

COLONY BANKCORP INC
Form DEF 14A
March 10, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
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- Soliciting Material Pursuant to §240.14a-12

Colony Bankcorp, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

March 22, 2008

Dear Shareholder:

You are invited to attend our Annual Meeting of Shareholders to be held on April 22, 2008 in Fitzgerald, Georgia at the time and place shown in the attached notice. As we do at the meeting every year, in addition to considering the matters described in the proxy statement, we will review our 2007 business results and other matters of interest to our shareholders.

We hope that you will attend the meeting in person, but even if you plan to do so, we encourage you to please vote your shares ahead of time by using the enclosed proxy card. This will ensure that your Colony Bankcorp, Inc. stock will be represented at the meeting. If you attend the meeting and prefer to vote in person, you may do so. The attached proxy statement explains more about proxy voting. Please read it carefully.

We look forward to your participation in the annual meeting process.

Sincerely,

Al D. Ross
President and
Chief Executive Officer

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
OF COLONY BANKCORP, INC.

DATE: Tuesday, April 22, 2008

TIME: 2:00 p.m.

PLACE: Colony Bankcorp, Inc.
Corporate Offices
115 South Grant Street
Fitzgerald, Georgia

MATTERS TO BE VOTED ON:

PROPOSAL I: Election of eleven directors

Any other matter that may be properly brought before the meeting.

Only shareholders of record at the close of business on March 14, 2008 may vote at the meeting.

Your vote is important. Please complete, sign, date and return your proxy card promptly in the enclosed envelope.

By Order of the Board of Directors

Al D. Ross
President and
Chief Executive Officer

Fitzgerald, Georgia
March 22, 2008

COLONY BANKCORP, INC.
Post Office Box 989
115 South Grant Street
Fitzgerald, Georgia 31750

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
April 22, 2008

To the shareholders of Colony Bankcorp, Inc.:

Notice is hereby given that the annual meeting of shareholders (the "annual meeting") of Colony Bankcorp, Inc. (the "Company") will be held at Colony Bankcorp, Inc. Corporate Offices at 115 South Grant Street, Fitzgerald, Georgia on Tuesday, April 22, 2008 at 2:00 p.m., local time, for the following purposes:

- (1) To elect 11 directors for a term of one (1) year; and
- (2) To transact any other business that may properly come before the annual meeting or any other adjournment or postponement thereof.

The close of business on March 14, 2008 has been fixed as the record date for the determination of shareholders entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement thereof. Only shareholders of record at the close of business on the record date are entitled to notice of, and to vote at, the annual meeting.

Shareholders may receive more than one proxy because of shares registered in different names or addresses. Each such proxy should be marked, dated, signed and returned. Please check to be certain of the manner in which your shares are registered - whether individually, as joint tenants, or in a representative capacity - and sign the related proxy accordingly.

A complete list of shareholders entitled to vote at the annual meeting will be available for examination by any shareholder, for any purpose germane to the annual meeting, during normal business hours, for a period of at least 10 days prior to the annual meeting at the Company's corporate offices located at the address set forth above.

You are cordially invited to attend the annual meeting. Whether or not you plan to do so, please mark, date and sign the enclosed proxy and mail it promptly in the enclosed postage-paid envelope. Returning your proxy does not deprive you of your right to attend the annual meeting and vote your shares in person.

More detailed information regarding the matters to be acted upon at the special meeting is contained in the proxy statement accompanying this notice.

By Order of the Board of Directors

Al D. Ross
President and
Chief Executive Officer

Fitzgerald, Georgia
March 22, 2008

COLONY BANKCORP, INC.
Post Office Box 989
115 South Grant Street
Fitzgerald, Georgia 31750

PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD
April 22, 2008

This proxy statement is furnished to the shareholders of Colony Bankcorp, Inc. in connection with the solicitation of proxies by its Board of Directors to be voted at the 2008 Annual Meeting of Shareholders and at any adjournments thereof (the "Annual Meeting"). The Annual Meeting will be held on Tuesday, April 22, 2008, at Colony Bankcorp, Inc. Corporate Offices at 115 South Grant Street, Fitzgerald, Georgia, at 2:00 p.m. local time.

The approximate date on which this proxy statement and the accompanying proxy card are first being sent or given to shareholders is March 22, 2008.

As used in this proxy statement, the terms Colony Bankcorp, Company, we, our and us all refer to Colony Bankcorp, Inc. and its subsidiaries.

VOTING

General

The securities which can be voted at the Annual Meeting consist of Colony Bankcorp's \$1.00 par value common stock ("Colony Bankcorp stock"), with each share entitling its owner to one vote on each matter submitted to the shareholders. The record date for determining the holders of Colony Bankcorp stock who are entitled to notice of and to vote at the Annual Meeting is March 14, 2008. On the record date, 7,216,113 shares of Colony Bankcorp stock were outstanding and eligible to be voted.

Quorum and Vote Required

The presence, in person or by proxy, of a majority of the outstanding shares of Colony Bankcorp stock is necessary to constitute a quorum at the Annual Meeting. In determining whether a quorum exists at the Annual Meeting for purposes of all matters to be voted on, all votes "for" or "against" as well as all abstentions (including votes to withhold authority to vote) will be counted.

In voting for the proposal to elect eleven directors (Proposal No. 1), you may vote in favor of all nominees or withhold your votes as to all or as to specific nominees. The vote required to approve Proposal No. 1 is governed by Georgia law and is a plurality of the votes cast by the holders of shares entitled to vote, provided a quorum is present. Any other matter which may be submitted to shareholders at the meeting will be determined by a majority of the votes cast at the meeting. Votes withheld and broker non-votes will not be counted and will have no effect.

Our directors and executive officers hold 1,004,368 shares of Colony Bankcorp stock, or approximately 13.92% of all outstanding stock, and we believe that all of those shares will be voted in favor of the proposal.

Proxies

All properly executed proxy cards delivered pursuant to this solicitation and not revoked will be voted at the Annual Meeting in accordance with the directions given. In voting by proxy with regard to the election of directors, you may vote in favor of all nominees, withhold your votes as to all nominees or withhold your votes as to specific nominees. You should specify your choices on the proxy card. If no specific instructions are given with regard to the matters to be voted upon, the shares represented by a signed proxy card will be voted "for" the proposals listed on the proxy card. If any other matters properly come before the Annual Meeting, the persons named as proxies will vote upon such matters according to their judgment.

All proxy cards delivered pursuant to this solicitation are revocable at any time before they are voted by giving written notice to our Secretary, Terry L. Hester, at 115 South Grant Street, Fitzgerald, Georgia 31750, by delivering a later dated proxy card, or by voting in person at the Annual Meeting.

All expenses incurred in connection with the solicitation of proxies will be paid by us. Solicitation may take place by mail, telephone, telegram, or personal contact by our directors, officers, and regular employees of the Company without additional compensation. The Annual Report of the Company for the year 2007 accompanies this proxy statement.

BUSINESS OF THE COMPANY

Colony Bankcorp, Inc. (the "Company") is a Georgia business corporation which was incorporated on November 8, 1982. The Company was organized for the purpose of operating as a bank-holding company under the Federal Bank-Holding Company Act of 1956, as amended, and the bank-holding company laws of Georgia. On July 22, 1983, the Company, after obtaining the requisite regulatory approvals, acquired 100 percent of the issued and outstanding common stock of Colony Bank of Fitzgerald (formerly The Bank of Fitzgerald), Fitzgerald, Georgia, through the merger of the Bank with a subsidiary of the Company which was created for the purpose of organizing the Bank into a one-bank holding company. Since that time, Colony Bank of Fitzgerald has operated as a wholly-owned subsidiary of the Company.

On April 30, 1984, the Company acquired 100 percent of the issued and outstanding common stock of Colony Bank Wilcox (formerly Pitts Banking Company and Community Bank of Wilcox), Pitts, and Wilcox County, Georgia in an all stock transaction. Since the date of acquisition, the Bank has operated as a wholly-owned subsidiary of the Company.

On November 1, 1984, the Company acquired 100 percent of the issued and outstanding common stock of Colony Bank Ashburn (formerly Ashburn Bank) Ashburn, Turner County, Georgia for a combination of cash and interest-bearing promissory notes. Since the date of acquisition, the Bank has operated as a wholly-owned subsidiary of the Company.

On September 30, 1985, the Company acquired 100 percent of the issued and outstanding common stock of Colony Bank of Dodge County (formerly The Bank of Dodge County), Eastman, Dodge County, Georgia in an all stock transaction. Since the date of acquisition, the Bank has operated as a wholly-owned subsidiary of the Company.

On July 31, 1991, the Company acquired 100 percent of the issued and outstanding common stock of Colony Bank Worth (formerly Worth Federal Savings and Loan Association and Bank of Worth), Sylvester, Worth County, Georgia in a cash and stock transaction. Since the date of acquisition, the Bank has operated as a wholly-owned subsidiary of the Company.

On November 8, 1996, the Company organized Colony Management Services, Inc. to provide support services to each subsidiary. Services include loan and compliance review, internal auditing and data processing.

On November 30, 1996, the Company acquired 100 percent of Colony Bank Southeast (formerly Broxton State Bank), Broxton, Coffee County, Georgia in an all stock transaction. Since the date of acquisition, the Bank has operated as a wholly-owned subsidiary of the Company.

On March 2, 2000, Colony Bank Ashburn purchased the capital stock of Georgia First Mortgage Company in a business combination accounted for as a purchase. Georgia First Mortgage is primarily engaged in residential real estate mortgage lending in the state of Georgia.

On March 29, 2002, the Company acquired 100 percent of Colony Bank Quitman, FSB (formerly Quitman Federal Savings Bank), Quitman, Brooks County, Georgia in a cash and stock transaction. Since the date of acquisition, the Bank has operated as a wholly-owned subsidiary of the Company.

On March 26, 2002, Colony formed Colony Bankcorp Statutory Trust I and on December 19, 2002 formed Colony Bankcorp Statutory Trust II. Both were formed to establish special purpose entities to issue trust preferred securities. During 2007, both Trusts were liquidated as Colony exercised its option to call and payoff the trust preferred securities.

On March 19, 2004, Colony Bank Ashburn purchased Flag Bank -Thomaston Office in a business combination accounted for as a purchase. Since the date of acquisition, the Thomaston office has operated as a branch office of Colony Bank Ashburn.

On June 17, 2004, Colony formed Colony Bankcorp Statutory Trust III for the purpose of establishing a special purpose entity to issue trust preferred securities.

On April 13, 2006, Colony formed Colony Bankcorp Capital Trust I for the purpose of establishing a special purpose entity to issue trust preferred securities.

On March 12, 2007, Colony formed Colony Bankcorp Capital Trust II for the purpose of establishing a special purpose entity to issue trust preferred securities. Proceeds from this Trust were used to pay off trust preferred securities issued with Colony Bankcorp Statutory Trust I.

On September 14, 2007, Colony formed Colony Bankcorp Capital Trust III for the purpose of establishing a special purpose entity to issue trust preferred securities. Proceeds from this Trust were used to pay off trust preferred securities issued with Colony Bankcorp Statutory Trust II.

Colony Bankcorp, Inc. is a multi-bank holding company with its primary offices located in Fitzgerald, Georgia. The Company owns seven banking subsidiaries doing business in twenty-nine offices in the South and Central Georgia cities of Albany, Ashburn, Broxton, Centerville, Chester, Columbus, Cordele, Douglas, Eastman, Fitzgerald, Leesburg, Moultrie, Pitts, Quitman, Rochelle, Savannah, Soperton, Sylvester, Thomaston, Tifton, Valdosta and Warner Robins.

Because Colony Bankcorp, Inc. is a bank-holding company, its principal operations are conducted through its subsidiary banks. It has 100% ownership of each subsidiary and maintains systems of financial, operational and administrative controls that permit centralized evaluation of the operations of the subsidiary banks in selected functional areas including operations, accounting, marketing, investment management, purchasing, human resources, computer services, auditing, compliance and credit review.

Responsibility for management of each bank remains with its respective Board of Directors and officers. Services rendered by the Company are intended to assist the local management of the banks and to expand the scope of available banking services.

Colony Bankcorp, Inc. common stock is quoted on the NASDAQ National Market under the symbol "CBAN".

EMPLOYEES

As of December 31, 2007, Colony Bankcorp, Inc. and its subsidiaries employed 349 fulltime employees and 41 part-time employees.

Proposal No. 1 Election of Directors

Our Board of Directors consists of eleven members, nine of whom are non-employee directors. The Company's bylaws provide that the Board of Directors shall consist of not less than three nor more than twenty-five persons, with the exact number to be fixed and determined from time to time by resolution of the Board of Directors, or by resolution of the shareholders at any annual or special meeting of shareholders.

The Board of Directors has voted that the Board consist of eleven members for the Company's ensuing fiscal year.

The Nomination Committee, consisting of independent directors Terry Coleman, Morris Downing and Jerry Harrell recommended to the full Board a slate of directors for consideration in the shareholders proxy for the Annual Meeting. The Board of Directors, based on the Nomination Committee recommen–dations, has nominated the following persons for submission to the shareholders for election for a one- year term expiring at the 2009 annual meeting:

Terry L. Coleman	Charles E. Myler
L. Morris Downing, Jr.	W. B. Roberts, Jr.
Edward J. Harrell	Al D. Ross
Terry L. Hester	Jonathan W.R. Ross
Mark H. Masee	B. Gene Waldron
James D. Minix	

Each of the nominees is currently a director.

The Board of Directors recommends that you vote "FOR" the proposal to elect the eleven nominees names above.

Each of the nominees has consented to serve if elected. If any nominee should be unavailable to serve for any reason, the Board may designate a substitute nominee (in which event the persons named as proxies will vote the shares represented by all valid proxy cards for the election of such substitute nominee), allow the vacancy to remain open until a suitable candidate is located, or reduce the number of directors.

Information as of December 31, 2007 about each of the nominees is set forth below. Their ownership of Colony Bankcorp stock is set forth in the table on page eleven.

Directors and Nominees

Terry L. Coleman. Mr. Coleman, age 64, is the Owner of Huddle House in Eastman, Georgia. He formerly served as a member of the State of Georgia House of Representatives and Speaker of the House of Representatives. Mr. Coleman serves as a Director of Colony Bank of Dodge County. Mr. Coleman has been a Director of Colony Bankcorp since May 1990.

L. Morris Downing, Jr. Mr. Downing, age 65, is President of Lowell Packing Company. He also serves as a Director of Colony Management Services, Inc. Mr. Downing has been a Director of Colony Bankcorp since July 1994 and has served as Chairman of the Board since May 2002.

Terry L. Hester. Mr. Hester, age 53, has been Executive Vice President and Chief Financial Officer of Colony Bankcorp since June 1994 and Secretary of Colony Bankcorp since May 2003. He also served as Acting President and Chief Executive Officer from June 1993 to June 1994 and has served as Treasurer since 1982. He also serves as a Director of Colony Bank Wilcox, Colony Bank Quitman, FSB and Georgia First Mortgage. Mr. Hester has been a Director of Colony Bankcorp since March 1990.

Edward J. Harrell. Mr. Harrell, age 63, is a Partner of the Macon law firm, Martin Snow, LLP. Mr. Harrell has been a Director of Colony Bankcorp since December 2002.

Mark H. Masee. Mr. Masee, age 54, is President of Masee Builders, Inc. He also serves as a Director of Colony Bank of Fitzgerald. Mr. Masee has been a Director of Colony Bankcorp since February 2007.

James D. Minix. Mr. Minix, age 66, served as Chief Executive Officer of the Company from December 2004 until his retirement in January 2006 and served as President and Chief Executive Officer of the Company from June 1994 to December 2004. Mr. Minix served as President and Chief Executive Officer of Colony Bank of Fitzgerald from January 1993 to June 1994. He also served as President and Chief Executive Officer of Colony Bank Ashburn from February 1990 to December 1992. Mr. Minix has been a Director of Colony Bankcorp since March 1994 and has served as Vice Chairman of the Board since May 2006.

Charles E. Myler. Mr. Myler, age 65, is retired from the FDIC where he served for twenty years as a supervisor of the Albany FDIC office and worked another sixteen years as an FDIC field examiner. Mr. Myler serves as a Director of Colony Bank Ashburn. Mr. Myler has been a Director of Colony Bankcorp since October 2004.

W. B. Roberts, Jr. Mr. Roberts, age 66, is a Farmer and a Businessman. He also serves as Chairman of the Board of Colony Bank Ashburn. Mr. Roberts has been a Director of Colony Bankcorp since March 1990.

Al D. Ross. Mr. Ross, age 44, has served as President and Chief Executive Officer since January 2006 and served as President and Chief Operating Officer of the Company from December 2004 to January 2006 and served as Executive Vice President of the Company from January 2003 to December 2004 and served as Senior Vice President of the Company from May 2002 to January 2003. He also served as President and Chief Executive Officer of Colony Bank Southeast from May 2001 to January 2006. Mr. Ross serves as a Director of Colony Bank Southeast, Colony Bank of Fitzgerald, Colony Management Services, Inc., Colony Bank Ashburn, Colony Bank Quitman, Colony Bank Worth and Chairman of Georgia First Mortgage Company. Mr. Ross has been a Director of Colony Bankcorp since January 2005.

Jonathan W.R. Ross. Mr. Ross, age 44, is President of Ross Construction Company. Mr. Ross has been a Director of Colony Bankcorp since May 2007.

B. Gene Waldron. Mr. Waldron, age 48, is President of Tri-County Gin, Inc., President of Deep South Peanut, Inc., President of Waldron Enterprises, Inc. and Vice President of Waldron Farm Service, Inc. He also serves as Chairman of the Board of Colony Bank Southeast. Mr. Waldron has been a Director of Colony Bankcorp since April 2002.

Each director serves until the Annual Meeting following his election or until such later time as his successor is elected and qualifies or there is a decrease in the number of directors.

Executive Officers

Al D. Ross, Terry L. Hester, Walter P. Patten, Larry E. Stevenson, Will D. Sims and W. Mike Miller were the named executive officers of Colony Bankcorp, Inc. during 2007. Messrs. Ross and Hester were previously reported on as nominees for election as directors.

Messrs. Patten and Stevenson serve as President and Chief Executive Officer of subsidiary bank charters and serve on Colony Bankcorp's Central Credit Committee. Messrs. Sims and Miller served as President and Chief Executive Officer of subsidiary bank charters and served on Colony Bankcorp's Central Credit Committee until their termination from employment in October 2007 and December 2007, respectively. Messrs. Patten, Stevenson, Sims and Miller were employees during 2007 and are included in the Company's Summary Compensation Table.

Executive officers do not hold office for a fixed term but may be removed by the Board of Directors with or without cause. The company does not have any employment or change-in-control agreements with any of the named executive officers.

Governance of the Company

Our Board of Directors believes that the purpose of corporate governance is to ensure that we maximize shareholder value in a manner consistent with legal requirements and the highest standards of integrity. Colony Bankcorp, through its Board of Directors and management, has long sought to meet the highest standards of corporate governance. The Board has adopted and adheres to corporate governance guidelines which the Board and senior management believe promotes this purpose, are sound and represent best practices. We continually review these governance practices, Georgia law (the state in which we are incorporated), the rules and listing of the National Association of Securities Dealers ("NASD" or "NASDAQ"), and the Securities and Exchange Commission ("SEC") regulations, as well as best practices suggested by recognized governance authorities.

Currently, our Board of Directors has eleven members, eight of whom meet the NASDAQ standard for independence. Only independent directors serve on our Audit Committee, Governance Committee, Compensation Committee and Nomination Committee.

In May 2007, the Board of Directors re-appointed L. Morris Dowing, Jr. as Chairman, a position Mr. Downing has held since May 2002. In this capacity, Mr. Downing has frequent contact with Mr. Ross and other members of management on a broad range of matters and has additional corporate governance responsibilities for the Board. The Board of Directors has determined that Mr. Downing meets the Rules of NASDAQ standard for independence.

In assessing potential directors for our Board, we look for candidates who possess a wide range of experience, skills, areas of expertise, knowledge and business judgement. A director candidate should also have demonstrated superior performance or accomplishments in his or her professional undertakings.

Our Board of Directors conducts regular meetings, generally on a monthly basis and also conducts some of its business through the six committees described below. Our Board of Directors met twelve times during the year and each director attended at least 75% of the meetings of the full Board and of the committee or committees on which he serves.

Committees of the Board of Directors

The Executive Committee is appointed by the Chairman of the Board of Directors of the Company, subject to election by the full Board. The purpose of the Executive Committee is to conduct necessary business and make decisions on behalf of the full Board between regular Board meetings. Mr. Harrell, Mr. Minix, Mr. Coleman, Mr. Downing and Mr. A. Ross were members of this committee during the year. The committee met seven times during the year.

The Compensation Committee is appointed by the Chairman of the Board of Directors of the Company, subject to election by the full Board. The purpose of the Compensation Committee is to ensure that the Chief Executive Officer, other executive officers and key management of the Company are compensated effectively in a manner consistent with the compensation strategy of the company, internal equity considerations, competitive practice, and any requirements of appropriate regulatory bodies, to establish guidelines and oversee the administration of executive compensation plans and arrangements as well as certain employee benefit plans and to recommend any changes to the Director's compensation package. Mr. Downing, Mr. Harrell, Mr. Coleman, and Mr. Waldron were members of this committee during the year. As of December 31, 2007, the members of the Compensation Committee met the independence requirements of the Company's Corporate Governance Guidelines and the rules of NASDAQ. The committee met three times during the year. The Compensation Committee operates under the Corporate Governance Charter attached as Exhibit B. The charter was not amended in 2007.

The Governance Committee is appointed by the Chairman of the Board of Directors of the Company, subject to election by the full Board. The purpose of the Governance Committee is to take a leadership role in shaping the corporate governance of the Company, to develop and recommend to the Board a set of corporate governance guidelines and to address committee structure and operations. Mr. Harrell, Mr. Coleman and Mr. Downing were members of this committee during the year. As of December 31, 2007 the members of the Governance Committee met the independence requirements of the Company's Corporate Governance Guidelines and the Rules of NASDAQ. The committee met two times during the year. The Corporate Governance Charter is attached as Exhibit B.

The Asset-Liability Management Committee is appointed by the Chairman of the Board of Directors of the Company, subject to election by the full Board. The purpose of the Asset-Liability Management Committee is to monitor all aspects of the Company's Asset/Liability Management functions as set forth in Colony Bankcorp, Inc. Asset/Liability Management Policy. Mr. Hester, Mr. Downing, Mr. Roberts and Mr. Myler were members of this committee during the year. The committee met four times during the year.

The Nomination Committee is appointed by the Chairman of the Board of Directors of the company, subject to election by the full Board. The purpose of the Nomination Committee is to make recommendations to the Board on qualifications and selection criteria for Board members and review the qualifications of potential candidates for the Board and to make recommendations to the Board on nominees to be elected at the Annual Meeting of Stockholders. Colony Bankcorp, Inc. has a standing Nomination Committee composed of the following members: Directors Harrell, Coleman and Downing. Each of the members of the Committee were deemed independent as defined in the listing standards of the NASDAQ. The Committee operates under the Corporate Governance Charter attached as Exhibit B. The charter was not amended in 2007. The charter is not currently available on the Company's website. The Committee does not currently have a policy or process for identifying and evaluating nominees. However, in addition to meeting the qualification requirements set forth by the Georgia Department of Banking & Finance, a possible director-candidate must also meet the following criteria to be considered by the Nominating Committee: independence; highest personal and professional ethics and integrity; willing to devote sufficient time to fulfilling duties as a Director; impact on the diversity of the Board's overall experience in business, government, education, technology and other areas relevant to the Company's business; impact on the diversity of the Board's composition in terms of age, skills, ethnicity and other factors relevant to the Company's business; and number of other public company boards on which the candidate may serve (generally, should not be more than three public company boards in addition to the Company). The Committee does not currently have a policy with regard to the consideration of any director candidates recommended by security holders. The Board of Directors has determined such a policy has been unnecessary in the past and will charge the Nomination Committee to evaluate the appropriateness of developing such a policy in the coming year. The committee met two times during the year.

The Audit Committee is appointed by the Chairman of the Board of Directors of the Company, subject to election by the full Board. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for the company's accounting and financial reporting processes and audits of the financial statements of the company by monitoring the integrity of the company's financial statements, the independence and qualifications of its external auditor, the company's system of internal controls, the performance of the company's internal audit process and external auditor and the company's compliance with laws, regulations and the Directors and Senior Financial Officers Code of Ethical Conduct and the Code of Conduct. Mr. Coleman, Mr. Waldron, Mr. Masee, Mr. Downing, Mr. Myler, Mr. J. Ross and Mr. W.B. Roberts were members of this committee during the year. Mr. Coleman and Mr. W.B. Roberts served until May 15, 2007, while Mr. J. Ross and Mr. Masee began serving on May 15, 2007. As of December 31, 2007, the members of the Audit Committee met the independence requirements of the Company's Corporate Governance Guidelines and the Rules of NASDAQ. The committee met thirteen times during the year.

Audit Committee Charter

The Board of Directors has adopted a written charter for the Audit Committee, a copy of which is attached to this Proxy Statement as Exhibit A. The Board of Directors reviews and approves changes to the Audit Committee charter annually. The charter was not amended in 2007.

Independence of Audit Committee Members

The Company's Audit Committee is comprised of Mark H. Masee, Charles E. Myler, L. Morris Downing, Jr., B. Gene Waldron and Jonathan W.R. Ross. Each of these members meets the requirements for independence as defined by the applicable NASDAQ standards. In addition, the Board of Directors has determined that at least one member of the Audit Committee meets the Rules of NASDAQ standard of having accounting or related financial management expertise. Mr. Myler was elected the financially sophisticated individual on the Audit Committee in lieu of naming a "financial expert." In addition, Mr. Downing was elected Chairman of the Audit Committee.

The Audit Committee does not include a financial expert as defined by the Sarbanes Oxley Act of 2002 and the Company has not named a financial expert because the Board of Directors has determined the financial acumen of each member of the Audit Committee to be very strong and capable of satisfactorily discharging their duties and responsibilities to the Board of Directors and the shareholders.

Audit Committee Report

The Audit Committee reports as follows with respect to the audit of the Company's 2007 audited consolidated financial statements.

•The Committee has reviewed and discussed the Company's 2007 audited consolidated financial statements with the Company's management;

•The Committee has discussed with the independent auditors, McNair, McLemore, Middlebrooks, & Co., LLP, the matters required to be discussed by SAS 61, which include, among other items, matters related to the conduct of the audit of the Company's consolidated financial statements;

•The Committee has received written disclosures and the letter from the independent audi-tors required by ISB Standard No. 1 (which relates to the auditor's independence from the corporation and its related entities) and has discussed with the auditors the auditor's independence from the Company. The Committee has concluded that the independent auditors are independent from the Company and its management; and

Based on review and discussions of the Company's 2007 audited consolidated financial statements with management and discussions with the independent auditors, the Audit Committee recommended to the Board of Directors that the Company's 2007 audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for filing with the Securities and Exchange Commission.

March 21, 2008

AUDIT COMMITTEE:

L. Morris Downing, Jr.
Charles E. Myler

B. Gene Waldron
Jonathan W.R. Ross
Mark H. Massee

Stock Ownership

Security Ownership of Certain Beneficial Owners

As of March 1, 2008, the Company's records and other information from outside sources indicated the following were beneficial owners of more than five percent of the outstanding shares of the Company's common stock:

Name and Address	Shares Beneficially Owned	Percent of Class
Robert Sidney Ross(1) P. O. Box 666 Ocilla, Georgia 31774	819,970	11.36%
Polaris Capital Management, Inc 125 Summer Street, Suite 1470 Boston, Massachusetts 02110	457,463	6.34%

(1)Includes 682,762 shares held by Robert Sidney Ross; 99,771 shares held by Ross of Georgia, Inc.; 35,396 shares held by family trusts; 1,562 shares held by spouse for minor child; and 479 shares held by spouse. Mr. Ross disclaims beneficial ownership of those shares held by family trusts, held by spouse for minor child and held by spouse.

Directors and Executive Officers

The following table sets forth information as of February 29, 2008 regarding the ownership of Colony Bankcorp stock by each Colony Bankcorp director(including nominees for director)and by the named executive officers of Colony Bankcorp and its subsidiaries, and by all directors and executive officers as a group.

Name and Address	Shares Beneficially Owned (1)	Percent of Class
Terry L. Coleman Director	174,428	2.42%
L. Morris Downing, Jr. Director	225,214	3.12%
Edward J. Harrell Director	28,249	0.39%
Terry L. Hester Director; Executive Officer	134,184	1.86%
Mark H. Masee Director	49,514	0.69%
James D. Minix Director	130,605	1.81%
Charles E. Myler Director	5,355	0.07%
W. B. Roberts, Jr. Director	27,491	0.38%
Al D. Ross Director; Executive Officer	31,331	0.43%
Jonathan W.R. Ross Director	38,145	0.53%
B. Gene Waldron Director	95,072	1.32%
Walter P. Patten Executive Officer	44,156	0.61%
Larry E. Stevenson Executive Officer	20,624	0.29%
All directors and executive officers as a group (13 persons)	1,004,368	13.92%

(1) Includes shares owned by spouses and minor children of officers and directors, as well as shares owned by trust or businesses in which officers and directors have a significant interest. The information contained herein shall not be construed as an admission that any such person is, for purposes of Section 13(d) or Section 13(g) of the Securities Exchange Act of 1934, the beneficial owner of any securities not held of record by that person or

entity.

12

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview of Compensation Program

The Compensation Committee (for purposes of this analysis, the “Committee”), composed entirely of independent Directors, is responsible to our Board, and indirectly to our shareholders, for monitoring and implementing our executive compensation program. The Committee reviews and recommends executive compensation levels, stock awards and non-equity incentives for executive officers. The Committee en-sures that the total compensation paid to an executive officer is fair, reasonable and competitive.

Throughout this proxy statement the individuals who served as the company’s Chief Executive Officer and Chief Financial Officer during fiscal year 2007, as well as the other individuals included in the Sum-mary Compensation Table on page 20, are referred to as the “named executive officers.”

Compensation Philosophy and Objectives

The Committee believes that our executive compensation program should be designed and adminis-tered to provide a competitive compensation program that will enable us to attract, motivate, reward and retain executives who have the skills, education, experience and capabilities required to discharge their duties in a competent, efficient and professional manner. The Committee believes that the most effective compensation program is one that is designed to reward the achievement of specific annual, long-term and strategic goals by the Company, and which aligns executive’s interests with those of the shareholder by rewarding performance above established goals, with the ultimate objective of improving shareholder value. To that end, the Committee believes executive compensation packages provided by the Company to its executives should include both cash and stock-based compensation that reward performance as measured against established goals.

Role of Executive Officers in Compensation Decisions

The Committee makes all compensation decisions for the Chief Executive Officer, the Chief Financial Officer and all named executive officers and approves recommendations regarding equity awards to all elected officers of the Company. Decisions regarding the non-equity incentive plan compensation of other executive officers are reviewed and approved by the Committee and Chief Executive Officer.

The Committee and the Chief Executive Officer annually review the performance of the named execu-tive officers (other than the Chief Executive Officer whose performance is reviewed by the Committee). The conclusions reached and recommendations based on these reviews, including with respect to salary adjustments and annual award amounts, are presented to the Committee. The Committee can exercise its discretion in modifying any recommended adjustments or awards to executives.

Setting Executive Compensation

Based on the foregoing objectives, the Committee has structured the Company's annual and long-term incentive executive compensation to motivate executives to achieve business goals set by the Company and reward the executives for achieving such goals.

The Committee's policy is to determine the compensation components of executive compensation principally upon the basis of corporate performance, although the elements of corporate performance may vary from year to year. Among the performance factors which the Committee considers are corporate profitability, asset quality, growth and corporate performance relative to industry standards such as problem asset levels, past due loan levels, loan production, net interest rate margin and net overhead. The Committee does not use a formula to calculate the relative weight of these performance factors in establishing base salary, but does give significant subjective weight to the overall value of Colony Bankcorp from year to year.

The Committee takes into account how the overall level of Colony Bankcorp's executive compensation compares to similar-sized bank holding companies in the Southeastern United States. It was determined that the salary, non-equity incentive plans and stock awards of executive compensation was generally within competitive market limits of similar-sized bank holding companies. All other employment benefits of the named executive officers were found to be generally within competitive limits.

The Committee also considers the potential impact of Section 162(m) of the Internal Revenue Code of 1986, as amended (Section 162(m)). Section 162(m) disallows a tax deduction for any publicly held corporation for individual compensation exceeding \$1 million in any taxable year for the Chief Executive Officer and the other named executive officers, other than compensation that is performance-based under a plan that is approved by the shareholders of the corporation and that meets certain other technical requirements. Based on these requirements, the Committee has determined that Section 162(m) will not prevent the Company from receiving a tax deduction for any of the compensation paid to executive officers.

2007 Executive Compensation Components

For the fiscal year ended December 31, 2007, the principal components of compensation for named executive officers were:

- base salary;
- performance-based cash incentive compensation;
- long-term equity stock award;
- profit sharing benefits; and
- perquisites and other personal benefits.

Base Salary

The Company provides named executive officers and other employees with base salary to compensate them for services rendered during the fiscal year. Base salary ranges for named executive officers are determined for each executive based on his position and responsibility.

During its review of base salaries for executives, the Committee primarily considers:

- market data provided by industry publications and surveys with particular emphasis on peer company's proxy statement compensation disclosures;
- internal review of the executive's compensation, both individually and relative to other executive officers; and
- individual performance of the executive.

The Committee considers peer company's proxy statement compensation disclosures to determine competitiveness in executive compensation. Those peer companies include Ameris Bancorp(ABCB), PAB Bankshares(PABK), Southwest Georgia Financial Corporation(SGB), Security Bank Corporation (SBKC) and Savannah Bancorp (SAVB). The Committee determined that the Company's compensation is competitive with the peer companies.

Additionally, the Committee bases their decision on a review of the executive's compensation -both individually and relative to other executive officers along with the individual performance of the executive. Factored into their decision is the overall performance of the Company in meeting objectives of balance sheet growth, return on equity and credit quality. The Committee determined that the executive officers were instrumental in carrying out Company initiatives and was factored into the base salary considerations by the Committee for 2007.

Salary levels are typically considered annually as part of the Company's performance review process as well as upon a promotion or other change in job responsibility.

Performance-Based Cash Incentive Compensation

The Company provides a performance-based cash incentive plan ("PBCIP") for named executive officers and other employees that is tied to a weighting factor, of which 50 percent of the cash award is based on the Company's return on equity for the Chief Executive Officer and the Chief Financial Officer and 20 percent of the cash award is based on the Company's return on equity for the named executive officers, along with other weighting factors of loan growth, problem asset reduction, net interest margin, net overhead, past due loan levels and charge-off loan levels with the reward potential within a range of 10 percent to 50 percent of base salary. The Committee can exercise its discretion to adjust the reward based on special circumstances or events occurring during the fiscal year in question.

In December of each year, the Committee sets the potential minimum, target and maximum levels for each component of the PBCIP for the next fiscal year. Payment of awards under the cash incentive plan are based upon the achievement of such objectives for the current year. The potential target levels established are tied to meeting balance sheet growth objectives, net income and return on equity objectives and credit quality objectives and weigh heavily in the Committee's decision for payouts with the performance-based cash incentive plan. In 2006 the Company had record earnings of \$10.2 million or \$1.41 per share compared to \$9 million or \$1.25 per share in 2005, while assets were \$1.2 billion at year end 2006 or an increase of 9.5 percent over the prior year. Actual performance for 2006 weighed heavily in the Committee's decision for payouts with the performance-based cash incentive plan. In general the performance levels were between minimum and target, but the Committee factored in actual net income growth, balance sheet growth and credit quality initiatives to make their decision in final bonus award payouts.

Each of the named executive officers for the fiscal year ended December 31, 2006 received the following payments in January 2007 under the PBCIP for fiscal 2006 performance.

Name	2006 PBCIP Bonus Award
Al D. Ross	\$40,000
Terry L. Hester	26,000
Walter P. Patten	30,000
W. Mike Miller	40,000
Larry E. Stevenson	25,000
Will D. Sims	28,500

Awards made to named executive officers under the PBCIP for performance in 2007 are reflected in column (g) of the Summary Compensation Table on page 20.

Long-Term Equity Stock Award

In 2004, the Board of Directors adopted and the shareholders approved the Colony Bankcorp, Inc. 2004 Restricted Stock Grant Plan. The plan enables our Board of Directors, or a committee thereof, to grant up to 143,500 shares of Colony Bankcorp, Inc. common stock to key officers and employees of Colony Bankcorp, Inc. and our subsidiaries. The purpose of this plan is to attract, retain and develop strong management as the Company continues to expand, and to induce key individuals who render services that contribute materially to our success to remain with us for the long-term. Shares granted vest over a three year period. During the three year vesting period and under conditions set forth in Colony Bankcorp Inc. 2004 Stock Grant Plan, the shares are subject to forfeiture. In the event of a change in control of the Company, as defined in the Plan, all unvested stock grants immediately become fully vested.

The Stock Grant Plan assists the Company to:

- enhance the link between the creation of stockholder value and long-term executive incentive compensation;
 - provide an opportunity for increased equity ownership by executives; and
 - maintain competitive levels of total compensation.

The Committee recommended for the Board of Directors's approval stock grant awards to be awarded for fiscal year 2007. Factors considered by the Committee in awarding stock grants were based on the overall performance of the Company and the executive officer's contribution in carrying out and meeting Company initiatives. The primary focus of the Committee is to retain key individuals and to increase equity ownership by executives with the stock grant awards.

Each of the named executive officers for the fiscal year ended December 31, 2007 received the following stock grant awards in January 2007:

Name	# of Shares	Stock Award Value
Al D. Ross	2,500	\$44,250
Terry L. Hester	800	14,160
Walter P. Patten	750	13,275
W. Mike Miller	750 (1)	13,275
Larry E. Stevenson	750	13,275
Will D. Sims	750 (1)	13,275

(1) Due to termination of employment during 2007, shares granted in 2007 were forfeited back to the Company.

The 2007 number of shares of stock awarded for named executive officers is included in column (i) of the 2007 Grants of Plan-Based Awards Table on page 23 while the stock award value for named executive officers is included in column (e) of the 2007 Summary Compensation Table on page 20.

Colony Bankcorp, Inc. 401(k) Plan

The Company has adopted a 401(k) Plan which provides for the Board of Directors to make a discretionary contribution to the 401(k) Plan out of profits in an amount not to exceed 10 percent of the total annual eligible compensation of the employees eligible to participate in the plan. Employees are eligible for a Company contribution after completion of one year of service. The contribution by the Company is allocated among the participants based on participant's total eligible compensation. The employee's interest vests over a period of six years.

The Committee recommended for the Board of Director's approval that the level of funding for fiscal year 2007 be set at 5.25 percent of eligible compensation. The Committee based their recommendation to reduce the level of funding from 6.25 percent in 2006 to 5.25 percent in 2007 on the decrease in net income from \$10.2 million in 2006 to \$8.5 million in 2007.

Each of the named executive officers for fiscal year ended December 31, 2007 received the following 401(k) Plan contribution:

Name	Amount
Al D. Ross	\$ 11,812
Terry L. Hester	10,736
Walter P. Patten	11,238
W. Mike Miller	-(1)
Larry E. Stevenson	9,624
Will D. Sims	-(1)

(1) Not eligible for 2007 contribution due to termination of employment prior to December 31, 2007.

Contributions credited to named executive officers' 401(k) accounts for fiscal year ended December 31, 2007 are included in column (i) of the 2007 Summary Compensation Table on page 20. These contributions will be credited to the 401(k) accounts in March, 2008.

Perquisites and Other Personal Benefits

The Company provides named executive officers with perquisites and other personal benefits that the Company and the Committee believe are reasonable and consistent with its overall compensation program to better enable the Company to attract and retain superior employees for key positions. The Committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers.

The named executive officers are provided use of company automobiles, membership in country clubs, term life insurance coverage and director fees as part of their perquisites and other benefits. Detailed below is an analysis of 2007 perquisites and other benefits for fiscal year ended December 31, 2007.

Name	Company Vehicle	Term Life Insurance	Country Club Membership	Other Compensation	Director Fees
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