

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 17, 2008

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 17, 2008, Provident Community Bancshares, Inc., the holding company for Provident Community Bank, N.A., announced its financial results for the quarter ending June 30, 2008. The press release announcing financial results for the quarter ending June 30, 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 July 17, 2008

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 17, 2008

By: /s/ Dwight V. Neese

Dwight V. Neese

President and Chief Executive Officer



FOR IMMEDIATE RELEASE

Provident Community Bancshares Reports Second Quarter Earnings

Rock Hill, South Carolina - July 17, 2008: Provident Community Bancshares, Inc. (NASDAQ GM: PCBS) (the "Corporation") reported operating results for the three and six months ended June 30, 2008. Net income for the second quarter of 2008 was \$316,000 compared to \$601,000 for the second quarter of 2007. Earnings per share were \$0.18 per share (diluted) for the second quarter of 2008, versus \$0.32 per share (diluted) for the second 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 primarily to an increase in nonperforming assets and, to a lesser extent, due to loan growth. The decrease in net income was offset by a decrease in non-interest expense due to the prior year quarter including expenses related to the closing of a banking center. Net income for the six months ended June 30, 2008, was \$736,000 or \$0.41 per share (diluted) compared to \$1.3 million, or \$0.67 per share (diluted), for the same period in 2007.

At June 30, 2008, assets totaled \$405.1 million compared to \$407.6 million at December 31, 2007. The decrease in total assets was due to a \$22.6 million decrease in lower-yielding investments and mortgage-backed securities, the proceeds of which were used to fund loan growth and pay down borrowings. Loans increased by \$16.6 million, primarily higher-yielding commercial and consumer loans. Deposits increased due to growth in lower-cost transaction accounts and time deposits.

Dwight V. Neese, President and CEO, said "Second quarter net income was not what we would like it to be and are disappointed with our earnings so far this year. 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 has constrained our earnings. Our net interest margin is 40 basis points lower this year than for the comparable period last year. While the year 2008 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."

Nonperforming assets increased \$1.7 million to \$4.9 million at June 30, 2008, or 1.21% of total assets, as compared to \$3.2 million, or 0.78% of total assets, at December 31, 2007. Approximately 31% or \$1.5 million of nonperforming assets as of June 30, 2008 related to two commercial loan relationships that were also nonperforming at December 31, 2007. The increase in nonperforming assets was due to increases in commercial and consumer loans offset by reductions in residential real estate 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.

The Corporation also declared a quarterly cash dividend of \$0.115 per share payable on August 15, 2008 to shareholders of record on July 30, 2008. 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 community oriented banking centers in the upstate of South Carolina that offer a full array of financial services. The \$405-million holding company 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 wwells@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, 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 six months ended June 30, 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. The results of operations for the three and six months ended June 30, 2008 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)

Income Statement Data	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net interest income	\$2,464	\$2,747	\$4,966	\$5,481
Provision for loan losses	365	85	675	245
Net interest income after loan loss provision	2,099	2,662	4,291	5,236
Non-interest income	850	812	1,734	1,535
Non-interest expense	2,550	2,711	5,072	5,151
Income tax	83	162	217	370
Net income	\$316	\$601	\$736	\$1,250
Earnings per share: basic	\$0.18	\$0.33	\$0.41	\$0.69
Earnings per share: diluted	\$0.18	\$0.32	\$0.41	\$0.67
Weighted Average Number of Common Shares Outstanding				
Basic	1,782,395	1,819,761	1,783,436	1,823,546
Diluted	1,783,708	1,857,730	1,794,027	1,859,950
Cash dividends per share	\$0.115	\$0.115	\$0.23	\$0.215

Balance Sheet Data	At 6/30/08	At 12/31/07
Total assets	\$405,063	\$407,641
Cash and due from banks	12,319	11,890
Investment securities	88,588	111,187
Loans	276,460	259,831
Allowance for loan losses	3,773	3,344
Deposits	272,185	270,399
FHLB advances and other borrowings	91,127	93,631
Junior subordinated debentures	12,372	12,372
Shareholders' equity	26,620	27,313
Common shares outstanding	1,783,436	1,794,866
Book value per share	\$14.93	\$15.22
Equity to assets	6.57%	6.70%
Total loans to deposits	101.57%	96.09%
Allowance for loan losses to total loans	1.35%	1.29%
Asset Quality		
Nonperforming loans	4,892	2,337
Other real estate owned	28	856
Total nonperforming assets	4,920	3,193
Net loan charge-offs	246	476