NEWS RELEASE

Colony Bankcorp, Inc. Announces Third Quarter Results

2008-10-24

FITZGERALD, Ga., Oct. 24, 2008 (GLOBE NEWSWIRE) -- Colony Bankcorp, Inc. (Nasdaq:CBAN), today reported quarterly net income of $194,000 for the third quarter of 2008, down 92.59 percent from third quarter 2007 net income of $2,619,000, while net income for nine months ended September 30, 2008 was $2,699,000, down 65.38 percent from nine months ended September 30, 2007 of $7,795,000. 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 third quarter 2008. "Problem loans are centered primarily in land development in our larger MSA markets. We have maintained consistent standards to identify, measure, and assess loan quality while continuing to react aggressively to move these problem assets off our books as quickly as possible. Our solid core earnings have provided strong support for loss provisions needed to cover our problem loan losses and we are committed to maintaining strong capital levels as we navigate through this extended economic cycle," 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 $34.4 million, or 3.53 percent of total loans and other real estate owned as of September 30, 2008. This compares to $21.2 million, or 2.21 percent as of June 30, 2008, $16.3 million, or 1.73 percent as of December 31, 2007 and $7.4 million, or 0.76 percent as of September 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 2008 compared to 2007; this resulted in a significant negative impact on our 2008 net income. The third quarter 2008 provision for loan losses were $3,370,000 compared to $850,000 for the same period in 2007, while year to date 2008 provision for loan losses

were $8,512,000 compared to $2,678,000 for the same year ago period. 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 third quarter of 2008 net charge-offs were $2,884,000, or 0.30 percent of average loans compared to a net recovery of $(324,000), or (0.03) percent of average loans in third quarter 2007, while net charge-offs for nine months ended September 30, 2008 were $6,073,000, or 0.64 percent of average loans compared to $846,000, or 0.09 percent of average loans for the same year ago period. The loan loss reserve of $17.95 million on September 30, 2008 was 1.85 percent of total loans compared to $15.51 million or 1.64 percent on December 31, 2007 and to $13.82 million on September 30, 2007, or 1.43 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. "Our charge-offs are primarily the result of declining collateral real estate values that secure land development, construction, and speculative real estate loans in our larger MSA markets," said Ross. "With the higher level of non-performing loans we expect foreclosure activity to increase as we move non-performing loans through the collection process. We expect charge-offs to increase as a result."

Another significant factor negatively impacting earnings has been the reduction of net interest income. Net interest income decreased to $9,485,000 in third quarter 2008 compared to $10,793,000 in third quarter 2007, while net interest income decreased to $28,133,000 in nine months ended September 30, 2008 compared to $32,069,000 in the same year ago period. 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 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 3.34 percent in third quarter 2008 compared to 3.81 percent in third quarter 2007 and net interest margin declining to 3.34 percent in nine months ended September 30, 2008 compared to 3.79 percent in the same year ago period. With recessionary fears rising again, we expect further margin compression as the Federal Reserve has now tilted toward an interest rate easing posture.

Ross said, "We are in an unprecedented economic period as reflected by recent legislation enacted by Congress and ongoing reports by the media. We are exploring what benefits may be available to Colony from the financial support legislation package T.A.R.P. to help us deal with current market conditions while helping plan for future opportunities. We will continue to make adjustments needed to meet the challenges that develop during this difficult financial period."

The Company merged all of its operations into one sole operating subsidiary, Colony Bank effective August 1, 2008. This consolidation effort, 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 as we implement operation enhancements - both in revenue enhancements and cost reduction efforts.

The Company had total assets of $1,215,330,000, gross loans of $970,682,000, total deposits of $977,752,000 and total equity of $82,806,000 at September 30, 2008. Shareholder equity to total assets was 6.81 percent at September 30, 2008 compared to 6.83 percent at September 30, 2007.

During third quarter 2008, the Company began offering CDARS product that provides customers the opportunity to place uninsured deposits into the CDARS network and receive full FDIC insurance coverage. This has proven to be a valuable product that has offered a viable solution to customer concerns with uninsured deposits and allows the company to retain deposits and provide FDIC coverage for customer deposits up to $50 million. In these challenging economic times Colony's ability to offer additional FDIC insurance coverage through CDARS exhibits our commitment to promote safety, soundness and security in its operations.

During the quarter the board of directors declared a quarterly cash dividend of $0.0975 per share compared to $0.0975 declared in second quarter 2008 and to $0.0925 per share in third quarter 2007. Though earnings declined significantly in the third quarter, 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 September 30, 2008, Colony remained in excess of the regulatory requirement as its total capital to risk-based assets ratio was 12.15 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	09/30/08	09/30/07	09/30/08	09/30/07
Net Interest Income	$ 9,485	$10,793	$28,133	$32,069
Provision for Loan Losses	3,370	850	8,512	2,678
Non-interest Income	1,780	1,846	7,185	6,012
Non-interest Expense	7,813	7,756	23,284	23,630
Income Taxes	(112)	1,414	823	3,978
Net Income	194	2,619	2,699	7,795
Operating Income	187	2,620	1,910	7,674

	QUARTER ENDED		YEAR-TO-DATE	
PER SHARE SUMMARY	09/30/08	09/30/07	09/30/08	09/30/07
Common Shares Outstanding	7,213,813	7,204,775	7,213,813	7,204,775
Weighted Average Diluted Shares	7,201,580	7,202,424	7,197,016	7,198,270
Net Income Per Weighted Average Diluted Shares	$ 0.03	$ 0.36	$ 0.38	$ 1.08
Operating Income Per Weighted Average Diluted Shares	$ 0.03	$ 0.36	$ 0.27	$ 1.07

Dividends Declared Per Share	$ 0.0975	$ 0.0925	$ 0.2925	$ 0.27

	QUARTER ENDED		YEAR-TO-DATE	
OPERATING RATIOS (1)	09/30/08	09/30/07	09/30/08	09/30/07
Net Interest Margin (a)	3.34%	3.81%	3.34%	3.79%
Return on Average Assets Based on Net Income	0.06%	0.87%	0.30%	0.87%
Return on Average Assets Based on Operating Income	0.06%	0.87%	0.21%	0.85%
Return on Average Equity Based on Net Income	0.93%	12.87%	4.24%	13.07%
Return on Average Equity Based on Operating Income	0.89%	12.88%	3.00%	12.86%
Efficiency (b)	68.86%	60.91%	67.71%	61.93%

	QUARTER ENDED	
ENDING BALANCES	09/30/08	09/30/07
Total Assets	$1,215,330	$1,213,270
Loans, Net of Reserves	952,504	954,066
Allowance for Loan Losses	17,952	13,821
Goodwill	2,412	2,412
Intangible Assets	375	411
Deposits	977,752	1,018,755
Stockholders' Equity	82,806	82,921
Book Value Per Share	$ 11.48	$ 11.51
Tangible Book Value Per Share	$ 11.09	$ 11.12
Shareholders' Equity to Total Assets	6.81%	6.83%

	QUARTER ENDED		YEAR-TO-DATE	
AVERAGE BALANCES	09/30/08	09/30/07	09/30/08	09/30/07
Total Assets	$1,208,790	$1,204,561	$1,194,252	$1,200,717

Loans, Net of Reserves	947,500	944,431	937,558	930,106
Deposits	973,607	1,014,957	984,493	1,022,430
Stockholders' Equity	83,834	81,392	84,967	79,518

	QUARTER ENDED		YEAR-TO-DATE	
ASSET QUALITY	09/30/08	09/30/07	09/30/08	09/30/07
Nonperforming Loans	$ 29,687	$ 6,119	$ 29,687	$ 6,119
Nonperforming Assets	34,443	7,359	34,443	7,359
Net Loan Chg-offs (Recoveries)	2,884	(324)	6,073	846
Reserve for Loan Loss to Gross Loans	1.85%	1.43%	1.85%	1.43%
Reserve for Loan Loss to Non-performing Loans	60.47%	225.87%	60.47%	225.87%
Reserve for Loan Loss to Non-performing Assets	52.12%	187.81%	52.12%	187.81%
Net Loan Chg-offs (Recoveries) to Avg. Gross Loans	0.30%	(0.03)%	0.64%	0.09%
Nonperforming Loans to Gross Loans	3.06%	0.63%	3.06%	0.63%
Nonperforming Assets to Total Assets	2.83%	0.61%	2.83%	0.61%
Nonperforming Assets to Gross Loans and Other Real Estate	3.53%	0.76%	3.53%	0.76%

(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)

	3Q2008	2Q2008	1Q2008	4Q2007	3Q2007
Assets	$1,215,330	$1,211,212	$1,185,226	$1,208,776	$1,213,270
Loans	952,504	936,608	927,958	929,465	954,066
Deposits	977,752	976,322	993,556	1,018,602	1,018,755
Equity	82,806	83,823	86,014	83,743	82,921
Net Income	194	292	2,213	752	2,619
Net Income Per Share	0.03	0.04	0.31	0.10	0.36
Dividends Declared Per Share	0.0975	0.0975	0.0975	0.09	0.0925

Key Performance Ratios	3Q2008	2Q2008	1Q2008	4Q2007	3Q2007
Return on Assets	0.06%	0.10%	0.74%	0.25%	0.87%
Return on Equity	0.93%	1.36%	10.38%	3.58%	12.87%
Equity/ Assets	6.81%	6.92%	7.26%	6.94%	6.83%
Net Interest Margin	3.34%	3.24%	3.44%	3.64%	3.81%

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

	Sept. 30, 2008	Sept. 30, 2007
	(unaudited)	(unaudited)
ASSETS		
Cash and Cash Equivalents		
Cash and Due from Banks	$ 22,929	$ 22,405
Federal Funds Sold	199	17,129
	23,128	39,534
Interest-Bearing Deposits	435	3,616
Investment Securities		
Available for Sale, at Fair Value	171,863	155,605
Held for Maturity, at Cost (Fair Value of $67 and $69 as of Sept. 30, 2008 and		

Sept. 30, 2007, Respectively)	65	69
	171,928	155,674
Federal Home Loan Bank Stock, at Cost	6,317	5,533
Loans	970,682	968,292
Allowance for Loan Losses	(17,952)	(13,821)
Unearned Interest and Fees	(226)	(405)
	952,504	954,066
Premises and Equipment	29,399	27,541
Other Real Estate	4,756	1,240
Goodwill	2,412	2,412
Other Intangible Assets	375	411
Other Assets	24,076	23,243
Total Assets	$1,215,330	$1,213,270
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Noninterest-Bearing	$ 69,038	$ 74,158
Interest-Bearing	908,714	944,597
	977,752	1,018,755
Borrowed Money		
Federal Funds Purchased	12,664	476
Securities Sold Under Agreements to Repurchase	20,000	--
Subordinated Debentures	24,229	29,384
Other Borrowed Money	91,000	73,600
	147,893	103,460
Other Liabilities	6,879	8,134
Stockholders' Equity		

Common Stock, Par Value $1, Authorized 20,000,000 Shares, Issued 7,213,813 and 7,204,775 Shares as of Sept. 30, 2008 and Sept. 30, 2007, Respectively	7,214	7,205
Paid in Capital	24,561	24,503
Retained Earnings	52,675	52,019
Restricted Stock- Unearned Compensation	(275)	(343)
Accumulated Other Comprehensive Loss, Net of Tax	(1,369)	(463)
	82,806	82,921
Total Liabilities and Stockholders' Equity	$1,215,330	$1,213,270

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

	Quarter		Year-to-Date	
	Three Months Ended		Six Months Ended	
	09/30/08	09/30/07	09/30/08	09/30/07
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest Income				
Loans, Including Fees	$ 16,295	$ 20,735	$ 51,386	$ 60,923
Federal Funds Sold	25	237	264	1,204
Deposits with Other Banks	7	36	27	111
Investment Securities				
U. S. Government Agencies	1,809	1,632	5,076	4,749
State, County and Municipal	92	136	322	407
Corporate Obligations/ Asset-Backed Sec	113	79	292	205
Dividends on Other Investments	87	76	253	225
	18,428	22,931	57,620	67,824
Interest Expense				

Deposits	7,599	10,853	25,746	32,133
Federal Funds Purchased and Repurchase Agreements	241	13	293	50
Borrowed Money	1,103	1,272	3,448	3,572
	8,943	12,138	29,487	35,755
Net Interest Income	9,485	10,793	28,133	32,069
Provision for Loan Losses	3,370	850	8,512	2,678
Net Interest Income After Provision for Loan Losses	6,115	9,943	19,621	29,391
Noninterest Income				
Service Charges on Deposits	1,233	1,224	3,571	3,556
Other Service Charges, Commissions and Fees	240	218	735	703
Mortgage Fee Income	168	225	511	763
Securities Gains	11	(2)	1,195	184
Other	128	181	1,173	806
	1,780	1,846	7,185	6,012
Noninterest Expense				
Salaries and Employee Benefits	4,051	4,464	12,483	13,693
Occupancy and Equipment	1,098	1,025	3,166	3,036
Other	2,664	2,267	7,635	6,901
	7,813	7,756	23,284	23,630
Income Before Income Taxes	82	4,033	3,522	11,773
Income Taxes	(112)	1,414	823	3,978

Net Income	$ 194	$ 2,619	$ 2,699	$ 7,795
Net Income Per Share of Common Stock				
Basic	$ 0.03	$ 0.36	$ 0.38	$ 1.08
Diluted	$ 0.03	$ 0.36	$ 0.38	$ 1.08
Weighted Average Basic Shares Outstanding	7,201,580	7,193,603	7,197,016	7,187,586
Weighted Average Diluted Shares Outstanding	7,201,580	7,202,424	7,197,016	7,198,270

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