

PUBLIC DISCLOSURE

January 10, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**COLONY BANK WILCOX
Certificate Number: 10056**

**209 First Avenue
Rochelle, Georgia 31079**

**Federal Deposit Insurance Corporation
Suite 800, 10 Tenth Street, N.E.
Atlanta, Georgia 30309-3906**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Colony Bank Wilcox** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **January 10, 2005**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

The bank's CRA performance depicts a satisfactory practice of meeting the credit needs of the local community. The rating is supported by the following:

- The bank has displayed an excellent record of lending to farms and businesses of different sizes.
- The geographic distribution of loans within the assessment area reveals a reasonable dispersion throughout the local community.
- The bank has originated a majority of its loans within the assessment area.
- The average net loan-to-deposit ratio is reasonable and reflects a good responsiveness to the credit needs of the community.

DESCRIPTION OF INSTITUTION

Colony Bank Wilcox (Colony) supports the development of economic revitalization and growth within the bank's assessment area consistent with its size, financial capacity, location, and local economic conditions.

Colony is a wholly owned subsidiary of Colony Bankcorp, Inc., Fitzgerald, Georgia, a multi-bank holding company. The bank's main office is located in the downtown area of Rochelle, Georgia, in Wilcox County. The bank maintains one branch office located in Pitts, Georgia, in Wilcox County. As of September 30, 2004, assets totaled \$52,363,000. The bank offers a full range of loan and deposit products and broadly provides its lending services to individuals in its assessment area. In order to provide a higher level of service to its customers, the bank offers 24-hour telephone and internet banking services and an automated teller machine (ATM) at the main office. The bank offers no-fee checking to students and to teachers. Additionally, the bank offers a basic checking account for a \$1 monthly fee with a ten cent per debit item charge. Hours and services are considered reasonable. There are no financial or legal impediments which would prevent the bank from meeting the credit needs of the community.

The bank's major loan products, by dollar volume, are farm loans (includes loans secured by farmland) and commercial (business) loans (includes loans secured by nonfarm/nonresidential properties). The following table reflects the distribution of the bank's loan portfolio based on a percentage of dollar volume as of September 30, 2004. Gross loans as of this date totaled \$42,544,000.

Table 1-September 30, 2004, Loan Distribution	
TYPES OF LOANS	PERCENTAGE OF GROSS LOANS
Construction and Land Development	0.17
Secured by Farmland	17.69
Secured by 1-4 Family Residential Properties	9.89
Secured by Multifamily Residential Properties	1.05
Secured by Nonfarm/nonresidential Properties	36.13
Agricultural Production	21.42
Commercial and Industrial	0.02
Consumer	9.81
All Other Loans	3.82
Total	100%

Source: Report of Condition

DESCRIPTION OF WILCOX COUNTY

The bank's assessment area is reasonable and includes all of Wilcox County. The assessment area is composed of 4 middle-income geographies. A middle-income geography is defined as a geography where the median family income (MFI) is at least 80 percent but less than 120 percent of the 2000 statewide non-metropolitan MFI. In 2000, the statewide non-metropolitan MFI was \$39,099. Refer to Table 2 for demographic data on the assessment area.

Table 2 – 2000 Demographic & Economic Characteristics of the Assessment Area		
Assessment Area Population	8,577	
Assessment Area Households	2,772	
Assessment Area Families	1,973	
State Nonmetropolitan Median Family Income:		
2000 Median Family Income	\$39,099	
2002 Estimated Median Family Income(*)	\$42,200	
2003 Estimated Median Family Income(*)	\$44,300	
2004 Estimated Median Family Income(*)	\$43,300	
Percentage of Families by Income Level:		
Low-Income	23.67	
Moderate-Income	19.67	
Middle-Income	20.17	
Upper-Income	36.49	
Number of Total Housing Units:		
	#	%
1-4 Family Residential	2,188	65.90
Multi-Family	58	1.75
Mobile Home or Trailer	1,057	31.84
Other	17	0.51
Total	3,320	100.0
Owner-Occupied Housing Units	2,224	66.99
Rental Housing Units	561	16.90
Vacant Housing Units	535	16.11
Total	3,320	100.0

Source: U.S. Census, * Based on estimates from the Department of Housing and Urban Development (HUD).

According to the 2000 Census, 66.99 percent of the housing units in the assessment area were owner occupied with a median housing value of \$43,746. Home ownership is slightly lower statewide with 61.8 percent of the housing units owner occupied and with a higher median housing value of \$111,200. Of the 2,772 households located in the assessment area, 21.72 percent live below the poverty level.

From 1990 to 2000, the population of the assessment area increased 22.39 percent, from 7,008 to 8,577. The population of the assessment area grew slightly less than the State of Georgia, which increased 26.4 percent during that same period.

According to Labor Bureau statistics, during the third quarter of 2004, the non-seasonally adjusted (NSA) unemployment rate for the assessment area was 4.1 percent, slightly lower than the statewide NSA unemployment rate of 4.3 percent. The largest employers in the assessment area are Doster Warehouse, Inc., Rochelle, Georgia; Pineview Health Care, Inc., Pineview, Georgia; River Willows Nursing Center, Abbeville, Georgia; Wilcox Correctional Institution, Abbeville, Georgia; and Wood Tech Manufacturing & Supply Company, Inc., Rochelle, Georgia.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The evaluation of the bank's lending performance is based upon a review of a sample of small farm loans and small business loans. The small farm loan sample consisted of 37 small farm loans totaling \$2,044,379 from a universe of 193 loans totaling \$11,014,967. The small business

loan sample consisted of 24 small business loans totaling \$1,969,051 from a universe of 44 loans totaling \$4,555,671.

Lending to Farms and Businesses of Different Sizes

Overall Performance (all loan types): The bank’s overall distribution of small farm loans and small business loans reflects excellent penetration among farms and businesses of different sizes. The analysis includes only loans which were originated in the assessment area.

Small Farm Loans: The bank’s distribution of small farm loans reflects excellent penetration among farms of different sizes. As indicated in Table 3, 96.55 percent by number and 88.81 percent by dollar volume of sampled small farm loans were made to farms with gross annual revenues of \$1,000,000 or less. According to 2004 Dun & Bradstreet data, 90.38 percent of the farms in the assessment area that reported income data had gross annual revenues of \$1,000,000 or less.

Table 3 – Distribution of Sampled Small Farm Loans by Gross Revenues				
Gross Revenues	Loans by Number		Loans by Dollar (000)	
	#	%	\$	%
\$100,000 and Less	12	41.38	307	18.68
\$100,001 to \$250,000	8	27.58	565	34.37
\$250,001 to \$500,000	7	24.14	512	31.14
\$500,001 to \$1,000,000	1	3.45	76	4.62
\$1,000,001 and Greater	1	3.45	184	11.19
Totals	29	100	1,644	100

Source: Bank Records

Small Business Loans: The bank’s distribution of small business loans reflects excellent penetration among businesses of different sizes. As indicated in Table 4, 93.75 percent by number and 98.86 percent by dollar volume of sampled small business loans were made to businesses with gross annual revenues of \$1,000,000 or less. According to 2004 Dun & Bradstreet data, 90.63 percent of the businesses in the assessment area that reported income data had gross annual revenues of \$1,000,000 or less.

Table 4 – Distribution of Sampled Small Business Loans by Gross Revenues				
Gross Revenues	Loans by Number		Loans by Dollar (000)	
	#	%	\$	%
\$100,000 and Less	8	50.00	314	29.93
\$100,001 to \$250,000	7	43.75	723	68.92
\$250,001 to \$500,000	0	0.00	0	0.00
\$500,001 to \$1,000,000	0	0.00	0	0.00
\$1,000,001 and Greater	1	6.25	12	1.15
Totals	16	100	1,049	100

Source: Bank Records

Geographic Distribution of Loans

Overall Performance (all loan types): The bank’s overall geographic distribution is reasonable considering the location of the bank’s offices and competition from other banks in the assessment area. Only loans extended within the assessment area are included in the analysis.

Small Farm Loans: The bank’s geographic distribution of small farm loans reflects reasonable penetration throughout the assessment area. Table 5 illustrates the distribution of small farm loans by geography. For comparison, the percentage of farms in each geography is shown. The bank’s lending performance in geography 9901 is considerably less than the percentage of farms in the geography; however, this percentage is reasonable considering the bank does not have a branch in this geography and there are two other banks located there.

Table 5 – Distribution of Sampled Farm Loans by Geography					
Geography Category	% of Number of Farms	Loans by Number		Loans by Dollar (000)	
		#	%	\$	%
Middle (9901)	44.68	6	20.69	150	9.12
Middle (9902)	21.28	7	24.14	756	45.99
Middle (9903)	23.40	12	41.38	635	38.63
Middle (9904)	10.64	4	13.79	103	6.26
Total	100	29	100	1,644	100

Source: 2000 U.S. Census, Bank Records

Small Business Loans: The bank’s geographic distribution of small business loans reflects reasonable penetration throughout the assessment area. Table 6 illustrates the distribution of small business loans by geography. For comparison, the percentage of businesses in each geography is shown. The largest number of sampled loans was extended in geography 9904 where the main office is located. The sample contained no loans in geography 9901; however, this absence of loans is reasonable considering the bank does not have a branch in this geography and there are two other banks located there.

Table 6 – Distribution of Sampled Small Business Loans by Geography					
Geography Category	% of Number of Businesses	Loans by Number		Loans by Dollar (000)	
		#	%	\$	%
Middle (9901)	37.93	0	0.00	0	0.00
Middle (9902)	15.52	4	25.00	114	10.87
Middle (9903)	16.38	1	6.25	34	3.24
Middle (9904)	30.17	11	68.75	901	85.89
Total	100	16	100	1,049	100

Source: 2000 U.S. Census, Bank Records

Lending in Assessment Area

Colony’s lending performance reflects a reasonable responsiveness to community credit needs. As indicated in Table 7, a majority of small farm and small business loans were originated within the assessment area.

Table 7 – Distribution of Loans Inside and Outside of the Assessment Area										
Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Small Farm	29	78.38	8	21.62	37	1,644	80.43	400	19.57	2,044
Small Business	16	66.67	8	33.33	24	1,049	53.28	920	46.72	1,969
Total	45	73.77	16	26.23	21	2,693	67.11	1,320	32.89	4,013

Source: Bank Records.

Loan-to-Deposit Ratio Analysis

The bank's average net loan-to-deposit ratio of 87.17 percent, meets performance standards and reflects a good responsiveness to the credit needs of the local community. The ratio is based on loan and deposit data from 23 quarters since the bank's last CRA evaluation on January 11, 1999. Due to differences in asset size and branching networks, there are no similarly situated financial institutions. According the September 30, 2004 Uniform Bank Performance Report, the bank's net loan-to-deposit ratio on that date of 91.18 percent, greatly exceeds the bank's peer net loan-to-deposit ratio of 71.77 percent.

Response to CRA-Related Complaints

The bank has not received any CRA-related complaints since the bank's last CRA evaluation on January 11, 1999.

Compliance with Anti-Discrimination Laws and Regulations

No violations of the substantive provisions of the anti-discriminatory laws and regulations were identified during the examination.