

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): July 27, 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 July 27, 2009, Provident Community Bancshares, Inc., the holding company for Provident Community Bank, N.A., announced its second quarter results for the period ending June 30, 2009. The press release announcing financial results for the quarter ending June 30, 2009 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	Earnings Release Dated July 27, 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: July 27, 2009

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

FOR IMMEDIATE RELEASE

Provident Community Bancshares Reports Second Quarter Results

Rock Hill, South Carolina - July 27, 2009: Provident Community Bancshares, Inc. (NASDAQ GM: PCBS) (the "Corporation") recorded a net loss to common shareholders of \$685,000 for the three months ended June 30, 2009 (after including \$118,000 of dividends to preferred shareholders) as compared to net income of \$316,000 for the same period in 2008. The decrease in net income for the period was due primarily to provision for loan losses of \$925,000 for the three months ended June 30, 2009 compared to \$365,000 for the three months ended June 30, 2008. In addition, operating results were impacted by a compression of the net interest margin caused by declining interest rates and a decrease in non-interest income due to an other than temporary impairment charge of \$782,000 related to investment securities. Net loss per common share was \$0.32 (diluted) for the three months ended June 30, 2009, versus net income of \$0.18 per common share (diluted) for the same period in 2008. The net loss to common shareholders for the six months ended June 30, 2009 was \$2.4 million, or \$1.26 per share (diluted), (after including \$143,000 of dividends to preferred shareholders) compared to net income of \$736,000 or \$0.41 per share (diluted), for the same period in 2008.

On March 13, 2009, the Corporation received \$9.3 million in equity capital from the sale of preferred stock to the United States Department of Treasury as part of the federal government's Capital Purchase Program.

At June 30, 2009, assets totaled \$464.3 million, an increase of \$30.1 million, or 6.9% from \$434.2 million at December 31, 2008. Investments and mortgage-backed securities at June 30, 2009, increased 35.0% to \$138.9 million from \$102.8 million at December 31, 2008. Loans receivable decreased 4.3% year to date to \$266.8 million at June 30, 2009 as a result of lower demand. Asset growth was funded by an increase in deposits. Growth in lower cost transaction accounts and time deposits resulted in deposits increasing 9.3%, or \$28.5 million, to \$335.3 million at June 30, 2009 compared to \$306.8 million at December 31, 2008. Shareholders' equity increased \$7.6 million, or 31.7%, to \$31.5 million at June 30, 2009 from \$23.9 million at December 31, 2008 due primarily to the equity funds of \$9.3 million and a \$758,000 decrease in unrealized losses on securities available for sale, offset by a net loss of \$2.4 million.

Dwight V. Neese, President and CEO, said "Second quarter results were disappointing. We continue to aggressively attack the issues caused by the lingering recession and current credit cycle. As has been the case this year for us and most other banks, a decrease in the net interest margin due to the declining rate environment and higher loan loss provisions have constrained our earnings. While 2009 will continue to present many challenges for the financial sector, including community banks, we believe that the steps that we have taken with our loan review and risk management systems and technology improvements will prepare us to deal with whatever issues are yet to come. Our holding company and our bank both exceed the regulatory well capitalized levels and we will continue to focus our attention on core operations with the goal of enhancing long-term value for our shareholders."

The Corporation suspended the quarterly cash dividend on its common stock beginning in the third quarter. "The decision to suspend the dividend was difficult, but we are confident it is the right step to take in light of our expected levels of earnings over the near-term and the benefits of building capital during this part of the current credit and economic cycle," said President Neese. "While we cannot predict when the economy will improve, we expect that, as conditions normalize and our credit costs decline, our future earnings generation levels would permit resumption of dividend payments."

Nonperforming assets were \$24.6 million as of June 30, 2009, or 5.3% of total assets, as compared to \$16.7 million at December 31, 2008, an increase of \$7.9 million. Bad debt charge-offs, net of recoveries, were \$2.6 million as of June 30, 2009 compared to \$246,000 for the same period in 2008. The downturn in the residential housing market continues to be the primary factor leading to the deterioration in these loans. Management has allocated specific reserves to these and other non accrual loans that it believes will offset losses, if any, arising from less than full recovery of the loans from the supporting collateral.

COMPANY INFORMATION

Provident Community Bancshares is the holding company for Provident Community Bank, N.A., which operates nine community oriented banking centers in the upstate of South Carolina that offer 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 or contact Wanda J. Wells, SVP/Shareholder Relations Officer at wjwells@providentonline.com or Richard H. Flake, EVP/CFO at 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, 2008, 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 six months ended June 30, 2009, 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. The results of operations for the three and six months ended June 30, 2009 are not necessarily indicative of the results that may be expected for the full fiscal year.

Financial Highlights

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
<u>Income Statement Data</u>				
Net interest income	\$2,340	\$2,464	\$4,451	\$4,966
Provision for loan losses	925	365	3,625	675
Net interest income after loan loss provision	1,415	2,099	826	4,291
Non-interest income	271	850	751	1,734
Non-interest expense	2,617	2,550	5,133	5,072
Provision (benefit) for income taxes	(364)	83	(1,295)	217
Net income (loss)	(567)	316	(2,261)	736
Accretion of preferred stock to redemption value	2	--	3	--
Preferred dividends accrued	116	--	140	--
Net income (loss) to common shareholders	(\$685)	\$316	(\$2,404)	\$736
Income (loss) per common share: basic	(\$0.32)	\$0.18	(\$1.26)	\$0.41
Income (loss) per common share: diluted	(\$0.32)	\$0.18	(\$1.26)	\$0.41
Weighted Average Number of Common Shares Outstanding				
Basic	1,789,844	1,782,395	1,788,873	1,783,436
Diluted	1,789,844	1,783,708	1,788,873	1,794,027
Cash dividends per share	\$0.03	\$0.115	\$0.06	\$0.23
<u>Balance Sheet Data</u>				
	At 6/30/09	At 12/31/08		
Total assets	\$464,348	\$434,218		
Cash and due from banks	23,884	21,370		
Investment securities	138,871	102,848		
Loans	274,643	285,443		
Allowance for loan losses	7,842	6,778		
Deposits	335,314	306,821		
FHLB advances and other borrowings	81,979	88,505		
Junior subordinated debentures	12,372	12,372		
Shareholders' equity	31,516	23,924		
Preferred shares outstanding	9,266	--		
Common shares outstanding	1,790,599	1,787,092		
Book value per share-common	\$12.43	\$13.39		
Equity to assets	6.79%	5.51%		
Total loans to deposits	81.91%	93.03%		
Allowance for loan losses to total loans	2.85%	2.37%		

Asset Quality

Nonperforming loans	\$20,999	\$16,001
Other real estate owned	3,622	667
Total nonperforming assets	24,621	16,668
Net loan charge-offs	\$ 2,586	\$ 786