

**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 31, 2007

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 October 31, 2007 Colonial Virginia Bank issued a news release announcing its financial results for the quarter ended September 30, 2007. 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 October 31, 2007.

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: October 31, 2007

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 October 31, 2007

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
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October 31, 2007

For Immediate Release

Company Release – 10/31/2007

Colonial Virginia Bank Announces Growth plans and Third Quarter 2007 Earnings

GLOUCESTER, Va., Oct 31-- Colonial Virginia Bank (OTCBB: CNVB) (“the Bank”), today formally announced its plans to open its third office. The office will be located in New Kent Courthouse as a part of a planned unit development, to be known as Maidstone. New Kent County (a bedroom community for the greater Richmond metropolitan area) is one of the fastest growing counties in Virginia. Said President and CEO Bill Farinholt, “We are excited about this promising growth area that will include both commercial and retail consumer growth opportunities for the Bank. The Bank’s office will in the heart of the concentration of county operations, the county Court House, the county’s school complex, and other government services. Maidstone will include commercial business and residential housing and promises to be a focal point for the future of New Kent County.”

The Bank also reported net income of \$66,962 or \$0.11 per share assuming dilution, for the quarter ended September 30, 2007, compared with \$140,877, or \$0.23 per share assuming dilution, for the same period in 2006. The 2007 figure reflects an increase of \$40,419 in pension expense over the 2006 amount under the Bank’s Supplemental Executive Retirement Plan (“SERP”). This increase was prompted by an accounting rules change associated with FAS 158, which became effective December 15, 2006, and will cause year over year comparisons to be skewed until the Bank has completed two consecutive years under the new accounting rules. The accounting statement issued by the Financial Accounting Standards Board (“FASB”) addressed the accounting periods in which pension expenses and corresponding accrued liabilities are recognized. The total expense during the working life of the plan does not change, but only the accounting periods in which they are recorded. Therefore, more of the total expense will now be recorded in the earlier years than under previous accounting rules. Conversely, expense in the later years of the plan will be less than under previous accounting rules.

Several other factors contributed to the earnings decline, primarily the following increases in operating expenses. First, the Bank made a strategic decision to expand a formalized advertising / marketing campaign to more rapidly grow its market share through brand identification and public visibility. In the current quarter, this campaign resulted in an increase of \$14,182 over the \$22,560 expensed in the same quarter in 2006. This effort has contributed to positive balance sheet growth (discussed below), with results earlier this year producing growth in total deposits, but also yielding measurable loan growth in the latter portion of the current quarter. Secondly, the Bank experienced an increase of \$11,135 (\$13,000 September 30, 2007 compared to \$1,865 September 30, 2006) in its FDIC deposit insurance premium for the current quarter as a result of strong deposit growth. Third, the Bank expensed \$20,000 in the current quarter to bolster the Allowance for Loan and Lease Losses (ALLL), compared to \$0 for the same period in 2006. This was the result of growth in loan volume and not an identification of any losses imbedded in the

loan portfolio, as the Bank continues to enjoy strong asset quality. Lastly, the Bank expensed \$24,750 in audit fees in the current quarter compared to \$14,850 during the same period in 2006 resulting from increased audit coverage required by the Sarbanes-Oxley Act, with which the Bank must comply in 2007 for the first time. These combined expense increases total \$93,851. Absent these increases, the Bank's operations would have reflected net income of \$160,813 or a \$19,936 (14.2%) over the same period in 2006.

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 September 30, 2007 was \$797,453, compared to \$753,699 for the same period in 2006. Non-interest income for the third quarter 2007 of \$64,066 compared to the \$57,330 level for the same period in 2006, boosted by increased fees on a growing base of deposit accounts. Non-interest expense for the third quarter 2007 was \$773,507 compared to \$658,102 for the same period in 2006, with the primary factors for the increase discussed above.

The Bank's balance sheet reflected continued positive growth trends. Total assets were \$93.1 million at September 30, 2007, compared to \$81.2 million at December 31, 2006, (a 14.7% increase) and \$77.7 million at September 30, 2006, (a 19.8% increase). Net loans of \$51.0 million represented increases of 3.04% and 22.6% for the same periods, respectively. Total deposits for the current quarter end totaled \$80.6 million compared to \$69.4 million at year-end 2006, and \$66.3 million September 30, 2006. Non-performing loans decreased from \$67,600 at June 30, 2007 to \$30,000 September 30, 2007. The Bank expects only a modest loss possibility within these credits.

Bill Farinholt, President and CEO, stated, "Steady growth continues and efforts to increase our brand image are proceeding according to the Bank's original plans since opening in November 2003. Operating performance of the Bank has been satisfactory, especially in light of increased regulatory pressure discussed above and the somewhat volatile interest rate environment over the past 12 months. The growth of the balance sheet continues in a positive direction. Particularly pleasing has been the growing loan demand. The Bank's philosophy not to compromise its underwriting standards and sound credit quality for the sake of growth continues to be the underpinnings of stable earnings without interruptions of unexpected loan losses. We look forward to a positive fourth quarter 2007, and exciting year in 2008."

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 services are offered through the Bank's two banking offices. JMC is headquartered in Newport News, Virginia.

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	
	2007 Q3	2006 Q3	Ch (%)	2007 Q2	Ch (%)
<u>Loans Held for Investment, before Reserves</u>	51,305,529	41,952,275	22.29	49,426,970	3.80
<u>Loan Loss Reserve</u>	348,694	307,433	13.42	344,573	1.20
<u>Net Loans Receivable</u>	50,956,835	41,644,842	22.36	49,082,397	3.82
<u>Total Assets</u>	93,053,967	77,694,181	19.77	89,202,595	4.32
<u>Deposits</u>	80,549,741	66,279,193	21.53	77,159,952	4.39
<u>Common Equity</u>	11,510,030	10,979,799	4.83	11,163,557	3.10
<u>Total Shareholders' Equity</u>	11,510,030	10,979,799	4.83	11,163,557	3.10
<u>Shares Outstanding (actual)</u>	610,175	607,675	0.41	610,175	0.00
Income Statement (\$)			Y-Y	Q-Q	
	2007 Q3	2006 Q3	Ch (%)	2007 Q2	Ch (%)
<u>Net Interest Income</u>	797,453	752,699	5.95	769,943	3.57
<u>Provision for Loan Losses</u>	21,050	11,050	90.50	8,550	146.20
<u>Noninterest Income</u>	64,066	57,330	11.75	65,604	(2.34)
<u>Noninterest Expense</u>	773,507	658,102	17.54	743,343	4.06
<u>Net Income Before Taxes</u>	66,962	140,877	(52.47)	83,654	(19.95)
<u>Provision for Taxes</u>	0	0	--	0	--
<u>Net Income</u>	66,962	140,877	(52.47)	83,654	(19.95)
Per Share Items (\$)			Y-Y	Q-Q	
	2007 Q3	2006 Q3	Ch (%)	2007 Q2	Ch (%)
<u>Book Value Per Share</u>	18.86	18.07	4.40	18.30	3.08
<u>Diluted EPS Before Extra</u>	0.11	0.23	(52.17)	0.14	(21.43)
<u>Diluted EPS After Extra</u>	0.11	0.23	(52.17)	0.14	(21.43)
<u>Dividends Declared</u>	0.00	0.00	--	0.00	--
Performance Ratios (%)			Y-Y	Q-Q	
	2007 Q3	2006 Q3	Ch (bp)	2007 Q2	Ch (bp)
<u>ROAA</u>	0.29	0.74	(45)	0.38	(9)
<u>ROAE</u>	2.37	5.21	(284)	3.00	(63)
<u>Net Interest Margin</u>	3.84	4.42	(58)	3.87	(3)
<u>Loans / Deposits</u>	63.69	63.30	39	64.06	(37)
<u>Efficiency Ratio</u>	89.78	81.24	854	88.96	82
Balance Sheet Ratios (%)			Y-Y	Q-Q	
	2007 Q3	2006 Q3	Ch (bp)	2007 Q2	Ch (bp)
<u>Tangible Equity / Tangible Assets</u>	12.37	14.13	(176)	12.51	(14)
<u>Equity / Assets</u>	12.37	14.13	(176)	12.51	(14)

Asset Quality Ratios (%)			Y-Y		Q-Q
	2007 Q3	2006 Q3	Ch (bp)	2007 Q2	Ch (bp)
<u>Nonperforming Assets / Assets</u>	0.04	0.00	4	0.08	(4)
<u>Loan Loss Reserves / Gross Loans</u>	0.70	0.73	(3)	0.70	0
<u>Loan Loss Reserves / NPAs</u>	NM	NM	NM	NM	NM
<u>Net Charge-offs / Avg Loans</u>	0.01	0.07	(6)	0.00	1
Regulatory Capital Ratios (%)			Y-Y		Q-Q
	2007 Q3	2006 Q3	Ch (bp)	2007 Q2	Ch (bp)
<u>Tier 1 Capital Ratio</u>	18.35	21.60	(325)	18.89	(54)

SOURCE Colonial Virginia Bank

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