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News Release

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For Immediate Release

Southwest Georgia Financial Corporation Reports Financial Results for First Quarter of 2009

MOULTRIE, GEORGIA, April 23, 2009 -- Southwest Georgia Financial Corporation (NYSE Amex: SGB), a full-service community bank holding company, today reported net income of \$381 thousand, or \$0.15 per diluted share, for the first quarter of 2009, down \$358 thousand, or 48%, from net income of \$739 thousand, or \$0.29 earnings per diluted share, for the first quarter of 2008, but up measurably when compared with a net loss of \$116 thousand in the fourth quarter of 2008. Impacting the first quarter of 2009 was a \$186 thousand increase in the provision for loan losses as a result of the increased charge-offs on nonperforming loans and a 54.3% decline in commercial mortgage banking revenue.

DeWitt Drew, President and CEO commented, "Our first quarter results reflect the challenging economic environment that continues to negatively impact us. We increased our loan loss provision and recorded decreases in most noninterest income categories, notably mortgage banking and insurance services. However, we are encouraged by the 19% increase in total loans year-over-year. We have a strong capital base that enables us to continue lending in a credit market that still remains tight, and being a community bank provides us greater opportunity to understand the credit needs of our local markets."

Return on average equity for the first quarter of 2009 declined to 6.48% compared with 10.85% for the first quarter of 2008. Return on average assets for the quarter was 0.56% compared with 1.03% for the same period in 2008.

Balance Sheet Trends and Asset Quality

At March 31, 2009, total assets were \$272.5 million compared with \$289.2 million in the same quarter last year and \$267.3 million at December 31, 2008. Total loans increased \$24.2 million or 19.3% to \$149.3 million when compared with \$125.2 million at March 31, 2008. Total loans were relatively flat when compared with the fourth quarter of 2008. Total deposits were \$224.7 million at the end of the first quarter of 2009, down \$4.7 million, or 2.1% quarter-over-quarter, but up \$10.1 million, or 4.7%, when compared with the fourth quarter of 2008.

The loan loss reserve coverage to total loans was 1.63% at the end of the first quarter 2009, compared with 1.92% at March 31, 2008. Net charge offs in the 2009 first quarter were \$126 thousand compared with net charge offs of \$837 thousand in the trailing fourth quarter of 2008 and net recoveries of \$3 thousand in the first quarter of 2008. Nonperforming assets totaled \$2.5 million at March 31, 2009, or 0.91% of total assets, compared with \$3.3 million in nonperforming assets, or 1.15% of total assets at March 31, 2008. The improvement in asset quality reflects the Corporation's aggressive efforts at managing its loan portfolio. Southwest Georgia Financial Corporation total risk-based capital ratio was 15.95% at March 31, 2009, significantly exceeding the regulatory guidelines for a well capitalized financial institution (see accompanying table).

Shareholders' equity was \$24.0 million as of March 31, 2009, compared with \$26.9 million at the end of the first

quarter in the prior year. On a per share basis, book value per common share was \$9.41 at the end of the first quarter, down from \$10.57 at the end of the first quarter in 2008. The Corporation has approximately 2.5 million shares of common stock outstanding.

Revenue

Net interest income improved slightly to \$2.4 million for the first quarter of 2009 compared with \$2.3 million in net interest income in the 2008 first quarter. Net interest income after provision for loan losses for the first quarter of 2009 was \$2.2 million compared with \$2.3 million for the same period in 2008. As previously noted, the provision for loan losses increased to \$186 thousand due to charge-offs recognized in the first quarter of 2009 compared with no provision for loan losses during last year's first quarter. Total interest income decreased \$549 thousand to \$3.4 million when compared with the first quarter of 2008. The bulk of this decrease is due to a significant lower interest rate environment. Since September 2007, the Federal Reserve Bank decreased the short-term interest rates by 5% to a range of 0% to .25%. The Corporation's net interest margin was 4.07% for the first quarter of 2009, up 32 basis points from the same period last year. Total interest expense was \$984 thousand for the first quarter, down \$617 thousand from the same period a year ago, primarily due to a lower interest rate environment. The average rate paid on interest-bearing time deposits decreased 144 basis points for the quarter compared with the same period a year ago.

Mr. Drew continued, "Our focus is on continuing to expand the opportunities for growth by maintaining our conservative approach to asset management, expanding our core deposit base, and capturing opportunities that may arise from the turmoil in the financial industry."

Noninterest income was \$1.2 million for the first quarter, down 28.9%, from \$1.7 million during the same period in 2008. Revenue from a large contributor to noninterest income, mortgage banking services, decreased \$372 thousand, or 54.3%, from last year's first quarter as the credit crisis has made the mortgage funding environment challenging and has restricted loan opportunities. Revenue from insurance services decreased to \$299 thousand, or 16%, when compared with the first quarter of last year. Trust services and retail brokerage services revenue decreased \$18 thousand, or 26.1%, and \$30 thousand, or 32.3%, respectively, in the first quarter of 2009.

Total noninterest expense decreased to \$2.9 million for the first quarter of 2009 compared with \$3.1 million in the first quarter of 2008. The largest component of noninterest expense, salaries and employee benefits, decreased \$152 thousand, or 8.5%, to \$1.6 million for the first quarter compared with \$1.8 million in the same period last year. The decrease was mainly due to a reduction in performance awards and benefit plan expenses. Other operating expense increased \$35 thousand to \$707 thousand in the first quarter of 2009 due to higher legal expenses and increased insurance assessment to the Federal Deposit Insurance Corporation. Amortization of intangible assets decreased \$19 thousand when compared with the first quarter 2008. All of the intangible assets related to the purchase of the commercial mortgage banking subsidiary were fully amortized in 2008. Data processing expense increased \$14 thousand to \$176 thousand for the first quarter of 2009 due to normal business growth.

Dividends and Share Repurchases

In March of 2009, the Corporation suspended its quarterly cash dividend. Mr. Drew commented, "This decision enables the Corporation to have financial flexibility by retaining equity necessary to support efforts to capture greater market share and expand outside of its historic footprint. Conditions will be evaluated quarterly, and when the economic environment stabilizes, the Corporation will return to the more regular dividend payout schedule to which our shareholders have become accustomed."

About Southwest Georgia Financial Corporation

Southwest Georgia Financial Corporation is a state-chartered bank holding company with approximately \$272 million in assets headquartered in Moultrie, Georgia. Its primary subsidiary, Southwest Georgia Bank, offers comprehensive financial services to consumer, business, and governmental customers. The current banking facilities include the main office located in Colquitt County, and branch offices located in Baker County, Thomas County, and Worth County, and a loan production office located in Lowndes County. In addition to conventional banking services, the bank provides investment planning and management, trust management, mortgage banking, and commercial and individual insurance products. Insurance products and advice are provided by Southwest Georgia Insurance Services which is located in Colquitt County. Mortgage banking for primarily commercial properties is provided by Empire Financial Services, Inc., a mortgage banking services firm.

More information on Southwest Georgia Financial Corp. and Southwest Georgia Bank can be found at its website:

www.sgfc.com.

SAFE HARBOR STATEMENT

This news release contains certain brief forward-looking statements concerning the Company's outlook. The Company cautions that any forward-looking statements are summary in nature, involve risks and uncertainties and are subject to change based on various important factors, many of which may be beyond the Company's control. Accordingly, the Company's future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. The following factors, among others, could affect the Company's actual results and could cause actual results in the future to differ materially from those expressed or implied in any forward-looking statements included in this release: the ability of the bank to manage the interest rate environment, the success of reducing operating costs, overall economic conditions, customer preferences, the impact of competition, the ability to execute the strategy for growth. Additional information regarding these risks and other factors that could cause the Company's actual results to differ materially from our expectations is contained in the Company's filings with the Securities and Exchange Commission. Except as otherwise required by federal securities laws, Southwest Georgia Financial undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Financial tables follow.

SOUTHWEST GEORGIA FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF CONDITION
(Dollars in thousands except per share data)

	(Unaudited) March 31, 2009	(Audited) December 31, 2008	(Unaudited) March 31, 2008
ASSETS			
Cash and due from banks	\$ 8,929	\$ 7,470	\$ 9,085
Interest-bearing deposits in banks	15,935	30	36,325
Federal funds sold	0	0	7,185
Investment securities available for sale	71,613	83,212	79,367
Investment securities held to maturity	10,108	12,108	18,230
Federal Home Loan Bank stock, at cost	1,380	1,618	1,843
Loans, less unearned income and discount	149,325	149,070	125,164
Allowance for loan losses	(2,436)	(2,376)	(2,402)
Net loans	146,889	146,694	122,762
Premises and equipment	7,476	5,783	6,184
Foreclosed assets, net	211	211	0
Intangible assets	1,004	1,056	1,212
Other assets	8,952	9,115	7,034
Total assets	<u>\$ 272,497</u>	<u>\$ 267,297</u>	<u>\$ 289,227</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
NOW accounts	\$ 23,369	\$ 25,283	\$ 28,553
Money market	44,785	35,701	41,238
Savings	21,720	21,213	22,155
Certificates of deposit \$100,000 and over	30,316	28,755	32,176
Other time accounts	65,624	64,216	66,783
Total interest-bearing deposits	185,814	175,168	190,905
Noninterest-bearing deposits	38,850	39,373	38,483
Total deposits	224,664	214,541	229,388
Federal funds purchased	0	430	0
Other borrowings	10,000	15,000	20,114
Long-term debt	10,000	10,000	10,000
Accounts payable and accrued liabilities	3,850	4,010	2,795
Total liabilities	248,514	243,981	262,297
Shareholders' equity:			
Common stock - par value \$1; 5,000,000 shares authorized; 4,293,835 shares issued (*)	4,294	4,294	4,294
Additional paid-in capital	31,702	31,701	31,702
Retained earnings	14,892	14,512	17,421
Accumulated other comprehensive income	(791)	(1,077)	(373)
Total	50,097	49,430	53,044
Treasury stock - at cost (**)	(26,114)	(26,114)	(26,114)
Total shareholders' equity	23,983	23,316	26,930
Total liabilities and shareholders' equity	<u>\$ 272,497</u>	<u>\$ 267,297</u>	<u>\$ 289,227</u>
* Common stock - shares outstanding	2,547,837	2,547,837	2,547,837
** Treasury stock - shares	1,745,998	1,745,998	1,745,998

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SOUTHWEST GEORGIA FINANCIAL CORPORATION

CONSOLIDATED INCOME STATEMENT (unaudited*)

(Dollars in thousands except per share data)

	For the Three Months Ended March 31,	
	2009*	2008*
Interest income:		
Interest and fees on loans	\$ 2,293	\$ 2,422
Interest and dividend on securities available for sale	957	677
Interest on securities held to maturity	114	518
Dividends on Federal Home Loan Bank stock	0	28
Interest on federal funds sold	0	80
Interest on deposits in banks	7	195
Total interest income	<u>3,371</u>	<u>3,920</u>
Interest expense:		
Interest on deposits	785	1,296
Interest on other borrowings	122	194
Interest on long-term debt	77	111
Total interest expense	<u>984</u>	<u>1,601</u>
Net interest income	<u>2,387</u>	<u>2,319</u>
Provision for loan losses	186	0
Net interest income after provision for losses on loans	<u>2,201</u>	<u>2,319</u>
Noninterest income:		
Service charges on deposit accounts	396	398
Income from trust services	51	69
Income from retail brokerage services	63	93
Income from insurance services	299	357
Income from mortgage banking services	313	685
Net gain on the sale or abandonment of assets	0	13
Other income	95	97
Total noninterest income	<u>1,217</u>	<u>1,712</u>
Noninterest expense:		
Salary and employee benefits	1,628	1,780
Occupancy expense	211	207
Equipment expense	164	165
Data processing expense	175	162
Amortization of intangible assets	52	71
Other operating expense	707	672
Total noninterest expense	<u>2,937</u>	<u>3,057</u>
Income before income tax expense	481	974
Provision for income taxes	100	235
Net income	<u>\$ 381</u>	<u>\$ 739</u>
Net income per share, basic	<u>\$ 0.15</u>	<u>\$ 0.29</u>
Net income per share, diluted	<u>\$ 0.15</u>	<u>\$ 0.29</u>
Dividends paid per share	<u>\$ 0.07</u>	<u>\$ 0.14</u>
Basic weighted average shares outstanding	<u>2,547,837</u>	<u>2,548,196</u>
Diluted weighted average shares outstanding	<u>2,547,837</u>	<u>2,556,093</u>

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SOUTHWEST GEORGIA FINANCIAL CORPORATION
Financial Highlights
(Dollars in thousands except per share data)

At March 31	2009	2008
Assets	\$ 272,497	\$ 289,227
Loans, less unearned income & discount	149,325	125,164
Deposits	224,664	229,388
Shareholders' equity	23,983	26,930
Book value per share	9.41	10.57
Loan loss reserve/loans	1.63%	1.92%
Nonperforming assets/total assets	0.91%	1.15%
	Three Months Ended March 31,	
	2009	2008
Net income	\$ 381	\$ 739
Earnings per share, basic	0.15	0.29
Earnings per share, diluted	0.15	0.29
Dividends paid per share	0.07	0.14
Return on assets	0.56%	1.03%
Return on equity	6.48%	10.85%
Net interest margin (tax equivalent)	4.07%	3.75%
Net charge offs (recoveries)/ average loans	0.34%	(0.01)%

Quarterly Averages	1st Qtr 2009	4th Qtr 2008	3rd Qtr 2008	2nd Qtr 2008	1st Qtr 2008
Assets	\$ 272,771	\$ 266,865	\$ 267,371	\$ 278,348	\$ 287,826
Loans, less unearned income & discount	148,824	145,900	138,768	129,876	123,691
Deposits	223,387	214,420	216,554	226,261	228,165
Equity	23,504	23,017	25,065	26,727	27,246
Return on assets	0.56%	(0.17)%	(3.99)%	1.10%	1.03%
Return on equity	6.48%	(2.02)%	(42.53)%	11.43%	10.85%
Net income (loss)	\$ 381	\$ (116)	\$ (2,666)	\$ 764	\$ 739
Net income (loss) per share, basic	\$ 0.15	\$ (0.04)	\$ (1.05)	\$ 0.30	\$ 0.29
Net income (loss) per share, diluted	\$ 0.15	\$ (0.04)	\$ (1.05)	\$ 0.30	\$ 0.29
Dividends paid per share	\$ 0.07	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14

SOUTHWEST GEORGIA FINANCIAL CORPORATION
Risk Based Capital Ratios

Risk Based Capital Ratios	Southwest Georgia Financial Corporation	Regulatory Guidelines	
	March 31, 2009	For Well Capitalized	Minimum Guidelines
Tier 1 capital	14.70%	6.00%	4.00%
Total risk based capital	15.95%	10.00%	8.00%
Tier 1 leverage ratio	8.69%	5.00%	3.00%

Risk Based Capital Ratios	Southwest Georgia Bank	Regulatory Guidelines	
	March 31, 2009	For Well Capitalized	Minimum Guidelines
Tier 1 capital	14.20%	6.00%	4.00%
Total risk based capital	15.45%	10.00%	8.00%
Tier 1 leverage ratio	8.38%	5.00%	3.00%