Colony Bankcorp (CBAN)

Updated August 14th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$22	**5 Year CAGR Estimate:**	5.5%	**Market Cap:**	$467 M
Fair Value Price:	$23	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	8/5/26
% Fair Value:	97%	**5 Year Valuation Multiple Estimate:**	0.5%	**Dividend Payment Date:**	8/19/26
Dividend Yield:	2.2%	**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 $3.6 billion and a market capitalization of $467 million.

On June 25th, 2026, Colony Bankcorp agreed to acquire First Reliance Bancshares (FSRL) for $163 million. The shareholders of the latter have the option to receive either $19.75 in cash or 0.94 shares of Colony Bankcorp. The deal, which is expected to materialize in the fourth quarter, will be immediately accretive to the earnings-per-share of Colony Bankcorp and is expected to significantly improve the key performance ratios of the bank. The combined bank will have approximately $5.0 billion in total assets.

In late July, Colony Bankcorp reported (7/22/26) financial results for the second quarter of fiscal 2026. Loans grew 2% while deposits dipped -3% over the previous quarter. Net interest margin expanded from 3.48% to 3.52% thanks to lower deposit costs. Net interest income grew 33%, mostly thanks to the acquisition of TC Bancshares. Earnings-per-share grew 15%, from $0.45 to $0.52, and exceeded the analysts' consensus by $0.04. Notably, Colony Bankcorp had a lower net interest margin than the average regional bank, mostly due to its focus on commercial customers, but the recent acquisition of TC Bancshares fixed this problem. Moreover, whenever the Fed resumes cutting interest rates, the net interest margin of the bank is likely to improve. Management has 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	***21.0***	***25.0***

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 cut interest rates in the second half of last year and intends to reduce them further in the upcoming years, as long as inflation subsides. As a result, Colony Bankcorp may see its net interest margin expand in the upcoming years. In addition, the recently announced takeover of First Reliance Bancshares is likely to prove a material growth driver. Nevertheless, given the high comparison base formed by the record earnings-per-share expected this year and the choppy performance record of this bank, we have assumed 3.0% average annual growth of earnings-per-share over the next five years, below the 5-year average of the company.

[1] In millions.

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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	***11.0***	***11.3***
Avg. Yld.	---	0.7%	1.2%	1.8%	3.2%	2.4%	2.8%	4.1%	3.3%	2.8%	***2.2%***	***2.0%***

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 11.0, which is slightly lower than the historical average of the bank. If the stock trades at its average valuation level in five years, it will enjoy a 0.5% 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%***

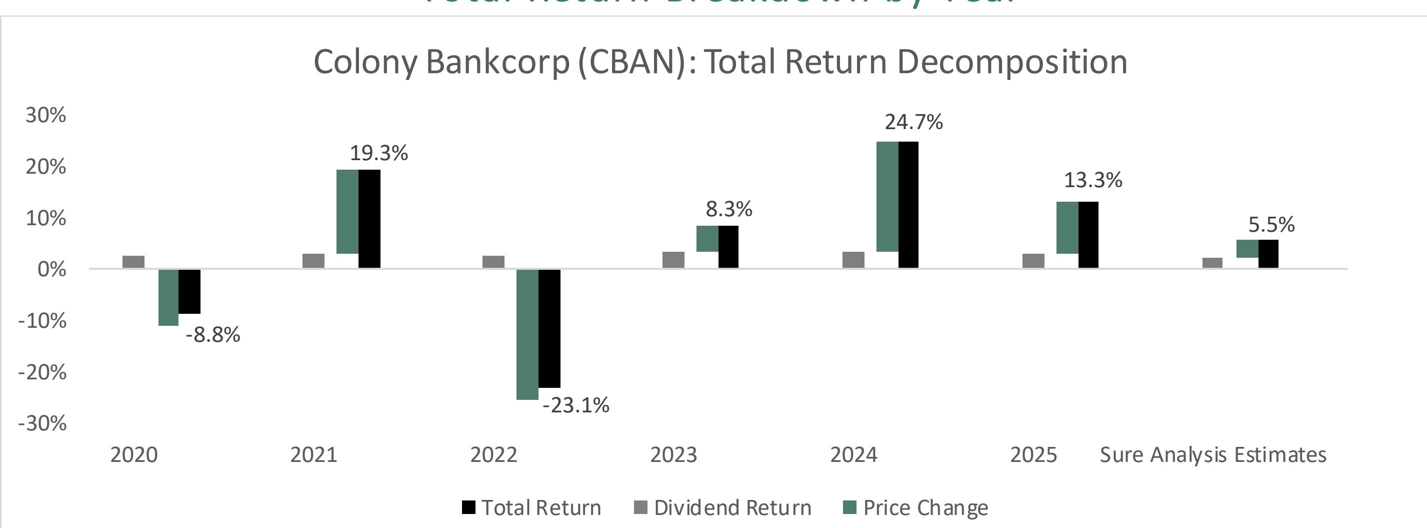
Colony Bankcorp has raised its dividend by 4% this year and thus it has now raised its dividend for 10 consecutive years. The stock is currently offering a dividend yield of 2.2%, which is lackluster and lower than the 2.7% median dividend yield of the financial sector. The bank has a healthy payout 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 13.9% 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 more than doubled off its bottom in 2023 thanks to the moderation of inflation and lower interest rates. The stock could offer a 5.5% average annual return over the next five years thanks to 3.0% growth of earnings-per-share, its 2.2% dividend and a 0.5% 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



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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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.