NEWS RELEASE

Colony Bankcorp, Inc. Announces Second Quarter Results

2008-07-18

FITZGERALD, Ga., July 18, 2008 (PRIME NEWSWIRE) -- Colony Bankcorp, Inc. (Nasdaq:CBAN), today reported quarterly net income of $292,000 for the second quarter of 2008, down 89.19 percent from second quarter 2007 net income of $2,702,000, while net income for six months ended June 30, 2008 was $2,505,000, down 51.60 percent from six months ended June 30, 2007 of $5,176,000. The first half of 2008 has proven to be very challenging for Colony and the entire banking industry. 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. Real estate loans originally extended for land development, construction, and resale required additional loan loss provisions during second quarter 2008. "Problem loans are centered primarily in land development in our larger MSA markets and we will maintain an aggressive posture with these types of credits. Our core earnings, along with manageable credit exposure in real estate dependent loans, allow us to work through this difficult economic period with a strong capital structure," 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 during this economic downturn. Non-performing assets increased to $21.2 million, or 2.21 percent of total loans and other real estate owned as of June 30, 2008. This compares to $18.2 million, or 1.92 percent as of March 31, 2008, $16.3 million, or 1.73 percent as of December 31, 2007 and $6.9 million, or 0.72 percent as of June 30, 2007. The increase in non-performing assets ties directly to the elevated risk in our residential and land development loan portfolio given the economic turndown and has resulted in increased loan loss provisions in first half 2008 compared to first half 2007; this resulted in a significant negative impact on our 2008 net income. The second quarter 2008 provision for loan losses were $4,071,000 compared to $914,000 for the same period in 2007, while year to date 2008 provision for loan losses were $5,142,000 compared to $1,828,000 for the same year ago period. We have been aggressive in identifying and addressing problem loans and writing them down to current values. On a positive

note, during second quarter 2008 we were able to reduce our other real estate holdings at March 31, 2008 by $560,000 with minimal loss on the properties sold.

In the second quarter of 2008 net charge-offs were $1,825,000, or 0.19 percent of average loans compared to $437,000, or 0.05 percent of average loans in second quarter 2007, while net charge-offs for first half 2008 were $3,189,000, or 0.34 percent of average loans compared to $1,170,000, or 0.13 percent of average loans in first half 2007. The loan loss reserve of $17.47 million on June 30, 2008 was 1.83 percent of total loans compared to $15.51 million or 1.64 percent on December 31, 2007 and to $12.65 million on June 30, 2007, or 1.33 percent. 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.

Another significant factor negatively impacting earnings has been the reduction of net interest income. Net interest income decreased to $9,043,000 in second quarter 2008 compared to $10,825,000 in second quarter 2007, while net interest income decreased to $18,648,000 in first half 2008 compared to $21,276,000 in first half 2007. This reduction ties directly to the aggressive posture taken by Federal Reserve to combat the downturn in the real estate market and recessionary fears as they lowered interest rates 225 basis points in January 2008 - April 2008. The significant rate reduction along with sluggish loan activity resulted in Colony's net interest margin declining to 3.24 percent in second quarter 2008 compared to 3.86 percent in second quarter 2007 and net interest margin declining to 3.34 percent in first half 2008 compared to 3.78 percent in first half 2007. On a positive note, it appears that the Federal Reserve is now in a neutral position tilted toward increasing interest rates in late 2008 or early 2009; thus, Colony has weathered the almost unprecedented reduction of interest rates by the Federal Reserve and should show significant margin improvement the balance of the year. Net interest margin is projected to improve to approximately 3.65 percent in the last half of 2008 or an improvement of 41 basis points over second quarter 2008 net interest margin.

Good solid core earnings have allowed Colony to absorb the additional loan loss provisions and the reduction in net interest margin to post a slight profit for the quarter. Of significance with earnings was an increase in non-interest income to $3,034,000 in second quarter 2008 compared to $2,056,000 in the same year ago period and a reduction in non-interest expense to $7,714,000 in second quarter 2008 from $7,965,000 for the same year ago period. Non-interest income included $614,000 in gains realized from the sale of securities and a gain of $670,000 resulting from unwinding a $19 million FHLB advance position. Non-interest expense reduction has primarily been in salary and benefits as the company has seen its employee headcount reduced due to normal attrition and a reversal of incentive payout accruals during second quarter 2008.

The company expects to complete a number of operation enhancements that will improve the company's overall efficiency. The company will consolidate its seven banking subsidiaries into a single banking charter during the third

quarter of 2008. The improvement plans, which began in 2006, will enable the company to align products, pricing, and marketing efforts while re-allocating resources to support management's future growth strategies. Future earnings should benefit positively beginning in 2009. A separate press release in the near term will further detail this company initiative.

The Company had total assets of $1,211,212,000, gross loans of $954,287,000, total deposits of $976,322,000 and total equity of $83,823,000 at June 30, 2008. Shareholder equity to total assets was 6.92 percent at June 30, 2008 compared to 6.63 percent at June 30, 2007.

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 and to $0.09 per share in second quarter 2007. Though earnings declined significantly in the second quarter, the strong 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 June 30, 2008, Colony remained well in excess of the regulatory requirement as its total capital to risk-based assets ratio was 12.39 percent. "With this capital level, Colony has significant amounts of excess capital which, coupled with our reserves, will allow us to remain strong during this period of economic uncertainty," said Mr. Ross.

Colony Bankcorp, Inc. is a multi-bank holding company headquartered in Fitzgerald, Georgia that consists of the following subsidiaries: Colony Bank of Fitzgerald, Colony Bank Wilcox, Colony Bank Ashburn, Colony Bank of Dodge County, Colony Bank Worth, Colony Bank Southeast, Colony Bank Quitman, FSB, Georgia First Mortgage Company and Colony Management Services, Inc. The Company conducts a general full service commercial, consumer and mortgage banking business through twenty-nine 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	06/30/08	06/30/07	06/30/08	06/30/07
Net Interest Income	$9,043	$10,825	$18,648	$21,276
Provision for Loan Losses	4,071	914	5,142	1,828
Non-interest Income	3,034	2,056	5,405	4,166
Non-interest Expense	7,714	7,965	15,471	15,874
Income Taxes	--	1,300	935	2,564
Net Income	292	2,702	2,505	5,176
Operating Income	(113)	2,701	1,724	5,053

	QUARTER ENDED		YEAR-TO-DATE	
PER SHARE SUMMARY	06/30/08	06/30/07	06/30/08	06/30/07
Common Shares Outstanding	7,215,463	7,204,775	7,215,463	7,204,775
Weighted Average Diluted Shares	7,197,607	7,197,645	7,194,734	7,196,193
Net Income Per Weighted Average Diluted Shares	$0.04	$0.38	$0.35	$0.72
Operating Income Per Weighted Average Diluted Shares	$(0.02)	$0.38	$0.24	$0.70
Dividends Declared Per Share	$0.0975	$0.09	$0.195	$0.1775

	QUARTER ENDED		YEAR-TO-DATE	
OPERATING RATIOS (1)	06/30/08	06/30/07	06/30/08	06/30/07
Net Interest Margin (a)	3.24%	3.86%	3.34%	3.78%

Return on Average Assets				
Based on Net Income	0.10%	0.91%	0.42%	0.86%
Return on Average Assets				
Based on Operating Income	(0.04)%	0.91%	0.29%	0.84%
Return on Average Equity				
Based on Net Income	1.36%	13.58%	5.86%	13.17%
Return on Average Equity				
Based on Operating Income	(0.53)%	13.57%	4.03%	12.86%
Efficiency (b)	66.85%	61.42%	67.15%	62.43%

	QUARTER ENDED	
ENDING BALANCES	06/30/08	06/30/07
Total Assets	$1,211,212	$1,203,777
Loans Held for Sale	--	380
Loans, Net of Reserves	936,608	940,406
Allowance for Loan Losses	17,466	12,647
Goodwill	2,412	2,412
Intangible Assets	384	420
Deposits	976,322	1,021,743
Stockholders' Equity	83,823	79,858
Book Value Per Share	$11.62	$11.08
Tangible Book Value Per Share	$11.23	$10.69
Shareholders' Equity to		
Total Assets	6.92%	6.63%

	QUARTER ENDED		YEAR-TO-DATE	
AVERAGE BALANCES	06/30/08	06/30/07	06/30/08	06/30/07
Total Assets	$1,185,944	$1,192,780	$1,188,001	$1,198,792
Loans, Net of Reserves	937,686	929,996	932,589	922,854
Deposits	978,477	1,019,149	989,790	1,026,235
Stockholders' Equity	85,659	79,599	85,483	78,580

	QUARTER ENDED		YEAR-TO-DATE	
ASSET QUALITY	06/30/08	06/30/07	06/30/08	06/30/07
Nonperforming Loans	$17,953	$5,431	$17,953	$5,431
Nonperforming Assets	21,151	6,865	21,151	6,865
Net Loan Chg-offs				
(Recoveries)	1,825	437	3,189	1,170
Reserve for Loan Loss to				
Gross Loans	1.83%	1.33%	1.83%	1.33%
Reserve for Loan Loss to				
Non-performing Loans	97.29%	232.87%	97.29%	232.87%

Reserve for Loan Loss to Non-performing Assets	82.58%	184.22%	82.58%	184.22%
Net Loan Chg-offs (Recoveries)to Avg. Gross Loans	0.19%	0.05%	0.34%	0.13%
Nonperforming Loans to Gross Loans	1.88%	0.57%	1.88%	0.57%
Nonperforming Assets to Total Assets	1.75%	0.57%	1.75%	0.57%
Nonperforming Assets to Gross Loans And Other Real Estate	2.21%	0.72%	2.21%	0.72%

(1) Annualized
(a) Computed using fully taxable-equivalent net income
(b) 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

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

	2Q2008	1Q2008	4Q2007	3Q2007	2Q2007
Assets	$1,211,212	$1,185,226	$1,208,776	$1,213,270	$1,203,777
Loans	936,608	927,958	929,465	954,066	940,786
Deposits	976,322	993,556	1,018,602	1,018,755	1,021,743
Equity	83,823	86,014	83,743	82,921	79,858
Net Income	292	2,213	752	2,619	2,702
Net Income Per Share	0.04	0.31	0.10	0.36	0.38
Dividends Declared Per Share	0.0975	0.0975	0.095	0.0925	0.09

Key Performance Ratios	2Q2008	1Q2008	4Q2007	3Q2007	2Q2007
Return on Assets	0.10%	0.74%	0.25%	0.87%	0.91%
Return on Equity	1.36%	10.38%	3.58%	12.87%	13.58%
Equity/Assets	6.92%	7.26%	6.94%	6.83%	6.63%
Net Interest Margin	3.24%	3.44%	3.64%	3.81%	3.86

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

	June 30, 2008	June 30, 2007
	---	---

	(unaudited)	(unaudited)
ASSETS		
Cash and Cash Equivalents		
Cash and Due from Banks	$27,478	$28,128
Federal Funds Sold	5,579	16,705
	33,057	44,833
Interest-Bearing Deposits	1,783	2,199
Investment Securities		
Available for Sale, at Fair Value	177,054	155,305
Held for Maturity, at Cost (Fair Value of $65 and $67 as of Jun. 30, 2008 and Jun. 30, 2007, Respectively)	63	67
	177,117	155,372
Federal Home Loan Bank Stock, at Cost	6,092	5,465
Loans Held for Sale	--	380
Loans	954,287	953,494
Allowance for Loan Losses	(17,466)	(12,647)
Unearned Interest and Fees	(213)	(441)
	936,608	940,406
Premises and Equipment	28,606	27,607
Other Real Estate	3,198	1,434
Goodwill	2,412	2,412
Other Intangible Assets	384	420
Other Assets	21,955	23,249
Total Assets	$1,211,212	$1,203,777
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Noninterest-Bearing	$75,946	$75,069

Interest-Bearing	900,376	946,674
	976,322	1,021,743
Borrowed Money		
Federal Funds Purchased	16,465	900
Securities Sold Under Agreements to Repurchase	20,000	--
Subordinated Debentures	24,229	24,229
Other Borrowed Money	84,600	69,500
	145,294	94,629
Other Liabilities	5,773	7,547
Stockholders' Equity		
Common Stock, Par Value $1, Authorized 20,000,000 Shares, Issued 7,215,463 and 7,204,775 Shares as of Jun. 30, 2008 and Jun. 30, 2007, Respectively	7,215	7,205
Paid in Capital	24,589	24,503
Retained Earnings	53,185	50,066
Restricted Stock- Unearned Compensation	(346)	(411)
Accumulated Other Comprehensive Loss, Net of Tax	(820)	(1,505)
	83,823	79,858
Total Liabilities and Stockholders' Equity	$1,211,212	$1,203,777

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

	Quarter		Year-to-Date	
	Three Months Ended		Six Months Ended	
	06/30/08	06/30/07	06/30/08	06/30/07
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest Income				
Loans, Including Fees	$16,742	$20,420	$35,091	$40,188
Federal Funds Sold	84	336	239	967
Deposits with Other				

Banks	9	34	20	75
Investment Securities				
U.S. Government Agencies	1,586	1,573	3,267	3,117
State, County and Municipal	92	137	230	271
Corporate Obligations/ Asset-Backed Sec.	85	63	179	126
Dividends on Other Investments	82	73	166	149
	--	--	---	---
	18,680	22,636	39,192	44,893
	------	------	------	------
Interest Expense				
Deposits	8,475	10,673	18,147	21,280
Federal Funds Purchased and Repurchase Agreements	24	31	52	37
Borrowed Money	1,138	1,107	2,345	2,300
	-----	-----	-----	-----
	9,637	11,811	20,544	23,617
	-----	------	------	------
Net Interest Income	9,043	10,825	18,648	21,276
Provision for Loan Losses	4,071	914	5,142	1,828
	-----	---	-----	-----
Net Interest Income After Provision for Loan Losses	4,972	9,911	13,506	19,448
	-----	-----	------	------
Noninterest Income				
Service Charges on Deposits	1,173	1,214	2,338	2,332
Other Service Charges, Commissions and Fees	241	239	495	485
Mortgage Fee Income	174	286	343	538
Securities Gains	614	2	1,184	186
Other	832	315	1,045	625
	---	---	-----	---
	3,034	2,056	5,405	4,166
	-----	-----	-----	-----
Noninterest Expense				
Salaries and Employee Benefits	4,029	4,687	8,432	9,229
Occupancy and Equipment	1,061	1,010	2,068	2,011
Other	2,624	2,268	4,971	4,634

	7,714	7,965	15,471	15,874
Income Before Income Taxes	292	4,002	3,440	7,740
Income Taxes	--	1,300	935	2,564
Net Income	$292	$2,702	$2,505	$5,176
Net Income Per Share of Common Stock				
Basic	$0.04	$0.38	$0.35	$0.72
Diluted	$0.04	$0.38	$0.35	$0.72
Weighted Average Basic Shares Outstanding	7,197,607	7,187,587	7,194,734	7,184,576
Weighted Average Diluted Shares Outstanding	7,197,607	7,197,645	7,194,734	7,196,193

CONTACT: Colony Bankcorp, Inc.Terry L. Hester, Chief Financial Officer
(229) 426-6002