

COLONY BANKCORP INC  
Form 10-Q  
August 12, 2011

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES  
EXCHANGE ACT OF 1934

FOR QUARTER ENDED JUNE 30, 2011

COMMISSION FILE NUMBER 0-12436

COLONY BANKCORP, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

GEORGIA  
(STATE OR OTHER JURISDICTION  
OF INCORPORATION OR ORGANIZATION)

58-1492391  
(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

115 SOUTH GRANT STREET, FITZGERALD, GEORGIA 31750  
ADDRESS OF PRINCIPAL EXECUTIVE OFFICES

229/426-6000  
REGISTRANT'S TELEPHONE NUMBER INCLUDING AREA CODE

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED REPORTS REQUIRED TO BE FILED BY SECTIONS 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES  NO

INDICATE BY CHECK MARK WHETHER THE REGISTRANT HAS SUBMITTED ELECTRONICALLY AND POSTED ON ITS CORPORATE WEB SITE, IF ANY, EVERY INTERACTIVE DATA FILE REQUIRED TO BE SUBMITTED AND POSTED PURSUANT TO RULE 405 OF REGULATION S-T (§232.405 OF THIS CHAPTER) DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO SUBMIT AND POST SUCH FILES).

YES  NO

INDICATE BY CHECK MARK WHETHER THE REGISTRANT IS A LARGE ACCELERATED FILER, AN ACCELERATED FILER, A NON-ACCELERATED FILER OR A SMALLER REPORTING COMPANY. SEE DEFINITIONS OF "ACCELERATED FILER", "LARGE ACCELERATED FILER" AND "SMALLER REPORTING COMPANY" IN RULE 12b-2 OF THE EXCHANGE ACT.

LARGE ACCELERATED FILER                       ACCELERATED FILER   
NON-ACCELERATED FILER                       SMALLER REPORTING COMPANY   
(DO NOT CHECK IF A SMALLER REPORTING COMPANY)

INDICATE BY CHECK MARK WHETHER THE REGISTRANT IS A SHELL COMPANY (AS DEFINED IN RULE 12B-2 OF THE EXCHANGE ACT).

YES                       NO

INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES OF COMMON STOCK, AS OF THE LATEST PRACTICABLE DATE.

CLASS	OUTSTANDING AT AUGUST 12,2011
COMMON STOCK, \$1 PAR VALUE	8,442,658

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Forward Looking Statement Disclosure

Statements in this Quarterly Report regarding future events or performance are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the PSLRA) and are made pursuant to the safe harbors of the PSLRA. Actual results of Colony Bankcorp, Inc. (the Company) could be quite different from those expressed or implied by the forward-looking statements. Any statements containing the words “could,” “may,” “will,” “should,” “plan,” “believe,” “anticipates,” “estimates,” “predicts,” “expects,” “projections,” “potential,” “continue,” or words of similar import, constitute “forward-looking statements”, as do any other statements that expressly or implicitly predict future events, results, or performance. Factors that could cause results to differ from results expressed or implied by our forward-looking statements include, among others, risks discussed in the text of this Quarterly Report as well as the following specific items:

- General economic conditions, whether national or regional, that could affect the demand for loans or lead to increased loan losses;
  - Competitive factors, including increased competition with community, regional, and national financial institutions, that may lead to pricing pressures that reduce yields the Company achieves on loans and increase rates the Company pays on deposits, loss of the Company’s most valued customers, defection of key employees or groups of employees, or other losses;
- Increasing or decreasing interest rate environments, including the shape and level of the yield curve, that could lead to decreases in net interest margin, lower net interest and fee income, including lower gains on sales of loans, and changes in the value of the Company’s investment securities;
- Changing business or regulatory conditions, or new legislation, affecting the financial services industry that could lead to increased costs, changes in the competitive balance among financial institutions, or revisions to our strategic focus;
- Changes or failures in technology or third party vendor relationships in important revenue production or service areas, or increases in required investments in technology that could reduce our revenue, increase our costs or lead to disruptions in our business.
- Readers are cautioned not to place undue reliance on our forward-looking statements, which reflect management’s analysis only as of the date of the statements. The Company does not intend to publicly revise or update forward-looking statements to reflect events or circumstances that arise after the date of this report.

Readers should carefully review all disclosures we file from time to time with the Securities and Exchange Commission (SEC).

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PART 1. FINANCIAL INFORMATION

ITEM 1

FINANCIAL STATEMENTS

THE FOLLOWING FINANCIAL STATEMENTS ARE PROVIDED FOR COLONY BANKCORP, INC. AND ITS WHOLLY-OWNED SUBSIDIARY BANK, COLONY BANK

A. CONSOLIDATED BALANCE SHEETS – JUNE 30, 2011 AND DECEMBER 31, 2010.

B. CONSOLIDATED STATEMENTS OF INCOME – FOR THE THREE MONTHS ENDED JUNE 30, 2011 AND 2010 AND FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010.

C. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME – FOR THE THREE MONTHS ENDED JUNE 30, 2011 AND 2010 AND FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010.

D. CONSOLIDATED STATEMENTS OF CASH FLOWS – FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010.

THE CONSOLIDATED FINANCIAL STATEMENTS FURNISHED HAVE NOT BEEN AUDITED BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS, BUT REFLECT, IN THE OPINION OF MANAGEMENT, ALL ADJUSTMENTS (CONSISTING SOLELY OF NORMAL RECURRING ADJUSTMENTS) NECESSARY FOR A FAIR PRESENTATION OF THE RESULTS OF OPERATIONS FOR THE PERIODS PRESENTED.

THE RESULTS OF OPERATIONS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011 ARE NOT NECESSARILY INDICATIVE OF THE RESULTS TO BE EXPECTED FOR THE FULL YEAR.

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Part I (Continued)  
Item 1 (Continued)

COLONY BANKCORP, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
JUNE 30, 2011 AND DECEMBER 31, 2010  
(DOLLARS IN THOUSANDS)

	June 30, 2011 (Unaudited)	December 31, 2010 (Audited)
<b>ASSETS</b>		
Cash and Cash Equivalents		
Cash and Due from Banks	\$ 16,506	\$ 16,613
Federal Funds Sold	10,000	32,536
Securities Purchased Under Agreement to Resell	5,000	5,000
	31,506	54,149
Interest-Bearing Deposits	28,624	50,727
Investment Securities		
Available for Sale, at Fair Value	314,713	303,838
Held to Maturity, at Cost (Fair Value of \$46 and \$53, as of June 30, 2011 and December 31, 2010, Respectively)	47	48
	314,760	303,886
Federal Home Loan Bank Stock, at Cost	5,735	6,063
Loans	759,110	813,250
Allowance for Loan Losses	(15,394 )	(28,280 )
Unearned Interest and Fees	(60 )	(61 )
	743,656	784,909
Premises and Equipment	26,393	27,148
Other Real Estate	20,545	20,208
Other Intangible Assets	277	295
Other Assets	26,077	28,273
Total Assets	\$ 1,197,573	\$ 1,275,658
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Deposits</b>		
Noninterest-Bearing	\$ 92,582	\$ 102,959
Interest-Bearing	909,625	956,165
	1,002,207	1,059,124
<b>Borrowed Money</b>		
Securities Sold Under Agreements to Repurchase	--	20,000
Subordinated Debentures	24,229	24,229
Other Borrowed Money	71,000	75,076
	95,229	119,305
Other Liabilities	4,545	4,271
Commitments and Contingencies		
<b>Stockholders' Equity</b>		
Preferred Stock, No Par Value; Authorized 10,000,000 Shares, Issued 28,000 Shares	27,583	27,506

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Common Stock, Par Value \$1 a Share; Authorized 20,000,000 Shares, Issued 8,442,958 and 8,442,958 Shares as of June 30, 2011 and December 31, 2010, Respectively	8,443	8,443
Paid-In Capital	29,171	29,171
Retained Earnings	29,297	28,479
Restricted Stock - Unearned Compensation	(20 )	(41 )
Accumulated Other Comprehensive Income (Loss), Net of Tax	1,118	(600 )
	95,592	92,958
Total Liabilities and Stockholders' Equity	\$1,197,573	\$ 1,275,658

The accompanying notes are an integral part of these statements.

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Part I (Continued)  
Item 1 (Continued)

COLONY BANKCORP, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF INCOME  
THREE MONTHS ENDED JUNE 30, 2011 AND 2010  
AND SIX MONTHS ENDED JUNE 30, 2011 AND 2010  
(UNAUDITED)  
(DOLLARS IN THOUSANDS)

	Three Months Ended		Six Months Ended	
	6/30/2011	6/30/2010	6/30/2011	6/30/2010
<b>Interest Income</b>				
Loans, Including Fees	\$ 11,135	\$ 13,039	\$ 22,703	\$ 26,471
Federal Funds Sold	38	14	72	40
Deposits with Other Banks	8	14	26	17
<b>Investment Securities</b>				
U.S. Government Agencies	1,851	1,995	3,694	3,671
State, County and Municipal	29	23	58	48
Corporate Obligations and Asset-Backed Securities	22	34	45	90
Dividends on Other Investments	12	4	24	8
	13,095	15,123	26,622	30,345
<b>Interest Expense</b>				
Deposits	3,450	4,430	7,104	8,870
Federal Funds Purchased	171	181	338	367
Borrowed Money	893	916	1,781	1,834
	4,514	5,527	9,223	11,071
<b>Net Interest Income</b>				
Net Interest Income	8,581	9,596	17,399	19,274
Provision for Loan Losses	2,250	3,400	3,750	6,650
Net Interest Income After Provision for Loan Losses	6,331	6,196	13,649	12,624
<b>Noninterest Income</b>				
Service Charges on Deposits	800	936	1,556	1,843
Other Service Charges, Commissions and Fees	330	288	645	558
Mortgage Fee Income	42	79	104	140
Securities Gains	736	97	1,132	878
Other	763	619	1,338	1,140
	2,671	2,019	4,775	4,559
<b>Noninterest Expenses</b>				
Salaries and Employee Benefits	3,570	3,510	7,139	7,064
Occupancy and Equipment	1,028	1,098	2,044	2,206
Other	3,620	3,088	6,974	6,739
	8,218	7,696	16,157	16,009
<b>Income Before Income Taxes</b>				
Income Before Income Taxes	784	519	2,267	1,174
Income Taxes (Benefits)	245	(2 )	672	(31 )
Net Income	539	521	1,595	1,205
Preferred Stock Dividends	350	350	700	700
Net Income Available to Common Stockholders	\$ 189	\$ 171	\$ 895	\$ 505



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Net Income Per Share of Common Stock

Basic	\$0.02	\$0.02	\$0.11	\$0.06
Diluted	\$0.02	\$		