NEWS RELEASE

Colony Bankcorp, Inc. Announces Third Quarter Results

2009-10-21

FITZGERALD, Ga., Oct. 21, 2009 (GLOBE NEWSWIRE) -- Colony Bankcorp, Inc. (Nasdaq:CBAN), today reported net income available to shareholders of $18,000, or $0.00 per diluted share for the third quarter of 2009, down from third quarter 2008 net income available to shareholders of $194,000 or $0.03 per diluted share, while the net loss available to shareholders for nine months ended September 30, 2009 was $5,966,000, or $(0.83) per diluted share compared to net income available to shareholders for the comparable period in 2008 of $2,699,000, or $0.38 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. Improvement in the Company's net interest margin and continued strong capital position are eclipsed by continued challenges in the housing and real estate market that have impacted our credit quality and the Company's provision for loan losses.

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 ("CPP"). At September 30, 2009, the Company's tier one and total risk-based capital ratios were approximately 13.17 percent and 14.43 percent, respectively, compared to 10.80 percent and 12.06 percent, respectively, at December 31, 2008. The Company's total risk-based capital is approximately 44 percent over the regulatory guidelines to be well-capitalized which demonstrates the Company's strong capital position. In addition to funds from CPP providing a strong capital base, the Company continues following the intent of CPP to extend credit as a mechanism to stimulate the economy. During third quarter 2009, new and renewed loan originations totaled approximately $156 million, of which $64 million represented new loan extensions either funded or committed.

During the third quarter of 2009, the Company reported net interest income of $10.3 million and a net interest margin of 3.38 percent, compared to $9.9 million and 3.28 percent and $9.5 million and 3.34 percent, respectively,

for second quarter 2009 and third quarter 2008. The Company has worked diligently since the latter part of 2008 to improve deposit and loan pricing and the Company has now realized two consecutive quarters of net interest margin improvement. Our goal of maximizing pre-tax, pre-provision core earnings will be dependent upon continued disciplined pricing efforts that should result in continued margin improvement.

The Company continues to closely monitor our real estate dependent loans and focus on asset quality. Non-performing assets increased to $55.2 million, or 5.59 percent of total loans and other real estate owned as of September 30, 2009. This compares to $46.3 million, or 4.74 percent as of June 30, 2009 and $34.4 million, or 3.53 percent as of September 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 third quarter 2009 provision for loan losses was $4.00 million compared to $3.37 million for the same 2008 period, while the provision for loan losses was $21.58 million for nine months ended September 30, 2009 compared to $8.51 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. "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," said Al D. Ross, President and Chief Executive Officer.

In the third quarter of 2009 net charge-offs were $1,016,000, or 0.11 percent of average loans as compared to net charge-offs of $2,884,000, or 0.30 percent of average loans in third quarter 2008, while net charge-offs for nine months ended September 30, 2009 were $17,237,000, or 1.79 percent of average loans as compared to $6,073,000, or 0.64 percent of average loans for the same 2008 period. The loan loss reserve was $21.36 million on September 30, 2009, or 2.20 percent of total loans compared to $17.95 million or 1.85 percent on September 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, however current regulatory posture for the banking industry regarding methodology in determining loan loss reserve adequacy tends to encourage banks to move toward a more aggressive approach that will likely lead to additional provisions in the future.

Other significant factors negatively impacting YTD 2009 earnings 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 along with a special "one-time" assessment imposed during second quarter 2009. YTD 2009 FDIC insurance assessments total $2,208,000 compared to $421,000 for the same 2008 period. Also, the increased activity in non-performing assets resulted in foreclosure and repossession expense increasing to $932,000 for nine

months ended September 30, 2009 compared to $188,000 for the same 2008 period.

During 2008 the Company merged all of its operations into one sole operating subsidiary which allowed the Company to implement operational enhancements. For nine months ended September 30, 2009 noninterest expense was $23,776,000 or an increase of 2.11 percent from noninterest expense of $23,284,000 in the same year ago period. 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 $1,290,891,000, gross loans of $971,132,000, total deposits of $1,015,414,000 and total equity of $104,067,000 at September 30, 2009. Total equity to total assets was 8.06 percent at September 30, 2009 compared to 6.81 percent at September 30, 2008.

As a result of diminished earnings primarily attributable to working through the current level of non-performing assets, the board of directors made the difficult decision of suspending the payment of a cash dividend this quarter. Though the capital position of the Company remains strong, the board deemed prudent to suspend dividends until we work through this challenging operating environment and earnings performance returns to a level to support paying dividends. Until stabilization occurs with the economy and real estate market, future earnings performance will likely be impacted as the Company deals with the current regulatory approach to be more aggressive in recognizing losses and ramping up loan loss reserves.

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	09/30/09	09/30/08	09/30/09	09/30/08
Net Interest Income	$ 10,304	$ 9,485	$ 29,303	$ 28,133
Provision for Loan Losses	4,000	3,370	21,580	8,512
Non-interest Income	2,340	1,780	8,306	7,185
Non-interest Expense	8,112	7,813	23,776	23,284
Income Taxes	164	(112)	(2,796)	823
Net Income	368	194	(4,951)	2,699
Preferred Stock Dividend	350	--	1,015	--
Net Income Available to Common Shareholders	18	194	(5,966)	2,699

	QUARTER ENDED		YEAR-TO-DATE	
PER COMMON SHARE SUMMARY	09/30/09	09/30/08	09/30/09	09/30/08
Common Shares Outstanding	7,229,163	7,213,813	7,229,163	7,213,813
Weighted Average Basic Shares	7,217,006	7,201,580	7,209,852	7,197,016
Weighted Average Diluted Shares	7,217,006	7,201,580	7,209,852	7,197,016

Earnings Per Basic Share (b)	$0.00	$0.03	$(0.83)	$0.38
Earnings Per Diluted Share (b)	$0.00	$0.03	$(0.83)	$0.38
Dividends Declared Per Share	$0.00	$0.0975	$0.1463	$0.2925
Common Book Value Per Share	$10.62	$11.48	$10.62	$11.48
Tangible Common Book Value Per Share	$10.24	$11.09	$10.24	$11.09

	QUARTER ENDED		YEAR-TO-DATE	
OPERATING RATIOS (1)	09/30/09	09/30/08	09/30/09	09/30/08
Net Interest Margin(a)	3.38%	3.34%	3.24%	3.34%
Return on Average Assets (b)	0.01%	0.06%	(0.62)%	0.30%
Return on Average Common Equity (b)	0.07%	0.93%	(7.42)%	4.24%
Efficiency (c)	67.02%	68.86%	68.56%	67.71%

(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	09/30/09	09/30/08
Total Assets	$1,290,891	$1,215,330
Loans, Net of Reserves	949,629	952,504
Allowance for Loan Losses	21,359	17,952
Goodwill	2,412	2,412
Intangible Assets	340	375
Deposits	1,015,414	977,752
Common Shareholders' Equity	76,746	82,806
Common Equity to Total Assets	5.95%	6.81%
Total Equity	104,067	82,806
Total Equity to		

Total Assets	8.06%	6.81%

AVERAGE BALANCES	QUARTER ENDED 09/30/09	QUARTER ENDED 09/30/08	YEAR-TO-DATE 09/30/09	YEAR-TO-DATE 09/30/08
Total Assets	$1,295,833	$1,208,790	$1,282,396	$1,194,252
Loans, Net of Reserves	947,400	947,500	944,979	937,558
Deposits	1,026,094	973,607	1,011,256	984,493
Common Shareholders' Equity	76,500	83,834	80,702	84,967
Total Equity	103,802	83,834	107,249	84,967

ASSET QUALITY	QUARTER ENDED 09/30/09	QUARTER ENDED 09/30/08	YEAR-TO-DATE 09/30/09	YEAR-TO-DATE 09/30/08
Nonperforming Loans	$ 38,733	$ 29,687	$ 38,733	$ 29,687
Nonperforming Assets	55,249	34,443	55,249	34,443
Net Loan Chg-offs (Recoveries)	1,016	2,884	17,237	6,073
Reserve for Loan Loss to Gross Loans	2.20%	1.85%	2.20%	1.85%
Reserve for Loan Loss to Non-performing Loans	55.14%	60.47%	55.14%	60.47%
Reserve for Loan Loss to Non-performing Assets	38.66%	52.12%	38.66%	52.12%
Net Loan Chg-offs (Recoveries) to Avg Gross Loans	0.11%	0.30%	1.79%	0.64%
Nonperforming Loans to Gross Loans	3.99%	3.06%	3.99%	3.06%
Nonperforming Assets to Total Assets	4.28%	2.83%	4.28%	2.83%
Nonperforming Assets to Total Loans And Other Real Estate	5.59%	3.53%	5.59%	3.53%

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

	3Q2009	2Q2009	1Q2009	4Q2008	3Q2008
Assets	$1,290,891	$1,294,575	$1,283,005	$1,252,782	$1,215,330

Loans	949,629	945,309	943,674	943,841	952,504
Deposits	1,015,414	1,016,539	1,011,695	1,006,992	977,752
Common Share-holders' Equity	76,746	76,409	82,277	83,215	82,806
Total Equity	104,067	103,694	109,527	83,215	82,806
Net Income	368	(6,397)	1,078	(670)	194
Net Income Available to Common Share-holders	18	(6,747)	763	(670)	194
Net Income Per Share	0.00	(0.94)	0.11	(0.09)	0.03
Dividends Declared Per Share	0.00	0.0488	0.0975	0.0975	0.0975

Key Perfor-mance Ratios	3Q2009	2Q2009	1Q2009	4Q2008	3Q2008
Return on Assets(1)	0.01%	(2.10)%	0.24%	(0.22)%	0.06%
Return on Equity (1)	0.07%	(32.81)%	3.63%	(3.25)%	0.93%
Common Equity to Total Assets	5.95%	5.90%	6.41%	6.64%	6.81%
Total Equity to Total Assets	8.06%	8.01%	8.54%	6.64%	6.81%
Net Interest Margin	3.38%	3.28%	3.06%	3.18%	3.34%

(1) Computed using net income available to shareholders

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

	Sept. 30, 2009 (unaudited)	Sept. 30, 2008 (unaudited)
ASSETS		
Cash and Cash Equivalents		
Cash and Due from Banks	$16,559	$22,929
Federal Funds Sold	--	199
	--	---
	16,559	23,128
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Interest-Bearing Deposits	162	435
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Investment Securities		
Available for Sale, at Fair Value	247,014	171,863
Held for Maturity, at Cost (Fair Value of $62 and $67 as of Sept. 30, 2009 and Sept. 30, 2008, Respectively)	60	65
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	247,074	171,928
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Federal Home Loan Bank Stock, at Cost	6,345	6,317
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Loans	971,132	970,682
Allowance for Loan Losses	(21,359)	(17,952)
Unearned Interest and Fees	(144)	(226)
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	949,629	952,504
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Premises and Equipment	29,022	29,399
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Other Real Estate	16,516	4,756
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Goodwill	2,412	2,412
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Other Intangible Assets	340	375
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Other Assets	22,832	24,076
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Total Assets	$1,290,891	$1,215,330
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Noninterest-Bearing	$70,345	$69,038

Interest-Bearing	945,069	908,714
	1,015,414	977,752
Borrowed Money		
Federal Funds Purchased	5,697	12,664
Securities Sold Under Agreements to Repurchase	45,232	20,000
Subordinated Debentures	24,229	24,229
Other Borrowed Money	91,000	91,000
	166,158	147,893
Other Liabilities	5,252	6,879
Stockholders' Equity		
Preferred Stock, Par Value $1,000; Authorized 10,000,000 Shares, Issued 28,000 Shares	27,321	--
Common Stock, Par Value $1; Authorized 20,000,000 Shares, Issued 7,229,163 and 7,213,813 Shares	7,229	7,214
Paid in Capital	25,393	24,561
Retained Earnings	44,173	52,675
Restricted Stock- Unearned Compensation	(206)	(275)
Accumulated Other Comprehensive Loss, Net of Tax	157	(1,369)
	104,067	82,806
Total Liabilities and Stockholders' Equity	$1,290,891	$1,215,330

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

	Quarter		Year-to-Date	
	Three Months Ended		Six Months Ended	
	09/30/09	09/30/08	09/30/09	09/30/08

	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest Income				
Loans, Including Fees	$14,569	$16,295	$43,342	$51,386
Federal Funds Sold	3	25	14	264
Deposits with Other Banks	--	7	--	27
Investment Securities				
U.S. Government Agencies	1,932	1,809	5,886	5,076
State, County and Municipal	59	92	207	322
Corporate Obligations/ Asset-Backed Sec.	74	113	287	292
Dividends on Other Investments	13	87	13	253
	16,650	18,428	49,749	57,620
Interest Expense				
Deposits	5,202	7,599	16,928	25,746
Federal Funds Purchased and Repurchase Agreements	222	241	658	293
Borrowed Money	922	1,103	2,860	3,448
	6,346	8,943	20,446	29,487
Net Interest Income	10,304	9,485	29,303	28,133
Provision for Loan Losses	4,000	3,370	21,580	8,512
Net Interest Income After Provision for Loan Losses	6,304	6,115	7,723	19,621
Noninterest Income				
Service Charges on Deposits	1,125	1,233	3,155	3,571
Other Service Charges, Commissions and Fees	259	240	747	735

Mortgage Fee Income	137	168	368	511
Securities Gains	609	11	3,147	1,195
Other	210	128	889	1,173
	2,340	1,780	8,306	7,185
Noninterest Expense				
Salaries and Employee Benefits	3,556	4,051	10,946	12,483
Occupancy and Equipment	1,132	1,098	3,182	3,166
Other	3,424	2,664	9,648	7,635
	8,112	7,813	23,776	23,284
Income Before Income Taxes	532	82	(7,747)	3,522
Income Taxes	164	(112)	(2,796)	823
Net Income	368	194	(4,951)	2,699
Preferred Stock Dividends	350	--	1,015	--
Net Income Available to Common Shareholders	$18	$194	$(5,966)	$2,699
Net Income Per Share of Common Stock				
Basic	$0.00	$0.03	$(0.83)	$0.38
Diluted	$0.00	$0.03	$(0.83)	$0.38
Weighted Average Basic Shares Outstanding	7,217,006	7,201,580	7,209,852	7,197,016
Weighted Average Diluted Shares Outstanding	7,217,006	7,201,580	7,209,852	7,197,016

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