NEWS RELEASE

Colony Bankcorp, Inc. Announces First Quarter Results

2009-04-24

FITZGERALD, Ga., April 24, 2009 (GLOBE NEWSWIRE) -- Colony Bankcorp, Inc. (Nasdaq:CBAN), today reported net income of $1,078,000, or $0.11 per diluted share for the first quarter of 2009, down 51.29 percent from first quarter 2008 net income of $2,213,000, or $0.31 per diluted share. The continued downturn of the housing and real estate market that began in 2007 and the economy in general has contributed to financial results well below our historic standards. Challenges in the housing and real estate market continued to have a significant impact on our loan portfolio and earnings in the first quarter. The Company's net income was impacted primarily from increased provisions for loan losses. "Credit quality issues and a slowing economy have created an unprecedented operating environment for the banking industry. Though first quarter earnings are disappointing, our solid core earnings continue to provide strong support for loss provisions needed to cover our problem loan losses. We remain committed to aggressively moving through this down economic cycle in a timely and prudent manner," said Al D. Ross, President and Chief Executive Officer.

The Company continues to closely monitor our real estate dependent loans and focus on asset quality. Non-performing assets increased to $53.1 million, or 5.45 percent of total loans and other real estate owned as of March 31, 2009. This compares to $48.2 million, or 4.95 percent as of December 31, 2008 and $18.2 million, or 1.92 percent as of March 31, 2008. The increase in non-performing assets ties directly to the elevated risk in our residential and land development loan portfolio and has resulted in increased loan loss provisions in 2009 compared to 2008; thus a significant negative impact on our 2009 net income. The first quarter 2009 provision for loan losses were $4,225,000 compared to $1,071,000 for the same period in 2008. Unusually high levels of loan loss provision have been required as company management addresses asset quality deterioration associated with the continued economic downturn.

In the first quarter of 2009 net charge-offs were $2,245,000, or 0.23 percent of average loans as compared to net

charge-offs of $1,364,000, or 0.14 percent of average loans in first quarter 2008. The loan loss reserve was $19 million on March 31, 2009, or 1.97 percent of total loans compared to $15.2 million or 1.61 percent on March 31, 2008. Management believes that recent contributions to Allowance for Loan Losses adequately address the increase in non-performing assets and the related increase in classified assets. "While the economy has given little indication of stabilizing, our strategy will be the same to recognize and move problem assets through our process as quickly as possible," said Ross. "We expect problem assets and charge-offs to be elevated above historical levels as we work through our problem assets, but our strong capital position enables us to absorb losses without impairing the company's financial soundness."

Another significant factor negatively impacting earnings has been the reduction of net interest income. Net interest income decreased to $9,060,000 in first quarter 2009 compared to $9,605,000 in first quarter 2008. This reduction ties directly to the aggressive posture taken by Federal Reserve as they lowered interest rates an almost unprecedented 400 basis points during 2008 to combat the downturn in the real estate market and recessionary fears. The significant rate reduction along with the impact of loans being placed on non-accrual status in which interest receivable is reversed and interest accrual discontinued resulted in Colony's net interest margin declining to 3.06 percent in first quarter 2009 compared to 3.44 percent in first quarter 2008. We expect margin improvement in 2009 as we re-price our liabilities in response to the current interest rate environment. Also the Company began efforts during 2008 to establish floors on variable rate loans to minimize the impact of sharp declines in indexes on which the Company normally sets loan pricing.

On a positive note, noninterest income was boosted significantly during first quarter 2009 as the Company executed a bond swap to restructure its bond portfolio. Colony realized gross gains on the sale of securities of $2,317,000, or after tax income of $1,529,000. The transaction allowed Colony to sell mortgage-backed securities at a gain to build capital to protect against non-performing loans in the loan portfolio; to take advantage of mortgage-backed pricing due to unprecedented market factors; to add exposure to ARM mortgage-backed securities with 2-4 years of lock out before adjustment period; and to better position for a rising rate environment in the future.

During 2008 the Company merged all of its operations into one sole operating subsidiary which allowed the Company to implement operational enhancements. First quarter 2009 noninterest expense was $7,361,000, or a reduction of 5.11 percent from first quarter 2008 noninterest expense of $7,757,000. This improvement was accomplished while at the same time Colony experienced an increase in FDIC insurance assessment to $404 thousand in first quarter 2009 compared to $118 thousand in first quarter 2008 and repossession/foreclosure expense increased to $231 thousand from $44 thousand in the same period.

The Company had total assets of $1,283,005,000, gross loans of $962,822,000, total deposits of $1,011,695,000 and total equity of $109,527,000 at March 31, 2009. Common shareholders' equity to total assets was 6.41 percent at

March 31, 2009 compared to 7.26 percent at March 31, 2008.

Colony continues to maintain a strong capital position, which was strengthened by the completion of the sale on January 9, 2009 of $28 million in preferred stock and warrants to the U.S. Treasury through its Capital Purchase Program. At March 31, 2009, the company's capital ratios were as follows: Tier 1 Risk-Based Capital of 11.83 percent, Leverage ratio of 9.04 percent and Total Risk-Based Capital of 14.86 percent. Utilization of these funds during first quarter 2009 were new and renewed loan originations totaling $198 million, of which $79 million represented new loan extensions either funded or committed. Also, new mortgage-backed securities purchased during first quarter 2009 resulted in a net increase of mortgage-backed security holdings of approximately $38 million.

During the quarter the board of directors declared a quarterly cash dividend of $0.0975 per share compared to $0.0975 declared in first quarter 2008. Though earnings declined from 2008 due to aggressively addressing problem loans during this economic downturn, the capital position of Colony allowed the board to remain comfortable holding the dividend payout at its current level. To be categorized as "well-capitalized" by regulatory requirements, a company must maintain a 10 percent total capital to risk-based assets ratio. At March 31, 2009, Colony remained in excess of the regulatory requirement as its total capital to risk-based assets ratio was 14.86 percent.

Colony Bankcorp, Inc. is a bank holding company headquartered in Fitzgerald, Georgia that consists of one operating subsidiary, Colony Bank. The Company conducts a general full service commercial, consumer and mortgage banking business through thirty offices located in the middle and south Georgia cities of Fitzgerald, Warner Robins, Centerville, Ashburn, Leesburg, Cordele, Albany, Thomaston, Columbus, Sylvester, Tifton, Moultrie, Douglas, Broxton, Savannah, Eastman, Chester, Soperton, Rochelle, Pitts, Quitman and Valdosta, Georgia.

Colony Bankcorp, Inc. Common Stock is quoted on the Nasdaq National Market under the symbol "CBAN".

Certain statements contained in the preceding release that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"), notwithstanding that such statements are not specifically identified. In addition, certain statements may be contained in the Company's future filings with the SEC, in press releases, and in oral and written statements made by or with the approval of the Company that are not statements of historical fact and constitute forward-looking statements within the meaning of the Act. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, income or loss, earnings or loss per share, the payment or nonpayment of dividends, capital structure and other financial items; (ii) statement of plans and objectives of Colony Bankcorp, Inc. or its management or Board of Directors, including those relating to products or services; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Words such as "believes,"

"anticipates," "expects," "intends," "targeted" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those in such statements. Forward-looking statements speak only as of the date on which such statements are made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events. Readers are cautioned not to place undue reliance on these forward-looking statements.

COLONY BANKCORP, INC.
FINANCIAL HIGHLIGHTS (UNAUDITED)
DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

	QUARTER ENDED		YEAR-TO-DATE	
EARNINGS SUMMARY	03/31/09	03/31/08	03/31/09	03/31/08
Net Interest Income	$9,060	$9,605	$9,060	$9,605
Provision for Loan Losses	4,225	1,071	4,225	1,071
Non-interest Income	3,962	2,371	3,962	2,371
Non-interest Expense	7,361	7,757	7,361	7,757
Income Taxes	358	935	358	935
Net Income	1,078	2,213	1,078	2,213
Preferred Stock Dividend	315	--	315	--
Net Income Available to Common Shareholders	763	2,213	763	2,213

	QUARTER ENDED		YEAR-TO-DATE	
PER COMMON SHARE SUMMARY	03/31/09	03/31/08	03/31/09	03/31/08
Common Shares Outstanding	7,231,163	7,216,113	7,231,163	7,216,113
Weighted Average Basic Shares	7,202,865	7,191,861	7,202,865	7,191,861
Weighted Average Diluted Shares	7,202,865	7,191,861	7,202,865	7,191,861
Earnings Per Basic Share (b)	$0.11	$0.31	$0.11	$0.31
Earnings Per Diluted Share (b)	$0.11	$0.31	$0.11	$0.11
Dividends Declared Per Share	$0.09	$0.09	$0.09	$0.0975
Common Book Value Per Share	$11.38	$11.92	$11.38	$11.92

Tangible Book Value Per Share	$11.00	$11.53	$11.00	$11.53

	QUARTER ENDED		YEAR-TO-DATE	
OPERATING RATIOS (1)	03/31/09	03/31/08	03/31/09	03/31/08
Net Interest Margin (a)	3.06%	3.44%	3.06%	3.44%
Return on Average Assets (b)	0.24%	0.74%	0.24%	0.74%
Return on Average Common Equity (b)	3.63%	10.38%	3.63%	10.38%
Efficiency (c)	68.25%	67.45%	68.25%	67.45%

(1) Annualized
(a) Computed using fully taxable-equivalent net income
(b) Computed using net income available to shareholders
(c) Computed by dividing non-interest expense by the sum of fully taxable-equivalent net interest income and non-interest income and excluding any security gains/losses.

	QUARTER ENDED	
	03/31/09	03/31/08
ENDING BALANCES		
Total Assets	$1,283,005	$1,185,226
Loans, Net of Reserves	943,674	927,958
Allowance for Loan Losses	18,996	15,220
Goodwill	2,412	2,412
Intangible Assets	358	393
Deposits	1,011,695	993,556
Common Shareholders' Equity	82,277	86,014
Common Equity to Total Assets	6.41%	7.26%

	QUARTER ENDED		YEAR-TO-DATE	
AVERAGE BALANCES	03/31/09	03/31/08	03/31/09	03/31/08
Total Assets	$1,268,612	$1,190,063	$1,268,612	$1,190,063
Loans, Net of Reserves	939,326	931,352	939,326	931,352
Deposits	999,172	998,685	999,172	998,685
Common Shareholders' Equity	84,118	85,260	84,118	85,260

	QUARTER ENDED		YEAR-TO-DATE	
ASSET QUALITY	03/31/09	03/31/08	03/31/09	03/31/08
Nonperforming Loans	$40,166	$14,438	$40,166	$14,438
Nonperforming Assets	53,130	18,196	53,130	18,196
Net Loan Chg-offs				

(Recoveries)	2,245	1,364	2,245	1,364
Reserve for Loan Loss to Gross Loans	1.97%	1.61%	1.97%	1.61%
Reserve for Loan Loss to Non-performing Loans	47.29%	105.42%	47.29%	105.42%
Reserve for Loan Loss to Non-performing Assets	35.75%	83.64%	35.75%	83.64%
Net Loan Chg-offs (Recoveries) to Avg Gross Loans	0.23%	0.14%	0.23%	0.14%
Nonperforming Loans to Gross Loans	4.17%	1.53%	4.17%	1.53%
Nonperforming Assets to Total Assets	4.14%	1.54%	4.14%	1.54%
Nonperforming Assets to Total Loans And Other Real Estate	5.45%	1.92%	5.45%	1.92%

Quarterly Comparative Data (in thousands, except per share data)

	1Q2009	4Q2008	3Q2008	2Q2008	1Q2008
Assets	$1,283,005	$1,252,782	$1,215,330	$1,211,212	$1,185,226
Loans	943,674	943,841	952,504	936,608	927,958
Deposits	1,011,695	1,006,992	977,752	976,322	993,556
Common Share-holders' Equity	82,277	83,215	82,806	83,823	86,014
Net Income	1,078	(670)	194	292	2,213
Net Income Available to Common Shareholders	763	(670)	194	292	2,213
Net Income Per Share	0.11	(0.09)	0.03	0.04	0.31
Dividends Declared Per Share	0.0975	0.0975	0.0975	0.0975	0.0975

Key Performance Ratios	1Q2009	4Q2008	3Q2008	2Q2008	1Q2008
Return on Assets (1)	0.24%	(0.22)%	0.06%	0.10%	0.74%

Return on Equity (1)	3.63%	(3.25)%	0.93%	1.36%	10.38%
Common Equity to Total Assets	6.41%	6.64%	6.81%	6.92%	7.26%
Net Interest Margin	3.06%	3.18%	3.34%	3.24%	3.44%

(1) Computed using net income available to shareholders

Consolidated Balance Sheets Colony Bankcorp, Inc.
(in thousands)

	Mar. 31, 2009	Mar. 31, 2008
	(unaudited)	(audited)
ASSETS		
Cash and Cash Equivalents		
Cash and Due from Banks	$21,485	$24,457
Federal Funds Sold	--	12,697
	21,485	37,154
Interest-Bearing Deposits	373	1,279
Investment Securities		
Available for Sale, at Fair Value	244,549	156,004
Held for Maturity, at Cost (Fair Value of $64 and $73 as of Mar. 31, 2008 and Mar 31, 2007, Respectively)	62	68
	244,611	156,072
Federal Home Loan Bank Stock, at Cost	6,345	5,395
Loans	962,822	943,412
Allowance for Loan Losses	(18,996)	(15,220)
Unearned Interest and Fees	(152)	(234)
	943,674	927,958
Premises and Equipment	29,579	28,527
Other Real Estate	12,964	3,758
Goodwill	2,412	2,412

Other Intangible Assets	358	393
Other Assets	21,204	22,278
Total Assets	$1,283,005	$1,185,226
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Noninterest-Bearing	$70,365	$76,600
Interest-Bearing	941,330	916,956
	1,011,695	993,556
Borrowed Money		
Federal Funds Purchased	1,178	2,917
Securities Sold Under Agreements to Repurchase	40,000	--
Subordinated Debentures	24,229	24,229
Other Borrowed Money	91,000	70,900
	156,407	98,046
Other Liabilities	5,376	7,610
Stockholders' Equity		
Preferred Stock, Par Value $1,000; Authorized 10,000,000 Shares, Issued 28,000 Shares	27,250	--
Common Stock, Par Value $1; Authorized 20,000,000 Shares, Issued 7,231,163 and 7,216,113 Shares	7,231	7,216
Paid in Capital	25,407	24,601
Retained Earnings	51,326	53,596
Restricted Stock- Unearned Compensation	(314)	(410)
Accumulated Other Comprehensive Loss, Net of Tax	(1,373)	1,011
	109,527	86,014
Total Liabilities and Stockholders' Equity	$1,283,005	$1,185,226

Consolidated Statements of Income Colony Bankcorp, Inc.
(in thousands except per share data)

	Quarter		Year-to-Date	
	Three Months Ended		Three Months Ended	
	03/31/09	03/31/08	03/31/09	03/31/08
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest Income				
Loans, Including Fees	$14,197	$18,351	$14,197	$18,351
Federal Funds Sold	5	155	5	155
Deposits with Other Banks	--	11	--	11
Investment Securities				
U.S. Government Agencies	2,047	1,679	2,047	1,679
State, County and Municipal	88	138	88	138
Corporate Obligations/ Asset-Backed Sec	123	94	123	94
Dividends on Other Investments	--	84	--	84
	--	--	--	--
	16,460	20,512	16,460	20,512
Interest Expense				
Deposits	6,173	9,672	6,173	9,672
Federal Funds Purchased and Repurchase Agreements	232	27	232	27
Borrowed Money	995	1,208	995	1,208
	7,400	10,907	7,400	10,907
Net Interest Income	9,060	9,605	9,060	9,605
Provision for Loan Losses	4,225	1,071	4,225	1,071
Net Interest Income After Provision for Loan Losses	4,835	8,534	4,835	8,534
Noninterest Income				
Service Charges on Deposits	988	1,165	988	1,165
Other Service Charges, Commissions and Fees	236	254	236	254
Mortgage Fee Income	102	169	102	169
Securities Gains	2,317	570	2,317	570
Other	319	213	319	213

	3,962	2,371	3,962	2,371
Noninterest Expense				
Salaries and Employee Benefits	3,807	4,403	3,807	4,403
Occupancy and Equipment	1,009	1,007	1,009	1,007
Other	2,545	2,347	2,545	2,347
	7,361	7,757	7,361	7,757
Income Before Income Taxes	1,436	3,148	1,436	3,148
Income Taxes	358	935	358	935
Net Income	$1,078	$2,213	$1,078	$2,213
Preferred Stock Dividends	315	--	315	--
Net Income Available to Common Shareholders	$763	$2,213	$763	$2,213
Net Income Per Share of Common Stock				
Basic	$0.11	$0.31	$0.11	$0.31
Diluted	$0.11	$0.31	$0.11	$0.31
Weighted Average Basic Shares Outstanding	7,202,865	7,191,861	7,202,865	7,191,861
Weighted Average Diluted Shares Outstanding	7,202,865	7,191,861	7,202,865	7,191,861

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