CPP **ANNUAL USE OF CAPITAL SURVEY - 2013**

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Colony Bankcorp, Inc.

Person to be contacted regarding this report:	Terry L. Hester	RSSD: (For Bank Holding Companies)	1085170
UST Sequence Number:	259	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	28,000,000	FDIC Certificate Number: (For Depository Institutions)	22257
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Jan 9, 2009	City:	Fitzgerald
Date Repaid[1]:	N/A	State:	Georgia

[1]If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒	Increase lending or reduce lending less than otherwise would have occurred.	CPP funds increased our capital position to allow for lending opportunities to credit worthy borrowers in 2013. Gross loans outstanding increased $4.2 million in 2013. CPP funds allowed a strong capital base to continue seeking new opportunities in 2013.
☒	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The principal lending continues to be loans collateralized by real estate with a focus on small business, commercial and owner-occupied real estate loans. Other loans would include 1-4 dwellings, consumer loans, and SB/V USDA loans.
☒	Increase securities purchased (ABS, MBS, etc.).	For balance sheet restructuring, our securities portfolio decreased approximately $5million during 2013. This was part of our business model to shrink the balance sheet during 2013. The company did purchase $132 million new securities during 2013, of which most were MBS securities.

☐	Make other investments	
☒	Increase reserves for non-performing assets	The company with its strong capital position provided $4.5 million to the loan loss reserve during 2013, primarily to account for non-performing loan impairment. CPP funds allowed the company to remain well-capitalized during 2013 and to aggressively address problem loans.
☐	Reduce borrowings	
☒	Increase charge-offs	Gross charge-offs during 2013 totaled $6.23 million. CPP funds allowed the company to continue to be proactive in addressing problem loans.
☐	Purchase another financial institution or purchase assets from another financial institution	
☒	Held as non-leveraged increase to total capital	CPP funds allowed the company to maintain a well-capitalized position during 2013.

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

CPP funds allowed the company to maintain a well-capitalized position as defined by regulatory standards, during 2013 so that we could continue seeking new loan opportunities and also be proactive in addressing problem assets. Without CPP funds, there would have been a strain on our capital position that potentially would have put the company in a capital preservation mode and limited our ability to lend money. We have maintained a well-capitalized position with all of the regulatory benchmarks and without the CPP infusion would likely have slipped into an adequately-capitalized position rather than well-capitalized. By maintaining a well-capitalized position, this avoided any constraints regarding liquidity and funding that could have occurred with capital being less than well-capitalized. Likewise, we avoided having to tap the capital markets for additional capital during 2013 which is still a challenge for small companies as Colony to obtain.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

CPP funds allowed the company to be proactive in addressing problem assets to continue seeking new loan opportunities. We were able to continue serving our customer base rather than having to pull back our loan efforts. With some optimism regarding economic recovery, we had a slight increase in gross loans outstanding during 2013 of approximately $4.2 million. CPP allowed the company to pursue new loan opportunities and while loan opportunities only resulted in a slight increase in loans outstanding during 2013, it allowed us to continue purchasing mortgage-backed securities to offer a stimulus boost to the housing market during 2013.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.