NEWS RELEASE

Colony Bankcorp, Inc. Announces Second Quarter Results

2009-07-24

FITZGERALD, Ga., July 24, 2009 (GLOBE NEWSWIRE) -- Colony Bankcorp, Inc. (Nasdaq:CBAN) today reported a net loss available to shareholders of $6,747,000, or $(0.94) per diluted share for the second quarter of 2009, down from second quarter 2008 net income available to shareholders of $292,000 or $0.04 per diluted share, while the net loss available to shareholders for six months ended June 30, 2009 was $5,984,000, or $(0.83) per diluted share compared to net income available to shareholders for the comparable period in 2008 of $2,505,000, or $0.35 per share. The decrease in net income for both periods is attributable to increased loan loss provisions, credit related charges and an increase in FDIC insurance assessments. "Challenges in the housing and real estate market, particularly further deterioration in property valuations of non-performing assets, continued to have a significant impact on our loan portfolio and earnings in the second quarter. Credit quality issues and a slowing economy have created an unprecedented operating environment for the banking industry. While we remain committed to aggressively working through this down economic cycle in a timely and prudent manner, our efforts have been hampered by this difficult environment," 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 decreased to $46.3 million, or 4.74 percent of total loans and other real estate owned as of June 30, 2009. This compares to $53.1 million, or 5.45 percent as of March 31, 2009 and $21.2 million, or 2.21 percent as of June 30, 2008. The level of 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 second quarter 2009 provision for loan losses was $13.36 million compared to $4.07 million for the same 2008 period, while the provision for loan losses was $17.58 million for first half 2009 compared to $5.14 million for the same 2008 period. Unusually high levels of loan loss provision have been required as company management addresses asset quality deterioration associated with the continued

housing and real estate downturn. "Though our efforts resulted in a reduction in non-performing assets from the prior quarter-end, we continued to identify new problem loans during second quarter 2009, though at a slower pace than in previous quarters," said Ross. "The increase in loan loss provisions during second quarter 2009 was primarily driven by decreased property valuations of non-performing assets in coastal Georgia and Gulf coast properties. Until we see stabilization in the economy and the housing and real estate market, 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."

In the second quarter of 2009 net charge-offs were $13,976,000, or 1.45 percent of average loans as compared to net charge-offs of $1,825,000, or 0.19 percent of average loans in second quarter 2008, while net charge-offs for first half 2009 were $16,221,000, or 1.69 percent of average loans as compared to $3,189,000, or 0.34 percent of average loans for first half 2008. The loan loss reserve was $18.38 million on June 30, 2009, or 1.91 percent of total loans compared to $17.47 million or 1.83 percent on June 30, 2008. Management believes that recent contributions to Allowance for Loan Losses adequately address the level of non-performing assets and the related level of classified assets.

Other significant factors negatively impacting earnings in first half 2009 were the increase in FDIC insurance assessments and credit related expenses. While the banking industry has sustained significant bank failures during the past several quarters, the FDIC insurance fund has fallen to levels requiring increased insurance assessments in order to maintain an adequate FDIC insurance reserve level. As a result, rates utilized for quarterly insurance assessments have increased and a special "one-time" assessment was imposed during second quarter 2009. First half 2009 FDIC insurance assessments totaled $1,722,000 compared to $263,000 for the same 2008 period. Also, the increased activity in non-performing assets resulted in foreclosure and repossession expense increasing to $451,000 for first half 2009 compared to $110,000 for the same 2008 period.

On a positive note, net interest income increased to $9,939,000 in second quarter 2009 compared to $9,060,000 last quarter and to $9,043,000 for second quarter 2008. Net interest margin increased to 3.28 percent in second quarter 2009 compared to 3.06 percent in first quarter 2009. The Company has worked diligently to improve pricing both on deposits and loans. The Company continues loan pricing efforts by establishing floors on variable rate loans to minimize the impact of sharp declines in indexes on which the Company normally sets loan pricing and by establishing guidelines for setting rates on fixed rate products to align with the current interest rate environment. We expect margin improvement to continue the balance of 2009 as we re-price our liabilities in response to the current interest rate environment.

During 2008, the Company merged all of its operations into one sole operating subsidiary which allowed the Company to implement operational enhancements. First half 2009 noninterest expense was $15,664,000, or an

increase of 1.25 percent from first half 2008 noninterest expense of $15,471,000. This slight increase was accomplished while at the same time Colony experienced the significant increase in FDIC insurance assessments and repossession/foreclosure expenses.

The Company had total assets of $1,294,575,000, gross loans of $963,829,000, total deposits of $1,016,539,000 and total equity of $103,694,000 at June 30, 2009. Total equity to total assets was 8.01 percent at June 30, 2009 compared to 6.92 percent at June 30, 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 June 30, 2009, the company's capital ratios were as follows: Tier 1 Risk-Based Capital of 12.82 percent, Leverage ratio of 9.74 percent and Total Risk-Based Capital of 14.07 percent. To be categorized as "well-capitalized," the minimum Tier 1 Risk-Based Capital requirement is six (6) percent and the minimum Total Risk-Based Capital requirement is ten (10) percent. Utilization of these funds during second quarter 2009 were new and renewed loan originations totaling $185 million, of which $68 million represented new loan extensions either funded or committed. Also, new mortgage-backed securities purchased during second quarter 2009 resulted in a net increase of mortgage-backed security holdings of approximately $6 million.

During the quarter, the board of directors declared a quarterly cash dividend of $0.04875 per share compared to $0.0975 declared in first quarter 2009. Though the capital position of the Company remains strong, the board deemed prudent to reduce the level of dividend payout while working through the current level of non-performing assets and disappointing earnings.

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 Global 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	06/30/09	06/30/08	06/30/09	06/30/08
Net Interest Income	$ 9,939	$ 9,043	$ 18,999	$ 18,648
Provision for Loan Losses	13,355	4,071	17,580	5,142
Non-interest Income	2,004	3,034	5,966	5,405
Non-interest Expense	8,303	7,714	15,664	15,471
Income Taxes	(3,318)	--	(2,960)	935
Net Income	(6,397)	292	(5,319)	2,505
Preferred Stock Dividend	350	--	665	--
Net Income Available to Common Shareholders	(6,747)	292	(5,984)	2,505

	QUARTER ENDED		YEAR-TO-DATE	
PER COMMON SHARE SUMMARY	06/30/09	06/30/08	06/30/09	06/30/08
Common Shares Outstanding	7,229,163	7,215,463	7,229,163	7,215,463
Weighted Average Basic Shares	7,209,865	7,197,607	7,206,275	7,194,734
Weighted Average Diluted Shares	7,209,865	7,197,607	7,206,275	7,194,734

Earnings Per Basic Share(b)	$ (0.94)	$ 0.04	$ (0.83)	$ 0.35
Earnings Per Diluted Share(b)	$ (0.94)	$ 0.04	$ (0.83)	$ 0.35
Dividends Declared Per Share	$ 0.0488	$ 0.0975	$ 0.1463	$ 0.1950
Common Book Value Per Share	$ 10.57	$ 11.62	$ 10.57	$ 11.62
Tangible Common Book Value Per Share	$ 10.19	$ 11.23	$ 10.19	$ 11.23

	QUARTER ENDED		YEAR-TO-DATE	
OPERATING RATIOS(1)	06/30/09	06/30/08	06/30/09	06/30/08
Net Interest Margin(a)	3.28%	3.24%	3.17%	3.34%
Return on Average Assets(b)	(2.10)%	0.10%	(0.94)%	0.42%
Return on Average Common Equity(b)	(32.81)%	1.36%	(14.45)%	5.86%
Efficiency(c)	70.43%	66.85%	69.39%	67.15%

(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	
ENDING BALANCES	06/30/09	06/30/08
Total Assets	$1,294,575	$1,211,212
Loans, Net of Reserves	945,309	936,608
Allowance for Loan Losses	18,375	17,466
Goodwill	2,412	2,412
Intangible Assets	349	384
Deposits	1,016,539	976,322
Common Shareholders' Equity	76,409	83,823
Common Equity to Total Assets	5.90%	6.92%
Total Equity	103,694	83,823
Total Equity to Total Assets	8.01%	6.92%

AVERAGE BALANCES	QUARTER ENDED 06/30/09	QUARTER ENDED 06/30/08	YEAR-TO-DATE 06/30/09	YEAR-TO-DATE 06/30/08
Total Assets	$1,282,493	$1,185,944	$1,275,552	$1,188,001
Loans, Net of Reserves	948,172	937,686	943,749	932,589
Deposits	1,008,265	978,477	1,003,719	989,790
Common Shareholders' Equity	82,260	85,659	82,839	85,483
Total Equity	109,686	85,659	109,002	85,483

ASSET QUALITY	QUARTER ENDED 06/30/09	QUARTER ENDED 06/30/08	YEAR-TO-DATE 06/30/09	YEAR-TO-DATE 06/30/08
Nonperforming Loans	$ 33,224	$ 17,953	$ 33,224	$ 17,953
Nonperforming Assets	46,264	21,151	46,264	21,151
Net Loan Chg-offs (Recoveries)	13,976	1,825	16,221	3,189
Reserve for Loan Loss to Gross Loans	1.91%	1.83%	1.91%	1.83%
Reserve for Loan Loss to Non-performing Loans	55.31%	97.29%	55.31%	97.29%
Reserve for Loan Loss to Non-performing Assets	39.72%	82.58%	39.72%	82.58%
Net Loan Chg-offs (Recoveries) to Avg Gross Loans	1.45%	0.19%	1.69%	0.34%
Nonperforming Loans to Gross Loans	3.45%	1.88%	3.45%	1.88%
Nonperforming Assets to Total Assets	3.57%	1.75%	3.57%	1.75%
Nonperforming Assets to Total Loans And Other Real Estate	4.74%	2.21%	4.74%	2.21%

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

	2Q2009	1Q2009	4Q2008	3Q2008	2Q2008
Assets	$1,294,575	$1,283,005	$1,252,782	$1,215,330	$1,211,212
Loans	945,309	943,674	943,841	952,504	936,608
Deposits	1,016,539	1,011,695	1,006,992	977,752	976,322
Common Shareholders'					

Equity	76,409	82,277	83,215	82,806	83,823
Total Equity	103,694	109,527	83,215	82,806	83,823
Net Income	(6,397)	1,078	(670)	194	292
Net Income Available to Common Shareholders	(6,747)	763	(670)	194	292
Net Income Per Share	(0.94)	0.11	(0.09)	0.03	0.04
Dividends Declared Per Share	0.0488	0.0975	0.0975	0.0975	0.0975

Key Performance Ratios	2Q2009	1Q2009	4Q2008	3Q2008	2Q2008
Return on Assets(1)	(2.10)%	0.24%	(0.22)%	0.06%	0.10%
Return on Equity(1)	(32.81)%	3.63%	(3.25)%	0.93%	1.36%
Common Equity to Total Assets	5.90%	6.41%	6.64%	6.81%	6.92%
Total Equity to Total Assets	8.01%	8.54%	6.64%	6.81%	6.92%
Net Interest Margin	3.28%	3.06%	3.18%	3.34%	3.24%

(1) Computed using net income available to shareholders

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

	June 30, 2009	June 30, 2008
	(unaudited)	(audited)
ASSETS		
Cash and Cash Equivalents		
Cash and Due from Banks	$ 23,441	$ 27,478
Federal Funds Sold	--	5,579
	23,341	33,057

Interest-Bearing Deposits	229	1,783
Investment Securities		
Available for Sale, at Fair Value	249,849	177,054
Held for Maturity, at Cost (Fair Value of $62 and $65 as of June 30, 2009 and June 30, 2008, Respectively)	59	63
	249,908	177,117
Federal Home Loan Bank Stock, at Cost	6,345	6,092
Loans	963,829	954,287
Allowance for Loan Losses	(18,375)	(17,466)
Unearned Interest and Fees	(145)	(213)
	945,309	936,608
Premises and Equipment	29,369	28,606
Other Real Estate	13,040	3,198
Goodwill	2,412	2,412
Other Intangible Assets	349	384
Other Assets	24,173	21,955
Total Assets	$1,294,575	$1,211,212
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Noninterest-Bearing	$ 71,370	$ 75,946
Interest-Bearing	945,169	900,376
	1,016,539	976,322
Borrowed Money		
Federal Funds Purchased	12,697	16,465
Securities Sold Under Agreements to Repurchase	40,000	20,000
Subordinated Debentures	24,229	24,229
Other Borrowed Money	91,000	84,600
	167,926	145,294

Other Liabilities	6,416	5,773
Stockholders' Equity		
Preferred Stock, Par Value $1,000; Authorized 10,000,000 Shares, Issued 28,000 Shares	27,285	--
Common Stock, Par Value $1; Authorized 20,000,000 Shares, Issued 7,229,163 and 7,215,463 Shares	7,229	7,215
Paid in Capital	25,393	24,589
Retained Earnings	44,190	53,185
Restricted Stock- Unearned Compensation	(252)	(346)
Accumulated Other Comprehensive Loss, Net of Tax	(151)	(820)
	103,694	83,823
Total Liabilities and Stockholders' Equity	$1,294,575	$1,211,212

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

	Quarter		Year-to-Date	
	Three Months Ended		Six Months Ended	
	06/30/09	06/30/08	06/30/09	06/30/08
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest Income				
Loans, Including Fees	$ 14,576	$ 16,742	$ 28,773	$ 35,091
Federal Funds Sold	6	84	11	239
Deposits with Other Banks	--	9	--	20
Investment Securities				
U. S. Government Agencies	1,907	1,586	3,954	3,267
State, County and Municipal	60	92	148	230
Corporate Obligations/ Asset-Backed Sec	90	85	213	179
Dividends on Other Investments	--	82	--	166

	16,639	18,680	33,099	39,192
Interest Expense				
Deposits	5,553	8,475	11,726	18,147
Federal Funds Purchased and Repurchase Agreements	204	24	436	52
Borrowed Money	943	1,138	1,938	2,345
	6,700	9,637	14,100	20,544
Net Interest Income	9,939	9,043	18,999	18,648
Provision for Loan Losses	13,355	4,071	17,580	5,142
Net Interest Income After Provision for Loan Losses	(3,416)	4,972	1,419	13,506
Noninterest Income				
Service Charges on Deposits	1,042	1,173	2,030	2,338
Other Service Charges, Commissions and Fees	252	241	488	495
Mortgage Fee Income	129	174	231	343
Securities Gains	221	614	2,538	1,184
Other	360	832	679	1,045
	2,004	3,034	5,966	5,405
Noninterest Expense				
Salaries and Employee Benefits	3,583	4,029	7,390	8,432
Occupancy and Equipment	1,041	1,061	2,050	2,068
Other	3,679	2,624	6,224	4,971
	8,303	7,714	15,664	15,471
Income Before Income Taxes	(9,715)	292	(8,279)	3,440
Income Taxes	(3,318)	--	(2,960)	935
Net Income	(6,397)	292	(5,319)	2,505
Preferred Stock Dividends	350	--	665	--
Net Income Available to				

Common Shareholders	$ (6,747)	$ 292	$ (5,984)	$ 2,505
Net Income Per Share of Common Stock				
Basic	$ (0.94)	$ 0.04	$ (0.83)	$ 0.35
Diluted	$ (0.94)	$ 0.04	$ (0.83)	$ 0.35
Weighted Average Basic Shares Outstanding	7,209,865	7,197,607	7,206,275	7,194,734
Weighted Average Diluted Shares Outstanding	7,209,865	7,197,607	7,206,275	7,194,734

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