

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, 2007

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, 2007, Provident Community Bancshares, Inc., the holding company for Provident Community Bank, N.A., announced its financial results for the quarter ending June 30, 2007. The press release announcing financial results for the quarter ending June 30, 2007 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, 2007

## 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, 2007

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



**FOR IMMEDIATE RELEASE**

**PROVIDENT COMMUNITY BANCSHARES, INC.  
ANNOUNCES SECOND QUARTER EARNINGS**

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

**[dneese@providentonline.com](mailto:dneese@providentonline.com)**

**Rock Hill, South Carolina** - July 19, 2007: Provident Community Bancshares, Inc. (NASDAQ GM: PCBS) reported operating results for the three and six months ended June 30, 2007. Net income for the second quarter of 2007 was \$601,000 compared to \$639,000 for the second quarter of 2006, a 5.9% decrease. Earnings per share were \$0.32 per share (diluted) for the second quarter of 2007, versus \$0.33 per share (diluted) for the second quarter of 2006. The decrease in earnings from the prior year quarter reflects the additional expenses associated with opening three banking centers in the previous twelve months. During the quarter, the Company announced the closing of one banking center located in Winnsboro, South Carolina and incurred certain expenses related to real estate write downs. The closing will be completed during the third quarter of 2007. Net income for the six months ended June 30, 2007, was \$1.2 million, or \$0.67 per share (diluted), a 6.6% decrease from the \$1.3 million, or \$0.70 per share (diluted), for the same period in 2006.

Net interest income before the loan loss provision for the second quarter increased \$66,000, or 2.5%, to \$2.7 million compared to \$2.7 million for the same period in the previous year. The increase was due primarily to higher average loan balances over the previous year along with an increase in the yield on loans that resulted from a higher concentration of consumer and commercial loans. The increase in interest income was partially offset by higher deposit costs as a result of an increase in balances and rising rates. The provision for loan losses for the second quarter totaled \$85,000 compared to \$135,000 for the same period in the previous year. The decrease in provision for loan losses was due to a \$1.1 million reduction in classified loans to \$6.0 million compared to \$7.1 million for the same period in the previous year, offset by a 10.1% increase in net loans over the previous year and a higher concentration of commercial loans in the portfolio which carry a higher risk of default.

Non-interest income for the second quarter increased \$85,000, or 11.7%, to \$812,000 compared to \$727,000 for the same period in the previous year. The increase was due to higher fees for financial services that resulted from an increase in transaction accounts. Non-interest expense for the second quarter increased \$338,000, or 14.2%, to \$2.7 million compared to \$2.4 million for the same period in the previous year. The increase was due primarily to higher operating costs associated with banking centers opened in Simpsonville, South Carolina and Rock Hill, South Carolina during the previous twelve months along with expenses incurred in relation to the pending closing of one Winnsboro, South Carolina banking center.

At June 30, 2007, assets totaled \$389.7 million, a 0.5% increase from \$387.6 million at December 31, 2006. Net loans receivable increased \$4.8 million, or 2.1%, during the period to \$236.7 million at June 30, 2007, compared to \$231.9 million at December 31, 2006. Consumer/commercial loans increased \$8.7 million, offset by a \$4.2 million reduction in residential mortgage loans as the Company continues to focus on the consumer/commercial segments with specialized loan officers and products. Growth in lower cost transaction accounts and time deposits resulted in deposits increasing 4.1% to \$258.6 million at June 30, 2007 compared to \$248.4 million at December 31, 2006. Reductions in lower yielding investments and mortgage-backed securities of \$8.5 million and the increase in deposits funded the increase in loans and a reduction in borrowings of \$9.2 million. Shareholders' equity decreased \$27,000, or 0.1%, to \$25,940,000 at June 30, 2007 from \$25,967,000 at December 31, 2006 due to the repurchase of 30,285 shares at a cost of \$631,000, dividend payments of \$0.215 per share at a cost of \$411,000 and a \$315,000 increase in unrealized losses on securities available for sale, offset by net income of \$1,250,000.

The Company also declared a quarterly cash dividend of \$0.115 per share payable on August 15, 2007 to shareholders of record on July 30, 2007. 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.

Provident Community Bancshares is the parent company for Provident Community Bank, N.A., which operates ten community oriented banking centers in the upstate of South Carolina that offer a full array of financial services. 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).

*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 change over time. 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. However, such 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, 2006, including in the Risk Factors section of that report.*

## Provident Community Bancshares, Inc.

*Second Quarter - Year Ending December 31, 2007*

### Financial Highlights

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

<b>Balance Sheet</b>	At 6/30/07	At 12/31/06	\$ Change	% Change
Total assets	\$389,673	\$387,630	2,043	0.53%
Cash and due from banks	12,235	9,124	3,111	34.10%
Investments & mortgage-backed securities	113,674	122,185	(8,511)	-6.97%
Loans receivable (net)	236,697	231,886	4,811	2.07%
Goodwill and intangible assets	3,469	3,741	(272)	-7.27%
Deposits	258,625	248,440	10,185	4.10%
Advances and other borrowings	89,308	98,533	(9,225)	-9.36%
Stockholders' equity	25,940	25,967	(27)	-0.10%
Outstanding shares	1,803,866	1,830,528	(26,662)	-1.46%
Book value per share	\$14.38	\$14.19	0	1.37%

<b>Income Statement</b>	Three Months Ended		Six Months Ended	
	June 30, 2007	2006	June 30, 2007	2006
Net interest income	\$2,747	\$2,681	\$5,481	\$5,335
Provision for loan losses	85	135	245	310
Net interest income after loan loss provision	2,662	2,546	5,236	5,025
Non-interest income	812	727	1,535	1,413
Non-interest expense	2,711	2,373	5,151	4,560
Income tax	162	261	370	540
Net income	\$601	\$639	\$1,250	\$1,338
Earnings per share: basic	\$0.33	\$0.34	\$0.69	\$0.71
Earnings per share: diluted	\$0.32	\$0.33	\$0.67	\$0.70
Weighted Average Number of Common Shares Outstanding				
Basic	1,819,761	1,887,582	1,823,546	1,891,873
Diluted	1,857,730	1,911,663	1,859,950	1,914,748

<b>Key Financial Ratios</b>	Six Months Ended	
	2007	2006
Return on average assets	0.64%	0.72%
Return on average stockholders' equity	9.48%	10.72%
Operating expense to average assets	2.48%	2.27%
Equity to average assets	6.71%	6.69%