

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): May 1, 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.)
--	--	---

<u>2700 Celanese Road, Rock Hill, South Carolina</u> (Address of principal executive offices)	<u>29732</u> (Zip Code)
--	----------------------------

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 May 1, 2009, Provident Community Bancshares, Inc., the holding company for Provident Community Bank, N.A., announced its first quarter results for the period ending March 31, 2009. The press release announcing financial results for the quarter ending March 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	Earnings Release Dated May 1, 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: May 1, 2009

By: /s/ Dwight V. Neese

Dwight V. Neese

President and Chief Executive Officer

## **FOR IMMEDIATE RELEASE**

### **Provident Community Bancshares Reports First Quarter Results**

**Rock Hill, South Carolina** - May 1, 2009: Provident Community Bancshares, Inc. (NASDAQ GM: PCBS) (the "Corporation") recorded a net loss of \$1,695,000 for the three months ended March 31, 2009 as compared to net income of \$420,000 for the same period in 2008. The decrease in net income for the period was due primarily to provision for loan losses of \$2.7 million for the three months ended March 31, 2009 compared to \$310,000 for the three months ended March 31, 2008. In addition, operating results were impacted by a compression of the net interest margin caused by declining interest rates and an increase in non-interest expense due to an other than temporary impairment expense of \$309,000 related to investment securities. Net loss per common share was \$0.95 (diluted) for the first quarter of 2009, versus net income of \$0.23 per common share (diluted) for the first quarter of 2008.

On March 13, 2009, the Corporation received \$9,266,000 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 March 31, 2009, assets totaled \$467.0 million, an increase of \$32.7 million, or 7.5% from \$434.2 million at December 31, 2008. Asset growth was funded by an increase in deposits and the sale of preferred stock. Growth in lower cost transaction accounts and time deposits resulted in deposits increasing 8.1% or \$24.8 million to \$331.6 million at March 31, 2009 compared to \$306.8 million at December 31, 2008. Investments and mortgage-backed securities at March 31, 2009, increased 27.2% to \$130.8 million from \$102.8 million at December 31, 2008. Loans receivable increased 0.5% year to date to \$286.8 million at March 31, 2009. Shareholders' equity increased \$7,877,000, or 32.9%, to \$31,801,000 at March 31, 2009 from \$23,924,000 at December 31, 2008 due primarily to the equity funds of \$9,266,000 and a \$351,000 decrease in unrealized losses on securities available for sale, offset by dividend payments of \$0.03 per share at a cost of \$53,000, and a net loss of \$1,695,000.

Dwight V. Neese, President and CEO, said "While we are not pleased with the financial results of the first quarter, we are aggressively attacking the issues caused by the lingering recession and current credit cycle. The increase in our loan loss provision in the first quarter was necessary to cover valuation issues on three commercial real estate loans. We continue to take a very conservative approach on all aspects of managing our loan portfolio, especially collateral valuations. While we realize the financial sector has more challenges ahead, we believe the actions we have taken over the past several years in dealing with risk management systems, loan review systems and technology improvements have prepared us to deal with whatever issues are yet to come. Our capital position exceeds the "well capitalized" level, which is the highest capital classification defined by bank regulators, and we expect that when the business cycle improves we will be well prepared to deal with the opportunities and challenges of an improving economic environment"

Nonperforming assets were \$17.7 million as of March 31, 2009, or 3.78% of total assets, as compared to \$16.7 million at December 31, 2008, an increase of \$1.0 million. 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.

The Corporation declared a quarterly cash dividend of \$0.03 per share payable on May 18, 2009 to shareholders of record on May 4, 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 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](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, 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.

Contact: Dwight V. Neese, President/CEO – 803.980.1863 or [dneese@providentonline.com](mailto:dneese@providentonline.com)

## SUMMARY CONSOLIDATED FINANCIAL DATA

Our summary consolidated financial data as of and for the three months ended March 31, 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 months ended March 31, 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 March 31,

#### Income Statement Data

	<u>2009</u>	<u>2008</u>
Net interest income	\$2,111	\$2,501
Provision for loan losses	2,700	310
Net interest income (loss) after loan loss provision	(589)	2,191
Non-interest income	790	885
Non-interest expense	2,825	2,522
Provision (benefit) for income taxes	(929)	134
Net income (loss)	(1,695)	420
Accretion of preferred stock to redemption value	1	--
Preferred dividends accrued	24	--
Net income (loss) to common shareholders	<u>(\$1,720)</u>	<u>\$420</u>
Income (loss) per common share: basic	<u>(\$0.95)</u>	<u>\$0.24</u>
Income (loss) per common share: diluted	<u>(\$0.95)</u>	<u>\$0.23</u>
Weighted Average Number of Common Shares Outstanding		
Basic	1,787,890	1,784,477
Diluted	1,787,890	1,804,346
Cash dividends per share	\$0.03	\$0.115

#### Balance Sheet Data

	<u>At 3/31/09</u>	<u>At 12/31/08</u>
Total assets	\$466,972	\$434,218
Cash and due from banks	24,630	21,370
Investment securities	130,846	102,848
Loans	286,787	285,443
Allowance for loan losses	8,139	6,778
Deposits	331,596	306,821
FHLB advances and other borrowings	88,531	88,505
Junior subordinated debentures	12,372	12,372
Shareholders' equity	31,801	23,924
Preferred shares outstanding	9,266	--
Common shares outstanding	1,788,310	1,787,092
Book value per share-common	\$12.61	\$13.39
Equity to assets	6.81%	5.51%
Total loans to deposits	86.49%	93.03%
Allowance for loan losses to total loans	2.84%	2.37%

#### Asset Quality

Nonperforming loans	\$16,572	\$16,001
Other real estate owned	1,100	667
Total nonperforming assets	<u>17,672</u>	<u>16,668</u>
Net loan charge-offs	\$ 1,339	\$ 786