 per share at a cost of \$200,000.

The Company also announced a 4.5% increase in the quarterly cash dividend from \$0.11 to \$0.115 per share payable on May 15, 2007 to shareholders of record on April 30, 2007. Provident Community Bancshares, Inc. has a dividend reinvestment plan and information about the plan can be obtained from Registrar and Transfer Company at 800-368-5948.

Provident Community Bancshares is the parent company for Provident Community Bank, N.A., which operates ten community oriented banking centers in the upstate of South Carolina that offer a full array of financial services. Please visit our website at [www.providentonline.com](http://www.providentonline.com) or contact Wanda J. Wells, SVP/Shareholder Relations Officer at [wwells@providentonline.com](mailto:wwells@providentonline.com) or Richard H. Flake, EVP/CFO at [rflake@providentonline.com](mailto:rflake@providentonline.com).

*Certain matters set forth in this news release may contain forward-looking statements that are provided to assist in the understanding of anticipated future financial performance. However, such performance involves risks and uncertainties that may cause actual results to differ materially from those in such statements. For a discussion of certain factors that may cause such forward-looking statements to differ materially from the Corporation's actual results, see the Corporation's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006, June 30, 2006, and September 30, 2006 and the Corporation's Annual Report in Form 10-K for the year ended December 31, 2006.*

# Provident Community Bancshares, Inc.

First Quarter - Year Ending December 31, 2007

## Financial Highlights

(Unaudited) (\$ in thousands, except share data)

<b>Balance Sheet</b>	At	At	<b>\$ Change</b>	<b>% Change</b>
	3/31/07	12/31/06		
Total assets	\$396,831	\$387,630	\$9,201	2.37%
Cash and due from banks	12,153	9,124	3,029	33.20%
Investments & mortgage-backed securities	121,209	122,185	-976	-0.80%
Loans receivable (net)	236,926	231,886	5,040	2.17%
Goodwill and intangible assets	3,582	3,741	-159	-4.25%
Deposits	264,417	248,440	15,977	6.43%
Advances and other borrowings	91,196	98,533	-7,337	-7.45%
Stockholders' equity	26,543	25,967	576	2.22%
Outstanding shares	1,826,844	1,830,528	-3,684	-0.20%
Book value per share	\$14.53	\$14.19	\$0.34	2.42%

## Three Months Ended

March 31,

<b>Income Statement</b>			<b>\$ Change</b>	<b>% Change</b>
	2007	2006		
Net interest income	\$2,734	\$2,654	\$80	3.01%
Provision for loan losses	160	175	-15	-8.57%
Net interest income after loan loss provision	2,574	2,479	95	3.83%
Non-interest income	723	686	37	5.39%
Non-interest expense	2,439	2,186	253	11.57%
Income tax	209	280	-71	-25.36%
Net income	\$649	\$699	-\$50	-7.15%
Earnings per share: basic	\$0.36	\$0.37	-\$0.01	-2.70%
Earnings per share: diluted	\$0.35	\$0.36	-\$0.01	-2.78%
Weighted Average Number of Common Shares Outstanding				
Basic	1,827,373	1,896,210		
Diluted	1,862,194	1,917,866		

## Three Months Ended

March 31,

<b>Key Financial Ratios</b>		
	2007	2006
Return on average assets	0.66%	0.75%
Return on average stockholders' equity	9.89%	11.10%
Operating expense to average assets	2.31%	2.19%
Equity to average assets	6.73%	6.70%