

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): February 18, 2009

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  
(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:

- 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 February 18, 2009, Provident Community Bancshares, Inc., the holding company for Provident Community Bank, N.A., announced its fourth quarter and year-end results for the period ending December 31, 2008. The press release announcing financial results for the quarter ending December 31, 2008 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 February 18, 2009

## **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: February 18, 2009

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

**Provident Community Bancshares Reports Fourth Quarter and Year End Results**

**Contact: Dwight V. Neese  
President & CEO  
803.980.1863**

**Rock Hill, South Carolina** - February 18, 2009: Provident Community Bancshares, Inc. (NASDAQ GM: PCBS) (the "Corporation") reported operating results for the three and twelve months ended December 31, 2008. The net loss for the fourth quarter of 2008 was \$1.4 million compared to net income of \$213,000 for the fourth quarter of 2007. Net loss per share was (\$0.81) per share (diluted) for the fourth quarter of 2008, versus net income of \$0.12 per share (diluted) for the fourth quarter of 2007. The decrease in net income for the period was due primarily to declining interest rates along with an increase in the provision for loan losses due to loan growth and the increase in nonperforming assets, offset by an increase in noninterest income and a reduction in noninterest expense. The net loss for the twelve months ended December 31, 2008 was \$397,000, or \$0.22 per share (diluted) compared to net income of \$2.2 million, or \$1.19 per share (diluted), for the same period in 2007.

The Corporation also announced that it had received preliminary approval to sell \$9.3 million in preferred stock to the U.S. Treasury Department through its Capital Purchase Program. "This capital injection will enhance our capacity to support our markets through expanded lending activities and economic development," said Dwight V. Neese, President and CEO. "Although our bank was well-capitalized by all regulatory standards as of our most recent filing, the new capital will strengthen our balance sheet and provide us more flexibility."

At December 31, 2008, assets totaled \$434.2 million, an increase of \$26.6 million, or 6.5% from \$407.6 million at December 31, 2007. Net loans receivable increased \$22.2 million, or 8.6%, during the period to \$278.7 million at December 31, 2008, compared to \$256.5 million at December 31, 2007. Growth in lower cost transaction accounts and time deposits resulted in deposits increasing 13.5% to \$306.8 million at December 31, 2008 compared to \$270.4 million at December 31, 2007. Investments and mortgage-backed securities at December 31, 2008, decreased 7.5% to \$102.8 million from \$111.2 million at December 31, 2007. Shareholders' equity decreased \$3.4 million, or 12.4%, to \$23.9 million at December 31, 2008 from \$27.3 million at December 31, 2007 due to a net loss of \$397,000, a \$1.9 million increase in unrealized losses on securities available for sale, the payment of \$821,000 in dividends and \$\$345,000 used to repurchase shares of the Corporation's common stock.

Dwight V. Neese commented, "It is an understatement to say that 2008 was a very challenging year for our bank as well as the entire industry. While the consensus of economists is that 2009 will be equally challenging for the U.S. economy and especially for the banking industry, we will continue to focus on the basics of community banking. While we believe that the downturn in the housing industry in our markets has not been as severe as the weaknesses in certain other markets in the Southeast, we have a very realistic view of the challenges that we need to overcome to manage the increased risk associated with our loan portfolio. As we move through this economic cycle, our focus will be to reposition our bank to prosper and to continue our long term goal of creating shareholder value."

Nonperforming assets were \$16.7 million as of December 31, 2008, or 3.8% of total assets, as compared to \$3.2 million at December 31, 2007, an increase of \$13.5 million. The downturn in the residential housing market was the primary factor leading to the deterioration in these loans. Management has allocated specific reserves to these and other nonperforming assets that it believes will offset losses, if any, arising from less than full recovery of the loans from the supporting collateral.

The Corporation reduced the quarterly cash dividend from \$0.115 to \$0.03 per share and declared a quarterly cash dividend of \$0.03 per share payable on February 16, 2009 to shareholders of record on January 30, 2009. 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.

**COMPANY INFORMATION**

Provident Community Bancshares is the holding company for Provident Community Bank, N.A., which operates nine banking centers in the upstate and western piedmont region of South Carolina and offers a full array of financial services. The Corporation is headquartered in Rock Hill, South Carolina and its common stock is traded on the NASDAQ Global Market under the symbol PCBS. 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).

**FORWARD-LOOKING STATEMENTS**

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. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other similar words and expressions. Forward-looking statements are subject to numerous assumptions, risk and uncertainties, which may change over time. The Corporation's 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 Annual Report in Form 10-K for the year ended December 31, 2007, including in the Risk Factors section of that report. Forward-looking statements speak only as of the date they are made. The Corporation does not assume any duty and does not undertake to update its forward-looking statements.

SUMMARY CONSOLIDATED FINANCIAL DATA

Our summary consolidated financial data as of and for the three and twelve months ended December 31, 2008, in the opinion of our management, contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly our financial position and results of operations for such periods in accordance with generally accepted accounting principles.

**Financial Highlights**

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

<b>Income Statement Data</b>	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
	2008	2007	2008	2007
Net interest income	\$2,217	\$2,599	\$9,579	\$10,795
Provision for loan losses	2,920	801	4,210	1,066
Net interest income (loss) after loan loss provision	(703)	1,798	5,369	9,729
Non-interest income	888	845	3,684	3,162
Non-interest expense	2,518	2,509	10,046	10,167
Income tax expense (benefit)	(894)	(79)	(596)	534
Net income (loss)	(\$1,439)	\$213	(\$397)	\$2,190
Income/(loss) per share: basic	(\$0.81)	\$0.12	(\$0.22)	\$1.21
Income/(loss) per share: diluted	(\$0.81)	\$0.12	(\$0.22)	\$1.19
Weighted Average Number of Common Shares Outstanding				
Basic	1,786,203	1,795,578	1,784,412	1,810,916
Diluted	1,787,928	1,829,345	1,790,545	1,846,980
Cash dividends per share	\$0.115	\$0.115	\$0.46	\$0.455

<b>Balance Sheet Data</b>	<b>At 12/31/08</b>	<b>At 12/31/07</b>
Total assets	\$434,218	\$407,641
Cash and due from banks	21,370	11,890
Investment securities	102,848	111,187
Loans	285,443	259,831
Allowance for loan losses	6,778	3,344
Deposits	306,821	270,399
FHLB advances and other borrowings	88,505	93,631
Junior subordinated debentures	12,372	12,372
Shareholders' equity	23,924	27,313
Common shares outstanding	1,787,092	1,794,866
Book value per share	\$13.39	\$15.22
Equity to assets	5.51%	6.70%
Total loans to deposits	93.03%	96.09%
Allowance for loan losses to total loans	2.37%	1.29%
Asset Quality		
Nonperforming loans	\$16,001	\$2,337
Other real estate owned	667	856
Total nonperforming assets	16,668	3,193
Net loan charge-offs	786	476