

**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) October 22, 2003

UNION FINANCIAL BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

Delaware ----- (State or other Jurisdiction of incorporation or organization)	1-5735 ----- (Commission File Number)	57-1001177 ----- (IRS Employer Identification No.)
203 West Main Street, Union, South Carolina ----- (Address of principal executive offices)		29379-0886 ----- (Zip Code)
Registrant's telephone number, including area code		(864) 427-9000 -----

Not Applicable

(Former name or former address, if changed since last report.)

Item 7. Financial Statements and Other Exhibits

Exhibit 99.1 Press Release Dated October 22, 2003

Item 12. Results of Operation and Financial Condition

On October 22, 2003, Union Financial Bancshares, Inc. announced its financial results for the quarter and year ended September 30, 2003. The press release announcing financial results for the quarter and year ended September 30, 2003 is filed as Exhibit 99.1 and incorporated herein by reference.

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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.

UNION FINANCIAL BANCSHARES, INC.

Dated: October 22, 2003

By: /s/ Dwight V. Neese

Dwight V. Neese

President and Chief Executive Officer

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Exhibit 99.1

Union Financial Bancshares, Inc. Announces Year-End and Fourth Quarter Earnings

UNION, S.C.--(BUSINESS WIRE)--Oct. 22, 2003--Union Financial Bancshares, Inc. (NASDAQ: UFBS) announced earnings of \$425,000 for the fourth quarter ending September 30, 2003 compared to earnings of \$383,000 for the fourth quarter of 2002, a 10.97% increase. Earnings per share were \$.22 per share (basic) for the fourth quarter of fiscal 2003 versus \$.20 per share (basic) for the fourth quarter of fiscal 2002. Net income for the twelve-months ended September 30, 2003 was \$1,859,000, or \$.95 per share (basic), versus \$1,744,000, or \$.90 per share (basic), for the same period in 2002, a 6.59% increase.

At September 30, 2003, assets totaled \$341.3 million, a 9.76% increase from \$311.0 million at September 30, 2002. Net loans receivable decreased \$8.6 million or 5.36% to \$152.9 million at September 30, 2003, compared to \$161.6 million at September 30, 2002. Investment and mortgage-backed securities at September 30, 2003, increased 33.84% to \$157.4 million from \$117.6 million at September 30, 2002. Deposits at September 30, 2003, increased 9.95% to \$220.2 million from \$200.3 million at September 30, 2002.

Commenting on the fourth quarter results, Dwight V. Neese, President and Chief Executive Officer, stated: "We are pleased to report our earnings performance improvement over the comparable periods in the previous year. Not only did our fourth quarter results show an earnings increase of 11% over the previous year quarter, our earnings per share also rose 10%. As we continue to reposition our company for long- term growth, the consumer and commercial loan

portfolios increased 37.4% over the same period last year. We will continue to focus on our core operations over the coming quarters with the goal of continuing to build long-term value for our shareholders." The Company declared a quarterly dividend of \$0.10 per share on its outstanding common stock, payable on November 17, 2003 to shareholders of record October 30, 2003.

Union Financial Bancshares is the holding company for Provident Community Bank, which operates seven banking locations in the upstate area of South Carolina. At September 30, 2003, Union Financial had \$341.3 million in total assets and stockholders' equity of \$26.2 million.

Union Financial Bancshares, Inc.

Fourth Quarter - Fiscal Year Ending September 30, 2003

Financial Highlights

(\$ in thousands, except share data)

Balance Sheet	Sept. 30,		\$ Change	% Change
	2003	2002		
Total assets	\$341,305	\$310,968	\$30,337	9.76%
Cash and interest-bearing deposits	5,017	8,731	(3,714)	-42.54%
Investments & mortgage-backed securities	157,438	117,633	39,805	33.84%
Loans receivable (net)	152,921	161,576	(8,655)	-5.36%
Goodwill & intangible assets	5,007	5,853	(846)	-14.45%
Deposits	220,232	200,303	19,929	9.95%
Advances & other borrowings	85,000	74,000	11,000	14.86%
Stockholders' equity	26,216	27,198	(982)	-3.61%
Number of outstanding shares	1,965,103	1,958,069	7,034	0.36%
Book value per share	\$13.34	\$13.89	(\$0.55)	-3.96%
Tangible book value per share	\$10.79	\$10.90	(\$0.11)	-0.99%

Income Statement	Three Months Ended		Twelve Months Ended	
	Sept. 30,		Sept. 30,	
	2003	2002	2003	2002
Net interest income	\$2,066	\$2,068	\$8,222	\$8,586
Provision for loan losses	120	300	725	990
Net interest income after loan	1,946	1,768	7,497	7,596
Noninterest income	579	374	2,211	1,308
Noninterest expense	1,998	1,649	7,278	6,602
Income tax	102	110	571	558
Net income	\$425	\$383	\$1,859	\$1,744
Earnings per share: Basic	\$0.22	\$0.20	\$0.95	\$0.90
Earnings per share: Dilutive	\$0.21	\$0.19	\$0.90	\$0.86

Key Financial Ratios

Twelve Months Ended
Sept. 30,
2003 2002

Return on average assets	0.55%	0.59%
Return on average stockholder	6.64%	7.06%
Operating expense to average	2.17%	2.22%
Capital to average assets	10.20%	11.83%

CONTACT: Union Financial Bancshares, Inc.

Dwight V. Neese, 864-429-1863

End of Filing

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