

COLONY BANKCORP INC

Form 424B3

February 13, 2019

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Registration No. 333-229488**

Proxy Statement/Prospectus

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

To the Shareholders of LBC Bancshares, Inc.:

The boards of directors of Colony Bankcorp, Inc., or Colony, and LBC Bancshares, Inc., or LBC, have each unanimously approved the acquisition of LBC by Colony. The acquisition will be accomplished pursuant to the terms of an Agreement and Plan of Merger, dated as of December 17, 2018, which we refer to as the merger agreement, by and between Colony and LBC, whereby LBC will be merged with and into Colony, which we refer to as the merger. Immediately following the merger of LBC with and into Colony, Calumet Bank, a wholly owned bank subsidiary of LBC, will merge with and into Colony's wholly owned bank subsidiary, Colony Bank, with Colony Bank as the surviving bank, which we refer to as the bank merger.

If the merger is completed, each outstanding share of LBC common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive, at the election of each LBC shareholder, either (i) \$23.50 in cash, or (ii) 1.3239 shares of Colony common stock. The election of stock consideration or cash consideration will be subject to proration such that 55% of the issued and outstanding shares of LBC common stock will be exchanged for Colony common stock and 45% will be exchanged for cash, and at least 50% of the merger consideration will be paid in Colony common stock. As a result, if the aggregate number of shares with respect to which a valid stock or cash election has been made exceeds these limits, shareholders who have elected the form of merger consideration that has been over-subscribed will receive a mixture of both stock consideration and cash consideration in accordance with the proration procedures set forth in the merger agreement so that such limits are not exceeded. Each option or warrant to purchase shares of LBC common stock shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of LBC common stock subject to such option or warrant, as applicable, *times* (ii) the excess, if any, of \$23.50 over the exercise price per share of LBC common stock subject to such option or warrant, as applicable.

Although the number of shares of Colony common stock that LBC shareholders may choose to receive is fixed, the market value of the merger consideration will fluctuate with the market price of Colony common stock and will not be known at the time LBC shareholders vote on the merger. Colony common stock is currently quoted on the NASDAQ Global Market under the symbol CBAN. On December 17, 2018, the last full trading day before the public announcement of the merger agreement, based on the last reported sale price of Colony common stock of \$16.10 per share, the 1.3239 exchange ratio represented approximately \$21.31 in value for each share of LBC common stock to be converted into Colony common stock. Based on the most recent reported closing sale price of Colony common

stock on February 8, 2019 of \$15.95 per share, the exchange ratio represented approximately \$21.12 in value for each share of LBC common stock to be converted into Colony common stock. Based on the exchange ratio and the number of shares of LBC common stock outstanding (assuming the exercise of all outstanding options and warrants), the maximum number of shares of Colony common stock offered by Colony and issuable in the merger is 1,152,073. We urge you to obtain current market quotations for the price of Colony common stock (trading symbol CBAN). There are no current market quotations for LBC common stock because LBC is a privately owned corporation and its common stock is not traded on any established public trading market.

LBC will hold a special meeting of its shareholders, referred to as the LBC special meeting, where LBC shareholders will be asked to consider and vote upon (1) a proposal to approve the merger agreement and the merger, and (2) a proposal to adjourn the LBC special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement and the merger.

The LBC special meeting will be held at LBC's headquarters located at 101 Calumet Center Road LaGrange, Georgia 30241, on March 21, 2019, at 3:30 p.m., Eastern Time, subject to any adjournment or postponement thereof.

Each of Colony and LBC expects that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, with the result that the portion of LBC common stock exchanged for Colony common stock will generally be tax-free and the portion of the LBC common stock exchanged for cash will generally be taxable as capital gain.

Your vote is important. Completion of the merger is subject to the approval of the merger agreement by the shareholders of LBC. Regardless of whether or not you plan to attend the LBC special meeting, please take the time to authorize a proxy to vote your shares in accordance with the instructions contained in this proxy statement/prospectus. Submitting a proxy now will not prevent you from being able to vote in person at the LBC special meeting.

The board of directors of LBC has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of the shareholders of LBC, has unanimously approved the merger agreement and the merger and unanimously recommends that the shareholders of LBC vote FOR the proposal to approve the merger agreement and the merger and FOR the proposal to adjourn the LBC special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement and the merger.

This proxy statement/prospectus describes the LBC special meeting, the merger, the merger agreement, other documents related to the merger and other related matters. **Please carefully read this entire proxy statement/prospectus, including Risk Factors, beginning on page 24, for a discussion of the risks relating to the proposed merger.** You also can obtain information about Colony from documents that it has filed with the Securities and Exchange Commission.

If you have any questions concerning the merger, please contact Leonard H. Bateman, Jr., President and Chief Executive Officer, at (706) 884-6000. We look forward to seeing you at the meeting.

/s/ Leonard H. Bateman, Jr.

Leonard H. Bateman, Jr.
President and Chief Executive Officer

LBC Bancshares, Inc.

Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, nor any state securities commission or any other bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Colony or LBC, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this proxy statement/prospectus is February 13, 2019, and it is first being mailed or otherwise delivered to the LBC shareholders on or about February 20, 2019.

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LBC BANCSHARES, INC.

101 Calumet Center Road

LaGrange, Georgia 30241

(706) 884-6000

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held on March 21, 2019

To the Shareholders of LBC Bancshares, Inc.:

A special meeting of the shareholders of LBC Bancshares, Inc., or LBC, will be held at LBC's headquarters located at 101 Calumet Center Road, LaGrange, Georgia 30241, on March 21, 2019, at 3:30 p.m., Eastern Time, subject to any adjournment or postponement thereof, for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of December 17, 2018, which we refer to as the merger agreement, by and between Colony Bankcorp, Inc., or Colony, and LBC, pursuant to which LBC will merge with and into Colony, with Colony as the surviving company, which is referred to herein as the merger, all on and subject to the terms and conditions contained herein; and
2. To consider and vote upon a proposal to adjourn the special meeting, referred to herein as the LBC special meeting, to a later date or dates if the board of directors of LBC determines such an adjournment is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the LBC special meeting to approve the merger agreement and the merger.

No other business may be conducted at the LBC special meeting. All holders of shares of common stock of LBC of record as of the close of business as of 5:00 p.m. Eastern Time on February 7, 2019 will be entitled to notice of and to vote at the LBC special meeting and any adjournments thereof. The LBC special meeting may be adjourned from time to time upon approval of holders of LBC common stock without any notice other than by announcement at the meeting of the adjournment thereof, and any and all business for which notice is hereby given may be transacted at such adjourned meeting.

Holders of record of LBC common stock have the right to dissent from the merger agreement and the merger and obtain payment in cash of the appraised fair value of their shares of LBC common stock under applicable provisions of the Georgia Business Corporation Code, or GBCC. In order for a holder of LBC common stock to perfect his, her or its right to dissent, such holder must carefully follow the procedure set forth in the GBCC. A copy of the applicable statutory provisions of the GBCC is included as Annex C to the accompanying proxy statement/prospectus and a summary of these provisions can be found under the caption "The Merger Dissenters' Rights," beginning on page 59 of

the proxy statement/prospectus. The merger may not be completed if the holders of more than 10% of the outstanding shares of LBC common stock exercise dissenters' rights.

If you have any questions concerning the merger agreement, the merger, the LBC special meeting or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus, need a proxy card or need help voting your shares of LBC common stock, please contact Leonard H. Bateman, Jr., President and Chief Executive Officer, at (706) 884-6000.

By Order of the Board of Directors,

/s/ Jared T. Jones

Jared T. Jones

Chairman of the Board

LaGrange, Georgia

February 13, 2019

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The LBC board of directors unanimously recommends that holders of record of LBC common stock entitled to vote at the LBC special meeting vote FOR the proposal to approve the merger agreement and the merger and FOR the adjournment of the LBC special meeting if such adjournment is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the LBC special meeting to constitute a quorum or to approve the merger agreement and the merger.

Your Vote is Very Important

A proxy card is enclosed. Whether or not you plan to attend the LBC special meeting, if you are a holder of shares of LBC common stock, please vote by completing, signing and dating the proxy card and promptly mailing it in the enclosed envelope. You may also vote via the Internet or telephone by following the instructions on the proxy card. You may revoke your proxy in the manner described in the proxy statement/prospectus at any time before it is exercised. If you are a holder of shares of LBC common stock and attend the LBC special meeting, you may vote in person if you desire, even if you have previously returned your proxy card.

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Colony from documents filed with the Securities and Exchange Commission, or SEC, that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Colony at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by contacting Colony at the contact information set forth below:

Colony Bankcorp, Inc.
115 South Grant Street
Fitzgerald, Georgia 31750
Attention: Investor Relations
Telephone: (229) 426-6000

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of the special meeting, or March 14, 2019.

If you are a LBC shareholder and have any questions about the merger agreement, the merger, the LBC special meeting or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus, need a proxy card or need help voting your shares of LBC common stock, please contact Leonard H. Bateman, Jr., President and Chief Executive Officer, at (706) 884-6000.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated February 13, 2019, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this proxy statement/prospectus from another document is accurate as of the date of such other document. Neither the mailing of this document to LBC shareholders nor the issuance by Colony of shares of Colony common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding LBC has been provided by LBC and information contained in this document regarding Colony has been provided by Colony. See **Where You Can Find More Information for more details.**

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QUESTIONS AND ANSWERS

The following are answers to some questions that LBC shareholders may have regarding the proposed transaction between Colony and LBC and the proposals being considered at the LBC special meeting. Colony and LBC urge you to read carefully this entire proxy statement/prospectus, including the annexes, and the documents incorporated by reference into this proxy statement/prospectus, because the information in this section does not provide all the information that might be important to you.

Unless the context otherwise requires, references in this proxy statement/prospectus to: (1) Colony refer to Colony Bankcorp, Inc., a Georgia corporation, and its affiliates; (2) Colony Bank refer to Colony Bank, a Georgia state-chartered bank and the wholly owned bank subsidiary of Colony; (3) LBC refer to LBC Bancshares, Inc., a Georgia corporation, and its affiliates; and (4) Calumet Bank refer to Calumet Bank, a Georgia state-chartered bank and the wholly owned bank subsidiary of LBC.

Q: Why am I receiving this proxy statement/prospectus?

A: Colony and LBC have entered into an Agreement and Plan of Merger, dated as of December 17, 2018, which we refer to as the merger agreement. Pursuant to the merger agreement, LBC will merge with and into Colony, with Colony as the surviving company, which we refer to as the merger. Immediately after the merger, Calumet Bank, a wholly owned state-chartered bank subsidiary of LBC, will merge with and into Colony's wholly owned bank subsidiary, Colony Bank, with Colony Bank as the surviving bank, which we refer to as the bank merger. A copy of the merger agreement is included in this proxy statement/prospectus as Annex A.

The merger cannot be completed unless, among other things, the majority of the outstanding shares of LBC common stock entitled to vote at the LBC special meeting vote in favor of the proposal to approve the merger agreement and the merger, which we refer to as the merger proposal.

In addition, LBC is soliciting proxies from its shareholders with respect to a proposal to approve one or more adjournments of the LBC special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of such adjournment to approve the merger proposal, which we refer to as the adjournment proposal. The completion of the merger is not conditioned upon shareholder approval of the adjournment proposal.

This proxy statement/prospectus contains important information about the merger agreement, the merger and the proposals being voted on at the LBC special meeting, and you should read it carefully. This is a proxy statement/prospectus because (1) LBC is soliciting proxies from the LBC shareholders and the proxy statement provides important information about the LBC special meeting to vote on the merger proposal and the adjournment proposal, and (2) Colony will issue shares of Colony common stock to holders of LBC common stock in connection with the merger, and the prospectus provides important information about such shares. The enclosed materials allow LBC shareholders to authorize a proxy to vote their shares without attending the LBC special meeting.

Your vote is important. We encourage you to authorize your proxy as soon as possible.

Q: What will I receive in the merger?

A: If the merger is completed, each outstanding share of LBC common stock issued and outstanding immediately prior to the effective time of the merger (other than shares of dissenting shareholders) will be converted into the right to receive, at the election of each LBC shareholder, either (i) \$23.50 in cash, which we refer to as the cash consideration, or (ii) 1.3239 shares of Colony common stock, which we refer to as the stock consideration. The election of stock consideration or cash consideration will be subject to proration such that 55% of the issued and outstanding shares of LBC common stock will be exchanged for Colony common stock and 45% will be exchanged for cash, and at least 50% of the merger consideration

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will be paid in Colony common stock. As a result, if the aggregate number of shares with respect to which a valid stock or cash election has been made exceeds these limits, shareholders who have elected the form of merger consideration that has been over-subscribed will receive a mixture of both stock consideration and cash consideration in accordance with the proration procedures set forth in the merger agreement so that such limits are not exceeded. The stock consideration and the cash consideration are collectively referred to as the merger consideration. Each option or warrant to purchase shares of LBC common stock shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of LBC common stock subject to such option or warrant, as applicable, *times* (ii) the excess, if any, of \$23.50 over the exercise price per share of LBC common stock subject to such option or warrant, as applicable.

LBC may terminate the merger if (i) the average closing price of Colony common stock over the 20 trading days preceding the date that is five days prior to the closing date is less than \$14.20, and (ii) the decline in the price of Colony's common stock (as measured by the average closing price divided by \$17.75) is more than 20% greater than the decline of the KBW Regional Banking Index (KRX) (as measured by dividing the average closing price of the KBW Regional Banking Index over the 20 trading days preceding the date that is five days prior to the closing date by \$91.81); *provided, however*, Colony has the option, but not the obligation, to adjust the exchange ratio to prevent the termination of merger agreement.

Colony will not issue any fractional shares of Colony common stock in the merger. LBC shareholders who would otherwise be entitled to a fractional share of Colony common stock upon the completion of the merger will instead receive an amount in cash (without interest and rounded to the nearest whole cent) determined by multiplying the (i) fractional share interest in Colony common stock, rounded to the nearest one hundredth of a share, to which such holder would otherwise be entitled by (ii) \$23.50.

Q: How do I make an election to receive Colony common stock or cash for my LBC common stock?

A: Each holder of record of LBC common stock will be mailed a form of election/letter of transmittal and other appropriate and customary transmittal materials not less than 20 business days prior to the election deadline. The deadline for holders of LBC common stock to elect the form of the merger consideration they want to receive is the later of (i) the date of the special meeting of LBC shareholders and (ii) the date which Colony and LBC agree is five business days prior to the anticipated effective time of the merger, which we refer to as the election deadline. The election form will specify the election deadline. Each holder of LBC common stock should specify in the election form (1) the number of shares of LBC common stock which such shareholder elects to have exchanged for the stock consideration, and (2) the number of shares of LBC common stock such shareholder elects to have exchanged for the cash consideration. All such elections are subject to adjustment on a pro rata basis as described elsewhere in this proxy statement/prospectus. Holders of LBC common stock will receive their merger consideration as promptly as practicable following the effective time of the merger, subject to the holders submitting their properly completed letter of transmittal and other transmittal materials. Because of the way the election and proration procedures work, even if you submit a properly completed and signed election form, it is possible that you may not receive exactly the type of merger consideration you have elected. If you do not submit a properly completed and signed election form to the exchange agent by the election deadline, you will have no control over the type of merger consideration you will receive and, as a result, you may receive only the cash consideration, only the stock consideration or a combination of the cash and stock consideration in the merger. If you hold shares in street name through a bank, broker, nominee or other holder of record you must follow the instructions provided by the bank, broker, nominee or other holder of record to make an election.

Q: Am I guaranteed to receive the type of merger consideration that I elect?

A: No. If more LBC shareholders make valid elections to receive either shares of Colony common stock or cash than is available as either stock or cash consideration pursuant to the terms of the merger agreement,

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LBC shareholders electing the over-subscribed form of merger consideration will have the over-subscribed consideration proportionately reduced and substituted with consideration in the other form. Please see The Merger Agreement Merger Consideration and Procedures for Converting Shares of LBC Common Stock into Merger Consideration both beginning on page 64 for additional information about the allocation and proration procedures that will be followed in the event of over-subscriptions.

Q: What happens if I fail to make a valid election as to whether to receive stock or cash?

A: If a LBC shareholder does not return a properly completed form of election by the election deadline, such holder's shares of LBC common stock will be considered non-election shares and will be converted into the right to receive the stock consideration or the cash consideration according to the proration procedures set forth in the merger agreement. Any shareholder who has not submitted their physical stock certificate(s) with a form of election will be sent materials after the merger closes to effect the exchange of their LBC common stock into the merger consideration.

Q: Will the value of the merger consideration change between the date of this proxy statement/prospectus and the time the merger is completed?

A: Yes. The value of the merger consideration may fluctuate based upon the market value for Colony common stock between the date of this proxy statement/prospectus and the completion of the merger. In the merger, LBC shareholders may choose to receive 1.3239 shares of Colony common stock for each share of LBC common stock they hold. Any fluctuation in the market price of Colony common stock after the date of this proxy statement/prospectus will change the value of the shares of Colony common stock that LBC shareholders may receive.

Q: How does LBC's board of directors recommend that I vote at the special meeting?

A: LBC's board of directors unanimously recommends that you vote FOR the merger proposal and FOR the adjournment proposal.

Q: When and where is the LBC special meeting?

A: The LBC special meeting will be held at LBC's headquarters located at 101 Calumet Center Road, LaGrange, Georgia 30241, on March 21, 2019, at 3:30 p.m., Eastern Time.

Q: What do I need to do now?

A:

After you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares, please authorize a proxy to vote your shares by promptly completing and returning the enclosed proxy card so that your shares are represented and voted at the LBC special meeting. When complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. If you are a registered shareholder, you may also vote via the Internet or telephone by following the instructions on the proxy card. Submitting your proxy by mail, voting via the Internet or telephone or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at the LBC special meeting. Your proxy card must be received prior to the special meeting on March 21, 2019, in order to be counted.

Q: What constitutes a quorum for the LBC special meeting?

A: Holders representing at least a majority of the issued and outstanding shares of LBC common stock entitled to vote at the LBC special meeting must be present, in person or represented by proxy, to constitute a

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quorum. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. If a quorum is not present, the LBC special meeting will be postponed until the holders of the number of shares of LBC common stock required to constitute a quorum attend. If you submit a properly executed proxy card, even if you abstain from voting, your shares of LBC common stock will be counted for purposes of determining whether a quorum is present at the LBC special meeting. If additional votes must be solicited to approve the merger proposal, it is expected that the LBC special meeting will be adjourned to solicit additional proxies.

Q: What is the vote required to approve each proposal?

A: The merger proposal requires the affirmative vote of a majority of the issued and outstanding shares of LBC common stock entitled to vote at the LBC special meeting.

The adjournment proposal requires the affirmative vote of a majority of the votes cast on the matter.

Q: What would happen if the adjournment proposal does not get approved by LBC shareholders?

A: The completion of the merger is not conditioned upon shareholder approval of the adjournment proposal. If a quorum is present at the LBC special meeting and the adjournment proposal is not approved and there are not sufficient votes at the time of the LBC special meeting to approve the merger proposal, then the LBC board of directors will not have the ability to adjourn to solicit additional votes and the merger proposal will not be approved.

Q: Why is my vote important?

A: If you do not submit a proxy or vote in person, it may be more difficult for LBC to obtain the necessary quorum to hold the special meeting. In addition, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote against approval of the merger proposal. The merger proposal must be approved by the affirmative vote of the holders of at least a majority of the outstanding shares of LBC common stock. **LBC's board of directors unanimously recommends that you vote FOR the merger proposal.**

Q: How many votes do I have?

A: LBC shareholders are entitled to one vote on each proposal to be considered at the special meeting for each share of LBC common stock owned as of the close of business on February 7, 2019, which is the record date for the LBC special meeting.

Q: How do I vote?

A: If you are a shareholder of record, you may have your shares of LBC common stock voted on the matters to be presented at the LBC special meeting in any of the following ways:

You may vote by mail. You may vote by mail by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope.

You may vote by telephone. If you are a registered shareholder, that is, if you hold your stock in your own name, you may vote by telephone by following the instructions included with the proxy card. If you vote by telephone, you do not have to mail in your proxy card.

You may vote on the Internet. If you are a registered shareholder, that is, if you hold your stock in your own name, you may vote on the Internet by following the instructions included with the proxy card. If you vote on the Internet, you do not have to mail in your proxy card.

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You may vote in person at the meeting. You may vote by attending the special meeting and casting your vote in person.

If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Your bank, brokerage firm or other nominee cannot vote your shares without instructions from you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

Q: Do LBC directors and executive officers have interests in the merger that are different from, or in addition to, my interests?

A: Yes. In considering the recommendation of the LBC board of directors with respect to the merger agreement, you should be aware that LBC's directors and executive officers have interests in the merger that are different from, or in addition to, the interests of LBC's shareholders generally. Interests of officers and directors that may be different from or in addition to the interests of LBC's shareholders include but are not limited to the receipt of continued indemnification and directors' and officers' insurance coverage under the merger agreement, payment of change in control payments and employment agreement payments to certain executives and entry into a new employment agreement with Colony Bank.

Q: What if I abstain from voting, fail to authorize a proxy or fail to vote in person?

A: If you mark **ABSTAIN** on your proxy with respect to the merger proposal, fail to authorize a proxy or fail to vote in person at the LBC special meeting, or fail to instruct your bank or broker how to vote, it will have the same effect as a vote **AGAINST** the merger proposal and no effect on the adjournment proposal. If you sign your proxy but do not indicate your vote, your proxy will be voted **FOR** each proposal.

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. All LBC shareholders as of the record date, including shareholders of record and shareholders who hold their shares through any other holder of record, are invited to attend the LBC special meeting. Holders of record of LBC common stock can vote in person at the LBC special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the LBC special meeting. If you plan to attend the LBC special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. LBC reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the LBC special meeting is prohibited without express written consent. Even if you plan to attend the special meeting, LBC encourages you to vote by proxy through the mail so your vote will be counted if you later decide not to attend the special meeting.

Q: Can I change my vote?

A: Yes. If you are a holder of record of LBC common stock, you may revoke your proxy at any time prior to the LBC special meeting by: (1) delivering written notice of revocation to Leonard H. Bateman, Jr., President and Chief Executive Officer, LBC Bancshares, Inc., 101 Calumet Center Road, LaGrange, Georgia 30241, (2) by returning a duly executed proxy card bearing a later date than the date with which your original proxy card was dated, (3) voting by telephone or on the Internet (your latest telephone or Internet vote will be counted) or (4) by attending the LBC special meeting and voting in person. Your attendance at the LBC special meeting will not constitute automatic revocation of the proxy unless you deliver your ballot in person at the special meeting or deliver a written revocation pursuant to the instructions above prior to the voting of such proxy.

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Q: Will LBC be required to submit the merger proposal to its shareholders even if LBC's board of directors has withdrawn, modified or qualified its recommendation?

A: Yes. Unless the merger agreement is terminated before the LBC special meeting, LBC is required to submit the merger proposal to its shareholders even if LBC's board of directors has withdrawn, modified or qualified its recommendation.

Q: What are the material U.S. federal income tax consequences of the merger to U.S. holders of shares of LBC common stock?

A: Each of Colony and LBC expects that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, with the result that the portion of LBC common stock exchanged for Colony shares will generally be tax-free and the portion of the LBC common stock exchanged for cash will generally be taxable as capital gain.

For further information, see [The Merger](#) Material U.S. Federal Income Tax Consequences.

The U.S. federal income tax consequences described above may not apply to all holders of LBC common stock. Your particular tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Q: Are LBC shareholders entitled to exercise dissenters' rights?

A: Yes. Holders of record of LBC voting common stock are entitled to exercise dissenters' rights in connection with the merger, provided such holders comply with the proper procedures of Article 13 of the Georgia Business Corporation Code, or GBCC. A copy of Article 13 of the GBCC is attached as [Annex C](#) to this proxy statement/prospectus. Holders of LBC voting common stock who desire to exercise dissenters' rights pursuant to Article 13 of the GBCC are urged to consult a legal advisor before electing or attempting to exercise these rights. The value determined in the appraisal process may be more or less than the value an LBC shareholder would receive in the merger under the terms of the merger agreement. **Failure to strictly comply with the applicable Georgia law provisions will result in the loss of the right of appraisal.** For further information, see [The Merger](#) Dissenters' Rights.

Pursuant to the merger agreement, the merger may not be completed if dissenters' rights of appraisal are properly asserted with respect to 10% or more of the outstanding shares of LBC common stock.

Q: Should I send my LBC stock certificates with my proxy card for the LBC special meeting?

A: No. You should **NOT** send your LBC stock certificates with your proxy card. Colony, through its appointed exchange agent, will send LBC shareholders separate instructions for exchanging LBC stock certificates and LBC common stock held in book-entry form for the merger consideration.

Q: What happens if I sell or transfer ownership of shares of LBC common stock after the record date for the LBC special meeting?

A: The record date for the LBC special meeting is earlier than the expected date of completion of the merger. Therefore, if you sell or transfer ownership of your shares of LBC common stock after the record date for the LBC special meeting, but prior to completion of the merger, you will retain the right to vote at the LBC special meeting, but the right to receive the merger consideration will transfer with the shares of LBC common stock.

Q: Whom may I contact if I cannot locate my LBC stock certificate(s)?

A: If you are unable to locate your original LBC stock certificate(s), you should contact Leonard H. Bateman, Jr., President and Chief Executive Officer, at (706) 884-6000. Generally, merger consideration for lost

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certificates cannot be delivered except upon the making of an affidavit claiming such certificate to be lost, stolen or destroyed and the posting of a bond in such amount as Colony or the exchange agent may determine is reasonably necessary as indemnity against any claim that may be made with respect to such lost certificate.

Q: When do you expect to complete the merger?

A: Colony and LBC expect to complete the merger in the first half of 2019. However, neither Colony nor LBC can assure you when or if the merger will occur. Colony and LBC must first obtain the approval of LBC shareholders for the merger proposal, as well as the necessary regulatory approvals.

Q: What happens if the merger is not completed?

A: If the merger is not completed, holders of LBC common stock will not receive any consideration for their shares of LBC common stock that otherwise would have been received in connection with the merger. Instead, LBC will remain an independent private company. If the merger is completed but, for any reason, the bank merger is not completed, it will have no impact on the consideration to be received by holders of LBC common stock.

Q: Whom should I call with questions?

A: If you have any questions concerning the merger agreement, the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of LBC common stock, please contact Leonard H. Bateman, Jr., President and Chief Executive Officer, at (706) 884-6000.

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the merger. See [Where You Can Find More Information](#). Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.

The Companies (page 83)

Colony Bankcorp, Inc.

115 South Grant Street

Fitzgerald, Georgia 31750

(229) 426-6000

Colony was incorporated in Georgia on November 8, 1982 and serves as the bank holding company for Colony Bank, headquartered in Fitzgerald, Georgia. As of December 31, 2018, Colony had consolidated assets of approximately \$1.25 billion, loans of \$781.5 million, deposits of \$1.09 billion, and stockholders' equity of \$95.7 million. As of December 31, 2018, Colony operated 27 domestic banking offices and two corporate operations offices in Georgia. Colony Bank's deposits are insured by the FDIC.

Additional information about Colony and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See [Where You Can Find More Information](#).

LBC Bancshares, Inc.

101 Calumet Center Road

LaGrange, Georgia 30241

(706) 884-6000

LBC was incorporated in Georgia in 2008 and owns all of the outstanding shares of common stock of Calumet Bank, a Georgia chartered bank headquartered in LaGrange, Georgia. As of December 31, 2018, LBC had consolidated total assets of \$206.6 million, net loans of \$135.3 million, deposits of \$182.3 million and stockholders' equity of \$19.5 million. LBC operates two full service offices in Georgia. Calumet Bank's deposits are insured by the FDIC.

Additional information about LBC and its subsidiaries is included below under [The Companies](#) beginning on page 83.

The Merger

The Merger Agreement (page 63)

Colony and LBC entered into an Agreement and Plan of Merger, dated as of December 17, 2018, which we refer to as the merger agreement. The merger agreement governs the merger. The merger agreement is included in this proxy

statement/prospectus as Annex A. All descriptions in this summary and elsewhere in this proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the merger.

The Merger (page 36)

Pursuant to the merger agreement, LBC will merge with and into Colony, with Colony as the surviving company, which we refer to as the merger. Immediately after the merger, Calumet Bank, a wholly owned bank subsidiary

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of LBC, will merge with and into Colony's wholly owned bank subsidiary, Colony Bank, with Colony Bank as the surviving bank, which we refer to as the bank merger.

The Merger Consideration (page 64)

If the merger is completed, each outstanding share of LBC common stock issued and outstanding immediately prior to the effective time of the merger (other than shares of dissenting shareholders) will be converted into the right to receive, at the election of each LBC shareholder, either (i) \$23.50 in cash, which we refer to as the cash consideration, or (ii) 1.3239 shares of Colony common stock, which we refer to as the stock consideration. The election of stock consideration or cash consideration will be subject to proration such that 55% of the issued and outstanding shares of LBC common stock will be exchanged for Colony common stock and 45% will be exchanged for cash, and at least 50% of the merger consideration will be paid in Colony common stock. As a result, if the aggregate number of shares with respect to which a valid stock or cash election has been made exceeds these limits, shareholders who have elected the form of merger consideration that has been over-subscribed will receive a mixture of both stock consideration and cash consideration in accordance with the proration procedures set forth in the merger agreement so that such limits are not exceeded. The stock consideration and the cash consideration are collectively referred to as the merger consideration. On December 17, 2018, the last full trading day before the public announcement of the merger agreement, based on the last reported sale price of Colony common stock of \$16.10 per share, the 1.3239 exchange ratio represented approximately \$21.31 in value for each share of LBC common stock to be converted into Colony common stock. Based on the most recent reported closing sale price of Colony common stock on February 8, 2019 of \$15.95 per share, the exchange ratio represented approximately \$21.12 in value for each share of LBC common stock to be converted into Colony common stock. Based on the exchange ratio and the number of shares of LBC common stock outstanding (assuming the exercise of all outstanding options and warrants), the maximum number of shares of Colony common stock offered by Colony and issuable in the merger is 1,152,073.

LBC may terminate the merger if (i) the average closing price of Colony common stock over the 20 trading days preceding the date that is five days prior to the closing date is less than \$14.20, and (ii) the decline in the price of Colony's common stock (as measured by the average closing price divided by \$17.75) is more than 20% greater than the decline of the KBW Regional Banking Index (KRX) (as measured by dividing the average closing price of the KBW Regional Banking Index over the 20 trading days preceding the date that is five days prior to the closing date by \$91.81); *provided, however*, Colony has the option, but not the obligation, to adjust the exchange ratio to prevent the termination of merger agreement.

Each option or warrant to purchase shares of LBC common stock shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of LBC common stock subject to such option or warrant, as applicable, *times* (ii) the excess, if any, of \$23.50 over the exercise price per share of LBC common stock subject to such option or warrant, as applicable.

Colony will not issue any fractional shares of Colony common stock in the merger. LBC shareholders who would otherwise be entitled to a fractional share of Colony common stock upon the completion of the merger will instead receive an amount in cash (without interest and rounded to the nearest whole cent) determined by multiplying the (i) fractional share interest in Colony common stock, rounded to the nearest one hundredth of a share, to which such holder would otherwise be entitled by (ii) \$23.50.

Election and Exchange Procedures (page 64)

At least 20 business days prior to the later of (1) the date of the LBC shareholders' meeting or (2) a date agreed upon by LBC and Colony that is as near as practicable to five business days prior to the expected closing date, which date

we refer to as the election deadline, Colony will cause the exchange agent to send the LBC

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shareholders election forms, which will include the appropriate form of letter of transmittal. LBC shareholders can specify on such election form the number of their shares of LBC common stock for which they desire to receive the cash consideration, the number of shares for which they desire to receive the stock consideration or to indicate that such shareholder has no preference as to the receipt of the cash consideration or stock consideration. The election forms must be returned to the exchange agent, along with certificates representing the shares subject to such election form, or a customary affidavit of loss and indemnity agreement, by the election deadline. Any shares of LBC common stock for which an election has not been properly made by the election deadline will be considered non-election shares. No later than five business days after the effective time of the merger, the exchange agent will allocate the merger consideration, as discussed in further detail below under The Merger Agreement Procedures for Converting Shares of LBC Common Stock into Merger Consideration. However, pursuant to the merger agreement, the total mix of cash consideration and stock consideration to be issued by Colony to holders of LBC common stock will be fixed at 55% stock and 45% cash, and at least 50% of the merger consideration will be paid in Colony common stock.

Exchange Procedures (page 64)

The conversion of LBC common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. After completion of the merger, the exchange agent will exchange certificates representing shares of LBC common stock for the merger consideration to be received pursuant to the terms of the merger agreement.

Ancillary Agreements*Voting Agreements (page 81)*

As a condition to Colony entering into the merger agreement, all directors of LBC and Calumet Bank who have voting power over shares of LBC common stock entered into voting agreements in the form attached as Exhibit A to the merger agreement attached as Annex A to this document, pursuant to which each such person agreed, among other things, to vote the shares of LBC common stock held of record by such person (1) to approve the merger agreement and the merger (or any adjournment or postponement necessary to solicit additional proxies to approve the merger agreement and the merger) and (2) against any acquisition proposals or any actions that would result in a breach of any covenant, representation or warranty of LBC in the merger agreement.

Non-Competition and Non-Disclosure Agreements (page 82)

In addition, as a condition to Colony entering into the merger agreement, each director of LBC and Calumet Bank entered into non-competition and non-disclosure agreements with Colony in the form attached as Exhibit C to the merger agreement attached as Annex A to this document, pursuant to which each such person agreed to, among other things, (1) not disclose or use any confidential information or trade secrets of LBC for any purpose for so long as such information remains confidential information or a trade secret, (2) for a period of two years following the closing of the merger, not engage in certain competitive activities with Colony, including not soliciting employees and customers of LBC, and (3) for a period of two years following the closing of the merger, not serve as a director or management official of another financial institution in the counties in Georgia in which Calumet Bank operates a banking office as of the closing of the merger and each county contiguous to each of such counties.

Claims Letters (page 82)

At the time of the execution of the merger agreement, each director of LBC and Calumet Bank executed a letter agreement with Colony in the form attached as Exhibit D to the merger agreement attached as Annex A to this

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document, pursuant to which each such director released and discharged, effective upon the consummation of the merger, LBC and its subsidiaries, their respective directors and officers (in their capacities as such), and their respective successors and assigns (including Colony and Colony Bank), from any and all liabilities or claims that the director has or claims to have as of the effective time of the merger, with certain exceptions.

Risk Factors Related to the Merger (page 24)

Before voting at the LBC special meeting, you should carefully consider all the information contained in or incorporated by reference into this proxy statement/prospectus in deciding how to vote for the proposals presented in the proxy statement/prospectus.

The LBC Special Meeting (page 31)

The special meeting of LBC shareholders will be held on March 21, 2019, at 3:30 p.m. Eastern Time, at LBC's headquarters located at 101 Calumet Center Road, LaGrange, Georgia 30241. At the special meeting, LBC shareholders will be asked to:

approve the merger proposal; and

approve the adjournment proposal.

Only holders of record at the close of business on February 7, 2019, the LBC record date, will be entitled to vote at the LBC special meeting. Each outstanding share of LBC common stock is entitled to one vote on each proposal to be considered at the LBC special meeting. As of the LBC record date, there were 1,447,554 shares of LBC common stock entitled to vote at the LBC special meeting. All directors of LBC and Calumet Bank have entered into voting agreements with Colony, pursuant to which they have agreed, solely in their capacity as LBC shareholders, to vote all of their shares of LBC common stock in favor of the proposals to be presented at the LBC special meeting. As of the LBC record date, the directors who are parties to the voting agreements owned and were entitled to vote an aggregate of approximately 572,863 shares of LBC common stock, which represented approximately 39.6% of the shares of LBC common stock outstanding on that date. As of the LBC record date, the directors and executive officers of LBC and their affiliates beneficially owned and were entitled to vote 575,220 shares of LBC common stock, which represented approximately 39.7% of the shares of LBC common stock outstanding on that date. As of the LBC record date, Colony and its subsidiaries did not hold any shares of LBC common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates did not hold any shares of LBC common stock.

To approve the merger proposal, the holders of at least a majority of the outstanding shares of LBC common stock entitled to vote on the proposal must vote in favor of the proposal. Your failure to submit a proxy or vote in person at the LBC special meeting, failure to instruct your bank or broker how to vote, or abstention with respect to the merger proposal will have the same effect as a vote against the merger proposal.

The adjournment proposal requires the affirmative vote of a majority of the votes cast on such matter.

If you mark **ABSTAIN** on your proxy with respect to the merger proposal, fail to authorize a proxy and fail to vote in person at the LBC special meeting, or fail to instruct your bank or broker how to vote, it will have the same effect as a vote **AGAINST** the merger proposal and no effect on the adjournment proposal. If you sign your proxy but do not

indicate your vote, your proxy will be voted FOR each proposal.

Recommendation of the LBC Board (page 32)

LBC's board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of LBC and its shareholders and has

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unanimously approved the merger, the merger agreement and the transactions contemplated by the merger agreement. **LBC's board of directors unanimously recommends that LBC shareholders vote FOR the merger proposal and FOR the adjournment proposal.** For the factors considered by LBC's board of directors in reaching its decision to approve the merger, see *The Merger* LBC's Reasons for the Merger.

Board Composition and Management of Colony after the Merger (page 49)

Each of the officers and directors of Colony immediately prior to the effective time of the merger will be the officers and directors of the surviving company from and after the effective time of the merger, until their respective successors have been duly elected, appointed or qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and bylaws of Colony.

Interests of LBC Directors and Executive Officers in the Merger (page 49)

LBC shareholders should be aware that LBC's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of LBC shareholders generally. These interests and arrangements may create potential conflicts of interest. LBC's board of directors was aware of these interests and considered these interests, among other matters, in adopting and approving the merger agreement and the transactions contemplated by the merger agreement, including the merger, and in recommending that LBC shareholders vote in favor of the merger proposal.

These interests include:

certain executive officers of LBC have change in control agreements and employment agreements with LBC that provide for cash payments in the event of a qualifying termination of employment in connection with a change in control;

Mr. Bateman has entered into an agreement to terminate his employment agreement with LBC, effective as of the effective date of the merger, pursuant to which Mr. Bateman will receive a lump sum payment equal to \$425,000 in exchange for a full release of claims in favor of LBC.

Mr. Bateman has entered into an employment agreement with Colony Bank, effective as of the effective date of the merger; and

the right to continued indemnification and directors' and officers' liability insurance coverage.

For a more complete description of these interests, see *The Merger* Interests of LBC's Directors and Executive Officers in the Merger and *The Merger Agreement* Indemnification and Directors' and Officers' Insurance.

Dissenters' Rights in the Merger (page 59)

Holders of record of LBC voting common stock are entitled to exercise dissenters' rights in connection with the merger, provided the proper procedures of Article 13 of the GBCC are followed. A copy of Article 13 of the GBCC is attached as Annex C to this proxy statement/prospectus. **LBC shareholders holding LBC voting common stock**

who desire to exercise dissenters' rights pursuant to Article 13 of the GBCC are urged to consult a legal advisor before electing or attempting to exercise these rights.

Any holder of record of LBC voting common stock who objects to the merger, and who fully complies with all of the provisions of Article 13 of the GBCC, will be entitled to demand and receive payment for all (but not less than all) of his or her shares of LBC voting common stock if the merger is consummated.

An LBC shareholder who objects to the merger and desires to receive payment of the fair value of his or her shares of LBC voting common stock: (i) must deliver to LBC, prior to the time the shareholder vote on the

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merger agreement is taken, a written notice of such shareholder's intent to demand payment for those shares of LBC voting common stock registered in the dissenting shareholder's name if the merger is completed; and (ii) must not vote his or her shares of LBC voting common stock in favor of the merger agreement.

Within ten days after the later of the effective date, or the date on which LBC receives a payment demand, LBC will send a written offer to each holder of LBC voting common stock who complied with the provisions set forth in the dissenters' notice to pay each such shareholder an amount that LBC estimates to be the fair value of those shares, plus accrued interest. A dissenting shareholder choosing to accept LBC's offer of payment must do so by written notice to LBC within 30 days after receipt of LBC's offer of payment. A dissenting shareholder not responding to that offer within the 30-day period will be deemed to have accepted the offer of payment. LBC must make payment to each shareholder who responds to the offer of payment within 60 days after the making of the offer of payment, or the effective date, whichever is later. If the shareholder believes that the amount offered is less than the fair value of the shareholder's shares of LBC voting common stock or that the interest is incorrectly calculated, then the shareholder may notify LBC in writing of his or her own estimate of the fair value of his or her shares of LBC voting common stock and the amount of interest due and demand payment of his or her estimate. If a demand for payment remains unsettled, then LBC will commence a court proceeding to determine the fair value of the shares of LBC voting common stock and the accrued interest.

LBC shareholders should be aware that cash paid to dissenting shareholders in satisfaction of the fair value of their shares of LBC voting common stock will result in the recognition of any gain or loss realized for U.S. federal income tax purposes.

For further information, see "The Merger - Dissenters' Rights."

Pursuant to the merger agreement, Colony's board of directors may terminate the merger agreement and abandon the merger if dissenters' rights of appraisal are properly asserted with respect to more than 10.0% of the outstanding shares of LBC common stock.

Conditions to Completion of the Merger (page 77)

Currently, Colony and LBC expect to complete the merger in the first half of 2019. As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others:

approval of the merger agreement by the holders of at least a majority of the outstanding shares of LBC common stock entitled to vote at the LBC special meeting;

the receipt of all required regulatory approvals for the merger, without the imposition of any material on-going conditions or restrictions, and the expiration of all regulatory waiting periods;

the absence of any legal restraint (such as an injunction or restraining order) that would prevent the consummation of the merger;

the effectiveness of the registration statement of which this proxy statement/prospectus forms a part;

each party's receipt of a U.S. federal income tax opinion from its outside legal counsel, dated the closing date of the merger, confirming that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code;

the Plan of Bank Merger in the form attached as Exhibit B to the merger agreement attached as Annex A to this document being executed and delivered;

the absence of 10% or more of the outstanding shares of LBC's common stock exercising their dissenters' rights; and

the absence of the occurrence of a material adverse effect on LBC or Colony.

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Neither Colony nor LBC can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Regulatory Approvals Required for the Merger (page 52)

Both Colony and LBC have agreed to use their reasonable best efforts to obtain all regulatory approvals (or waivers) required or advisable to complete the transactions contemplated by the merger agreement. These approvals include, among others, approval from the Board of Governors of the Federal Reserve System, or the Federal Reserve Board, the Federal Deposit Insurance Corporation, or the FDIC, the Georgia Department of Banking and Finance, or the Georgia DBF, and various securities and other regulatory authorities. The U.S. Department of Justice may also review the impact of the merger on competition. Colony and LBC have submitted all applications, waiver requests and notifications to obtain the required regulatory approvals. Although neither Colony nor LBC knows of any reason why these regulatory approvals cannot be obtained, Colony and LBC cannot be certain when or if they will be obtained, as the length of the review process may vary based on, among other things, requests by regulators for additional information or materials.

No Solicitation (page 75)

Under the merger agreement, LBC has agreed that it will not, and will cause its representatives not to, directly or indirectly, (1) initiate, solicit, induce or knowingly encourage, or take any action to facilitate the making of, any inquiry, offer or proposal which constitutes, or could reasonably be expected to lead to, an acquisition proposal, (2) participate in any discussions or negotiations regarding any acquisition proposal or furnish, or otherwise afford access, to any person (other than Colony) any information or data with respect to LBC or any of its subsidiaries or otherwise relating to an acquisition proposal, (3) release any person from, waive any provisions of, or fail to enforce any confidentiality agreement or standstill agreement to which LBC is a party, or (4) enter into any agreement, confidentiality agreement, agreement in principle or letter of intent with respect to any acquisition proposal or approve or resolve to approve any acquisition proposal or any agreement, agreement in principle or letter of intent relating to an acquisition proposal.

However, prior to obtaining LBC's required shareholder approval, LBC may, under certain specified circumstances, participate in negotiations or discussions with any third party making an acquisition proposal and provide confidential information to such third party (subject to a confidentiality agreement). LBC must notify Colony promptly (but in no event later than 24 hours) after the receipt of such acquisition proposal.

Additionally, prior to obtaining LBC's required shareholder approval, LBC may, under certain specified circumstances, withdraw its recommendation to its shareholders with respect to the merger and/or terminate the merger agreement in order to enter into an acquisition agreement with respect to a superior acquisition proposal if it determines in good faith, after consultation with and having considered the advice of outside legal counsel and financial advisors, that such acquisition proposal is a superior proposal and that it is reasonably necessary to take such actions to comply with its fiduciary duties to LBC's shareholders under applicable law. However, LBC cannot take any of those actions in response to a superior proposal unless it provides Colony with a five business day period to negotiate in good faith to enable Colony to adjust the terms and conditions of the merger agreement such that it would cause the superior proposal to no longer constitute a superior proposal.

Termination of the Merger Agreement (page 78)

The merger agreement can be terminated at any time prior to completion of the merger by mutual consent, or by either party in the following circumstances:

if the merger is not consummated on or before June 30, 2019, subject to automatic extension to September 30, 2019 if the only outstanding condition to closing is the receipt of regulatory approvals;

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if any regulatory approval required for consummation of the transactions contemplated by the merger agreement has been denied by final non-appealable action by the relevant governmental authority or any application for such regulatory approval shall have been permanently withdrawn at the request of a governmental authority;

in the event that approval by the shareholders of LBC is not obtained at a meeting at which a vote was taken; or

in the event of a material breach by the other party of any representation, warranty or covenant contained in the merger agreement and such breach is not cured within 30 days.

In addition, Colony may terminate the merger agreement in the following circumstances:

if LBC fails to comply in all material respects with its obligations pursuant to the non-solicitation covenants;

if LBC withdraws, qualifies, amends, modifies or withholds its recommendation to its shareholders to approve the merger and the merger agreement, or makes any statement, filing or release, in connection with the shareholder meeting or otherwise, inconsistent with its recommendation (it being understood that taking a neutral position or no position with respect to an acquisition proposal shall be considered an adverse modification of its recommendation);

if LBC materially breaches its obligation to call, give notice of, and commence a meeting of shareholders to vote on the merger agreement;

if LBC approves or recommends an acquisition proposal (other than the merger agreement proposal);

if LBC fails to publicly recommend against a publicly announced acquisition proposal within three business days of being requested to do so by Colony or fails to publicly reconfirm its recommendation to its shareholders within three business days of being requested to do so by Colony; or

if LBC resolves or otherwise determines to take, or announces an intention to take, any of the foregoing actions.

In addition, LBC may terminate the merger agreement if:

(i) the average closing price of Colony common stock over the 20 trading days preceding the date that is five days prior to the closing date is less than \$14.20, and (ii) the decline in the price of Colony's common stock (as measured by the average closing price divided by \$17.75) is more than 20% greater than the decline of the KBW Regional Banking Index (KRX) (as measured by dividing the average closing price of the KBW Regional Banking Index over the 20 trading days preceding the date that is five days prior to the closing date by \$91.81); *provided, however*, Colony has the option, but not the obligation, to adjust the exchange ratio to prevent the termination of merger agreement; or

if LBC's board of directors determines to enter into a definitive agreement with respect to a superior proposal in accordance with the terms of the merger agreement but only if LBC pays to Colony a \$1,432,000 termination fee.
Termination Fee (page 79)

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by LBC's board of directors, LBC may be required to pay Colony a termination fee of \$1,432,000. The termination fee could discourage other companies from seeking to acquire or merge with LBC.

Expenses (page 80)

Each party will bear all expenses incurred in connection with the merger and the transactions contemplated by the merger agreement.

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Material U.S. Federal Income Tax Consequences (page 54)

The merger is expected to qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to the respective obligations of Colony and LBC to complete the merger that each of Colony and LBC receives a tax opinion from its respective outside legal counsel, dated the closing date of the merger, to that effect. Based upon the treatment of the merger as a reorganization within the meaning of Section 368(a) of the Code, a U.S. holder (as defined below) of LBC common stock will not recognize gain or loss for U.S. federal income tax purposes with respect to the receipt of Colony common stock in the merger, except with respect to cash received in lieu of a fractional share. If a U.S. holder exchanges its shares of LBC common stock solely for cash, the U.S. holder will recognize gain or loss on the exchange measured by the difference between the amount of cash received in the exchange and the U.S. holder's basis in the shares of LBC common stock surrendered in exchange for such cash. If a U.S. holder exchanges its shares of LBC common stock for a combination of Colony common stock and cash, the U.S. holder will recognize gain, but not loss, on the exchange to the extent of the lesser of cash received or gain realized in the exchange. The amount of gain realized will equal the amount by which the cash plus the fair market value, at the effective time of the merger, of the Colony common stock exceeds the shareholder's adjusted tax basis in its LBC common stock surrendered in exchange therefor. For further information, see *The Merger* Material U.S. Federal Income Tax Consequences.

The U.S. federal income tax consequences described above may not apply to all holders of LBC common stock. Your particular tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Accounting Treatment of the Merger (page 59)

Colony will account for the merger under the acquisition method of accounting for business combinations under U.S. generally accepted accounting principles, or GAAP.

The Rights of Holders of LBC Common Stock Will Change as a Result of the Merger (see page 87)

The rights of holders of LBC common stock are governed by Georgia law, as well as LBC's Articles of Incorporation (which we refer to as the LBC Articles), and LBC's Bylaws (which we refer to as the LBC Bylaws). After completion of the merger, the rights of former LBC shareholders will be governed by Georgia law and by Colony's Articles of Incorporation, as amended (which we refer to as Colony Articles), and Colony's Bylaws, as amended (which we refer to as Colony Bylaws).

Material differences between the rights of shareholders of LBC and shareholders of Colony include the process for determining the size of the board of directors, the process for removing directors, director qualifications, indemnification of officers, directors and employees, the ability of shareholders to act by written consent, and shareholder proposals and advance notice requirements. The material differences between the organizational documents and the rights of shareholders of LBC and shareholders of Colony are explained in more detail under the section *Comparison of Rights of Colony Shareholders and LBC Shareholders* beginning on page 87.

Opinion of LBC's Financial Advisor (page 41 and Annex B)

On December 17, 2018, BSP Securities, LLC, referred to as BSP, a wholly owned subsidiary of Banks Street Partners, LLC, rendered an opinion to the LBC board of directors to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by BSP as set forth in such opinion, the merger consideration to be received in the proposed transaction

was fair, from a financial point of view, to LBC's shareholders. The full text of the written opinion of

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BSP is attached as Annex B to this document. LBC shareholders should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by BSP in rendering its opinion.

The opinion of BSP is addressed to the LBC board of directors, is directed only to the fairness, from a financial point of view, of the merger consideration to be received by the holders of LBC stock and does not constitute a recommendation to any LBC shareholder as to how such shareholder should vote with respect to the merger or any other matter at the LBC special meeting.

For further information, please see the section entitled "The Merger Opinion of LBC's Financial Advisor" beginning on page 41.

Closing and Effective Time of the Merger (see page 63)

The closing date is currently expected to occur in the first half of 2019. Simultaneously with the closing of the merger, Colony will file the articles of merger with the Secretary of State of the State of Georgia. The merger will become effective at the later of the time the articles of merger are filed or such other time as may be specified in the articles of merger. Neither Colony nor LBC can predict, however, the actual date on which the merger will be completed because it is subject to factors beyond each company's control, including whether or when the required regulatory approvals and LBC's shareholder approval will be received.

Market Prices and Share Information (see page 22)

Colony common stock is listed on the NASDAQ Global Market under the symbol "CBAN." LBC common stock is not listed on an exchange and is not actively traded. The following table sets forth the closing sale prices of Colony common stock as reported on the NASDAQ Global Market on December 17, 2018, the last full trading day before the public announcement of the merger agreement, and on February 8, 2019, the latest practicable trading date before the date of this proxy statement/prospectus.

	Colony Common Stock	Implied Value of One Share of LBC Common Stock to be Converted into Colony Common Stock
December 17, 2018	\$ 16.10	\$ 21.31
February 8, 2019	\$ 15.95	\$ 21.12

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this proxy statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements about the financial condition, results of operations, earnings outlook and business plans, goals, expectations and prospects of Colony, LBC and the combined company following the proposed merger and statements for the period after the merger. Words such as anticipate, believe, feel, expect, estimate, indicate, strive, plan, intend, outlook, forecast, project, position, target, mission, contemplate, assume, strategy, goal, aspiration, outcome, continue, remain, maintain, trend, objective and variations of such similar expressions, or future or conditional verbs such as will, would, should, could, might, can, may or shall expressions, as they relate to Colony, LBC, the proposed merger or the combined company following the merger often identify forward-looking statements, although not all forward-looking statements contain such words.

These forward-looking statements are predicated on the beliefs and assumptions of management based on information known to management as of the date of this proxy statement/prospectus and do not purport to speak as of any other date. Forward-looking statements may include descriptions of the expected benefits and costs of the transaction; forecasts of revenue, earnings or other measures of economic performance, including statements of profitability, business segments and subsidiaries; management plans relating to the merger; the expected timing of the completion of the merger; the ability to complete the merger; the ability to obtain any required regulatory, shareholder or other approvals; any statements of the plans and objectives of management for future or past operations, including the execution of integration plans; any statements of expectation or belief and any statements of assumptions underlying any of the foregoing.

The forward-looking statements contained or incorporated by reference in this proxy statement/prospectus reflect the view of management as of this date with respect to future events and are subject to risks and uncertainties. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, actual results could differ materially from those anticipated by the forward-looking statements or historical results. Such risks and uncertainties include, among others, the following possibilities:

the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement, including a termination of the merger agreement under circumstances that could require LBC to pay a termination fee to Colony;

the inability to complete the merger contemplated by the merger agreement due to the failure to satisfy conditions necessary to close the merger, including the receipt of the requisite approvals of LBC shareholders;

the risk that a regulatory approval that may be required for the merger is not obtained or is obtained subject to conditions that are not anticipated;

risks associated with the timing of the completion of the merger;

management time and effort may be diverted to the resolution of merger-related issues;

the risk that the businesses of Colony and LBC will not be integrated successfully, or such integration may be more difficult, time-consuming or costly than expected;

Colony's ability to achieve the synergies and value creation contemplated by the proposed merger with LBC;

the expected growth opportunities or costs savings from the merger with LBC may not be fully realized or may take longer to realize than expected;

revenues following the transaction may be lower than expected as a result of losses of customers or other reasons;

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potential deposit attrition, higher than expected costs, customer loss and business disruption associated with Colony's integration of LBC, including, without limitation, potential difficulties in maintaining relationships with key personnel;

the outcome of any legal proceedings that may be instituted against Colony or LBC or their respective boards of directors;

general economic conditions, either globally, nationally, in the State of Georgia, or in the specific markets in which Colony or LBC operate;

limitations placed on the ability of Colony and LBC to operate their respective businesses by the merger agreement;

the effect of the announcement of the merger on Colony's and LBC's business relationships, employees, customers, suppliers, vendors, other partners, standing with regulators, operating results and businesses generally;

customer acceptance of the combined company's products and services;

the amount of any costs, fees, expenses, impairments and charges related to the merger;

fluctuations in the market price of Colony common stock and the related effect on the market value of the merger consideration that LBC shareholders will receive upon completion of the merger;

the introduction, withdrawal, success and timing of business initiatives;

significant increases in competition in the banking and financial services industry;

legislation, regulatory changes or changes in monetary or fiscal policy that adversely affect the businesses in which Colony or LBC are engaged, including potential changes resulting from currently proposed legislation;

credit risk of borrowers, including any increase in those risks due to changing economic conditions;

changes in consumer spending, borrowing, and savings habits;

competition among depository and other financial institutions;

liquidity risk affecting Colony's or LBC's ability to meet their respective obligations when they become due;

interest rate risk involving the effect of a change in interest rates;

compliance risk resulting from violations of, or nonconformance with, laws, rules, regulations, prescribed practices or ethical standards;

strategic risk resulting from adverse business decisions or improper implementation of business decisions;

reputational risk that adversely affects earnings or capital arising from negative public opinion;

terrorist activities risk that results in loss of consumer confidence and economic disruptions; and

other risks and uncertainties detailed from time to time in Colony's SEC filings.

Any forward-looking statements made in this proxy statement/prospectus or in any documents incorporated by reference into this proxy statement/prospectus, are subject to the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus. Colony and LBC do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made, unless and only to the extent otherwise required by law. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to Colony, LBC or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement/prospectus.

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF COLONY**

The following selected consolidated financial information for the fiscal years ended December 31, 2013 through December 31, 2017 is derived from audited consolidated financial statements of Colony. The consolidated financial information as of and for the nine months ended September 30, 2018 and 2017 is derived from unaudited consolidated financial statements and, in the opinion of Colony's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data for those dates. The selected consolidated income data for the nine months ended September 30, 2018 is not necessarily indicative of the results that may be expected for the entire year ending December 31, 2018. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with Colony's consolidated financial statements and related notes thereto included in Colony's Annual Report on Form 10-K for the year ended December 31, 2017, and in Colony's Quarterly Report on Form 10-Q for the nine months ended September 30, 2018, each of which are incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#).

**As of and for the
Nine Month
Ended September 30,**

Year Ended December 31,

2018 2017 2017 2016 2015 2014 2013

(Dollars in Thousands, except per share data)

**Selected Balance Sheet
Data**

Total Assets	\$ 1,186,196	\$ 1,195,393	\$ 1,232,755	\$ 1,210,442	\$ 1,174,149	\$ 1,146,898	\$ 1,148,551
Total Loans, Net of Unearned Interest and Fees	778,928	769,616	764,788	753,922	758,279	745,733	750,857
Total Deposits	1,011,059	1,020,263	1,067,985	1,044,357	1,011,554	979,303	987,529
Investment Securities	318,032	338,249	354,247	323,658	296,149	274,624	263,295
Federal Home Loan Bank Stock	3,594	3,255	3,043	3,010	2,731	2,831	3,164
Stockholders' Equity	88,988	91,602	90,323	93,388	95,457	99,027	89,954

**Selected Income
Statement Data**

Interest Income	36,170	34,237	45,916	44,589	44,275	44,762	45,186
Interest Expense	5,771	5,116	6,873	6,483	6,569	6,799	7,497
Net Interest Income	30,399	29,121	39,043	38,106	37,706	37,963	37,689
Provision for Loan Losses	131	335	390	1,062	866	1,308	4,485
Other Income	7,163	7,218	9,735	9,553	9,045	9,125	8,377
Other Expense	26,215	25,408	33,860	34,073	33,724	34,980	34,617
Income Before Tax	11,216	10,596	14,528	12,524	12,161	10,800	6,964
Income Tax Expense	2,264	3,424	6,777	3,851	3,788	3,268	2,335
Net Income	8,952	7,172	7,751	8,673	8,373	7,532	4,629
		211	211	1,493	2,375	2,689	1,509

Preferred Stock
Dividends

Net Income Available to Common Stockholders	\$ 8,952	\$ 6,961	\$ 7,540	\$ 7,180	\$ 5,998	\$ 4,843	\$ 3,120
Weighted Average Common Shares Outstanding, Basic	8,439	8,439	8,439	8,439	8,439	8,439	8,439
Common Shares Outstanding, Diluted	8,572	8,632	8,634	8,513	8,458	8,439	8,439
Shares Outstanding	8,445	8,439	8,439	8,439	8,439	8,439	8,439
Intangible Assets	\$ 18	\$ 54	\$ 45	\$ 81	\$ 116	\$ 152	\$ 188
Dividends Declared	1,266	633	844				
Average Assets	1,193,976	1,196,997	1,200,631	1,163,863	1,146,984	1,128,052	1,118,071
Average Stockholders Equity	89,298	90,762	91,045	100,114	101,710	94,751	93,358
Net Charge-Offs	484	1,281	1,805	743	1,064	4,312	5,416
Reserve for Loan Losses	7,155	7,977	7,508	8,923	8,604	8,802	11,806
OREO	2,173	4,520	4,256	6,439	8,839	10,402	15,502
Nonperforming Loans	8,137	8,807	7,503	12,350	14,416	18,341	24,118
Nonperforming Assets	10,310	13,327	11,759	18,789	23,255	28,743	39,620
Average Interest-Earning Assets	1,139,793	1,130,755	1,133,700	1,090,967	1,074,556	1,057,608	1,048,185
Noninterest-Bearing Deposits	177,261	162,706	190,928	159,059	133,886	128,340	115,261

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	As of and for the Nine Month Ended September 30,			Year Ended December 31,			
	2018	2017	2017	2016	2015	2014	2013
(Dollars in Thousands, except per share data)							
Per Share Data:							
Net Income Per Common Share (Diluted)	\$ 1.04	\$.81	\$ 0.87	\$ 0.84	\$ 0.71	\$ 0.57	\$ 0.37
Common Book Value Per Share	10.54	10.85	10.70	9.96	9.18	8.42	7.34
Tangible Common Book Value Per Share	10.54	10.85	10.69	9.95	9.16	8.40	7.32
Dividends Per Common Share	.15	.075	0.10	0.00	0.00	0.00	0.00
Profitability Ratios:							
Net Income to Average Assets	1.00%	0.78%	0.63%	0.62%	0.52%	0.43%	0.28%
Net Income to Average Stockholders Equity	13.37	10.23	8.28	7.17	5.90	5.11	3.34
Net Interest Margin	3.56	3.45	3.46	3.51	3.52	3.60	3.61
Loan Quality Ratios:							
Net Charge-Offs to Total Loans	.06	.17	0.24	0.10	0.14	0.58	0.72
Reserve for Loan Losses to Total Loans and OREO	.92	1.03	0.98	1.17	1.12	1.16	1.54
Reserve for Loan Losses to Nonperforming Loans	87.93	90.58	100.06	72.25	59.68	47.99	48.95
Reserve for Loan Losses to Total Nonperforming Assets	69.40	59.86	63.85	47.49	37.00	30.62	29.80
Liquidity Ratios:							
Loans to Total Deposits (1)	77.04	75.43	71.61	72.19	74.96	76.15	76.03
Loans to Average Interest-Earning Assets (1)	68.34	68.06	67.46	69.11	70.57	70.51	71.63
Noninterest-Bearing Deposits to Total Deposits	17.53	15.95	17.88	15.23	13.24	13.11	11.67
Capital Adequacy Ratios:							
Common Stockholders Equity to Total Assets	7.50	7.66	7.33	6.94	6.60	6.20	5.39
Total Stockholders Equity to Total Assets	7.50	7.66	7.33	7.72	8.13	8.63	7.83
Dividend Payout Ratio	14.14	9.09	11.24	0.00	0.00	0.00	0.00

(1) Total loans, net of unearned interest and fees.

Table of Contents**COMPARATIVE MARKET PRICES AND DIVIDENDS****Colony Bankcorp, Inc.**

Colony common stock is listed on the NASDAQ Global Market under the symbol CBAN. As of February 8, 2019, the latest practicable date prior to this proxy statement/prospectus, there were 8,444,908 shares of Colony common stock outstanding, which were held by approximately 1,826 holders of record. The following table sets forth the high and low reported intra-day sales prices per share of Colony common stock and the cash dividends declared per share for the periods indicated.

	Colony Common Stock Sales Price		Dividends Declared Per Share
	High	Low	
2016			
First Quarter	\$ 10.04	\$ 8.11	\$ 0.0000
Second Quarter	\$ 10.00	\$ 9.20	\$ 0.0000
Third Quarter	\$ 10.06	\$ 8.80	\$ 0.0000
Fourth Quarter	\$ 13.30	\$ 9.45	\$ 0.0000
2017			
First Quarter	\$ 14.55	\$ 13.00	\$ 0.0250
Second Quarter	\$ 14.00	\$ 13.45	\$ 0.0250
Third Quarter	\$ 14.20	\$ 11.10	\$ 0.0250
Fourth Quarter	\$ 14.75	\$ 13.00	\$ 0.0250
2018			
First Quarter	\$ 19.50	\$ 13.51	\$ 0.0500
Second Quarter	\$ 18.00	\$ 15.01	\$ 0.0500
Third Quarter	\$ 19.20	\$ 16.50	\$ 0.0500
Fourth Quarter	\$ 18.59	\$ 12.29	\$ 0.0500
2019			
First Quarter (through February 8, 2019)	\$ 16.56	\$ 14.53	\$ 0.0750

On December 17, 2018, the last full trading day before the public announcement of the merger agreement, the closing sale price per share of Colony common stock was \$16.10, and on February 8, 2019, the latest practicable date before the date of this proxy statement/prospectus, the closing sale price per share of Colony common stock was \$15.95.

LBC shareholders are advised to obtain current market quotations for Colony common stock. The market price of Colony common stock will fluctuate between the date of this proxy statement/prospectus and the date of completion of the merger. No assurance can be given concerning the market price of Colony common stock before or after the effective date of the merger. Changes in the market price of Colony common stock prior to the completion of the merger may affect the market value of the merger consideration that LBC shareholders will receive.

The principal sources of funds to Colony to pay dividends are the dividends received from Colony Bank. Consequently, dividends are dependent upon Colony Bank's earnings, capital needs, regulatory policies, as well as statutory and regulatory limitations. Federal and state banking laws and regulations restrict the amount of dividends

and loans a bank may make to its parent company. For example, Georgia law requires prior approval for a bank to pay dividends where the aggregate amount of dividends to be declared or anticipated to be declared during the current calendar year exceeds 50 percent of its net after-tax profits before dividends for the previous calendar year. A depository institution may not pay any dividend if payment would cause it to become undercapitalized or if it already is undercapitalized. See Description of Capital Stock Common Stock Dividends.

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LBC Bancshares, Inc.

As of the record date for the LBC special meeting, there were 1,447,554 shares of LBC common stock outstanding, which were held by approximately 222 holders of record. LBC common stock is not listed on any established securities exchange or quotation system. Accordingly, there is no established public trading market for the shares of LBC common stock and as a result, any market in LBC common stock prior to the merger should be characterized as illiquid and irregular. Privately negotiated trades of LBC common stock occur from time to time without pricing information being made known to LBC management. These transactions represent privately negotiated transactions directly between the purchaser and seller and are not subject to any reporting system. Since January 1, 2016, there were no sales of LBC common stock to management's knowledge or for which pricing information for any such sale was provided to LBC management.

LBC has not paid any dividends since January 1, 2016. LBC's shareholders are entitled to receive dividends out of legally available funds when, as and if declared by LBC's board of directors, in its sole discretion. As a Georgia corporation, LBC is subject to certain restrictions on dividends under the GBCC. Generally, a Georgia corporation may pay dividends to its shareholders out of its surplus (the excess of its assets over its liabilities and stated capital) unless the corporation is insolvent or the payment of the dividend would render the corporation insolvent, or the corporation is not able to pay its debts as they become due in the usual course of business.

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RISK FACTORS

*In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the section **Cautionary Statement Concerning Forward-Looking Statements**, you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See **Where You Can Find More Information**.*

Risks Related to the Merger

Because of the fixed exchange ratio and the fluctuation of the market price of Colony common stock, LBC shareholders will not know at the time of the special meeting the market value of the merger consideration they will receive at the effective time of the merger.

Pursuant to the merger agreement, each outstanding share of LBC common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive, at the election of each LBC shareholder, either (i) \$23.50 in cash, which we refer to as the cash consideration, or (ii) 1.3239 shares of Colony's common stock, which we refer to as the stock consideration, provided that the total mix of merger consideration shall be fixed at 55% stock and 45% cash, and if the stock consideration or the cash consideration is over-subscribed, the exchange agent will make adjustments to the elections of LBC shareholders whose elections were in excess of these limits in order to preserve that mix of merger consideration.

The market value of the stock consideration may vary from the market value on the date LBC and Colony announced the merger, on the date that this proxy statement/prospectus is mailed, on the date of the LBC special meeting and on the date the merger is completed and thereafter due to fluctuations in the market price of Colony common stock. Any fluctuation in the market price of Colony common stock after the date of this proxy statement/prospectus will change the value of the shares of Colony common stock that LBC shareholders may receive. Stock price changes may result from a variety of factors that are beyond the control of Colony and LBC, including but not limited to general market and economic conditions, changes in their respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the LBC special meeting, LBC shareholders will not know the precise market value of the stock consideration they may receive at the effective time of the merger. LBC shareholders should obtain current sale prices for shares of Colony common stock before voting their shares at the LBC special meeting.

The merger and related transactions are subject to approval by LBC shareholders.

The merger cannot be completed unless the LBC shareholders approve the merger agreement and the merger by the affirmative vote of the holders of at least a majority of the outstanding shares of LBC's common stock entitled to vote at the LBC special meeting.

Failure to complete the merger could negatively affect the value of the shares and the future business and financial results of LBC.

If the merger is not completed, the ongoing business of LBC could be adversely affected and LBC will be subject to a variety of risks associated with the failure to complete the merger, including the following:

LBC being required, under certain circumstances, to pay to Colony a termination fee equal to \$1,432,000;

substantial costs incurred by LBC in connection with the proposed merger, such as legal, accounting, financial advisor, printing and mailing fees;

the loss of key employees and customers;

the disruption of operations and business;

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deposit attrition, customer loss and revenue loss;

unexpected problems with costs, operations, personnel, technology and credit;

diversion of management focus and resources from operational matters and other strategic opportunities while working to implement the merger; and

reputational harm due to the adverse perception of any failure to successfully complete the merger.

If the merger is not completed, these risks could materially affect the business, financial results and the value of LBC common stock.

LBC will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on LBC. These uncertainties may impair LBC's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with LBC to seek to change existing business relationships with LBC. Retention of certain employees by LBC may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with LBC or Colony. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with LBC or Colony, LBC's business or the business assumed by Colony following the merger could be harmed. In addition, LBC has agreed to certain contractual restrictions on the operation of its business prior to closing. See "The Merger Agreement - Covenants and Agreements" for a description of the restrictive covenants applicable to LBC.

The merger agreement limits LBC's ability to pursue an alternative acquisition proposal and requires LBC to pay a termination fee of \$1,432,000 under limited circumstances relating to alternative acquisition proposals.

Under the merger agreement, LBC has agreed not to initiate, solicit, induce or knowingly encourage, or take any action to facilitate any alternative business combination transaction or, subject to certain exceptions, participate in discussions or negotiations regarding, or furnish any non-public information relating to, any alternative business combination transaction. See "The Merger Agreement - No Solicitation" on page 75. The merger agreement also provides for LBC to pay to Colony a termination fee in the amount of \$1,432,000 in the event that the merger agreement is terminated for certain reasons. See "The Merger Agreement - Termination Fee" on page 79. These provisions could discourage a potential competing acquirer that might have an interest in acquiring LBC from considering or making a competing acquisition proposal, even if the potential competing acquirer was prepared to pay consideration with a higher per share cash value than the market value proposed to be received or realized in the merger, or might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances under the merger agreement.

The merger agreement contains provisions granting both LBC and Colony the right to terminate the merger agreement in certain circumstances.

The merger agreement contains certain termination rights, including the right, subject to certain exceptions, of either party to terminate the merger agreement if the merger is not completed on or prior to June 30, 2019 (subject to automatic extension to September 30, 2019 if the only outstanding condition to closing is the receipt of regulatory

approvals), and the right of LBC to terminate the merger agreement, subject to certain conditions, if the average closing price of Colony common stock over a specified period prior to completion of the merger decreases below certain specified thresholds, or to accept a business combination transaction deemed to be superior to the merger by the LBC board of directors. If the merger is not completed, the ongoing business of LBC could be adversely affected and LBC will be subject to several risks, including the risks described elsewhere in this Risk Factors section.

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The merger is subject to a number of conditions which, if not satisfied or waived in a timely manner, would delay the merger or adversely impact the companies' ability to complete the transactions.

The completion of the merger is subject to certain conditions, including, among others, the (1) approval of the merger agreement by the holders of at least a majority of the outstanding shares of LBC common stock entitled to vote at the LBC special meeting; (2) the receipt of all required regulatory approvals for the merger, without the imposition of any material on-going conditions or restrictions, and the expiration of all regulatory waiting periods; (3) the absence of any legal restraint (such as an injunction or restraining order) that would prevent the consummation of the merger; (4) the effectiveness of the registration statement of which this proxy statement/prospectus forms a part; (5) each party's receipt of a tax opinion from its respective outside legal counsel, dated the closing date of the merger, confirming the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code; (6) the Plan of Bank Merger in the form attached as Exhibit B to the merger agreement attached as Annex A to this document being executed and delivered; (7) the absence of 10% or more of the outstanding shares of LBC's common stock exercising their dissenters' rights; (8) the absence of the occurrence of a material adverse effect on LBC or Colony; and (9) other customary closing conditions set forth in the merger agreement. See The Merger Agreement Conditions to Completion of the Merger on page 77. While it is currently anticipated that the merger will be completed during the first half of 2019, there can be no assurance that such conditions will be satisfied in a timely manner or at all, or that an event, development or change will not transpire that could delay or prevent these conditions from being satisfied. Accordingly, there can be no guarantee with respect to the timing of the closing of the merger, whether the merger will be completed at all and when LBC shareholders will receive the merger consideration, if at all.

Colony and LBC may waive one or more of the conditions to the merger without re-soliciting shareholder approval for the merger.

Each of the conditions to the obligations of Colony and LBC to complete the merger may be waived, in whole or in part, to the extent permitted by applicable law, by agreement of Colony and LBC, if the condition is a condition to both parties' obligation to complete the merger, or by the party for which such condition is a condition of its obligation to complete the merger. The boards of directors of Colony and LBC may evaluate the materiality of any such waiver to determine whether amendment of this proxy statement/prospectus and re-solicitation of proxies are necessary. Colony and LBC, however, generally do not expect any such waiver to be significant enough to require re-solicitation of shareholders. In the event that any such waiver is not determined to be significant enough to require re-solicitation of shareholders, the companies will have the discretion to complete the merger without seeking further shareholder approval.

Regulatory approvals may not be received, may take longer than expected or impose conditions that are not presently anticipated.

Before the transactions contemplated by the merger agreement may be completed, approvals or waivers must be obtained from various regulatory authorities, which include the Federal Reserve Board, the FDIC, the Georgia DBF, and other securities and regulatory authorities. These governmental entities may request additional information or materials regarding the regulatory applications and notices submitted by Colony and LBC, or may impose conditions on the granting of such approvals. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying the completion of the merger or of imposing additional costs or limitations on the combined company following the merger. The regulatory approvals may not be received at all, may not be received in a timely fashion, and may contain conditions on the completion of the merger that are not anticipated or cannot be met. There can be no assurance as to whether these and other regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed. See The Merger Regulatory Approvals Required for the Merger on page 52.

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The directors and executive officers of LBC have interests in seeing the merger completed that are different from, or in addition to, those of the other LBC shareholders.

The directors and executive officers of LBC have arrangements that provide them with interests in the merger that are different from, or in addition to, those of the shareholders of LBC generally. These interests and arrangements may create potential conflicts of interest and may influence or may have influenced the directors and executive officers of LBC to support or approve the merger and the merger agreement. See The Merger Interests of LBC's Directors and Executive Officers in the Merger beginning on page 49.

The opinion of LBC's financial advisor does not reflect changes in circumstances between the date of the signing of the merger agreement and the completion of the merger.

LBC's board of directors received an opinion from its financial advisor as to the fairness of the merger consideration from a financial point of view as of the date of such opinion. Subsequent changes in the operation and prospects of LBC or Colony, general market and economic conditions and other factors that may be beyond the control of LBC or Colony, may significantly alter the value of LBC or Colony or the price of the shares of Colony common stock by the time the merger is completed. The opinion does not address the fairness of the merger consideration from a financial point of view at the time the merger is completed, or as of any other date other than the date of such opinion. The opinion of LBC's financial advisor is attached as Annex B to this proxy statement/prospectus. For a description of the opinion, see The Merger Opinion of LBC's Financial Advisor on page 41.

The merger may be completed even if Colony or LBC experiences adverse changes in its business.

In general, either Colony or LBC may refuse to complete the merger if the other party suffers a material adverse effect on its business prior to the closing of the merger. However, certain types of changes or occurrences with respect to Colony or LBC would not prevent the merger from going forward, even if the change or occurrence would have adverse effects on Colony or LBC, including the following:

changes in laws and regulations affecting financial institutions and their holding companies generally, or interpretations thereof by courts or governmental entities, if such changes do not have a disproportionate impact on the affected company;

changes in GAAP or regulatory accounting requirements generally applicable to financial institutions and their holding companies, if such changes do not have a disproportionate impact on the affected company;

changes in global, national or regional political conditions including the outbreak of war or acts of terrorism, or in economic or market conditions affecting the financial services industry generally, if such changes do not have a disproportionate impact on the affected company;

changes or effects from the announcement of the merger agreement and the transactions contemplated thereby, and compliance by the parties with the merger agreement on the business, financial condition or results of operations of the parties;

any failure by LBC of Colony to meet any internal or published industry analyst projections or forecasts or estimates of revenues or earnings for any period (but not including the underlying causes thereof);

a decline in the trading price or trading volume of Colony common stock; however, LBC may terminate the merger agreement if (i) the average closing price of Colony common stock during a specified period prior to closing is less than \$14.20 and (ii) Colony's common stock underperforms the KBW Regional Banking Index by more than 20%, unless Colony elects to make a compensating adjustment to the exchange ratio; and

the impact of the merger agreement and the transactions contemplated thereby on relationships with customers or employees, including the loss of personnel subsequent to the date of the merger agreement.

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Litigation in transactions of this type are sometimes filed against the board of directors of either party that could prevent or delay the completion of the merger or result in the payment of damages following completion of the merger.

In connection with the merger, it is possible that LBC shareholders may file putative class action lawsuits against the boards of directors of Colony and/or LBC. Among other remedies, these shareholders could seek to enjoin the merger. The outcome of any such litigation would be uncertain. If a dismissal is not granted or a settlement is not reached, such potential lawsuits could prevent or delay completion of the merger and result in substantial costs to Colony and LBC. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is consummated may adversely affect the combined company's business, financial condition, results of operations, cash flows and market price.

Risks Related to the Combined Company Following the Merger

The combined company expects to incur substantial expenses related to the merger.

The combined company expects to incur substantial expenses in connection with completing the merger and integrating the business and operations of LBC and Colony. Although Colony and LBC have assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. As a result, the transaction and integration expenses associated with the merger could, particularly in the near term, exceed the savings that the combined company expects to achieve from the integration of the businesses following the completion of the merger.

Following the merger, the combined company may be unable to integrate LBC's business with Colony successfully and realize the anticipated synergies and other benefits of the merger or do so within the anticipated timeframe.

The merger involves the combination of two companies that currently operate as independent companies, as well as the companies' subsidiaries. Although the combined company is expected to benefit from certain synergies, including cost savings, the combined company may encounter potential difficulties in the integration process, including:

the inability to successfully combine LBC's business with Colony in a manner that permits the combined company to achieve the cost savings anticipated to result from the merger, which would result in the anticipated benefits of the merger not being realized in the timeframe currently anticipated or at all;

the risk of not realizing all of the anticipated operational efficiencies or other anticipated strategic and financial benefits of the merger within the expected timeframe or at all;

potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the merger; and

performance shortfalls as a result of the diversion of management's attention caused by completing the merger and integrating the companies' operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of the combined company's management, the disruption of the combined company's ongoing business or inconsistencies in the combined company's operations, any of which could adversely affect the ability of the combined company to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger, or could otherwise adversely affect the business and financial results of the combined company.

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Following the merger, the combined company may be unable to retain key employees.

The success of the combined company after the merger will depend in part upon its ability to retain key employees. Simultaneous with the execution of the merger agreement, Colony entered into employment agreements with certain key employees of LBC, the effectiveness of which is conditioned upon the completion of the merger. However, key employees may depart either before or after the merger because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company following the merger. Accordingly, no assurance can be given that LBC or Colony or, following the merger, the combined company will be able to retain key employees.

The voting power of LBC shareholders will be diluted by the merger.

The merger will result in LBC shareholders having an ownership stake in the combined company that is smaller than their current stake in LBC. Upon completion of the merger of LBC with Colony, we estimate that LBC shareholders will own approximately 12% of the issued and outstanding shares of common stock of the combined company. Consequently, LBC shareholders, as a general matter, will have less influence over the management and policies of the combined company after the effective time of the merger than they currently exercise over the management and policies of LBC.

Future capital needs could result in dilution of shareholder investment.

Colony's board of directors may determine from time to time there is a need to obtain additional capital through the issuance of additional shares of its common stock or other securities. These issuances would dilute the ownership interests of its shareholders and may dilute the per share book value of Colony common stock. New investors may also have rights, preferences and privileges senior to Colony's shareholders which may adversely impact its shareholders.

Risks Related to an Investment in the Combined Company's Common Stock

The market price of the shares of common stock of the combined company may be affected by factors different from those affecting the price of shares of Colony common stock before the merger.

The results of operations of the combined company, as well as the market price of shares of the common stock of the combined company after the merger, may be affected by factors in addition to those currently affecting Colony's or LBC's results of operations and the market prices of shares of Colony common stock. Accordingly, the historical financial results of Colony and LBC and the historical market prices of shares of Colony common stock may not be indicative of these matters for the combined company after the merger. For a discussion of the businesses of Colony and LBC and certain risks to consider in connection with evaluating the proposals to be considered at the LBC special meeting, see the documents incorporated by reference by Colony into this proxy statement/prospectus referred to under "Where You Can Find More Information" beginning on page 100.

The market price of the combined company's common stock may decline as a result of the merger.

The market price of the combined company's common stock may decline as a result of the merger if the combined company does not achieve the perceived benefits of the merger or the effect of the merger on the combined company's financial results is not consistent with the expectations of financial or industry analysts. In addition, upon completion of the merger, Colony and LBC shareholders will own interests in a combined company operating an expanded business with a different mix of assets, risks and liabilities. Current Colony and LBC shareholders may not wish to continue to invest in the combined company, or for other reasons may wish to dispose of some or all of their shares of

the combined company.

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After the merger is completed, LBC shareholders who receive shares of Colony common stock in the merger will have different rights that may be less favorable than their current rights as LBC shareholders.

After the closing of the merger, LBC shareholders who receive shares of Colony common stock in the merger will have different rights than they currently have as LBC shareholders, which may be less favorable than their current rights as LBC shareholders. For a detailed discussion of the significant differences between the current rights of a shareholder of LBC and the rights of a shareholder of the combined company following the merger, see [Comparison of Rights of Colony Shareholders and LBC Shareholders](#) beginning on page 87.

Risks Related to Tax

The merger may have adverse tax consequences.

Each of Colony and LBC expects that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to the respective obligations of Colony and LBC to complete the merger that each of Colony and LBC receives a tax opinion from its respective outside legal counsel, dated the closing date of the merger, to that effect. A legal opinion represents the judgment of counsel rendering the opinion and is not binding on the Internal Revenue Service or the courts. See [The Merger Material U.S. Federal Income Tax Consequences](#) beginning on page 54. If the merger were to fail to qualify as a reorganization within the meaning of Section 368(a) of the Code, then each holder of LBC common stock generally would recognize gain or loss, as applicable, equal to the difference between (1) the sum of the fair market value of the shares of Colony common stock received by such U.S. holder in the merger and the amount of cash received by such U.S. holder in the merger and (2) its adjusted tax basis in the shares of LBC common stock surrendered in exchange therefor. The consequences of the merger to any particular stockholder will depend on that stockholder's particular situation. **We strongly urge you to consult your own tax advisor to determine the particular tax consequences of the merger to you.**

Risks Related to Colony's Business

There are certain risks relating to Colony's business.

You should read and consider risk factors specific to Colony's business that will also affect the combined company after the merger. These risks are described in the section entitled [Risk Factors](#) in Colony's Annual Report on Form 10-K for the year ended December 31, 2017 and in other documents incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#) on page 100 for the location of information incorporated by reference into this proxy statement/prospectus.

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THE LBC SPECIAL MEETING

This proxy statement/prospectus is being provided to the holders of LBC common stock as part of a solicitation of proxies by the LBC board of directors for use at the LBC special meeting to be held at the time and place specified below and at any properly convened meeting following an adjournment thereof. This proxy statement/prospectus provides the holders of LBC common stock with information they need to know to be able to vote or instruct their vote to be cast at the LBC special meeting.

General

LBC is furnishing this proxy statement/prospectus to the holders of LBC common stock as of the record date for use at LBC's special meeting and any adjournment or postponement of its special meeting.

Date, Time and Place

The LBC special meeting will be held at LBC's headquarters located at 101 Calumet Center Road, LaGrange, Georgia 30241 on March 21, 2019, at 3:30 p.m., Eastern Time, subject to any adjournment or postponement thereof.

Purpose of the LBC Special Meeting

At the LBC special meeting, LBC shareholders will be asked to consider and vote on the following:

Proposal One: The Merger Proposal To approve the merger agreement and the merger, which we refer to as the merger proposal; and

Proposal Two: The Adjournment Proposal To approve the adjournment of the LBC special meeting to a later date or dates, if the LBC board of directors determines it is necessary, among other things, to permit solicitation of additional proxies if there are not sufficient votes at the time of the LBC special meeting to approve the merger proposal.

Completion of the merger is conditioned on, among other things, the approval of the merger by the LBC shareholders.

No other matter can be brought up or voted upon at the LBC special meeting.

Proposal One: Merger Proposal

LBC is asking its shareholders to approve the merger proposal. After careful consideration, LBC's board of directors determined that the merger agreement and the transactions contemplated thereby, including the merger, were advisable and in the best interests of LBC and LBC's shareholders.

LBC shareholders should carefully read this document in its entirety, including the annexes and the documents incorporated by reference, for more detailed information concerning the merger agreement and the merger. For a detailed discussion of the merger, including the terms and conditions of the merger agreement, see *The Merger Agreement*, beginning on page 63. In addition, LBC shareholders are directed to the merger agreement, a copy of which is attached as Annex A to this document and incorporated in this document by reference.

Proposal Two: Adjournment Proposal

If, at the LBC special meeting, the number of shares of LBC common stock present or represented and voting in favor of the merger proposal is insufficient to approve the merger proposal, LBC may move to adjourn the LBC special meeting in order to enable the LBC board of directors to solicit additional proxies for approval of the merger proposal. In that event, LBC's shareholders will be asked to vote upon the adjournment proposal and not the merger proposal.

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In the adjournment proposal, LBC is asking its shareholders to authorize the holder of any proxy solicited by its board of directors to vote in favor of granting discretionary authority to the LBC board of directors to adjourn the LBC special meeting to another time and place for the purpose of soliciting additional proxies. If LBC's shareholders approve the adjournment proposal, LBC could adjourn the LBC special meeting and any adjourned session of the LBC special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from LBC shareholders who have previously voted. If a quorum is not present at the meeting, the meeting will not be convened to conduct business and neither the merger proposal nor the adjournment proposal will be considered. In the absence of a quorum, LBC may adjourn the meeting to a later date or time to solicit additional proxies.

Recommendation of the LBC Board of Directors

On December 17, 2018, the LBC board of directors unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are in the best interests of LBC and its shareholders, and it adopted the merger agreement and approved the merger and the other transactions contemplated by the merger agreement.

Accordingly, the LBC board of directors unanimously recommends that LBC shareholders vote as follows:

FOR Proposal One approving the merger agreement and the merger; and

FOR Proposal Two approving the adjournment of the LBC special meeting if necessary to permit solicitation of additional proxies.

Holders of LBC common stock should carefully read this proxy statement/prospectus, including any documents incorporated by reference, and the annexes in their entirety for more detailed information concerning the merger agreement, the merger and the other transactions contemplated by the merger agreement.

Record Date; Shareholders Entitled to Vote

The record date for the LBC special meeting is February 7, 2019, which we refer to herein as the LBC record date. Only record holders of shares of LBC common stock as of the close of business (5:00 p.m. Eastern Time), on the LBC record date are entitled to notice of, and to vote at, the LBC special meeting or any adjournment thereof. At the close of business on the LBC record date, the only outstanding securities of LBC with a right to vote on the proposals were LBC common stock, with 1,447,554 shares of LBC common stock issued and outstanding. Each share of LBC common stock outstanding on the LBC record date is entitled to one vote on each proposal.

Quorum and Adjournment

No business may be transacted at the LBC special meeting unless a quorum is present. Holders representing at least a majority of the issued and outstanding shares of LBC common stock entitled to vote at the LBC special meeting must be present, in person or represented by proxy, to constitute a quorum.

Approval of the adjournment proposal requires the affirmative vote of a majority of the votes cast on the matter. No notice of an adjourned LBC special meeting need be given if the new date, time and place are announced at the special meeting before adjournment, and no new record date is required to be set. If, however, after the adjournment, the board of directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to

each shareholder of record on the new record date entitled to vote at such meeting. At any adjourned LBC special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the LBC special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the adjourned LBC special meeting.

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All shares of LBC common stock represented at the LBC special meeting, including shares that are represented but that vote to abstain, will be treated as present for purposes of determining the presence or absence of a quorum.

Vote Required for Approval; Abstentions; Failure to Vote

The required votes to approve the LBC proposals are as follows:

Proposal One: The Merger Proposal Approving the merger proposal requires the affirmative vote of at a majority of the issued and outstanding shares of LBC common stock entitled to vote at the LBC special meeting. Failure to vote and abstentions will have the same effect as a vote AGAINST this proposal.

Proposal Two: The Adjournment Proposal Approving the adjournment proposal requires the affirmative vote of a majority of the votes cast on the matter. Failure to vote and abstentions will have no effect on this proposal.

If you sign your proxy but do not indicate your vote, your proxy will be voted FOR each proposal.

Voting by LBC Directors and Executive Officers

At the close of business on the LBC record date, LBC directors and executive officers and their affiliates were entitled to vote 575,220 shares of LBC common stock, or approximately 39.7% of the shares of LBC common stock outstanding on that date. LBC expects that its directors and executive officers and their affiliates will vote their shares in favor of both of the LBC proposals.

LBC Common Stock Subject to Voting Agreements

All directors of LBC and Calumet Bank, solely in their capacity as shareholders of LBC, have entered into voting agreements with Colony pursuant to which they have agreed to vote their shares of LBC common stock in favor of the approval of the merger agreement and the merger and against the approval or adoption of any proposal made in opposition to the merger. As of the LBC record date, 572,863 shares of LBC common stock, or approximately 39.6% of the outstanding shares of LBC common stock entitled to vote at the LBC special meeting, are bound by the voting agreements.

Voting on Proxies by Holders of Record; Incomplete Proxies

If you were a record holder of LBC common stock at the close of business on the LBC record date, a proxy card is enclosed for your use. LBC requests that you vote your shares as promptly as possible by submitting your LBC proxy card by mail using the enclosed return envelope. If you are a registered shareholder, you may also vote via the Internet or telephone by following the instructions on the proxy card. When the accompanying proxy card is returned properly executed or if you voted via the Internet or telephone, the shares of LBC common stock represented by it will be voted at the LBC special meeting or any adjournment thereof in accordance with the instructions contained in the proxy card.

If a record holder returns an executed proxy card without an indication as to how the shares of LBC common stock represented by it are to be voted with regard to a particular proposal, the shares of LBC common stock represented by the proxy will be voted in accordance with the recommendation of the LBC board of directors and, therefore, such shares will be voted:

FOR Proposal One approving the merger agreement and the merger; and

FOR Proposal Two approving the adjournment of the LBC special meeting, if necessary to permit solicitation of additional proxies.

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At the date hereof, the LBC board of directors has no knowledge of any business that will be presented for consideration at the LBC special meeting and that would be required to be set forth in this proxy statement/prospectus or the related proxy card other than the matters set forth in LBC's Notice of Special Meeting of Shareholders.

Your vote is important. Accordingly, if you were a record holder of LBC common stock on the LBC record date, please sign, date and return the enclosed proxy card or vote via the Internet or telephone whether or not you plan to attend the LBC special meeting in person.

Shares Held in Street Name

If your shares of LBC common stock are held in an account with a bank, broker or other nominee, which are referred to as shares held in street name, the bank, broker or other nominee is considered the shareholder of record with respect to these shares and you are the beneficial owner of these street name shares. If your shares are held in street name through a broker, bank or other nominee, you will receive instructions from your broker, bank or other nominee that you must follow in order to vote your shares. You should refer to the voting form used by that firm to determine whether you may vote by telephone, Internet or mail.

If your shares are held in street name, LBC recommends that you mark, date, sign and promptly mail the voting instruction form provided by your bank, broker or other nominee in accordance with the instructions provided by such nominee.

Banks, brokers and other nominees who hold shares of LBC common stock in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be non-routine, without specific instructions from the beneficial owner. The merger proposal and the adjournment proposal are non-routine matters. Accordingly, if your broker, bank or other nominee holds your shares of LBC common stock in street name, your broker, bank or other nominee will vote your shares of LBC common stock with respect to the merger proposal and the adjournment proposal only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank or other nominee with this proxy statement/prospectus. If you do not provide instructions to your broker, bank or other nominee with respect to either the merger proposal or the adjournment proposal, it will result in a failure to vote your shares on such proposal. Failure to vote has the same effect as a vote against the merger proposal.

Revocability of Proxies and Changes to an LBC Shareholder's Vote

An LBC shareholder entitled to vote at the LBC special meeting may revoke a proxy at any time before such time that the proxy card for any such holders of LBC common stock must be received at the LBC special meeting by taking any of the following actions:

delivering written notice of revocation to Leonard H. Bateman, Jr., President and Chief Executive Officer, LBC Bancshares, Inc., 101 Calumet Center Road, LaGrange, Georgia 30241;

delivering a proxy card bearing a later date than the proxy that such shareholder desires to revoke;

voting by telephone or on the Internet (your latest telephone or Internet vote will be counted); or

attending the LBC special meeting and voting in person.

Merely attending the LBC special meeting will not, by itself, revoke your proxy; an LBC shareholder must cast a subsequent vote at the LBC special meeting using forms provided for that purpose. The last valid vote that LBC receives before the polls close at the LBC special meeting is the vote that will be counted.

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If you hold your shares in street name through a bank, broker or other nominee (referred to in this proxy statement/prospectus as a beneficial owner), you must contact such bank, broker or nominee if you desire to revoke your proxy as described above.

Solicitation of Proxies

The LBC board of directors is soliciting proxies for the LBC special meeting from holders of its LBC common stock entitled to vote at the LBC special meeting. In accordance with the merger agreement, LBC will pay its own cost of soliciting proxies from its shareholders, including the cost of mailing this proxy statement/prospectus. In addition to solicitation of proxies by mail, proxies may be solicited by LBC's officers, directors and regular employees, without additional remuneration, in person, by telephone or other means of communication.

LBC will make arrangements with brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to beneficial owners of LBC common stock. LBC may reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding the proxy materials.

Attending the LBC Special Meeting; Voting in Person

Only record holders of LBC common stock at the close of business on the record date, their duly appointed proxies, and invited guests may attend the LBC special meeting. However, only holders of LBC common stock will be entitled to vote.

A shareholder who holds shares in street name through a broker, bank, trustee or other nominee who desires to attend the LBC special meeting in person must bring proof of beneficial ownership as of the record date, such as a letter from the broker, bank, trustee or other nominee that is the record owner of such beneficial owner's shares, a brokerage account statement or the voting instruction form provided by the broker.

A person who holds a validly executed proxy entitling such person to vote on behalf of a record owner of LBC common stock who desires to attend the LBC special meeting in person must also bring the validly executed proxy naming such person as the proxy holder, signed by the LBC shareholder of record, and proof of the signing shareholder's record ownership as of the record date.

No cameras, recording equipment or other electronic devices will be allowed in the meeting room. Failure to provide the requested documents at the door or failure to comply with the procedures for the LBC special meeting may prevent LBC shareholders from being admitted to the LBC special meeting.

Assistance

If you need assistance in completing your proxy card, have questions regarding the LBC special meeting or would like additional copies of this proxy statement/prospectus, please contact Leonard H. Bateman, Jr., President and Chief Executive Officer, at (706) 884-6000.

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THE MERGER

The following discussion contains certain information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as Annex A to this proxy statement/prospectus. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement attached as Annex A, for a more complete understanding of the merger.

General

Each of Colony's and LBC's respective boards of directors has unanimously approved the merger agreement and the transactions contemplated by the merger agreement. The merger agreement provides for the acquisition of LBC by Colony pursuant to the merger of LBC with and into Colony, with Colony as the surviving company, which we refer to as the merger. Immediately after the merger, Calumet Bank, a wholly owned Georgia-state bank subsidiary of LBC, will be merged with and into Colony Bank, a wholly owned bank subsidiary of Colony, with Colony Bank as the surviving bank, which we refer to as the bank merger.

Purchase Price and Purchase Price Adjustments

At the effective time of the merger, each outstanding share of LBC common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive, at the election of each LBC shareholder, either (i) \$23.50 in cash, or (ii) 1.3239 shares of Colony common stock. The election of stock consideration or cash consideration will be subject to proration such that 55% of the issued and outstanding shares of LBC common stock will be exchanged for Colony common stock and 45% will be exchanged for cash, and at least 50% of the merger consideration will be paid in Colony common stock. As a result, if the aggregate number of shares with respect to which a valid stock or cash election has been made exceeds these limits, shareholders who have elected the form of merger consideration that has been over-subscribed will receive a mixture of both stock consideration and cash consideration in accordance with the proration procedures set forth in the merger agreement so that such limits are not exceeded. The stock consideration and the cash consideration are collectively referred to as the merger consideration. Each option or warrant to purchase shares of LBC common stock shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of LBC common stock subject to such option or warrant, as applicable, *times* (ii) the excess, if any, of \$23.50 over the exercise price per share of LBC common stock subject to such option or warrant, as applicable.

Colony will not issue any fractional shares of Colony common stock in the merger. LBC shareholders who would otherwise be entitled to a fractional share of Colony common stock upon the completion of the merger will instead receive an amount in cash (without interest and rounded to the nearest whole cent) determined by multiplying the (i) fractional share interest in Colony common stock, rounded to the nearest one hundredth of a share, to which such holder would otherwise be entitled by (ii) \$23.50.

LBC shareholders are being asked to approve the merger agreement and the merger. See The Merger Agreement for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

In fulfilling their respective obligations to the shareholders of LBC, the members of the board of directors of LBC (the LBC Board) have often considered the path forward for LBC, Calumet Bank, and the greater LaGrange community as

a whole. In their consideration, the members of the board of directors of LBC explored options that included continuing LBC's on-going operations as an independent institution, acquiring other depository institutions or branch offices, and entering into a strategic merger with a similarly sized or larger

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institution. The LBC Board also periodically reviewed, often with input from BSP and other advisors, the competitive environment in LBC's market area and merger and acquisition activity in the financial services industry across the nation and, specifically, in the West Georgia market.

Beginning in late 2017, the LBC Board determined that it was in the best interest of LBC's shareholders and other constituents to look seriously into the potential for a strategic transaction involving the merger of LBC and/or its wholly owned subsidiary, Calumet Bank, with and into a similarly sized or larger financial institution. The LBC Board's determination was based, in part, on the relatively limited liquidity of LBC common stock as compared to market valuations for whole bank transactions, which have reached levels similar to pre-recession. This analysis, coupled with the additional capital that would be required to carry out longer-term strategic goals of LBC and Calumet, caused the LBC Board to conclude that it was in the best interest of LBC, Calumet Bank and their respective shareholders, customers, and employees to explore a whole-bank transaction.

The LBC Board reviewed materials from BSP and other investment banking firms with respect to the various strategic options available to LBC. BSP and the other investment banking firms are nationally recognized and have substantial experience with respect to transactions involving community based financial institutions and their holding companies. After considering the qualifications and experience of the firms, including the terms of the draft engagement letters received from each firm and the presentations that each firm made, the LBC Board decided to retain BSP and executed an engagement letter with BSP dated January 22, 2018. Pursuant to the engagement letter, LBC engaged BSP on an exclusive basis to render financial advisory and investment banking services to LBC in connection with its consideration of potential business combination transactions.

During the early part of 2018, BSP and LBC management met with a number of bank management teams to familiarize themselves with potential future acquirers. In mid-July 2018, BSP was contacted by an investment banking firm representing a potential acquirer seeking to preempt a competitive sale process by submitting an offer that it considered to be superior in terms of valuation in exchange for the opportunity to pursue exclusive negotiations. Following mutual due diligence and negotiations, the decision was made to terminate exclusive negotiations in favor of initiating a full auction process to market the sale of LBC.

During the month of September 2018, BSP contacted thirty-eight (38) parties on a no-name basis regarding participation in due diligence and negotiations regarding a strategic transaction with LBC, of which twenty-five (25) elected not to participate and the remaining thirteen (13) institutions (including Colony) signed non-disclosure agreements and received a confidential information memorandum relating to LBC's operations, financial performance and transaction considerations. The thirteen institutions were provided with access to confidential information regarding LBC in order for such parties to undertake their preliminary due diligence reviews. BSP requested that the parties submit non-binding Letters of Intent (LOIs) by October 15, 2018.

BSP received three LOIs with varying terms and transaction structures. One LOI contemplated an all cash transaction and another LOI provided options for pricing for an all-stock, an all-cash, or a combined cash/stock transaction. The third LOI, submitted by Colony, provided an initial per-share price and contemplated a combined cash/stock transaction. After review and consideration of the three LOIs and each potential acquirer, the LBC Board elected to enter into exclusive negotiations with Colony by way of a vote of the LBC Board at a duly called meeting thereof held on October 18, 2018.

On October 22, 2018 Colony and LBC entered into a revised LOI which provided for, among other customary provisions, a per share price equal to \$23.50, to be paid in both cash (45%) and stock (55%). The mechanics for setting the stock exchange ratio for the stock consideration portion of the transaction was to be mutually agreed upon by both parties during the stated exclusivity period. From October 22 through November 13, Colony, together with

their legal counsel, investment bankers, and advisors conducted due diligence on LBC and both parties continued to negotiate the exchange ratio.

On November 13, 2018 Colony and LBC affirmed the terms of the previously executed LOI and agreed upon a stock exchange ratio in which each share of LBC common stock would be exchanged for 1.3239 shares of

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Colony common stock pursuant to the stock consideration equates to 55% of the total transaction consideration. Alston & Bird LLP, outside counsel to Colony, provided an initial draft of the proposed merger agreement to LBC's counsel, James-Bates-Brannan-Groover-LLP. Between November 13 and December 17, LBC, together with their legal counsel, investment bankers, and advisors conducted reverse due diligence on Colony and continued to negotiate the terms of the definitive merger agreement and related documents.

On December 17, 2018, the LBC Board met at its regularly scheduled meeting to review and discuss the proposed merger and the merger agreement. At this meeting, the LBC Board received presentations from its legal counsel, James-Bates-Brannan-Groover-LLP, and its financial advisor, BSP. Following this discussion, the LBC Board unanimously voted to approve the merger agreement and the other transactions contemplated by the merger agreement, including the merger, and authorized LBC's executives to execute the merger agreement.

On December 17, 2018, Colony's board of directors held a special meeting to review and discuss the proposed merger and the merger agreement. At this meeting, Colony's board of directors received presentations from its legal counsel, Alston & Bird LLP, and its financial advisor, Hovde Group LLC. Following this discussion, Colony's board of directors unanimously voted to approve the merger agreement and the other transactions contemplated by the merger agreement, including the merger, and authorized Colony's executives to execute the merger agreement.

On December 17, 2018, the merger agreement and related documents were executed and the parties issued a press release announcing the proposed merger the following morning.

Colony's Reasons for the Merger

In reaching its decision to approve and adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the issuance of Colony common stock as the merger consideration, Colony board of directors considered a number of factors, including the following material factors:

each of Colony's and LBC's business, operations, financial condition, asset quality, earnings and prospects;

the strategic fit of the businesses of the two companies, including their complementary markets, business lines and loan and deposit profiles;

the opportunity to strategically expand in the Columbus, LaGrange and Atlanta, Georgia markets;

the anticipated pro forma impact of the transaction on the combined company, including the expected impact on financial metrics including earnings and tangible book value and regulatory capital levels, as well as the potential efficiencies of scale resulting from the increased size of Colony following the merger;

its understanding of the current and prospective environment in which Colony and LBC operate, including national, state and local economic conditions, the competitive environment for financial institutions generally, and the likely effect of these factors on Colony both with and without the proposed transaction;

its review and discussions with Colony's management concerning the due diligence investigation of LBC, including its review of LBC's financial condition, results of operation, asset quality, market areas, growth potential (projected potential accretion to earnings per share and the projected payback period of the estimated decrease in tangible book value) and quality of senior management;

the perceived compatibility of the corporate cultures of the two companies, which management believes should facilitate integration and implementation of the transaction;

the structure of the transaction as a combination in which the combined company would operate under the Colony brand and Colony's board of directors and management would have substantial participation in the combined company;

the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions; and

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the financial and other terms of the merger agreement, including the merger consideration, expected tax treatment, the deal protection and termination fee provisions, and restrictions on the conduct of LBC's business between the date of the merger agreement and the date of completion of the merger.

Colony's board of directors also considered potential risks relating to the merger including the following:

Colony management's attention and Colony resources may be diverted from the operation of Colony's business and towards the completion of the merger;

Colony may not realize all of the anticipated benefits of the merger, including cost savings, maintenance of existing customer and employee relationships, and minimal disruption in the integration of LBC's operations with Colony;

the nature and amount of payments and other benefits to be received by LBC management in connection with the merger pursuant to existing LBC plans and compensation arrangements and the merger agreement;

the substantial costs that Colony will incur in connection with the merger even if it is not consummated;

approvals from regulatory authorities could impose conditions that could have the effect of delaying completion of the merger or imposing additional costs; and

the possibility of litigation in connection with the merger.

The foregoing discussion of the factors considered by Colony board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by Colony board of directors. In reaching its decision to approve and adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, including the issuance of Colony common stock as the merger consideration, Colony board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. Colony board of directors considered all these factors as a whole and overall considered the factors to be favorable to, and to support, its determination.

LBC's Reasons for the Merger

After careful consideration, LBC's board of directors determined that it was advisable and in the best interests of LBC and its shareholders for LBC to enter into the merger agreement with Colony. Accordingly, LBC's board unanimously recommends that LBC's shareholders vote FOR the approval of the merger agreement and the merger.

The board of directors of LBC has considered the terms and provisions of the merger agreement and concluded that they are fair to the shareholders of LBC and that the merger is in the best interests of LBC and its shareholders.

The board of directors of LBC believes that the merger will help create a stronger regional bank with the tools and resources necessary to enhance long-term value for LBC's shareholders. In addition, the LBC Board believes that the

customers served by LBC and the West Georgia market as a whole will benefit from the resulting institution's enhanced abilities to meet their banking needs.

In reaching its decision to approve the merger agreement, the LBC Board consulted with management, as well as with LBC's financial and legal advisors, and considered a variety of factors, including the following:

the consideration being offered to LBC's shareholders in relation to the market value, book value per share, earnings per share and projected earnings per share of LBC;

the potential future value of LBC stock compared to the value of the merger consideration offered by Colony and the potential future trading value of the Colony common stock;

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the current and prospective environment in which LBC operates, including national, regional, and local economic conditions, the competitive environment for financial institutions, the increased regulatory burdens on financial institutions, and the uncertainties in the regulatory climate going forward;

the form of merger consideration offered by Colony, including the opportunity for LBC shareholders to receive shares of Colony common stock on a tax-free basis for their shares of LBC stock;

LBC's and Colony's shared community banking philosophies;

the scale, scope, strength, and diversity of operations, product lines and delivery systems that could be achieved by combining LBC with Colony;

the limited impact to available banking services in the LaGrange, Georgia market due to the minimal geographic overlap between Calumet and Colony;

Colony's asset size and capital position, which would give the resulting institution over approximately \$1.4 billion in assets;

the earnings prospects of the combined company;

the additional products offered by Colony to its customers and the ability of the resulting institution to provide comprehensive financial services to its customers;

the terms and conditions of the merger agreement, including the parties' respective representations, warranties, covenants, and other agreements, the conditions to closing, a provision which permits the LBC Board, in the exercise of its fiduciary duties, under certain conditions, to furnish information to, or engage in negotiations with, a third party which has submitted an unsolicited proposal to acquire LBC;

the reports of LBC's management and discussions with representatives of BSP concerning the operations, financial condition and prospects of Colony and the expected financial impact of the merger on the combined company, including pro forma assets, earnings, deposits, and capital ratios;

Colony's financial strength as it relates to Colony's ability to fund the cash portion of the total consideration;

the likelihood of successful integration and the successful operation of the combined company;

the likelihood that the regulatory approvals needed to complete the transaction will be obtained;

the effects of the merger on LBC's employees, including the prospects for continued employment and the severance and other benefits agreed to be provided to LBC employees; and

BSP's written opinion, dated December 17, 2018, to the effect that, as of such date, the exchange ratio was fair to LBC's common shareholders from a financial point of view. The opinion is attached as Annex B to this proxy statement/prospectus. For a summary of the presentation of BSP, see Opinion of LBC's Financial Advisor below.

In the course of its deliberation, the LBC Board also considered a variety of risks and other countervailing factors, including:

the risks and costs to LBC if the merger does not close, including:

the diversion of management and employee attention, potential employee attrition, and the effect on customers and business relationships; and

the potential adverse impact on the value of LBC's common stock if the merger agreement is terminated;

the restrictions on the conduct of LBC's business prior to the completion of the merger, which are customary for merger agreements involving financial institutions, but which, subject to specific

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exceptions, could delay or prevent LBC from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of LBC absent the pending completion of the merger;

the restrictions that the merger agreement imposes on actively soliciting competing bids, and the fact that LBC would be obligated to pay a \$1.432 million termination fee to Colony under certain circumstances; and

the fact that LBC will no longer exist as an independent, stand-alone company.

The foregoing discussion of the information and factors considered by LBC's board of directors is not exhaustive, but includes all material factors considered by the LBC Board. In view of the wide variety of factors considered by the LBC Board in connection with its evaluation of the merger and the complexity of these matters, the LBC Board did not consider it practical to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. The LBC Board evaluated the factors described above, including asking questions of LBC's management and LBC's legal and financial advisors. In considering the factors described above, individual members of the LBC Board may have given different weights to different factors. The LBC Board relied on the experience and expertise of its financial advisors for quantitative analysis of the financial terms of the merger. See "Opinion of LBC's Financial Advisor" below. It should also be noted that this explanation of the reasoning of the LBC Board and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements" on page 18.

After evaluating these factors and consulting with its legal counsel and financial advisors, the LBC Board determined that the merger agreement was advisable and in the best interests of LBC's shareholders. Accordingly, the LBC Board has unanimously adopted the merger agreement and approved the merger.

THE LBC BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE MERGER AGREEMENT.

Opinion of LBC's Financial Advisor

LBC retained BSP on an exclusive basis to render financial advisory and investment banking services and to render a written opinion to the LBC Board as to the fairness, from a financial point of view, of the merger consideration to be paid under the terms of the merger agreement. BSP is an investment banking firm that specializes in providing financial advisory and investment banking services to financial institutions. BSP has been involved in many bank-related business combinations. No limitations were imposed by LBC upon BSP with respect to rendering its opinion.

At the December 17, 2018, meeting at which the LBC Board considered and approved the merger agreement, BSP delivered its written opinion that, as of such date, the merger consideration to be received was fair from a financial point of view.

The full text of BSP's opinion is attached as Annex B to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by BSP in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. We urge you to read the entire opinion carefully in connection with your consideration of the proposed merger.

The opinion speaks only as of the date of the opinion. The opinion was directed to the LBC Board and is directed only to the fairness, from a financial point of view, of the merger consideration to be received. It does not address the underlying business decision to engage in the merger or any other aspect of the merger and is not a recommendation to any shareholder as to how such shareholder should vote with respect to the merger or any other matter.

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For purposes of the opinion and in connection with its review of the proposed transaction, BSP, among other things, completed the following:

1. Reviewed the terms of the merger agreement;
2. Participated in discussions with LBC's management concerning LBC's financial condition, asset quality and regulatory standing, capital position, historical and current earnings, management succession and LBC's and Colony's future financial performance;
3. Reviewed LBC's audited financial statements for the years ended December 31, 2017, 2016 and 2015, and unaudited financial statements for the quarter and nine months ended September 30, 2018;
4. Reviewed Colony's audited financial statements for the years ended December 31, 2017, 2016 and 2015, and unaudited financial statements for the quarter and nine months ended September 30, 2018;
5. Reviewed certain financial forecasts and projections of LBC, prepared by its management, as well as the estimated cost savings and related transaction expenses expected to result from the merger;
6. Analyzed certain aspects of LBC's financial performance and condition and compared such financial performance with similar data of companies BSP deemed similar to LBC;
7. Reviewed historical trading activity of Colony and Colony's financial advisor's projections for future financial performance;
8. Compared the proposed financial terms of the merger with the financial terms of certain other recent merger and acquisition transactions, involving acquired companies that BSP deemed to be relevant to LBC; and
9. Performed such other analyses and considered such other information, financial studies, and investigations and financial, economic and market criteria as BSP deemed relevant.

BSP assumed and relied, without independent verification, upon the accuracy and completeness of all of the financial and other information provided to it by LBC, Colony, and each company's respective representatives and of the publicly available information for LBC and Colony that BSP reviewed. BSP is not an expert in the evaluation of allowances for loan losses and has not independently verified such allowances, and relied on and assumed that such allowances of LBC and Colony at September 30, 2018 were adequate to cover such losses and complied fully with applicable law, regulatory policy, and sound banking practices as of the date of such financial statements. BSP was not retained to, and did not, conduct a physical inspection of any of the properties or facilities of LBC. BSP also did not make any independent evaluation or appraisal of the assets, liabilities, or prospects of LBC, was not furnished with any such evaluation or appraisal, and did not review any individual credit files. The opinion of BSP was necessarily

based on economic, market, and other conditions as in effect on, and the information made available to it as of, the date thereof. BSP expressed no opinion on matters of a legal, regulatory, tax, or accounting nature or the ability of the merger, as set forth in the merger agreement, to be consummated. No opinion was expressed as to whether any alternative transaction might be more favorable to LBC than the merger.

BSP, as part of its investment banking business, is regularly engaged in the valuation of banks and bank holding companies and various other financial services companies in connection with mergers and acquisitions, private placements of securities, and valuations for other purposes. In rendering its fairness opinion, BSP acted on behalf of the LBC Board.

BSP's opinion is limited to the fairness, from a financial point of view, of the merger consideration to be received under the terms of the merger agreement and does not address the ability of the merger to be consummated, the satisfaction of the conditions precedent contained in the merger agreement, or the likelihood of the merger receiving regulatory approval. Although BSP was retained on behalf of the LBC Board, BSP's opinion did not constitute a recommendation to any director of LBC as to how such director or any shareholder should vote with respect to the merger agreement.

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Based upon and subject to the foregoing, and based on BSP's experience as investment bankers, BSP's activities as described above, and other factors deemed relevant, BSP rendered its opinion that, as of December 17, 2018, the merger consideration received is fair to the holders of LBC common stock, from a financial point of view.

The following is a summary of material analyses performed by BSP in connection with its opinion to the LBC Board on December 17, 2018. The summary does not purport to be a complete description of the analyses performed by BSP but summarizes the material analyses performed and presented in connection with such opinion.

Financial Analysis

In rendering its opinion, BSP performed a variety of financial analyses. The summary below is not a complete description of all the analyses underlying BSP's opinion or the presentation made by BSP to the LBC Board, but is a summary of the material analyses performed and presented by BSP. The summary includes information presented in tabular format. In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. BSP believes that its analysis must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in the comparative analyses described below is identical to LBC or Colony and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of LBC and Colony and the companies to which they are being compared. In arriving at its opinion, BSP did not attribute any particular weight to any analysis or factor that it considered. Rather, BSP made qualitative judgments as to the significance and relevance of each analysis and factor. BSP did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion; rather, BSP made its determination as to the fairness of the merger consideration on the basis of its experience and professional judgment after considering the results of all of the analyses taken as a whole.

In performing its analysis, BSP also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which are beyond the control of LBC, Colony, and BSP. The analyses performed by BSP are not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. BSP prepared its analyses solely for purposes of rendering its opinion and presented such analyses to the LBC Board at its December 17, 2018, meeting. Estimates of the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty, and actual values may be materially different. Accordingly, BSP's analysis does not necessarily reflect the value of LBC or Colony common stock or the prices at which LBC common stock or Colony common stock may be sold at any time. BSP's analysis was among a number of factors taken into consideration by the LBC Board in making its determination to approve the merger agreement and should not be viewed as determinative of the merger consideration or the decision of the LBC board of directors or management with respect to the fairness of the merger.

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Summary of Merger Consideration and Implied Transaction Metrics

Under the terms of the merger agreement, each share of LBC common stock outstanding prior to the merger will be converted into and exchanged for the right to receive the following:

(i) a cash payment, without interest, in an amount equal to \$23.50; or

(ii) 1.3239 shares of Colony common stock

Holders of record of LBC common stock may elect to receive shares of Colony common stock or cash in exchange for their shares of LBC common stock, provided that the aggregate number of shares of LBC common stock to be converted into the per share stock consideration shall be 55% of the total outstanding shares number.

As part of its analysis, BSP reviewed metrics relative to merger and acquisition transactions involving U.S. banks. The criteria for the merger peers consisted of the following: whole-bank transactions announced on or after January 1, 2016 involving Georgia banks with less than \$1.0B in total assets; whole-bank transactions announced on or after June 30, 2017 with target non-performing assets/total assets between 0.05% and 0.40% and total assets between \$150mm and \$400mm; whole-bank transactions announced on or after June 30, 2017 with target tangible common equity/tangible assets less than 9.5% and total assets between \$150mm and \$400mm; whole-bank transactions announced on or after June 30, 2017 with target last-12-months return on average assets between 0.70% and 0.90% and total assets between \$150mm and \$400mm; whole-bank transactions announced on or after June 30, 2017 involving banks in the Southeastern United States with total assets between \$150mm and \$400mm. Each of the peer groups established by BSP excluded transactions involving private investors/investor groups, and transactions involving troubled bank targets.

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Using the latest publicly available information prior to the announcement of the relevant transaction, BSP reviewed the following transaction metrics for each selected merger transaction group: transaction price to last-12-months earnings, transaction price to tangible book value, transaction price to total assets and tangible book premium to core deposits. BSP compared the indicated transaction multiples for the merger to the 25th percentile, 75th percentile, and median multiples of each merger transaction group.

Buyer Name/ Target Name	State	Announce Date	Fully Diluted Transaction		Announcement Price/Target Announcement Financials			TCE Ratio (%)	LTM ROAA (%)	NPAs/ Assets (%)	
			Value (\$mm)	Earnings (x)	TBV (%)	Premium/ Core Assets (%)	Total Assets (\$000)				
Colony Offer			34.5	20.1	183.0	15.1	8.3	227,837	8.28	0.83	0.35
CoastalSouth Bancshares, Inc./First Citizens Financial Corp.	GA	05/01/18	11.6	29.3	150.5	12.2	5.4	95,008	7.98	0.67	0.93
National Commerce Corp./Landmark Bancshares, Inc.	GA	04/24/18	115.4	16.0	222.3	19.4	17.7	595,439	10.67	1.36	1.11
Entegra Financial Corp./Chattahoochee Bank of Georgia	GA	06/27/17	34.9	23.8	154.3	17.8	10.5	196,833	11.50	0.78	0.00
Charter Financial Corp./Resurgens Bancorp	GA	06/01/17	26.3	17.5	164.5	15.8	10.6	166,763	10.96	1.44	0.00
Piedmont Bancorp, Inc./Mountain Valley Bancshares, Inc.	GA	03/17/17	26.1	18.9	138.4	12.9	4.7	202,470	8.61	0.75	1.53
National Commerce Corp./Private Bancshares, Inc.	GA	08/31/16	59.1	19.7	225.9	20.3	14.3	291,234	8.58	1.38	1.66
Pinnacle Financial Corp./Independence Bank of Georgia	GA	07/01/16	30.4	17.7	126.1	16.1	5.0	189,003	12.74	0.94	0.36
Bainbridge Bancshares, Inc./Citizens Bank	GA	06/21/16	4.4	NM	96.9	13.6	-0.6	32,434	14.00	(0.20)	1.88
State Bank Financial Corp./S Bankshares, Inc.	GA	05/19/16	11.0	NM	101.7	10.1	0.3	108,813	9.50	0.53	0.90
State Bank Financial Corp./NBG Bancorp, Inc.	GA	04/05/16	68.0	14.8	165.4	16.7	10.0	406,463	10.07	1.30	0.81
GA Group Median			28.3	18.3	152.4	15.9	7.7	192,918	10.37	0.86	0.92
GA 25th Percentile			15.2	17.1	129.2	13.0	4.8	123,301	8.83	0.69	1.43
GA 75th Percentile			53.1	20.7	165.2	17.5	10.6	269,043	11.36	1.35	0.47
Asset Quality Group Median (NPAs/ Assets)			47.9	18.8	160.8	16.6	8.9	304,994	10.56	0.95	0.20

0.05% - 0.40%)									
Asset Quality Group 25th Percentile	31.3	12.4	152.0	14.8	6.8	187,736	9.50	0.79	0.28
Asset Quality Group 75th Percentile	57.2	26.4	194.9	18.5	14.5	331,859	11.48	1.46	0.07
Capital Group Median (TCE Ratio < 9.5%)	40.1	14.4	174.3	13.8	9.2	309,549	9.10	0.84	0.75
Capital Group 25th Percentile	31.8	12.3	156.2	13.0	6.8	223,100	8.77	0.49	0.94
Capital Group 75th Percentile	51.7	22.7	195.5	16.2	11.9	347,344	9.36	1.23	0.33
Profitability Group Median (LTM ROAA 0.70% - 0.90%)	49.8	24.8	163.9	18.1	11.5	280,539	11.04	0.79	1.07
Profitability Group 25th Percentile	37.4	22.8	154.9	15.5	7.8	228,037	9.68	0.76	1.62
Profitability Group 75th Percentile	62.8	26.7	191.7	20.1	14.6	333,390	12.18	0.82	0.06
Geographic Group Median (SE Mergers)	34.1	20.9	164.5	15.7	8.9	207,879	10.20	0.73	0.88
Geographic Group 25th Percentile	29.3	12.9	152.0	14.9	8.1	183,521	9.58	0.32	1.87
Geographic Group 75th Percentile	50.4	25.7	173.8	17.6	18.1	274,869	11.49	0.96	0.40

Sources: S&P Global Market Intelligence, BSP

BSP also performed an analysis that estimated the net present value per share of LBC common stock on a standalone basis assuming LBC performed in accordance with management guidance for 2019 – 2021. For purposes of this analysis, BSP assumed that LBC would earn \$1.96 per share in 2019, \$2.27 per share in 2020, and \$2.45 per

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share in 2021. To approximate the terminal trading value of a share of LBC common stock at December 31, 2021, BSP applied price to 2021 earnings per share multiples ranging from 12.0x to 15.0x and price to December 31, 2021 tangible book value per share multiples ranging from 100% to 130%. The terminal values were then discounted to present values using different discount rates ranging from 12.0% to 16.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of LBC common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of LBC common stock of \$18.18 to \$25.47 when applying multiples of earnings per share and \$12.72 to \$18.54 when applying multiples of tangible book value per share.

		Terminal Trading Tangible Book Multiples			
		100%	110%	120%	130%
	12%	\$ 14.26	\$ 15.69	\$ 17.11	\$ 18.54
	13%	\$ 13.85	\$ 15.24	\$ 16.63	\$ 18.01
	14%	\$ 13.46	\$ 14.81	\$ 16.16	\$ 17.50
	15%	\$ 13.09	\$ 14.40	\$ 15.70	\$ 17.01
Discount Rates	16%	\$ 12.72	\$ 14.00	\$ 15.27	\$ 16.54

		Terminal Trading Earnings Multiples			
		12.0	13.0	14.0	15.0
	12%	\$ 20.38	\$ 22.08	\$ 23.77	\$ 25.47
	13%	\$ 19.80	\$ 21.45	\$ 23.10	\$ 24.75
	14%	\$ 19.24	\$ 20.84	\$ 22.44	\$ 24.05
	15%	\$ 18.70	\$ 20.26	\$ 21.82	\$ 23.37
Discount Rates	16%	\$ 18.18	\$ 19.70	\$ 21.21	\$ 22.73

Sources: LBC, BSP

BSP performed an analysis that estimated the net present value per share of Colony common stock on a standalone basis assuming Colony performed in accordance with BSP's projected performance through 2021. For purposes of this analysis, BSP assumed that Colony would earn \$1.43 per share in 2019, \$1.52 per share in 2020 and \$1.61 per share in 2021. To approximate the terminal trading value of a share of Colony common stock at December 31, 2021, BSP applied price to 2021 earnings per share multiples ranging from 14.0x to 17.0x and price to December 31, 2021 tangible book value per share multiples ranging from 140% to 170%. The terminal values were then discounted to present values using different discount rates ranging from 11.0% to 15.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Colony common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of Colony common stock of \$15.30 to \$20.55 when applying multiples of earnings per share and \$13.60 to \$18.24 when applying multiples of tangible book value per share.

		Terminal Trading Tangible Book Multiples			
		140%	150%	160%	170%
	11%	\$ 15.21	\$ 16.22	\$ 17.23	\$ 18.24
	12%	\$ 14.79	\$ 15.77	\$ 16.75	\$ 17.73
	13%	\$ 14.38	\$ 15.33	\$ 16.28	\$ 17.23

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14%	\$ 13.98	\$ 14.91	\$ 15.83	\$ 16.76
15%	\$ 13.60	\$ 14.50	\$ 15.40	\$ 16.30

Terminal Trading Earnings Multiples

	14.0	15.0	16.0	17.0
11%	\$ 17.11	\$ 18.26	\$ 19.40	\$ 20.55
12%	\$ 16.63	\$ 17.74	\$ 18.86	\$ 19.97
13%	\$ 16.17	\$ 17.25	\$ 18.33	\$ 19.41
14%	\$ 15.73	\$ 16.78	\$ 17.83	\$ 18.88
Discount Rates 15%	\$ 15.30	\$ 16.32	\$ 17.34	\$ 18.36

Sources: S&P Global Market Intelligence, BSP

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At the time the opinion was given it was necessary for BSP to evaluate two pro forma net present value per share analyses of Colony's common stock as there was uncertainty around what type, if any, of capital Colony would raise to support the cash portion of the transaction. BSP performed the first pro forma net present value analysis assuming Colony borrows \$20 million in the form of a holding company line of credit at a rate of 6.0% and the second pro forma net present value analysis assuming Colony issues 1.1 million of common stock at \$17.50 per share, with costs associated with the issuance equaling 4.0% of the value of the issuance. In both scenarios BSP assumed that Colony would perform in accordance with BSP's projected performance through 2021.

BSP first performed an analysis that estimated the net present value per share of Colony common stock on a **pro forma basis** assuming (i) Colony performs in accordance with BSP's projected performance through 2021 and (ii) Colony borrows \$20 million in the form of a holding company line of credit at a rate of 6.0% in order to fund the cash portion of the total merger consideration. For purposes of this analysis, BSP assumed that Colony would earn \$1.53 per share in 2019, \$1.72 per share in 2020 and \$1.89 per share in 2021. To approximate the terminal trading value of a share of Colony common stock at December 31, 2021, BSP applied price to 2021 earnings per share multiples ranging from 15.0x to 18.0x and price to December 31, 2021 tangible book value per share multiples ranging from 150% to 180%. The terminal values were then discounted to present values using different discount rates ranging from 11.0% to 15.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Colony common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of Colony common stock of \$18.15 to \$24.37 when applying multiples of earnings per share and \$13.09 to \$17.56 when applying multiples of tangible book value per share.

		Terminal Trading Tangible Book Multiples			
		150%	160%	170%	180%
	11%	\$ 14.67	\$ 15.63	\$ 16.59	\$ 17.56
	12%	\$ 14.25	\$ 15.19	\$ 16.12	\$ 17.06
	13%	\$ 13.85	\$ 14.76	\$ 15.67	\$ 16.58
	14%	\$ 13.46	\$ 14.35	\$ 15.23	\$ 16.12
Discount Rates	15%	\$ 13.09	\$ 13.95	\$ 14.81	\$ 15.67

		Terminal Trading Earnings Multiples			
		15.0	16.0	17.0	18.0
	11%	\$ 20.34	\$ 21.68	\$ 23.02	\$ 24.37
	12%	\$ 19.76	\$ 21.06	\$ 22.37	\$ 23.67
	13%	\$ 19.20	\$ 20.47	\$ 21.73	\$ 23.00
	14%	\$ 18.66	\$ 19.89	\$ 21.13	\$ 22.36
Discount Rates	15%	\$ 18.15	\$ 19.34	\$ 20.54	\$ 21.74

Sources: S&P Global Market Intelligence, BSP

Additionally BSP performed an analysis that estimated the net present value per share of Colony common stock on a **pro forma basis** assuming (i) Colony performs in accordance with BSP's projected performance through 2021 and (ii) Colony issues 1.1 million shares of common stock at \$17.50 per share, with costs associated with the issuance equaling 4.0% of the value of the issuance, in order to fund the cash portion of the total merger consideration. For purposes of this analysis, BSP assumed that Colony would earn \$1.45 per share in 2019, \$1.59 per share in 2020 and \$1.72 per share in 2021. To approximate the terminal trading value of a share of Colony common stock at December 31, 2021, BSP applied price to 2021 earnings per share multiples ranging from 15.0x to 18.0x and price to

December 31, 2021 tangible book value per share multiples ranging from 150% to 180%. The terminal values were then discounted to present values using different discount rates ranging from 11.0% to 15.0%, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Colony common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of Colony common stock of \$16.53 to \$22.19 when applying multiples of earnings per share and \$13.38 to \$17.95 when applying multiples of tangible book value per share.

Table of Contents**Terminal Trading Tangible Book Multiples**

		150%	160%	170%	180%
	11%	\$ 14.99	\$ 15.98	\$ 16.96	\$ 17.95
	12%	\$ 14.57	\$ 15.52	\$ 16.48	\$ 17.44
	13%	\$ 14.16	\$ 15.09	\$ 16.02	\$ 16.95
	14%	\$ 13.76	\$ 14.67	\$ 15.57	\$ 16.47
Discount Rates	15%	\$ 13.38	\$ 14.26	\$ 15.14	\$ 16.02

Terminal Trading Earnings Multiples

		15.0	16.0	17.0	18.0
	11%	\$ 18.52	\$ 19.75	\$ 20.97	\$ 22.19
	12%	\$ 18.00	\$ 19.18	\$ 20.37	\$ 21.56
	13%	\$ 17.49	\$ 18.64	\$ 19.80	\$ 20.95
	14%	\$ 17.00	\$ 18.12	\$ 19.24	\$ 20.36
Discount Rates	15%	\$ 16.53	\$ 17.62	\$ 18.71	\$ 19.80

Sources: S&P Global Market Intelligence, BSP

Conclusion

Based on the results of the various analyses described above, BSP concluded that the merger consideration to be received under the terms of the merger agreement is fair, from a financial point of view.

The opinion expressed by BSP was based upon market, economic, and other relevant considerations as they existed and could be evaluated as of the date of the opinion. Events occurring after the date of issuance of the opinion, including, but not limited to, changes affecting the securities markets, the results of operations or material changes in the assets or liabilities of LBC or Colony, could materially affect the assumptions used in preparing the opinion.

As described above, BSP's opinion was among the many factors taken into consideration by the LBC Board in making its determination to approve the merger agreement. For purposes of rendering its opinion, BSP assumed that, in all respects material to its analyses:

the merger will be consummated in accordance with the terms of the merger agreement without waiver, modification or amendment of any term, condition or agreement thereof;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct;

each party to the merger agreement and all related documents will perform all of the covenants and agreements required to be performed by such party under such documents;

all conditions to the completion of the merger will be satisfied without any waivers; and

in the course of obtaining the necessary regulatory, contractual or other consents or approvals for the merger, no restrictions, including any divestiture requirements, termination, or other payments or amendments or modifications, will be imposed that will have a material adverse effect on the future results of operations or financial condition of the combined entity or the contemplated benefits of the merger.

BSP cannot provide assurance as to when or if all of the conditions to the merger can or will be satisfied or, if applicable, waived by the appropriate party. As of the date of this proxy statement/prospectus, BSP has no reason to believe that any of these conditions will not be satisfied.

Table of Contents*Compensation to BSP*

BSP was engaged as financial advisor to LBC in connection with the merger. Pursuant to the terms of the engagement agreement, LBC agreed to pay BSP certain fees in conjunction with this transaction, \$20,000 of which was paid upon signing of the engagement letter, \$40,000 of which was paid upon the signing of a merger agreement and \$25,000 which was paid upon BSP's delivery of the written opinion to LBC. Upon closing of the transaction, BSP will be paid a fee calculated as one percent (1.00%) of total consideration. In addition, LBC has agreed to indemnify BSP and its directors, officers, and employees from liability in connection with the transaction, and to hold BSP harmless from any losses, actions, claims, damages, expenses, or liabilities related to any of BSP's acts or decisions made in good faith and in the best interest of LBC. During the year preceding the current engagement associated with the merger, BSP did not provide advisory services to LBC where compensation was received. During the past two years, BSP has not provided advisory services to Colony for which it has received compensation.

Board Composition and Management of Colony after the Merger

Each of the officers and directors of Colony immediately prior to the effective time of the merger will be the officers and directors of the surviving company from and after the effective time of the merger, until their respective successors have been duly elected, appointed or qualified or until their earlier death, resignation or removal in accordance with Colony Articles and Colony Bylaws.

Interests of LBC's Directors and Executive Officers in the Merger

In considering the recommendation of LBC's board of directors to vote for the merger proposal, LBC shareholders should be aware that directors and officers of LBC have interests in the merger that are in addition to, or different from, their interests as shareholders of LBC. The LBC board of directors was aware of these interests and considered them in approving the merger agreement and the transactions contemplated by the merger agreement, including the merger, and the decision to recommend that the LBC shareholders approve the merger proposal. These interests are described below.

LBC Stock Options

Under the terms of LBC's equity compensation plan, outstanding equity awards held by LBC's employees (including executive officers) and directors generally vest in full upon consummation of a change in control transaction. The merger will constitute a change in control for purposes of the plan.

Upon the completion of the merger, each outstanding LBC stock option (whether vested or unvested) will be cancelled and converted into the right to receive an amount in cash, without interest, equal to (i) the number of shares subject to such option, multiplied by (ii) the excess, if any, of \$23.50 over the exercise price per share of such option. Each outstanding LBC option with a per share exercise price equal to or greater than \$23.50 will be cancelled without payment.

The following table sets forth, for each of LBC's executive officers and non-employee directors, the number of all outstanding stock options held by each such person as of December 31, 2018, and the estimated consideration that each will receive after the effective time of the merger in connection with such awards:

Executive Officer

	Total Outstanding Stock Options	Amount Payable in Connection with Merger
Leonard H. Bateman, Jr.	50,900.00	\$ 694,152.36
Holly T. Britt	15,728.00	\$ 220,761.12
Michael Phillips	17,500.00	\$ 223,825.00
Casey G. Smith	15,586.00	\$ 224,824.94

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For further information regarding the beneficial ownership of LBC common stock by the directors and executive officers of LBC, see *Beneficial Ownership of LBC Common Stock by Management and Principal Shareholders of LBC* beginning on page 52.

LBC Warrants

LBC is party to various warrant agreements with certain non-employee directors. Upon the completion of the merger, each outstanding LBC warrant (whether vested or unvested) will be cancelled and converted into the right to receive an amount in cash, without interest, equal to (i) the number of shares subject to such option, multiplied by (ii) the excess, if any, of \$23.50 over the exercise price per share of such option, less applicable taxes required to be withheld with respect to such payment. Each outstanding LBC warrant with a per share exercise price equal to or greater than \$23.50 will be cancelled without payment.

The following table sets forth, for each of LBC's executive officers and non-employee directors, the number of all outstanding warrants held by each such person as of December 31, 2018, and the estimated consideration that each will receive after the effective time of the merger in connection with such awards:

Non-Employee Director	Total Outstanding Stock Options	Amount Payable in connection with merger
George W. Childress	10,576.00	\$ 135,267.04
Susan G. Ferguson	11,115.00	\$ 142,160.85
James R. Williams	11,115.00	\$ 142,160.85

For further information regarding the beneficial ownership of LBC common stock by the directors and executive officers of LBC, see *Beneficial Ownership of LBC Common Stock by Management and Principal Shareholders of LBC* beginning on page 52.

Employment Agreements with LBC

LBC is party to employment agreements with Messrs. Bateman and Phillips (the *Employment Agreements*). Under the *Employment Agreements*, if the executive's employment is terminated within twelve (12) months of a Change in Control (as defined in the *Employment Agreements*) by LBC other than for Cause (as defined in the *Employment Agreements*), or if the executive terminates his employment for Good Reason (as defined in the *Employment Agreements*), then the executive will be entitled to severance equal to one time, in the case of Mr. Phillips, or two times, in the case of Mr. Bateman, his Annual Base Salary (as in effect at the time of such termination), payable in a single lump sum payment on the first payroll date that is more than sixty (60) days following the date of termination. The *Employment Agreements* with Messrs. Bateman and Phillips include an agreement (a) not to compete with Calumet in the delivery of financial services and (b) not to solicit the employees or customers of Calumet, in each case for a period of twelve (12) months following termination of employment.

Termination of Bateman Employment Agreement with LBC

In connection with the execution of the merger agreement, LBC and Mr. Bateman entered into an agreement to terminate Mr. Bateman's employment agreement with LBC. Pursuant to this agreement, LBC agreed to pay Mr. Bateman a lump sum amount of \$425,000 (which is equal to two times his annual base salary) in exchange for a full release of claims in favor of LBC.

Change of Control Agreements with LBC

LBC is a party to change in control agreements with Ms. Holly Britt and Ms. Casey Smith (the CIC Agreements). Under the CIC Agreements, if the executive s employment is terminated within twelve (12) months of a Change in Control (as defined in the CIC Agreements) by LBC other than for Cause (as defined in the CIC Agreements) or if the executive terminates his employment for Good Reason (as defined in the CIC

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Agreements, then the executive will be entitled to severance equal to her Annual Base Salary (as in effect at the time of such termination). The CIC Agreements provide that such severance amount shall be payable in a single lump sum payment on the first payroll date that is more than sixty (60) days following the date of termination. The CIC Agreements with Ms. Britt and Ms. Smith also include an agreement (a) not to compete with Calumet in the delivery of financial services within a fifty (50) mile radius of the and (b) not to solicit the employees or customers of Calumet, in each case for a period of twelve (12) months following termination of employment.

New Employment Agreement with Colony Bank

In connection with the execution of the merger agreement, Colony and Colony Bank entered into a new employment agreement with Mr. Bateman, which will take effect upon completion of the merger and will have a term of one year. The employment agreement provides that Mr. Bateman will serve as Senior Vice President and Senior Credit Officer of Colony Bank at an annual base salary of \$212,504, subject to review annually in connection with an annual review process. Mr. Bateman will also be eligible to participate in Colony Bank's annual discretionary cash bonus plan and all welfare benefit plans and programs sponsored by Colony Bank. If Mr. Bateman's employment is terminated during the one-year term by Colony Bank without cause or by Mr. Bateman for good reason (in either case, a Qualifying Termination), Colony Bank will continue to pay Mr. Bateman his base salary for a period of 12 months. If a Qualifying Termination occurs within 12 months of a change in control of Colony, Colony Bank will pay to Mr. Bateman a lump sum amount equal to his then-current base salary, plus the amount of annual bonus paid to Mr. Bateman for the calendar year preceding the date of his termination. Pursuant to the employment agreement, Mr. Bateman agreed not to compete with Colony Bank or to solicit its employees or customers during the term of the agreement and for a period of one year thereafter.

Indemnification of Directors and Officers

Colony has agreed to indemnify LBC's directors and officers following the effective time of the merger to the same extent as currently provided under LBC's indemnification agreements, or if not subject to an agreement, to the fullest extent permitted by applicable laws. Colony has also agreed to maintain in effect a directors' and officers' liability insurance policy for a period of six years after the effective time of the merger with respect to claims arising from facts, events or actions which occurred prior to the effective time of the merger and covering persons who are currently covered by such insurance. The insurance policy must contain at least the same coverage and amounts, and contain terms and conditions no less advantageous to the directors and officers as currently provided, subject to a cap on the cost of such policy equal to 100% of the last annual premium paid by LBC.

Table of Contents**Beneficial Ownership of LBC Common Stock by Management and Principal Shareholders of LBC**

The following table sets forth certain information regarding the beneficial ownership of LBC common stock as of February 7, 2019, by (1) each director and executive officer of LBC, (2) each person who is known by LBC to own beneficially 5% or more of the LBC common stock, and (3) all directors and executive officers of LBC as a group. Unless otherwise indicated, based on information furnished by such shareholders, management of LBC believes that each person has sole voting and dispositive power over the shares indicated as owned by such person. An asterisk (*) in the table indicates that an individual beneficially owns less than one percent of the outstanding common stock of LBC. As of February 7, 2019, there were 1,447,554 shares of LBC common stock outstanding.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class ⁽¹⁾
<i>Directors and Executive Officers</i>		
Nancy Adam	55,000	3.6%
Leonard Bateman	47,087 ⁽²⁾	3.0%
Holly Britt	10,976 ⁽³⁾	*
George W. Childress	26,909 ⁽⁴⁾	1.7%
Robert B. Copeland	67,871	4.4%
Susan G. Ferguson	41,115 ⁽⁵⁾	2.7%
John S. Holt	1,500	*
John M. Jackson	54,309	3.5%
Jared T. Jones	99,477	6.4%
Michael Phillips	9,158 ⁽⁶⁾	*
Mack Reynolds	72,735	4.7%
Casey Smith	11,858 ⁽⁷⁾	*
Charles W. Smith	132,288	8.6%
James Williams	41,115 ⁽⁸⁾	2.7%
All directors and executive officers of LBC as a group (13 persons)	671,398	43.4%

- (1) Ownership percentage based on 1,447,554 shares of LBC common stock outstanding as of February 7, 2019, including 98,306 options that will vest on March 31, 2019.
- (2) Includes 6,350 shares held in Calumet Bank's 401k Retirement Plan and 33,737 shares of vested options.
- (3) Includes 250 shares held in Calumet Bank's 401k Retirement Plan and 10,726 shares of vested options.
- (4) Includes 1,333 shares held jointly with his spouse and 10,576 shares of vested warrants.
- (5) Includes 11,115 shares of vested warrants.
- (6) Includes 9,158 shares of vested options.
- (7) Includes 107 shares held jointly with his spouse and 9,751 shares of vested options.
- (8) Includes 30,000 shares held jointly with his spouse and 11,115 shares of vested warrants.

Regulatory Approvals Required for the Merger

Completion of the merger is subject to prior receipt of all approvals required to be obtained from applicable governmental and regulatory authorities. Subject to the terms and conditions of the merger agreement, LBC and Colony have agreed to use their reasonable best efforts and cooperate to prepare and file, as promptly as possible, all

necessary documentation and to obtain as promptly as practicable all regulatory approvals or waivers required or advisable to complete the transactions contemplated by the merger agreement. These approvals and waivers include, among others, a waiver from the Federal Reserve Board and an approval from the FDIC and the Georgia DBF. Colony and/or LBC have filed applications, waiver requests and notifications to obtain the required regulatory approvals or waivers.

Table of Contents*Federal Reserve Board*

The merger of LBC with Colony must be approved by the Federal Reserve Board under Section 3 of the Bank Holding Company Act of 1956, or the BHC Act, and its implementing regulations, unless the Federal Reserve Board waives the application requirements of the BHC Act. In considering the approval of a transaction such as the merger, the BHC Act and related laws require the Federal Reserve Board to review, with respect to the parent holding companies and the bank concerned: (1) the competitive impact of the transaction; (2) financial, managerial and other supervisory considerations, including capital positions and managerial resources of the subject entities; (3) the record of the insured depository institution subsidiaries of the bank holding companies under the Community Reinvestment Act and fair lending laws; (4) the extent to which the proposal would result in greater or more concentrated risks to the stability of the U.S. banking or financial system; and (5) additional public benefits of the proposal, such as the benefits to the customers of the subject entities. In connection with its review, the Federal Reserve Board will provide an opportunity for public comment on the application and is authorized to hold a public meeting or other proceeding if it determines that would be appropriate. Colony filed a written request that the Federal Reserve Board waive the application requirements of the BHC Act with regard to its acquisition of LBC on January 18, 2019.

Federal Deposit Insurance Corporation

The merger of Calumet Bank with and into Colony Bank must be approved by the FDIC under the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), commonly known as the Bank Merger Act. An application for approval of the bank merger was filed with the FDIC on January 18, 2019. In evaluating an application filed under the Bank Merger Act, the FDIC generally considers: (1) the competitive impact of the transaction; (2) financial and managerial resources of the banks party to the bank merger or mergers; (3) the convenience and needs of the community to be served and the record of the banks under the Community Reinvestment Act; (4) the banks effectiveness in combating money-laundering activities; and (5) the extent to which the bank merger or mergers would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. In connection with its review, the FDIC will provide an opportunity for public comment on the application for the bank merger, and is authorized to hold a public meeting or other proceeding if they determine that would be appropriate.

Georgia Department of Banking and Finance

The merger must be approved by the Georgia DBF under Section 7-1-606 of the Official Code of Georgia. In considering an application under Section 7-1-606, the Georgia DBF reviews certain factors, including: (1) the competitive impact of the transaction, (2) the financial and managerial resources of the bank holding companies and banks involved and the future prospects of the combined organization, and (3) the convenience and needs of the communities to be served.

In addition, the bank merger must be approved by the Georgia DBF under Section 7-1-530 of the Official Code of Georgia. In considering an application under Section 7-1-530, the Georgia DBF may consider a variety of factors including whether: (1) the bank merger adequately protects the interests of depositors, other creditors, and shareholders; (2) the requirements for a merger under all applicable laws have been satisfied and the resulting bank would satisfy the requirements of applicable Georgia law, and (3) the bank merger would be consistent with adequate and sound banking and in the public interest on the basis of the financial history and condition, prospects, character of management of the parties to the bank merger and the convenience and needs of the area primarily to be served by the resulting institution.

Furthermore, the applicable provisions of the Official Code of Georgia require published notice of, and the opportunity for public comment on, the applications for both the merger and bank merger to the Georgia DBF.

Colony filed its applications to the Georgia DBF on January 18, 2019.

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Colony and LBC believe that the merger does not raise substantial antitrust or other significant regulatory concerns and that we will be able to obtain all requisite regulatory approvals. However, neither Colony nor LBC can assure you that all of the regulatory approvals described above will be obtained and, if obtained, we cannot assure you as to the timing of any such approvals, our ability to obtain the approvals on satisfactory terms or the absence of any litigation challenging such approvals. The parties have agreed that Colony will not be required, and LBC and its subsidiaries will not be permitted, to take any action or commit to take any action or agree to any condition or restrictions in connection with the regulatory approvals that, individually or in the aggregate, would have or would be reasonably likely to have a material adverse effect on Colony and its subsidiaries or LBC and its subsidiaries as of and following the completion of the merger.

The parties' obligation to complete the merger is conditioned upon the receipt of all required regulatory approvals. Colony and LBC will use their respective commercially reasonable efforts to resolve any objections that may be asserted by any regulatory authority with respect to the merger agreement or the merger or the other transactions contemplated by the merger agreement.

Neither Colony nor LBC is aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is presently contemplated that if any such additional governmental approvals or actions are required, those approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.

Material U.S. Federal Income Tax Consequences

The following is a general discussion of the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of LBC common stock that exchange their shares of LBC common stock for shares of Colony common stock, cash, or a combination thereof in the merger. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to the income tax, nor does it address any considerations in respect of any withholding required pursuant to the Foreign Account Tax Compliance Act of 2010 (including the U.S. Treasury regulations issued thereunder and intergovernmental agreements entered into pursuant thereto). This discussion is based upon the Internal Revenue Code of 1986, as amended (the Code), the Treasury Regulations promulgated under the Code, and court and administrative rulings and decisions, all as in effect on the date of this proxy statement/prospectus, and all of which are subject to change, potentially retroactively, which could affect the accuracy of the statements and conclusions set forth in this discussion.

For purposes of this discussion, the term U.S. holder means a beneficial owner of LBC common stock that is for U.S. federal income tax purposes: (a) an individual citizen or resident of the United States; (b) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) organized in or under the laws of the United States or any state thereof or the District of Columbia; (c) a trust if (1) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) such trust was in existence on August 20, 1996, and has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes; or (d) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds LBC common stock, the tax treatment of a partner in the partnership will generally depend on the status of such partner and the activities of the partnership. Partnerships holding LBC common stock and partners in such partnerships should consult their tax advisors on the tax consequences of the merger in their particular circumstances.

This discussion addresses only those U.S. holders of LBC common stock that hold their shares of LBC common stock as a capital asset within the meaning of Section 1221 of the Code. Importantly, this discussion does not

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address all aspects of U.S. federal income taxation that may be relevant to a particular U.S. holder in light of that U.S. holder's individual circumstances or to a U.S. holder that is subject to special treatment under the U.S. federal income tax laws, including, without limitation, a U.S. holder that is:

a bank or other financial institution;

a tax-exempt organization;

a regulated investment company;

a real estate investment trust;

an S corporation, partnership or other pass-through entity (or an investor in an S corporation, partnership or other pass-through entity);

a retirement plan, individual retirement account or other tax-deferred account;

an insurance company;

a mutual fund;

a dealer or broker in stocks and securities, or currencies;

a trader in securities that elects to use the mark-to-market method of accounting;

a holder of LBC common stock subject to the alternative minimum tax provisions of the Code;

a holder of LBC common stock that received LBC common stock through the exercise of an employee stock option, through a tax-qualified retirement plan or otherwise as compensation;

a holder of LBC common stock that has a functional currency other than the U.S. dollar;

a holder of LBC common stock that holds LBC common stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction;

a person that is not a U.S. holder; or

a U.S. expatriate or former citizen or resident of the United States.

Determining the actual tax consequences of the merger to a U.S. holder is complex and can depend, in part, on the U.S. holder's specific situation. Each U.S. holder should consult its own independent tax advisor as to the tax consequences of the merger in its particular circumstance, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws and of changes in those laws.

Tax Consequences of the Merger Generally

In connection with the filing with the SEC of the registration statement of which this proxy statement/prospectus forms a part, Alston & Bird LLP has rendered its tax opinion to Colony and James-Bates-Brannan-Groover-LLP has rendered its tax opinion to LBC that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. A copy of each of these tax opinions is attached as Exhibit 8.1 and Exhibit 8.2, respectively, to the registration statement of which this proxy statement/prospectus forms a part. In addition, the obligations of the parties to complete the merger is conditioned on, among other things, the receipt by Colony and LBC of opinions from Alston & Bird LLP and James-Bates-Brannan-Groover-LLP, respectively, dated the closing date of the merger, to the effect that for U.S. federal income tax purposes the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code. The conditions relating to receipt of such closing opinions may be waived by both Colony and LBC. Neither Colony nor LBC currently intends to waive the conditions related to the receipt of the closing opinions. If receipt of the closing opinions were to be waived, the vote of the holders of LBC stock to approve the merger would be resolicited.

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The opinions of Alston & Bird LLP and James-Bates-Brannan-Groover-LLP are and will be subject to customary qualifications and assumptions, including assumptions regarding the absence of changes in existing facts and the completion of the merger strictly in accordance with the merger agreement and the registration statement of which this proxy statement/prospectus forms a part. In rendering their legal opinions, Alston & Bird LLP and James-Bates-Brannan-Groover-LLP have relied and will rely upon representations and covenants, including those contained in certificates of officers of Colony and LBC, reasonably satisfactory in form and substance to each such counsel, and will assume that such representations are true, correct and complete without regard to any knowledge limitation, and that such covenants will be complied with. If any of these assumptions or representations are inaccurate in any way, or any of the covenants are not complied with, these opinions could be adversely affected. The opinions represent each counsel's best legal judgment, but have no binding effect or official status of any kind, and no assurance can be given that contrary positions will not be taken by the Internal Revenue Service or a court considering the issues. In addition, neither LBC nor Colony has requested nor does either of them intend to request a ruling from the Internal Revenue Service as to the U.S. federal income tax consequences of the merger. Accordingly, there can be no assurances that the Internal Revenue Service will not assert, or that a court will not sustain, a position contrary to any of the tax consequences set forth below or any of the tax consequences described in the tax opinions.

The discussion below assumes that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code.

The U.S. federal income tax consequences of the merger to a U.S. holder of LBC common stock will depend on whether the U.S. holder receives cash, shares of Colony common stock or a combination of cash and shares of Colony common stock in exchange for the U.S. holder's LBC common stock in the merger. At the time a U.S. holder makes a cash or stock election pursuant to the terms of the merger agreement, the U.S. holder will not know whether, and to what extent, the proration provisions of the merger agreement will alter the mix of consideration the U.S. holder will receive in the merger. As a result, the tax consequences to such U.S. holder will not be ascertainable with certainty until the U.S. holder knows the precise amount of cash and shares of Colony common stock that the U.S. holder will receive in the merger.

U.S. Holders that Exchange LBC Common Stock Solely for Colony Common Stock

Subject to the discussion below relating to the receipt of cash in lieu of a fractional share, a U.S. holder that exchanges all of its LBC common stock solely for shares of Colony common stock generally:

will not recognize any gain or loss upon the exchange of shares of LBC common stock for shares of Colony common stock in the merger;

will have a tax basis in the Colony common stock received in the merger (including any fractional share deemed received and redeemed for cash as described below) equal to the tax basis of the LBC common stock surrendered in exchange therefor; and

will have a holding period for shares of Colony common stock received in the merger that includes its holding period for its shares of LBC common stock surrendered in exchange therefor.

U.S. Holders that Exchange LBC Common Stock Solely for Cash

A U.S. holder that exchanges all of its LBC common stock solely for cash will generally recognize gain or loss measured by the difference between the amount of cash received in the merger and the U.S. holder's tax basis in the shares of LBC common stock surrendered in exchange therefor. Such gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, the U.S. holder's holding period for such shares of LBC common stock exceeds one year. Long-term capital gain of certain non-corporate taxpayers, including individuals, is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations.

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US. Holders that Exchange LBC Common Stock for a Combination of Colony Common Stock and Cash

Subject to the discussion below relating to the receipt of cash in lieu of a fractional share, a U.S. holder that exchanges its LBC common stock for a combination of shares of Colony common stock and cash:

will recognize gain (but not loss) equal to the lesser of (i) the excess, if any, of the amount of cash plus the fair market value of any Colony common stock received in the merger over the U.S. holder's tax basis in the shares of LBC common stock surrendered in exchange therefor and (ii) the amount of cash received by the U.S. holder in the merger (other than cash received in lieu of a fractional share);

will have a tax basis in the Colony common stock received equal to the tax basis of the LBC common stock surrendered in exchange therefor, increased by the amount of taxable gain, if any, recognized by the U.S. holder in the merger (other than with respect to cash received in lieu of a fractional share), and decreased by the amount of cash received by the U.S. holder in the merger (other than cash received in lieu of a fractional share); and

will have a holding period for shares of Colony common stock received in the merger that includes its holding period for its shares of LBC common stock surrendered in exchange therefor.

Such gain will generally be capital gain and will be long-term capital gain if, as of the effective date of the merger, the holding period for such shares of LBC common stock exceeds one year. Long-term capital gain of certain non-corporate taxpayers, including individuals, is generally taxed at preferential rates.

In the case of any U.S. holder that acquired different blocks of LBC common stock at different times and at different prices, any realized gain or loss will be determined separately for each identifiable block of shares exchanged in the merger. Such U.S. holder should consult the U.S. holder's independent tax advisor regarding the manner in which gain or loss should be determined for each identifiable block of LBC shares.

Potential Recharacterization of Gain as a Dividend

Any gain recognized by a U.S. holder of LBC common stock in connection with the merger generally will be capital gain unless such holder's receipt of cash has the effect of a distribution of a dividend, in which case the gain will generally be treated as a dividend to the extent of such holder's ratable share of LBC's accumulated earnings and profits, as calculated for U.S. federal income tax purposes. For purposes of determining whether your receipt of cash has the effect of a distribution of a dividend, you will be treated as if you first exchanged all of your LBC common stock solely in exchange for Colony common stock and then Colony immediately redeemed a portion of that stock for the cash that you actually received in the merger (referred to herein as the "deemed redemption"). Receipt of cash will generally not have the effect of a dividend to you if such receipt is not essentially equivalent to a dividend or substantially disproportionate, each within the meaning of Section 302(b) of the Code. In order for the deemed redemption to be not essentially equivalent to a dividend, the deemed redemption must result in a meaningful reduction in your deemed percentage stock ownership of Colony following the merger. The determination generally requires a comparison of the percentage of the outstanding stock of Colony that you are considered to have owned immediately before the deemed redemption to the percentage of the outstanding stock of Colony that you own immediately after the deemed redemption. The IRS has indicated in rulings that any reduction in the interest of a minority shareholder that owns a small number of shares in a publicly and widely held corporation and that exercises

no control over corporate affairs would result in capital gain (as opposed to dividend) treatment.

For purposes of applying the foregoing tests, a shareholder will be deemed to own the stock the shareholder actually owns and the stock the shareholder constructively owns under the attribution rules of Section 318 of the Code. Under Section 318 of the Code, a shareholder will be deemed to own the shares of stock owned by certain family members, by certain estates and trusts of which the shareholder is a beneficiary, and by certain affiliated entities, as well as shares of stock subject to an option actually or constructively owned by the shareholder or such other persons. If, after applying these tests, the deemed redemption results in a capital gain, the capital gain

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will be long-term if, as of the effective date of the merger, your holding period for your LBC common stock exceeds one year. If, after applying these tests, the deemed redemption results in the gain recognized being classified as a dividend, such dividend will be treated as either ordinary income or qualified dividend income. Any gain treated as qualified dividend income will be taxable to you at the long-term capital gains rate, provided you held the shares giving rise to such income for more than 60 days during the 121-day period beginning 60 days before the effective time of the merger. The determination as to whether you will recognize a capital gain or dividend income as a result of your exchange of LBC common stock for a combination of Colony common stock and cash in the merger is complex and is determined on a shareholder-by-shareholder basis. Accordingly, we urge you to consult your own tax advisor with respect to any such determination that is applicable to your individual situation.

Cash In Lieu of a Fractional Share

If a U.S. holder receives cash in lieu of a fractional share of Colony common stock, the U.S. holder will be treated as having received a fractional share of Colony common stock in the merger and then as having exchanged the fractional share of Colony common stock for cash in a redemption by Colony. As a result, the U.S. holder generally will recognize gain or loss equal to the difference between the amount of cash received and the portion of the U.S. holder's aggregate tax basis allocable to the fractional share of Colony common stock. This gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if, as of the effective date of the merger, the U.S. holder's holding period with respect to the fractional share exceeds one year. Long-term capital gain of certain non-corporate taxpayers, including individuals, is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations.

Dissenters

Upon its exercise of dissenters' rights, a U.S. holder of LBC common stock will exchange all of its LBC common stock for cash. Such a dissenting U.S. holder will generally be treated similarly to U.S. holders that receive sole cash in exchange for their LBC common stock in the merger, as set forth above under *U.S. Holders Exchange LBC Common Stock Solely for Cash*.

Material U.S. Federal Income Tax Consequences if the LBC Merger Fails to Qualify as a Reorganization

If the merger does not qualify as a reorganization within the meaning of Section 368(a) of the Code, then each U.S. holder of LBC common stock generally will recognize gain or loss equal to the difference between (a) the sum of the fair market value of the shares of Colony common stock received by such U.S. holder in the merger and the amount of any cash received by such U.S. holder in the merger and (b) its adjusted tax basis in the shares of LBC common stock surrendered in exchange therefor.

Net Investment Income Tax

A holder of LBC common stock that is an individual is generally subject to a 3.8% tax on the lesser of: (1) his or her net investment income for the relevant taxable year, or (2) the excess of his or her modified adjusted gross income for the taxable year over a certain threshold (between \$125,000 and \$250,000 depending on the individual's U.S. federal income tax filing status). Estates and trusts are subject to similar rules. Net investment income generally would include any gain recognized in connection with the merger (including any gain treated as a dividend), as well as, among other items, other interest, dividends, capital gains and rental or royalty income received by such individual. Holders of LBC common stock should consult their tax advisors as to the application of this additional tax to their circumstances.

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Backup Withholding

Backup withholding at the applicable rate (currently 24%) may apply with respect to certain cash payments to holders of LBC common stock unless the holder:

furnishes a correct taxpayer identification number, certifies that it is not subject to backup withholding on IRS Form W-9 or successor form included in the letter of transmittal that the U.S. holder will receive and otherwise complies with all the applicable requirements of the backup withholding rules; or

provides proof that it is otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules are not an additional tax and will generally be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided the U.S. holder timely furnishes the required information to the Internal Revenue Service.

Certain Reporting Requirements

If a U.S. holder that receives Colony common stock in the merger is considered a significant holder, such U.S. holder will generally be required (a) to file a statement with its U.S. federal income tax return providing certain facts pertinent to the merger, including such U.S. holder's tax basis in, and the fair market value of, the LBC common stock surrendered by such U.S. holder, and (b) to retain permanent records of these facts relating to the merger. A significant holder is any LBC shareholder that, immediately before the merger, (y) owned at least 1% (by vote or value) of the outstanding stock of LBC or (z) owned LBC securities with a tax basis of \$1.0 million or more.

This discussion of material U.S. federal income tax consequences does not purport to be a complete analysis or discussion of all the potential tax consequences of the merger. It is for general information only purposes and is not tax advice. Holders of LBC common stock are urged to consult their own independent tax advisors as to the U.S. federal income tax consequences, in light of their particular situations, of the merger (or exercise of dissenters' rights), as well as the applicability of any other U.S. federal tax laws and any state, local, and foreign tax laws.

Accounting Treatment

The merger will be accounted for under the acquisition method of accounting for business combinations under GAAP. Under this method, LBC's assets and liabilities as of the date of the merger will be recorded at their respective fair values. Any difference between the purchase price for LBC and the fair value of the identifiable net assets acquired (including core deposit intangibles) will be recorded as goodwill. In accordance with ASC Topic 805, *Business Combinations*, the goodwill resulting from the merger will not be amortized to expense, but instead will be reviewed for impairment at least annually and to the extent goodwill is impaired, its carrying value will be written down to its implied fair value and a charge will be made to earnings. Core deposit and other intangibles with definite useful lives recorded by Colony in connection with the merger will be amortized to expense in accordance with such rules. The consolidated financial statements of Colony issued after the merger will reflect the results attributable to the acquired operations of LBC beginning on the date of completion of the merger.

Dissenters' Rights

The following discussion is not a complete description of the law relating to dissenters' rights available under Georgia law and is qualified by the full text of Article 13 of the GBCC. Article 13 of the GBCC is attached as Annex C to this proxy statement/prospectus. **Holders of record of LBC voting common stock who desire to exercise dissenters rights should review carefully Article 13 and are urged to consult a legal advisor before electing or attempting to exercise these rights.**

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Any holder of record of LBC voting common stock who objects to the merger, and who fully complies with all of the provisions of Article 13 of the GBCC, will be entitled to demand and receive payment for all (but not less than all) of his or her shares of LBC voting common stock if the merger is consummated.

A holder of LBC voting common stock who objects to the merger and desires to receive payment of the fair value of his or her LBC voting common stock: (i) must deliver to LBC, prior to the time the shareholder vote on the merger agreement is taken, a written notice of such shareholder's intent to demand payment for those shares of LBC voting common stock registered in the dissenting shareholder's name if the merger is completed; and (ii) must not vote his or her shares of LBC voting common stock in favor of the merger agreement.

A vote against the approval of the merger agreement alone will not constitute the separate written notice and demand for payment referred to immediately above. Dissenting shareholders must separately comply with the above conditions.

Any notice required to be given to LBC must be sent to LBC's principal executive offices at 101 Calumet Center Road, LaGrange, GA 30241, Attention: Holly T. Britt.

If the merger agreement is approved by LBC shareholders, then LBC will mail, no later than ten days after the effective date of the merger, by certified mail to each record holder of LBC voting common stock who has timely submitted a written notice of intent to dissent, written notice addressed to the shareholder at such address as the shareholder has furnished LBC in writing or, if none, at the shareholder's address as it appears on the records of LBC. The dissenters notice will: (i) state where the dissenting shareholder must send a payment demand, and where and when the certificates for the dissenting shareholder's shares of LBC voting common stock, if any, are to be deposited; (ii) inform holders of uncertificated shares to what extent transfer of the shares will be restricted after the payment demand is received; (iii) set a date by which LBC must receive the shareholder's payment demand (which date may not be fewer than 30 nor more than 60 days after the date the dissenters' notice is delivered); and (iv) be accompanied by a copy of Article 13 of the GBCC.

Within ten days after the later of the effective date of the merger, or the date on which LBC receives a payment demand, LBC will send a written offer to each holder of LBC voting common stock who complied with the provisions set forth in the dissenters' notice to pay each such shareholder an amount that LBC estimates to be the fair value of those shares of LBC voting common stock, plus accrued interest. The offer of payment will be accompanied by: (i) LBC's balance sheet as of the end of a fiscal year ending not more than 16 months before the date of making the offer, an income statement for that year, a statement of changes in stockholders' equity for that year and the latest available interim statements, if any; (ii) a statement of LBC's estimate of the fair value of the shares of LBC voting common stock; (iii) an explanation of how any interest was calculated; (iv) a statement of the dissenting shareholder's right to demand payment of a different amount under Section 14-2-1327 of the GBCC; and (v) a copy of Article 13 of the GBCC.

A dissenting shareholder choosing to accept LBC's offer of payment must do so by written notice to LBC within 30 days after receipt of LBC's offer of payment. A dissenting shareholder not responding to that offer within the 30-day period will be deemed to have accepted the offer of payment. LBC must make payment to each shareholder who responds to the offer of payment within 60 days after the making of the offer of payment, or the effective date of the merger, whichever is later. Upon payment, the dissenting shareholder will cease to have any interest in his or her shares of LBC voting common stock.

If a dissenting shareholder does not accept, within 30 days after LBC's offer, the estimate of fair value in payment for the shareholder's shares of LBC voting common stock and interest due thereon and demands payment of some other

estimate of the fair value of the shares and interest due thereon, then LBC, within 60 days after receiving the payment demand of a different amount from a dissenting shareholder, must commence a proceeding in superior court of the county where its main office is located to determine the rights of the dissenting shareholder and the fair value of his or her shares of LBC voting common stock. If LBC does not

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commence the proceedings within the 60-day period, then it must pay each dissenter whose demand remains unsettled the amount demanded by the dissenting shareholder.

In the event of a court proceeding, the court will determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court, but not including fees and expenses of attorneys and experts for the respective parties. The court will assess these costs against LBC, except that the court may assess these costs against all or some of the dissenters in amounts the court finds equitable to the extent the court finds the dissenters acted arbitrarily or not in good faith in demanding payment under the dissenters' provisions. The court may also assess the fees and expenses of attorneys and experts for the respective parties in amounts the court finds equitable: (i) against LBC and in favor of any or all dissenters if the court finds LBC did not substantially comply with the dissenters' provisions; or (ii) against LBC or a dissenter in favor of any other party if the court finds that the party against whom fees and expenses are assessed acted arbitrarily or not in good faith with respect to the rights provided by the dissenters' provisions. If the court finds that the services of attorneys for any dissenter were of substantial benefit to other dissenters similarly situated and that the fees for those services should not be assessed against LBC, then the court may award these attorneys' reasonable fees to be paid out of the amounts awarded the dissenters who were benefited.

One of the conditions to Colony Bank's obligation to complete the merger is that the aggregate number of dissenting shares be less than 10% percent of the total outstanding shares of LBC common stock. If this condition is not satisfied, then Colony Bank will not be required to complete the merger, in which event, the dissenters' rights described in this section would also terminate.

Record holders of LBC voting common stock should be aware that cash paid to dissenting shareholders in satisfaction of the fair value of their shares of LBC voting common stock will result in the recognition of any gain or loss realized for U.S. federal income tax purposes.

FAILURE BY A RECORD HOLDER OF LBC VOTING COMMON STOCK TO FOLLOW THE STEPS REQUIRED BY THE GBCC FOR PERFECTING DISSENTERS' RIGHTS MAY RESULT IN THE LOSS OF SUCH RIGHTS. IN VIEW OF THE COMPLEXITY OF THESE PROVISIONS AND THE REQUIREMENT THAT THEY BE STRICTLY COMPLIED WITH, IF YOU HOLD LBC VOTING COMMON STOCK AND ARE CONSIDERING DISSENTING FROM THE APPROVAL OF THE MERGER AGREEMENT AND EXERCISING YOUR DISSENTERS' RIGHTS UNDER THE GBCC, THEN YOU SHOULD CONSULT YOUR LEGAL ADVISORS.

Certain U.S. Federal Income Tax Consequences

See "Material U.S. Federal Income Tax Considerations - Dissenters" beginning on page 58 for a discussion on how the material federal income tax consequences of the merger will change if you elect to exercise dissenters' rights in the merger.

The above description is a summary of the material provisions of Article 13 of the GBCC. For complete information, you should review the text of those sections, which appear as Annex C to this proxy statement/prospectus.

Exchange of Shares in the Merger

The conversion of LBC common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. After completion of the merger, the exchange agent will exchange certificates representing shares of LBC common stock for the merger consideration to be received pursuant to the terms of the

merger agreement. For more information regarding the procedures for exchanging your shares of LBC common stock for the merger consideration, including election and allocation procedures, see [The Merger Agreement Procedures for Converting Shares of LBC Common Stock into Merger Consideration](#) below.

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Listing of Colony Common Stock

Colony has agreed to use its commercially reasonable efforts to cause the shares of Colony common stock issuable in connection with the merger be approved for listing on the NASDAQ Global Market, subject to official notice of issuance, prior to the effective time of the merger.

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THE MERGER AGREEMENT

The following describes certain aspects of the merger, including certain material provisions of the merger agreement. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this proxy statement/prospectus as Annex A and is incorporated by reference into this proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.

Structure of the Merger

The boards of directors of Colony and LBC have each unanimously approved the merger agreement, which provides for the merger of LBC with and into Colony, with Colony as the surviving company in the merger.

The merger agreement also provides that immediately after the effective time of the merger but in effect simultaneously on the date the merger closes, Calumet Bank, which is a Georgia state-chartered bank and a direct wholly owned subsidiary of LBC, will merge with and into Colony Bank, a Georgia state-chartered bank and a direct wholly owned subsidiary of Colony, with Colony Bank as the surviving bank of such merger. The terms and conditions of the merger of Colony Bank and Calumet Bank are set forth in a separate merger agreement and plan of merger, referred to as the bank merger agreement, the form of which is attached as Exhibit B to the merger agreement. As provided in the bank merger agreement, the merger of Colony Bank and Calumet Bank may be abandoned at the election of Colony Bank at any time, whether before or after filings are made for regulatory approval of such merger. We refer to the merger of Colony Bank and Calumet Bank as the bank merger.

The merger agreement allows Colony to change the structure of the merger at any time and without the approval of LBC if and to the extent that Colony reasonably deems such a change to be necessary; *provided, however*, that no such change shall (i) alter or change the amount or kind of merger consideration to be provided under the merger agreement, (ii) reasonably be expected to materially impede or delay consummation of the merger, (iii) adversely affect the federal income tax treatment of LBC shareholders in connection with the merger, or (iv) require submission to or the approval of LBC shareholders after the merger proposal has already been approved by LBC's shareholders.

Closing and Effective Time of the Merger

The closing will take place immediately prior to the effective time of the merger. The effective time of the merger will be the later of (i) the date and time of filing of the articles of merger with the Secretary of State of the State of Georgia by Colony or (ii) the date and time when the merger becomes effective as set forth in such articles of merger, which will be no later than three business days after all of the conditions to the closing of the merger have been satisfied or waived in accordance with their terms.

We currently expect that the merger will be completed in the first half of 2019, subject to obtaining the requisite approvals from the shareholders of LBC, the receipt of all necessary regulatory approvals and the expiration of all regulatory waiting periods and other conditions. However, completion of the merger could be delayed if there is a delay in obtaining the required regulatory approvals or in satisfying any other conditions to the merger. No assurance is made as to whether, or when, Colony and LBC will obtain the required approvals or complete the merger. See The Merger Agreement Conditions to Completion of the Merger.

Organizational Documents of the Surviving Company

At the effective time of the merger, Colony Articles and Colony Bylaws in effect immediately prior to the effective time of the merger will be the articles of incorporation and bylaws of the surviving company until thereafter amended in accordance with their respective terms and applicable laws.

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Board Composition and Management of Surviving Company

Each of the officers and directors of Colony immediately prior to the effective time of the merger will be the officers and directors of the surviving company from and after the effective time of the merger, until their respective successors have been duly elected, appointed or qualified or until their earlier death, resignation or removal in accordance with Colony Articles and Colony Bylaws.

Merger Consideration

Under the terms of the merger agreement, each outstanding share of LBC common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive, at the election of each LBC shareholder, either (i) \$23.50 in cash, which we refer to as the per share cash consideration, or (ii) 1.3239 shares of Colony's common stock, which we refer to as the per share stock consideration, provided that the total mix of merger consideration shall be fixed at 55% stock and 45% cash, and the exchange agent will apply the merger consideration allocation described below, in Merger Consideration Allocation, to each LBC shareholder's elections in order to preserve that mix of merger consideration. Each option or warrant to purchase shares of LBC common stock shall be cancelled as of the effective time of the merger and converted into the right to receive a cash payment equal to the product of (i) the total number of shares of LBC common stock subject to such option or warrant, as applicable, *times* (ii) the excess, if any, of \$23.50 over the exercise price per share of LBC common stock subject to such option or warrant, as applicable.

Colony will not issue any fractional shares of Colony common stock in the merger. LBC shareholders who would otherwise be entitled to a fractional share of Colony common stock upon the completion of the merger will instead receive an amount in cash (without interest and rounded to the nearest whole cent) determined by multiplying the (i) fractional share interest in Colony common stock, rounded to the nearest one hundredth of a share, to which such holder would otherwise be entitled by (ii) \$23.50.

If Colony or LBC change the number of shares of Colony common stock or LBC common stock outstanding prior to the effective time of the merger as a result of a stock split, reverse stock split, stock combination, stock dividend, recapitalization, reclassification, reorganization or similar transaction with respect to Colony common stock or LBC common stock and the record date for such corporate action is prior to the effective time of the merger, then the merger consideration shall be appropriately and proportionately adjusted to give LBC shareholders the same economic effect as contemplated by the merger agreement prior to any such event, provided that, in all cases, at least 50% of the merger consideration shall be in the form of Colony common stock.

LBC may terminate the merger agreement if the average closing price of Colony common stock over a specified period prior to completion of the merger decreases below certain specified thresholds unless Colony elects to increase the merger consideration through an adjustment to the merger consideration, as discussed in further detail on page 79.

The value of the shares of Colony common stock to be issued to LBC shareholders in the merger will fluctuate between now and the closing date of the merger. We make no assurances as to whether or when the merger will be completed, and you are advised to obtain current sale prices for Colony common stock.

Procedures for Converting Shares of LBC Common Stock into Merger Consideration

Exchange Agent

Colony will designate a third party to act as the exchange agent in connection with the merger. The exchange agent shall also act as the agent for LBC shareholders for the purpose of receiving their LBC stock certificates and shall obtain no rights or interests in the shares represented thereby. Prior to the effective time of the merger, Colony will deposit, or cause to be deposited, with the exchange agent the aggregate merger consideration and, to the extent then determinable, any cash payable in lieu of fractional shares, necessary to satisfy the aggregate merger consideration payable.

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Election Forms and Procedures

At least 20 business days prior to the later of (1) the date of the LBC shareholders meeting or (2) a date agreed upon by LBC and Colony that is as near as practicable to five business days prior to the expected closing date, which date we refer to as the election deadline, Colony will cause the exchange agent to send the LBC shareholders election forms, which will include the appropriate form of letter of transmittal. LBC shareholders can specify on such election form the number of their shares of LBC common stock for which they desire to receive the cash consideration, the number of shares for which they desire to receive the stock consideration or to indicate that such shareholder has no preference as to the receipt of the cash consideration or stock consideration. The election forms must be returned to the exchange agent, along with certificates representing the shares subject to such election form, or a customary affidavit of loss and indemnity agreement, by the election deadline. If you are a LBC shareholder and you do not return your election form by the election deadline or improperly complete or do not sign your election form, your shares will be considered non-election shares and you will have no control over the type of consideration you receive and you may receive only the cash consideration, only the stock consideration or a mixture of the cash consideration and stock consideration based on what is available after giving effect to the valid elections made by other shareholders pursuant to the merger consideration allocation procedures described below.

A LBC shareholder may specify different elections with respect to different shares held by him or her. For example, if the shareholder has 100 shares, the shareholder could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares.

Merger Consideration Allocation

Pursuant to the merger agreement, the total mix of cash consideration and stock consideration to be issued by Colony to holders of LBC common stock will be fixed at 55% stock and 45% cash. To achieve that mix, the exchange agent will set a number equal to 55% of the outstanding shares of LBC common stock, which we refer to as the stock conversion number. The exchange agent will collect the election forms that are received prior to the election deadline, and determine:

the number of shares of LBC common stock with respect to which the holder has elected to receive stock consideration, which we refer to as the stock election shares, and such number of shares, as the stock election number;

the number of shares of LBC common stock with respect to which the holder has elected to receive cash consideration, which we refer to as the cash election shares, and such number of shares, as the cash election number; and

the number of shares of LBC common stock with respect to which the holder thereof has not made an effective election by the election deadline, which we refer to as the non-election shares.

No later than five business days after the effective time of the merger, the exchange agent will allocate the merger consideration as follows:

if the stock election number is greater than the stock conversion number, then the cash election shares and all non-election shares of each holder thereof shall be converted into the right to receive the per share cash consideration and the stock election shares of each holder thereof will be converted into the right to receive (a) the per share stock consideration in respect of that number of stock election shares equal to the product obtained by multiplying (x) the number of stock election shares held by such holder by (y) a fraction, the numerator of which is the stock conversion number and the denominator of which is the stock election number, and (b) the right to receive the per share cash consideration in respect of the remainder of such holder's stock election shares that were not converted into the right to receive the per share stock consideration pursuant to clause (a) above.

if the stock election number is less than the stock conversion number (the amount by which the stock conversion number exceeds the stock election number being referred to herein as the shortfall number),

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then all stock election shares shall be converted into the right to receive the per share stock consideration and the non-election shares and cash election shares shall be treated in the following manner:

if the shortfall number is less than or equal to the number of non-election shares, then all cash election shares shall be converted into the right to receive the per share cash consideration and the non-election shares of each holder thereof shall be converted into the right to receive (a) the per share stock consideration in respect of that number of non-election shares equal to the product obtained by multiplying (x) the number of non-election shares held by such holder by (y) a fraction, the numerator of which is the shortfall number and the denominator of which is the total number of non-election shares, and (b) the right to receive the per share cash consideration in respect of the remainder of such holder's non-election shares that were not converted into the right to receive the per share stock consideration pursuant to clause (a) above; and

if the shortfall number exceeds the number of non-election shares, then all non-election shares shall be converted into the right to receive the per share stock consideration and the cash election shares of each holder thereof shall be converted into the right to receive (a) the per share stock consideration in respect of that number of cash election shares equal to the product obtained by multiplying (x) the number of cash election shares held by such holder by (y) a fraction, the numerator of which is the amount by which the shortfall number exceeds the total number of non-election shares and the denominator of which is the total number of cash election shares, and (b) the right to receive the per share cash consideration in respect of the remainder of such holder's cash election shares that were not converted into the right to receive the per share stock consideration pursuant to clause (a) above.

Surrender of LBC Stock Certificates

The exchange agent will also send letters of transmittal to holders of LBC common stock who did not submit election forms by the election deadline no later than five business days following the closing date, along with instructions for completing the letter of transmittal and delivering to the exchange agent the completed letter of transmittal along with the stock certificates or book-entry shares representing the shares of LBC common stock held by the shareholder.

Following the effective time of the merger, the allocation of the merger consideration and the surrender to the exchange agent of the certificate(s) or book-entry shares representing his or her shares of LBC common stock, accompanied by a properly completed letter of transmittal, a LBC shareholder will be entitled to receive the merger consideration promptly after the effective time of the merger (including any cash in lieu of fractional shares). Until surrendered, each such certificate or book-entry share will represent after the effective time of the merger, for all purposes, only the right to receive the merger consideration, without interest (including any cash in lieu of fractional shares), and any dividends to which such holder is entitled pursuant to the merger agreement.

No dividends or other distributions with respect to Colony common stock after completion of the merger will be paid to the holder of any unsurrendered LBC stock certificates or book-entry shares with respect to the shares of LBC common stock represented by those certificates until those certificates or book-entry shares have been properly surrendered. Subject to applicable abandoned property, escheat or similar laws, following the proper surrender of any such previously unsurrendered LBC stock certificate or book-entry shares, the holder of the certificate or book-entry shares will be entitled to receive, without interest: (i) the amount of unpaid dividends or other distributions with a record date after the effective time of the merger payable with respect to the whole shares of Colony common stock represented by that certificate or the book-entry shares; and (ii) at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of Colony common stock represented by that certificate

or the book-entry shares with a record date after the effective time of the merger (but before the date on which the certificate or book-entry shares are surrendered) and with a payment date subsequent to the issuance of the shares of Colony common stock issuable in exchange for that certificate or book-entry shares.

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None of Colony, the exchange agent or any other person will be liable to any former LBC shareholder for any amount delivered in good faith to a public official pursuant to applicable abandoned property, escheat or similar law.

In the event any LBC stock certificate is lost, stolen or destroyed, in order to receive the merger consideration (including cash in lieu of any fractional shares), the holder of that certificate must provide an affidavit of that fact and, if reasonably required by Colony or the exchange agent, post a bond in such amount as Colony or the exchange agent determines is reasonably necessary to indemnify it against any claim that may be made against it with respect to that certificate.

Colony and the exchange agent will be entitled to deduct and withhold from the consideration otherwise payable to any LBC shareholder the amounts they are required to deduct and withhold under any applicable federal, state, local or foreign tax law. If any such amounts are withheld, these amounts will be treated for all purposes of the merger agreement as having been paid to the shareholders from whom they were withheld.

After completion of the merger, there will be no further transfers on the stock transfer books of LBC other than to settle transfers of LBC common stock that occurred prior to the effective time of the merger.

No interest will be paid or accrued on any amount payable upon cancellation of shares of LBC common stock. The shares of Colony common stock issued and cash amount paid in accordance with the merger agreement upon conversion of the shares of LBC common stock (including any cash paid in lieu of fractional shares) will be deemed to have been issued and paid in full satisfaction of all rights pertaining to the shares of LBC common stock.

If any portion of the merger consideration is to be delivered to a person or entity other than the holder in whose name any surrendered certificate is registered, it will be a condition of such exchange that (i) the certificate surrendered must be properly endorsed or must be otherwise in proper form for transfer and (ii) the person or entity requesting such payment pays any transfer or other similar taxes required by reason of the payment of the merger consideration to a person or entity other than the registered holder of the certificate surrendered or will establish to the satisfaction of Colony that such tax has been paid or is not required to be paid. Payment of the applicable merger consideration with respect to book-entry shares will only be made to the person or entity in whose name such book-entry shares are registered. The shares of Colony common stock may be in uncertificated book-entry form, unless a physical certificate is otherwise required by any applicable law.

Representations and Warranties

The merger agreement contains customary representations and warranties of Colony and LBC relating to their respective businesses that are made as of the date of the merger agreement and as of the closing date of the merger. The representations and warranties of each of Colony and LBC have been made solely for the benefit of the other party, and these representations and warranties should not be relied on by any other person. In addition, these representations and warranties:

have been qualified by information set forth in confidential disclosure schedules in connection with signing the merger agreement the information contained in these schedules modifies, qualifies and creates exceptions to the representations and warranties in the merger agreement;

will not survive consummation of the merger;

may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties to the merger agreement if those statements turn out to be inaccurate;

are in some cases subject to a materiality standard described in the merger agreement which may differ from what may be viewed as material by you; and

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were made only as of the date of the merger agreement or such other date as is specified in the merger agreement.

The representations and warranties made by Colony and LBC to each other primarily relate to:

corporate organization, existence, power and authority;

capitalization;

corporate authorization to enter into the merger agreement and to consummate the merger;

regulatory approvals and consents required in connection with the merger and the bank merger;

the accuracy of financial statements and effectiveness of internal controls;

absence of material adverse effect on each party since December 31, 2017;

litigation and legal proceedings;

compliance with laws and the absence of regulatory agreements;

fees paid to financial advisors;

tax matters; and

accuracy of the information supplied by each party for inclusion or incorporation by reference in this proxy statement/prospectus.

LBC has also made representations and warranties to Colony with respect to:

material contracts;

receipt of fairness opinion;

employee benefit plans;

labor and employee relations;

environmental matters;

investment portfolio;

derivative transactions;

loan portfolio;

adequacy of allowances for loan losses;

trust business and the administration of fiduciary accounts;

investment management and related activities;

repurchase agreements;

deposit insurance;

regulatory compliance and information security;

transactions with affiliates;

real and personal property matters;

intellectual properties;

insurance policies;

absence of state takeover laws applicability; and

transaction costs.

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Definition of Material Adverse Effect

Certain representations and warranties of Colony and LBC are qualified as to materiality or material adverse effect. For purposes of the merger agreement, a material adverse effect, when used in reference to either Colony or LBC, means (i) any change, development or effect that individually or in the aggregate is, or is reasonably likely to be, material and adverse to the condition (financial or otherwise), results of operations, liquidity, assets or deposit liabilities, properties, or business of such party and its subsidiaries, taken as a whole, or (ii) any change, development or effect that individually or in the aggregate would, or would be reasonably likely to, materially impair the ability of such party to perform its obligations under the merger agreement or otherwise materially impairs, or is reasonably likely to materially impair, the ability of such party to consummate the merger and the transactions contemplated by the merger agreement. For purposes of clause (i) only, the definition of material adverse effect excludes the following:

changes in banking and similar laws of general applicability or interpretations thereof by any governmental authority;

changes in GAAP or regulatory accounting requirements applicable to banks or bank holding companies generally;

changes in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in economic or market (including equity, credit and debt markets, as well as changes in interest rates) conditions affecting the financial services industry generally;

public disclosure of the transactions contemplated or actions expressly required by the merger agreement or actions or omissions that are taken with the prior written consent of the other party, or as otherwise expressly permitted or contemplated by the merger agreement;

any failure by LBC or Colony to meet any internal or published industry analyst projections or forecasts or estimates of revenues or earnings for any period (it being understood and agreed that the facts and circumstances giving rise to such failure that are not otherwise excluded from the definition of material adverse effect may be taken into account in determining whether there has been a material adverse effect);

changes in the trading price or trading volume of Colony common stock; and

the impact of this merger agreement and the transactions contemplated by the merger agreement on relationships with customers or employees, including the loss of personnel;

except, with respect to the first three bullets, if the effects of such change disproportionately affect such party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which such party and its subsidiaries operate.

Covenants and Agreements

Pursuant to the merger agreement, Colony and LBC have agreed to certain restrictions on their activities until the effective time of the merger. Colony has agreed that it will carry on its business consistent with prudent banking practices and in compliance in all material respects with applicable laws. LBC has agreed to carry on its business, including the business of each of its subsidiaries, in the ordinary course of business and consistent with prudent banking practice. In addition, LBC has agreed that it will use commercially reasonable efforts to:

preserve its business organization and assets intact;

keep available to itself and Colony the present services of the current officers and employees of LBC and its subsidiaries;

preserve for itself and Colony the goodwill of its customers, employees, lessors and others with whom business relationships exists; and

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continue diligent collection efforts with respect to any delinquent loans and, to the extent within its control, not allow any material increase in delinquent loans.

Colony has also agreed that until the effective time of the merger, it and its subsidiaries will not take any or knowingly fail to take any action that is intended or is reasonably likely to:

prevent, delay or impair Colony's ability to consummate the merger or the transactions contemplated by the merger agreement;

agree to take, commit to take, or adopt any resolution of its board of directors in support of, any of the actions prohibited by the merger agreement;

result in the merger or the bank merger failing to qualify as a reorganization under Section 368(a) of the Code;