Colony Bankcorp (CBAN)

Updated January 30th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$19	**5 Year CAGR Estimate:**	8.6%	**Market Cap:**	$340 M
Fair Value Price:	$23	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	2/11/26
% Fair Value:	84%	**5 Year Valuation Multiple Estimate:**	3.5%	**Dividend Payment Date:**	2/25/26
Dividend Yield:	2.5%	**5 Year Price Target**	$26	**Years Of Dividend Growth:**	10
Dividend Risk Score:	D	**Sector:** Financials		**Rating:**	Hold

Overview & Current Events

Colony Bankcorp (CBAN) is the holding company of Colony Bank, the largest community bank in Georgia, which was founded in 1975 and is headquartered in Fitzgerald, Georgia. It operates 34 branches in Georgia, 1 branch in Alabama and 1 branch in Florida and provides various banking products and services to commercial customers and consumers. Commercial real estate loans comprise 55% of total loans while commercial, financial and agricultural loans comprise 31% of total loans. Colony Bankcorp has total assets of $3.7 billion and a market capitalization of $340 million.

In late January, Colony Bankcorp reported (1/28/26) financial results for the fourth quarter of fiscal 2025. Loans and deposits grew 17% and 19%, respectively, over the previous quarter, primarily thanks to the acquisition of TC Bancshares, which closed on December 1st, 2025. Net interest margin expanded from 3.17% to 3.32% thanks to lower deposit costs. Net interest income grew 14%, mostly thanks to the acquisition of TC Bancshares. Noninterest income increased while provisions for credit losses increased. Overall, earnings-per-share edged up 2%, from $0.47 to $0.48, exceeding the analysts' consensus by $0.02. Notably, Colony Bankcorp has a lower net interest margin than the average regional bank, mostly due to its focus on commercial customers. On the other hand, as the Fed has resumed cutting interest rates, the net interest margin of the bank is likely to improve in the upcoming quarters. Management provided guidance for 8% growth of loans and an expansion of net interest margin in 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.84	$0.87	$1.40	$1.12	$1.24	$1.66	$1.28	$1.29	$1.46	$1.79	***$2.00***	***$2.32***
DPS	---	$0.10	$0.20	$0.30	$0.40	$0.41	$0.43	$0.44	$0.45	$0.46	***$0.48***	***$0.53***
Shares[1]	8.5	8.6	8.5	9.1	9.5	13.7	17.6	17.6	17.6	18.7	***19.0***	***20.0***

Colony Bankcorp has grown its earnings-per-share by 8.8% per year on average over the last decade but with significant volatility. It has also grown its earnings-per-share by 7.6% per year on average over the last five years. In the long run, the bank aims to grow its customer base by 8%-12% per year, both organically and via acquisitions, and benefit from economies of scale. In addition, the Fed has resumed cutting interest rates and intends to reduce them further in the upcoming years. As a result, Colony Bankcorp is likely to see its net interest margin expand in the upcoming years. Given the high comparison base formed by the record earnings-per-share expected this year and the choppy performance record of this bank, we expect 3.0% average annual growth of earnings-per-share over the next five years, below the 5-year average of the company.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	11.7	15.8	11.8	14.5	10.0	10.2	12.2	8.3	9.2	9.2	***9.5***	***11.3***
Avg. Yld.	---	0.7%	1.2%	1.8%	3.2%	2.4%	2.8%	4.1%	3.3%	2.8%	***2.5%***	***2.0%***

[1] In millions.

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Colony Bankcorp has traded at an average price-to-earnings ratio of 11.3 over the last decade. We assume this valuation level as fair for this stock. The stock is currently trading at a price-to-earnings ratio of 9.5, which is lower than the historical average of the bank. If the stock trades at its average valuation level in five years, it will enjoy a 3.5% annualized valuation gain.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	11%	14%	27%	32%	25%	34%	34%	31%	26%	***24%***	***23%***

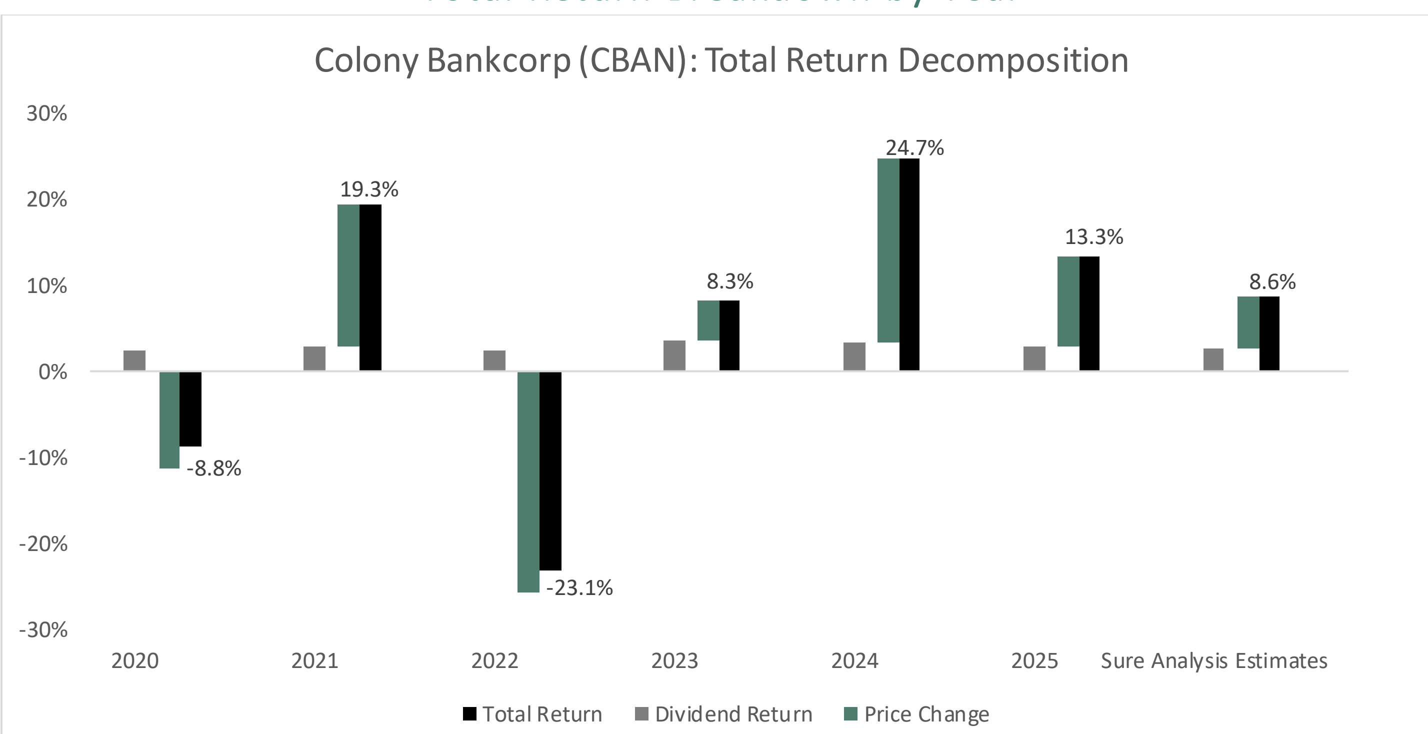
Colony Bankcorp just raised its dividend by 4% and thus it has now raised its dividend for 10 consecutive years. The bank is currently offering a dividend yield of 2.5%, which is lackluster and lower than the 2.9% median dividend yield of the financial sector. The bank has a healthy payout ratio of 24% and hence it can continue raising its dividend in the upcoming years. On the other hand, Colony Bankcorp has grown its dividend by only 3% per year on average over the last five years. Overall, the dividend appears safe in the absence of a severe downturn but yield and growth are modest.

Colony Bankcorp has a healthy Tier 1 Capital Ratio of 13.6% but it has exhibited a somewhat volatile performance record and has proved vulnerable to recessions and downturns of the financial sector. It incurred a -20% decrease in its earnings-per-share in 2019 and a -23% decrease in its bottom line in 2022 due to the surge of inflation and interest rates. Overall, the stock is suitable only for investors who can tolerate stock price volatility during downturns.

Final Thoughts & Recommendation

Colony Bankcorp has rallied 50% off its bottom in 2023 thanks to the moderation of inflation and lower interest rates. Despite its steep rally, the stock remains reasonably valued and can offer an 8.6% average annual return over the next five years thanks to 3.0% growth of earnings-per-share, its 2.5% dividend and a 3.5% valuation tailwind. The stock maintains its hold rating but investors should be aware of the risks related to the small market cap of the bank and its somewhat volatile business performance.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	48	49	50	62	79	102	116	114	115	132
SG&A Exp.	23	24	20	28	36	48	56	53	54	---
D&A Exp.	3	3	2	3	6	9	12	9	8	---
Net Profit	9	8	12	10	12	19	20	22	24	28
Net Margin	18.2%	15.9%	23.6%	16.5%	14.9%	18.2%	16.9%	19.1%	20.7%	21.2%
Free Cash Flow	10	11	12	0	(23)	30	47	17	22	---
Income Tax	4	7	3	2	3	4	3	5	6	7

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,210	1,233	1,252	1,515	1,764	2,692	2,937	3,053	3,110	3,735
Cash & Equivalents	75	58	10	16	17	19	21	25	231	27
Goodwill & Int. Ass.	0	0	1	20	18	60	55	53	52	72
Total Liabilities	1,117	1,142	1,156	1,385	1,619	2,474	2,706	2,798	2,831	3,359
Long-Term Debt	70	72	68	86	60	88	203	238	248	258
Shareholder's Equity	84	90	96	131	144	218	230	255	279	376
LTD/E Ratio	0.75	0.79	0.71	0.66	0.42	0.41	0.88	0.94	0.89	0.69

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.7%	0.6%	1.0%	0.7%	0.7%	0.8%	0.7%	0.7%	0.8%	0.8%
Return on Equity	9.2%	8.4%	12.8%	9.0%	8.6%	10.3%	8.7%	9.0%	8.9%	8.6%
ROIC	5.4%	4.8%	7.3%	5.4%	5.6%	7.3%	5.3%	4.7%	4.7%	4.9%
Shares Out.	8.5	8.6	8.5	9.1	9.5	13.7	17.6	17.6	17.6	17.8
Revenue/Share	5.60	5.65	5.90	6.77	8.37	9.11	6.73	6.48	6.58	10.69
FCF/Share	1.19	1.30	1.42	0.04	(2.46)	2.69	2.73	0.99	1.27	---

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.