

**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) April 30, 2008

Colonial Virginia Bank

(Exact name of registrant as specified in its charter)

VIRGINIA

(State or other jurisdiction
of incorporation)

(Commission File Number)

75-3093106

(I.R.S. Employer
Identification No.)

6720 Sutton Road, Gloucester, VA
(Address of principal executive offices)

23061
(Zip Code)

Registrant's telephone number, including area code (804) 695-9300

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 13e4(c) under the Exchange Act 17 CFR 240.13e-4(c)
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Item 2.02 Results of Operations and Financial Condition

On April 30, 2008 Colonial Virginia Bank issued a news release announcing its financial results for the quarter ended March 31, 2008. A copy of the press release is being furnished as an exhibit to this report and is incorporated by reference into this Item 2.02.

Item 9.01 Financial Statements and Exhibits

- (d) Exhibits. The following exhibit is being furnished pursuant to Item 2.02 above.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by the Registrant dated April 30, 2008.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Colonial Virginia Bank

/s/ Kenneth E. Smith _____

Date: May 1, 2008

By: Kenneth E. Smith

Executive Vice President & Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by the Registrant dated April 30, 2008

Colonial Virginia Bank

Gloucester, VA

NEWS RELEASE

Colonial Virginia Bank
6720 Sutton Rd.
Gloucester, VA 23061

Contact: Kenneth E. Smith
Exec. V.P. & Chief Financial Officer
Voice: 804/695-8082
Fax: 804/695-9340

April 30, 2008

For Immediate Release

Company Release – 04/30/2008

Colonial Virginia Bank Announces 1st Quarter 2008 Earnings

GLOUCESTER, Va., Apr 30-- Colonial Virginia Bank (OTCBB: CNVB) (“the Bank”), today reported net income of \$66,228 or \$0.11 per share assuming dilution, for the quarter ended March 31, 2008, compared with \$74,894, or \$0.12 per share assuming dilution, for the same period in 2007, representing 11.57% and 8.33% decreases, respectively.

The Bank relies primarily on net interest income (interest income on loans and investment minus interest expense on deposits) for its overall net income. Net interest income for the quarter-ended March 31, 2008 was \$736,536, compared to \$741,316 for the same period in 2007, a 0.64% decrease. Since the third quarter of 2007, the Federal Open Market Committee of the Federal Reserve System (“FOMC”) has slashed short-term interest rates in response to a nationwide concern over the economy, specifically the sub-prime mortgage sector. The FOMC cut rates 100 basis point between September 18 and December 11, 2007. Then, in a dramatic and unprecedented move the FOMC exercised an emergency rate cut of 75 basis points January 22, 2008, followed by a 50 basis point cut at its regular meeting January 30, 2008. Subsequent to those cuts, an additional rate cut of 75 basis points was implemented March 18, 2008. The Bank has established itself as a popular source of construction loan financing, which typically is priced as variable rate loans, floating continuously with the Prime Rate. Therefore, with the FOMC slashing rates in such a dramatic fashion, the Bank’s yield on earning assets has been negatively affected to a greater degree than its benefit of reduced cost of funds. The Bank, like many community banks, relies heavily on fixed rate consumer certificates of deposits (“CDs”) for the majority of its funding. Many of these CDs have maturities of 10 – 17 months; thus restricting the Bank’s ability to reduce rates paid, even in an environment of declining rates.

Non-interest income for the first quarter 2008 of \$157,084 represented a 173.04% increase over the \$57,532 level for the same period in 2007, boosted by increased fees on a growing base of deposit accounts, primarily debit card fees. Non-interest expense reflected a 12.32% increase for the first quarter 2008 compared to the same period in 2007, increasing from \$717,904 in 2007 to \$806,342 for the current quarter. The Bank’s return on average total assets of .27% for the current quarter-ended reflected a 9 basis points decline from the .36% for the same quarter 2007.

The Bank’s balance sheet reflected continued positive growth trends. Total assets were \$104.2 million at March 31, 2008, compared to \$95.5 million at December 31, 2007, (a 9.13% increase) and \$86.2 million at March 31, 2007, (a 20.8% increase). Net loans of \$55.1 million represented increases of 2.6% and 15.9% for the same periods, respectively. Total deposits for the current quarter end totaled \$87.3 million

compared to \$82.9 million at year-end 2007, (a 5.2% increase) and \$74.2 million March 31, 2007, (a 17.6% increase).

Non-performing assets (“NPAs”) as a percentage of total assets as of March 31, 2008, were 0.03% compared to 0.01% at March 31, 2007. Although a slight increase, the Bank considers the volume of NPAs to be at a manageable level and in no way reflecting the credit crises in the overall banking and financial sectors of the economy.

Bill Farinholt, President and CEO, stated, “the banking market in general is under tremendous pressure from the compression of net interest margins. With the rapid decrease in market rates and resultant reduction in asset yields combined with the subsequent lag in the adjustment of funding costs, the primary source of core earnings is being starved. The Bank continues to be committed to sound credit quality and not compromising quality simply to obtain higher yields. Asset growth is stable and alternate funds sources are a part of our long-term business plan.”

The Bank operates two full service retail bank offices, both located in Gloucester County, Virginia and offers full investment services through its investment division under the name of Colonial Virginia Investment Services. The Bank also offers mortgage services through Colonial Virginia Mortgage, LLC (“the mortgage company”), a 50% owned subsidiary joint with Johnson Mortgage Company, LLC (“JMC”).

The Bank’s stock is listed for trading on the Over the Counter Bulletin Board (OTCBB) under the symbol CNVB. The bank’s primary market maker is Davenport & Company LLC, Richmond, VA.

Additional information regarding the bank’s products and services, as well as access to its regulatory filings, are available on the bank’s web site at <http://www.colonialvabank.com>.

Use of Certain Non-GAAP Financial Measures. In addition to results presented in accordance with United States generally accepted accounting principles (GAAP), this earnings release includes certain non-GAAP financial measures, which are reconciled to their equivalent GAAP financial measures below. Management believes these non-GAAP financial measures provide information useful to investors in understanding the corporation’s performance trends and facilitate comparisons with its peers. Specifically, management believes the exclusion of a significant recovery of income recognized in a single accounting period permits a comparison of results for ongoing business operations, and it is on this basis that management internally assesses the corporation’s performance and establishes goals for future periods.

Although the corporation’s management believes the non-GAAP financial measures presented in this earnings release enhance investors’ understandings of its performance, these non-GAAP financial measures should not be considered an alternative to GAAP-basis financial statements.

Forward-Looking Statements. The statements contained in this press release that are not historical facts may constitute “forward-looking statements” as defined by the federal securities laws. These statements may address issues that involve estimates and assumptions made by management; risks and uncertainties, and actual results could differ materially from historical results or those anticipated by such statements. Factors that could have a material adverse effect on the operations and future prospects of the corporation include, but are not limited to, changes in: (1) interest rates, (2) general economic conditions, (3) demand for loan products, (4) the legislative/regulatory climate, (5) monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board, (6) the quality or composition of the loan or investment portfolios, (7) deposit flows, (8) competition, (9) demand for financial services in the Bank’s market area, (10) technology, (11) reliance on third parties for key services, and (12) accounting principles, policies and guidelines. These risks and uncertainties should be considered in evaluating the forward-looking statements contained herein, and readers are cautioned not to place undue reliance on such statements, which speak only as of their dates.

Balance Sheet (\$)	Y-Y			Q-Q	
	2008 Q1	2007 Q1	Ch (%)	2007 Q4	Ch (%)
<u>Loans Held for Investment, before Reserves</u>	55,547,806	47,845,623	16.10	54,149,886	2.58
<u>Loan Loss Reserve</u>	501,972	336,722	49.08	491,383	2.15
<u>Net Loans Receivable</u>	55,045,834	47,508,901	15.86	53,658,503	2.59
<u>Total Assets</u>	104,178,576	86,198,003	20.86	95,460,101	9.13
<u>Deposits</u>	87,298,746	74,205,931	17.64	82,948,701	5.24
<u>Common Equity</u>	11,788,327	11,135,399	5.86	11,505,954	2.45
<u>Total Shareholders' Equity</u>	11,788,327	11,135,399	5.86	11,505,954	2.45
<u>Shares Outstanding (actual)</u>	610,175	607,675	0.41	610,175	0.00

Income Statement (\$)	Y-Y			Q-Q	
	2008 Q1	2007 Q1	Ch (%)	2007 Q4	Ch (%)
<u>Net Interest Income</u>	736,536	741,316	(0.64)	779,637	(5.53)
<u>Provision for Loan Losses</u>	21,050	6,050	247.93	155,050	(86.42)
<u>Noninterest Income</u>	157,084	57,532	173.04	76,991	104.03
<u>Noninterest Expense</u>	806,342	717,904	12.32	1,053,095	(23.43)
<u>Net Income Before Taxes</u>	66,228	74,894	(11.57)	(351,517)	(118.84)
<u>Provision for Taxes</u>	0	0	--	(223,315)	(100.00)
<u>Net Income</u>	66,228	74,894	(11.57)	(128,202)	(151.66)

Per Share Items (\$)	Y-Y			Q-Q	
	2008 Q1	2007 Q1	Ch (%)	2007 Q4	Ch (%)
<u>Book Value Per Share</u>	19.32	18.32	5.43	18.86	2.44
<u>Diluted EPS Before Extra</u>	0.11	0.12	(8.33)	(0.21)	(152.38)
<u>Diluted EPS After Extra</u>	0.11	0.12	(8.33)	(0.21)	(152.38)
<u>Dividends Declared</u>	0.00	0.00	--	0.00	--

Performance Ratios (%)	Y-Y			Q-Q	
	2008 Q1	2007 Q1	Ch (bp)	2007 Q4	Ch (bp)
<u>ROAA</u>	0.27	0.36	(9)	(0.54)	81
<u>ROAE</u>	2.28	2.71	(43)	(4.42)	670
<u>Net Interest Margin</u>	3.28	3.91	(63)	3.63	(35)
<u>Loans / Deposits</u>	63.63	64.48	(85)	65.28	(165)
<u>Efficiency Ratio</u>	90.23	89.87	36	122.93	(3,270)

Balance Sheet Ratios (%)	Y-Y			Q-Q	
	2008 Q1	2007 Q1	Ch (bp)	2007 Q4	Ch (bp)
<u>Tangible Equity / Tangible Assets</u>	11.32	12.92	(160)	12.05	(73)
<u>Equity / Assets</u>	11.32	12.92	(160)	12.05	(73)

Asset Quality Ratios (%)			Y-Y Ch (bp)		Q-Q Ch (bp)
	2008 Q1	2007 Q1		2007 Q4	
<u>Nonperforming Assets / Assets</u>	0.03	0.01	2	0.07	(4)
<u>Loan Loss Reserves / Gross Loans</u>	0.90	0.70	20	0.91	(1)
<u>Loan Loss Reserves / NPAs</u>	1,434.21	NM	NM	784.83	64,938
<u>Net Charge-offs / Avg Loans</u>	0.02	0.00	2	0.04	(2)

Regulatory Capital Ratios (%)			Y-Y Ch (bp)		Q-Q Ch (bp)
	2008 Q1	2007 Q1		2007 Q4	
<u>Tier 1 Capital Ratio</u>	16.90	19.57	(267)	17.51	(61)

SOURCE Colonial Virginia Bank

Contact: Kenneth E. Smith, Executive Vice President & CFO of Colonial Virginia Bank, 1-804-695-9300