
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 27, 2007

THE COLONIAL BANCGROUP, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

1-13508
(Commission File Number)

63-0661573
(I.R.S. Employer Identification No.)

100 Colonial Bank Blvd.
Montgomery, Alabama 36117
(Address of principal executive offices)

(334) 240-5000
(Registrant's telephone number)

One Commerce Street
Montgomery, Alabama 36104
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 7.01 Regulation FD Disclosure.

The Colonial BancGroup, Inc. (“BancGroup”) is furnishing this Current Report on Form 8-K in connection with management’s presentation at the KBW Regional Bank Conference beginning on February 27, 2007. BancGroup’s presentation materials are attached hereto and incorporated herein as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

The following exhibit is furnished as Regulation FD Disclosure to this Current Report on Form 8-K:

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Presentation materials to be used by BancGroup’s management at the KBW Regional Bank Conference.

This report includes “forward-looking statements” within the meaning of the federal securities laws. Words such as “believes,” “estimates,” “plans,” “expects,” “should,” “may,” “might,” “outlook,” and “anticipates,” and similar expressions, as they relate to BancGroup (including its subsidiaries or its management), are intended to identify forward-looking statements. The forward-looking statements in this report are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. In addition to factors mentioned elsewhere in this report or previously disclosed in BancGroup’s SEC reports (accessible on the SEC’s website at www.sec.gov or on BancGroup’s website at www.colonialbank.com), the following factors among others, could cause actual results to differ materially from forward-looking statements, and future results could differ materially from historical performance. These factors are not exclusive:

- deposit attrition, customer loss, or revenue loss in the ordinary course of business;*
- increases in competitive pressure in the banking industry;*
- costs or difficulties related to the integration of the businesses of BancGroup and institutions it acquires are greater than expected;*
- the inability of BancGroup to realize elements of its strategic plans for 2007 and beyond;*
- changes in the interest rate environment which expand or reduce margins or adversely affect critical estimates as applied and projected returns on investments;*
- economic conditions affecting real estate values and transactions in BancGroup’s market and/or general economic conditions, either nationally or regionally, that are less favorable than expected;*
- natural disasters in BancGroup’s primary market areas result in prolonged business disruption or materially impair the value of collateral securing loans;*
- management’s assumptions and estimates underlying critical accounting policies prove to be inadequate or materially incorrect or are not borne out by subsequent events;*
- the impact of recent and future federal and state regulatory changes;*
- current or future litigation, regulatory investigations, proceedings or inquiries;*
- strategies to manage interest rate risk may yield results other than those anticipated;*
- changes which may occur in the regulatory environment;*
- a significant rate of inflation (deflation);*
- acts of terrorism or war; and*
- changes in the securities markets.*

Many of these factors are beyond BancGroup’s control. The reader is cautioned not to place undue reliance on any forward looking statements made by or on behalf of BancGroup. Any such statement speaks only as of the date the statement was made or as of such date that may be referenced within the statement. BancGroup does not undertake any obligation to update or revise any forward-looking statements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE COLONIAL BANCGROUP, INC

By /s/ T. BRENT HICKS
 T. Brent Hicks
 Chief Accounting Officer

Date: February 27, 2007



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KBW Regional Bank Conference
February 28, 2007

Forward Looking Statements



This presentation includes "forward-looking statements" within the meaning of the federal securities laws. Words such as "believes," "estimates," "plans," "expects," "should," "may," "might," "outlook," "potential" and "anticipates," the negative of these terms and similar expressions, as they relate to BancGroup (including its subsidiaries or its management), are intended to identify forward-looking statements. The forward-looking statements in this presentation are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. In addition to factors mentioned elsewhere in this presentation or previously disclosed in BancGroup's SEC reports (accessible on the SEC's website at www.sec.gov or on BancGroup's website at www.colonialbank.com), the following factors, among others, could cause actual results to differ materially from forward-looking statements and future results could differ materially from historical performance. These factors are not exclusive:

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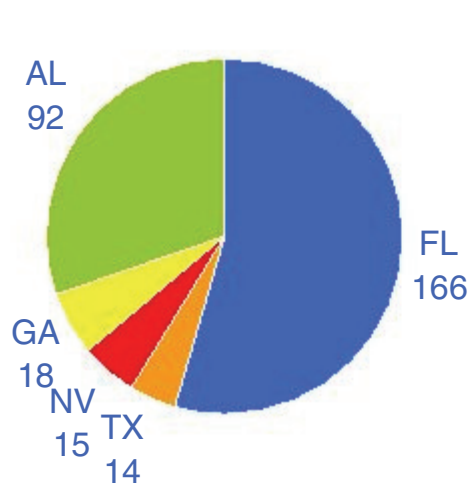
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- **\$22.8 Billion in Assets with 305 Branches**
- **Top 30* U.S. Commercial Bank**
- **Proven Community Banking Philosophy with Regional Bank Management and Local Boards of Directors**
- **Top 5 Market Share in 83% of Deposit Franchise**
- **Consistent Earnings Per Share Growth – 5 year CAGR 10%**
- ***Forbes* Platinum 400 List of Best Large Companies in America**

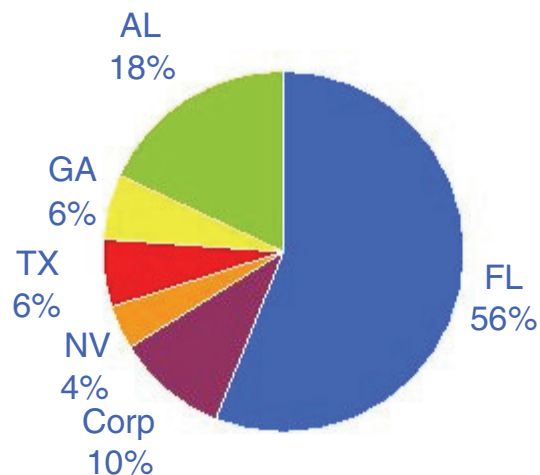
*Source: SNL Financial

- 69%¹ of Colonial's Deposits are in three of the four fastest growing states in the U.S* - Florida, Georgia and Nevada
- Branches, Assets and Deposits by State at 12/31/06 are as follows:

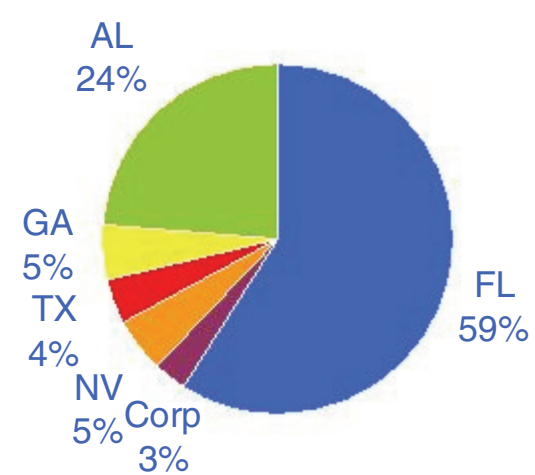
305 Branches



\$22.8 Billion in Assets



\$16 Billion in Deposits



¹At 12/31/06

*Population change from 2000-2005

Source: US Census Bureau

Superior Projected Population Growth



2006 - 2011 Population Growth

Colonial BancGroup, Inc.	11.92 %
---------------------------------	----------------

SunTrust Banks, Inc.	10.50
South Financial Group, Inc.	9.90
Compass Bancshares, Inc.	9.88
Synovus Financial Corp.	8.99
Wachovia Corporation	8.61
BB&T Corporation	7.94
Whitney Holding Corporation	7.38
Bank of America Corporation	6.79
Regions Financial Corporation	6.69
Trustmark Corporation	5.21
BancorpSouth, Inc.	4.80
First Horizon National Corporation	4.42
Fifth Third Bancorp	4.30

Median	7.66 %
Low	4.30
High	11.92

Source: SNL Financial.
 Deposit data as of 6/30/06.
 Population growth deposit weighted by county.

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- **Florida, now the 4th most populous state in the U.S. with 18 million people, is projected to pass New York in total population by 2011***
- **5th largest commercial bank in Florida**
- **Florida at 12/31/06 and Pro Forma with Commercial²:**

	Branches		Assets		Deposits	
Colonial	166	54%	\$12.8 B	56%	\$9.4 B	59%
Colonial/Commercial	180	56%	\$13.8 B	57%	\$10.2 B	60%

- **Strong loan and deposit growth**
 - Loans grew 7%¹ from 12/31/05
 - Average organic deposit growth for 2006 was 13% over 2005
- **Aggressive De Novo Branching Strategy**
 - Plan to open 15-25 branches over the next two years

*Source: SNL Financial

¹Excluding Mortgage Warehouse Lending

²On January 23, 2007, Colonial signed a definitive agreement to acquire Commercial Bankshares, Inc.

Deposit Market Share

(June 2006 FDIC balances)



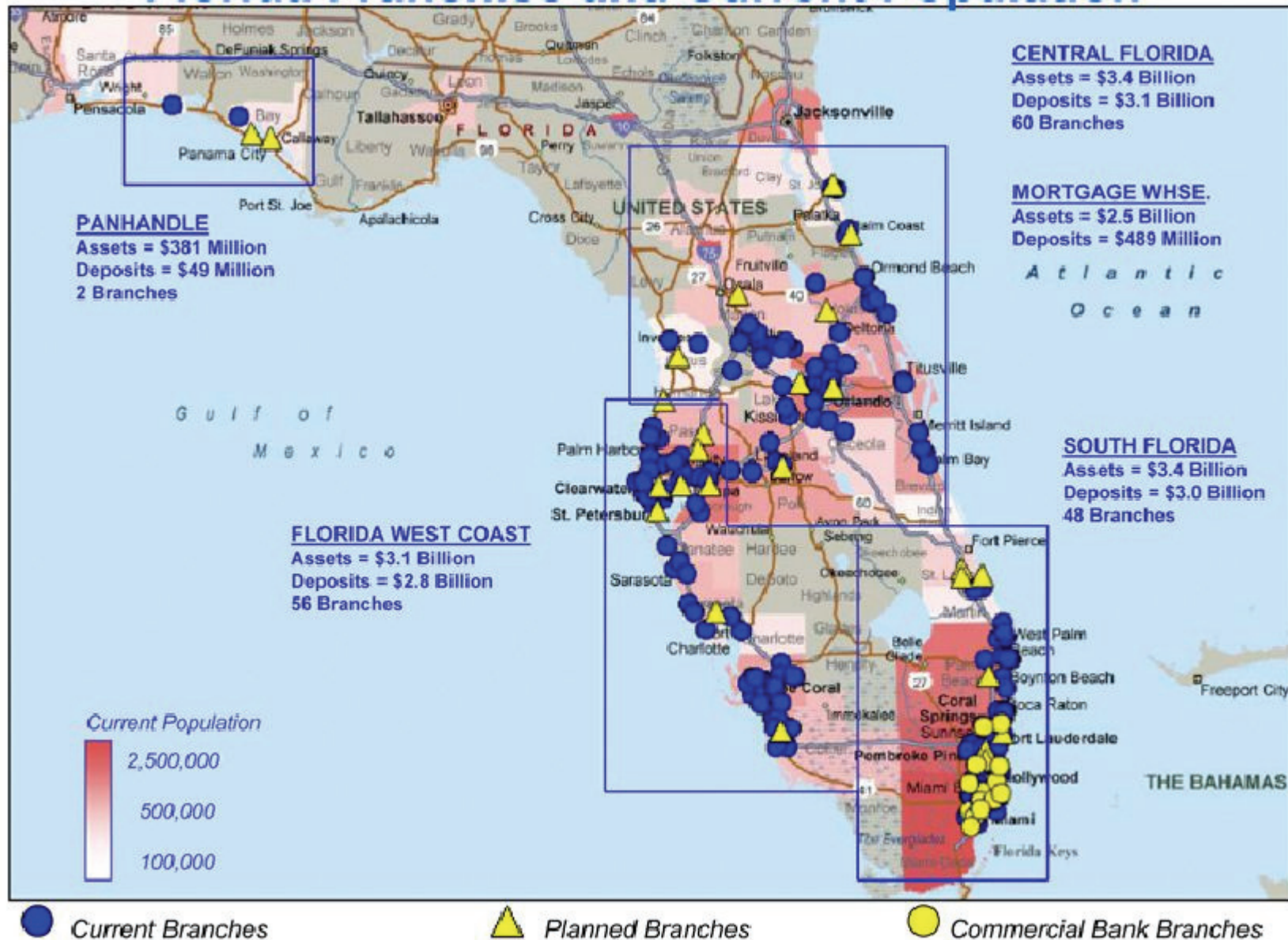
	Florida	Rank #	% Change from 6/30/05
Wachovia	19.92%	1	-3.35%
B of A	19.08%	2	-7.75%
SunTrust	9.73%	3	-2.70%
Regions	5.07%	4	-2.50%
Colonial/Commercial ²	2.92%	5	
 Colonial	 2.68%	 5	 10.74%
Commercial	0.24%	35	

²On January 23, 2007, Colonial signed a definitive agreement to acquire Commercial Bankshares, Inc.

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Florida Franchise and Current Population



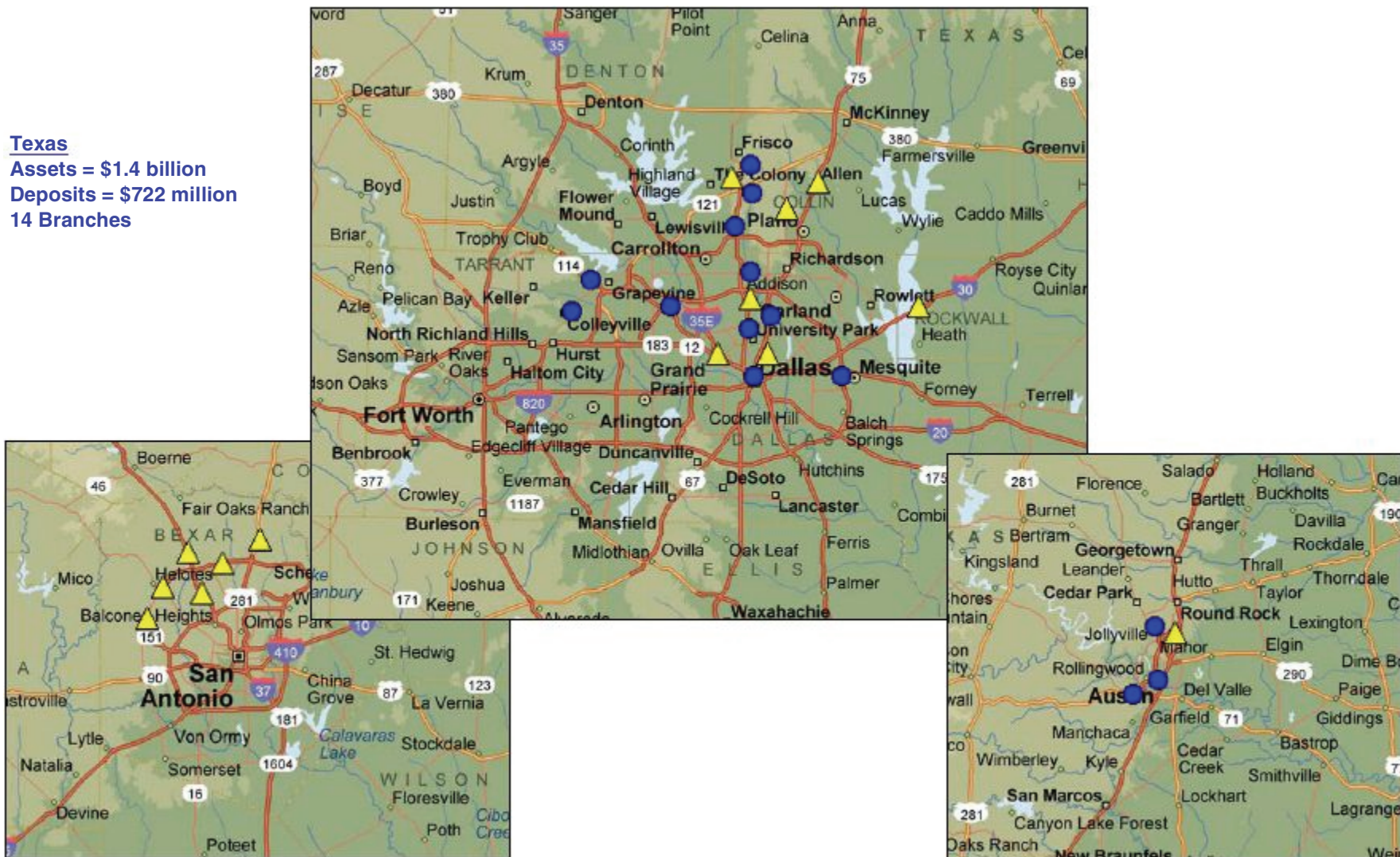
Texas Franchise

Texas

Assets = \$1.4 billion

Deposits = \$722 million

14 Branches



● Current Branches



▲ Planned Branches

10 to 12 in Dallas/Austin in next 3 to 4 years

6 in San Antonio

Nevada Franchise

Nevada

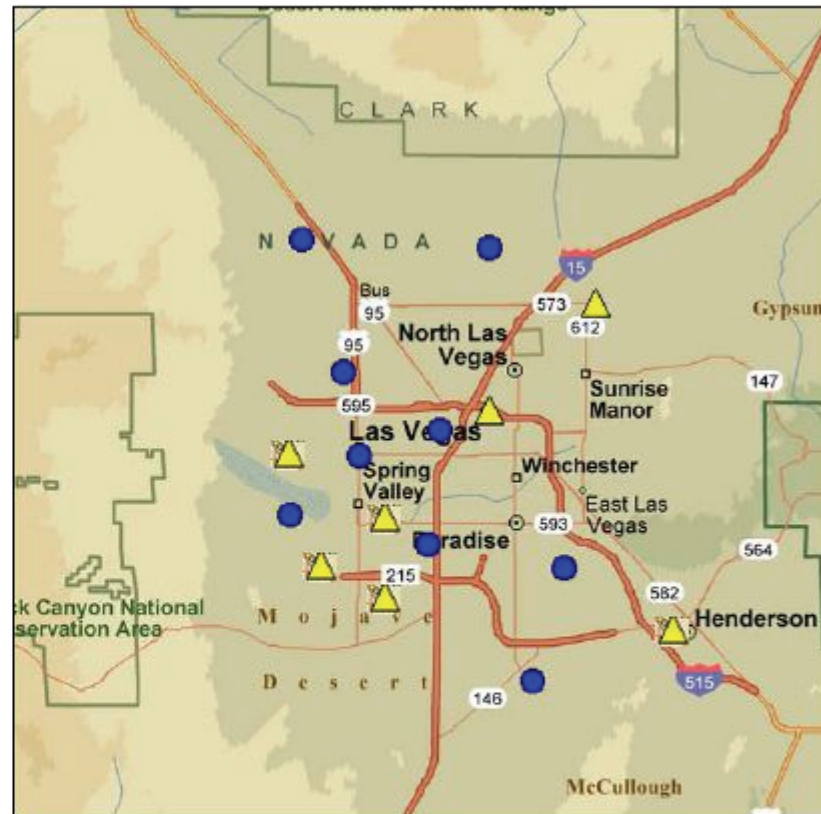
Assets = \$966 million

Deposits = \$750 million

15 Branches



● Current Branches



▲ Planned Branches
10 to 15 in Las Vegas/ Reno in next 3 years

Retail Banking



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2006 Key Initiatives:

- **Non-time Deposit Growth**
Promote consumer checking and business banking products



- **Noninterest Income Growth**
Target deposit service charges and lines of business revenues



- **Enhanced Consumer Services**
Image functionality added to online banking services, Free Bill Pay



- **Business Banking**
Increase in business banking checking openings and loan production



- **Strategic Marketing Plan**
Improve mix and frequency of marketing channels



Results*:

- 22% increase in noninterest bearing checking accounts opened
- 10% growth in retail service charges
- 11% growth in mortgage fee income
- 7% growth in financial planning revenue
- 99.5% of customers converted to imaged statements
- Check images and customer statements available online
- “Paperless” option launch to online banking customers
- Online banking penetration increased from 38% of total DDAs to 45%
- 136% increase in business banking loan production
- 41% increase in business checking account production
- 12% lift in Free Checking accounts due to direct mail campaigns
- Targeted segmentation for Free Checking direct mail response rates increased over 300% with a 75% savings in average account acquisition cost**

*YTD 12/06 Compared to YTD 12/05

**Q306 Compared to Q106

2007 Retail Growth Initiatives

NON-TIME DEPOSIT GROWTH



10% INCREASE IN NONINTEREST BEARING CHECKING ACCOUNTS

Key Initiatives:

- **New Products**
 - Remote Deposit Capture
 - Title Company Checking
 - Enhance Free Checking offering with bundled product approach and innovative rewards program
- **Advanced Sales Culture**
 - Quarterly campaigns focus on low-cost deposit growth
 - Additional emphasis of commercial and business banking compensation on low-cost deposits
 - Launching new corporate sales training program

NON-INTEREST INCOME GROWTH



25% OF REVENUE FROM FEE-BASED SERVICES'

Key Initiatives:

- **Retail Service Charges**
 - Focus on household checking account growth
 - Increase debit card penetration in consumer and business banking households
- **Financial Planning**
 - Aligned reporting structure with Treasury Management, Business Banking and Mortgage
 - Unified sales approach with Retail sales teams
 - Additional resources and lines of business restructure
- **Mortgage Banking**
 - Continue production shift to secondary markets
 - Expand production in growth markets

Adding Value to the Franchise

- **Aligned our products/services, sales tracking and compensation plans with measurable results that deliver growth in low-cost deposits**
- **Continue positive momentum toward achieving 25% growth in revenue in fee-based services through:**
 - **Double-digit growth in consumer and business banking households**
 - **Shared synergies in sales approach between regional executives and line of business executives**
- **Unite the Colonial franchise in all markets under one consistent brand message, encompassing all lines of business, and maximizing the marketing and advertising investment across the diverse markets**
- **Continue to maximize strategic multi-channel marketing initiatives to expand cross-sell opportunities and increase products and services per household**

Brand Ads and Collateral



THERE'S THIS BANK
THAT ACTS LIKE
A DINER

It's comfortable. Friendly. With employees who've been there forever and know what customers want before they even ask. Because of this, the customers always come back. Sometimes, they even bring their friends. You should try this place. One visit, and you'll feel like a regular, too. For a branch near you, call (877) 336-3435 or visit www.colonialbank.com.

COLONIAL BANK
You'll like it here.™



THERE'S THIS BANK
THAT ACTS LIKE
A BARBER SHOP

For customers who value the time and money they spend. We'll take the time to listen to your needs. We'll take the time to understand your business and your goals. And we'll take the time to make sure you're satisfied. You should try this place. We'll make sure you're satisfied. For a branch near you, call (877) 336-3435 or visit www.colonialbank.com.

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THERE'S THIS BANK
THAT ACTS LIKE
A HARDWARE STORE

There's no getting around it: you might want the very best. And you know that what's best is what's right for you. That's why we're here. We're here to help you get the job done. We're here to help you get the job done. You should try this place. We'll make sure you're satisfied. For a branch near you, call (877) 336-3435 or visit www.colonialbank.com.

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THERE'S THIS BANK
THAT ACTS LIKE
A BAKERY

They do things just the way you like. Offer things no one else has. And that makes them everybody's favorite. These values are fresh. They are the finest ingredients. And they handle special requests, no problem. You should try this place. You'll come back again and again. For a branch near you, call (877) 336-3435 or visit www.colonialbank.com.

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You'll like it here.™



THERE'S THIS BANK
THAT ACTS LIKE
A FRONT PORCH

To be truly at home, you need a place where you can relax. A place where you can feel safe. A place where you can feel like you're home. You should try this place. We'll make sure you're satisfied. For a branch near you, call (877) 336-3435 or visit www.colonialbank.com.


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E-Statement Campaign

“Honey, have you seen our bank statement?”




Do You Know Where Your Statement Is?

EXPERIENCE THE E-STATEMENT ADVANTAGE

No more searching for lost statements. No more shredding the old ones.

Secure Access • Anytime • Anywhere

Go paperless today!
For more information contact your Colonial Bank representative or visit us online at www.colonialbank.com.

 **COLONIAL BANK** N.A.
Member FDIC

Direct Mail

F_{ee} Checking

“R” CHANGES EVERYTHING

Colonial Free Checking

 **COLONIAL BANK**

The following account meets the general account criteria for the FDIC's 2010 Best Checking Account Award.

 **COLONIAL BANK**
Member FDIC

F_{ee} Checking

The Value of “R”

“R” is the most important letter in “Free.” The “R” in Colonial Free Checking means you don’t pay high fees or hidden costs to enjoy a great checking account.

Colonial Free Checking® is the simple answer to your checking needs. It’s a first general checking account with no minimum balance requirement and many other great values.

- **FREE** Colonial Online Banking with **FREE** Bill Pay
- **FREE** Colonial Checks Cash™
- **FREE** First order of Colonial Express without credit check
- **Unlimited** check writing privileges

Discover the value of the letter “R” with a Colonial Free Checking account. Visit your local Colonial Bank office or open a Free Checking account today. To locate an office near you, visit www.colonialbank.com or call (877) 542-2265.

 **COLONIAL BANK**
Member FDIC

The following account meets the general account criteria for the FDIC's 2010 Best Checking Account Award.

 **COLONIAL BANK**
Member FDIC

Financial Highlights



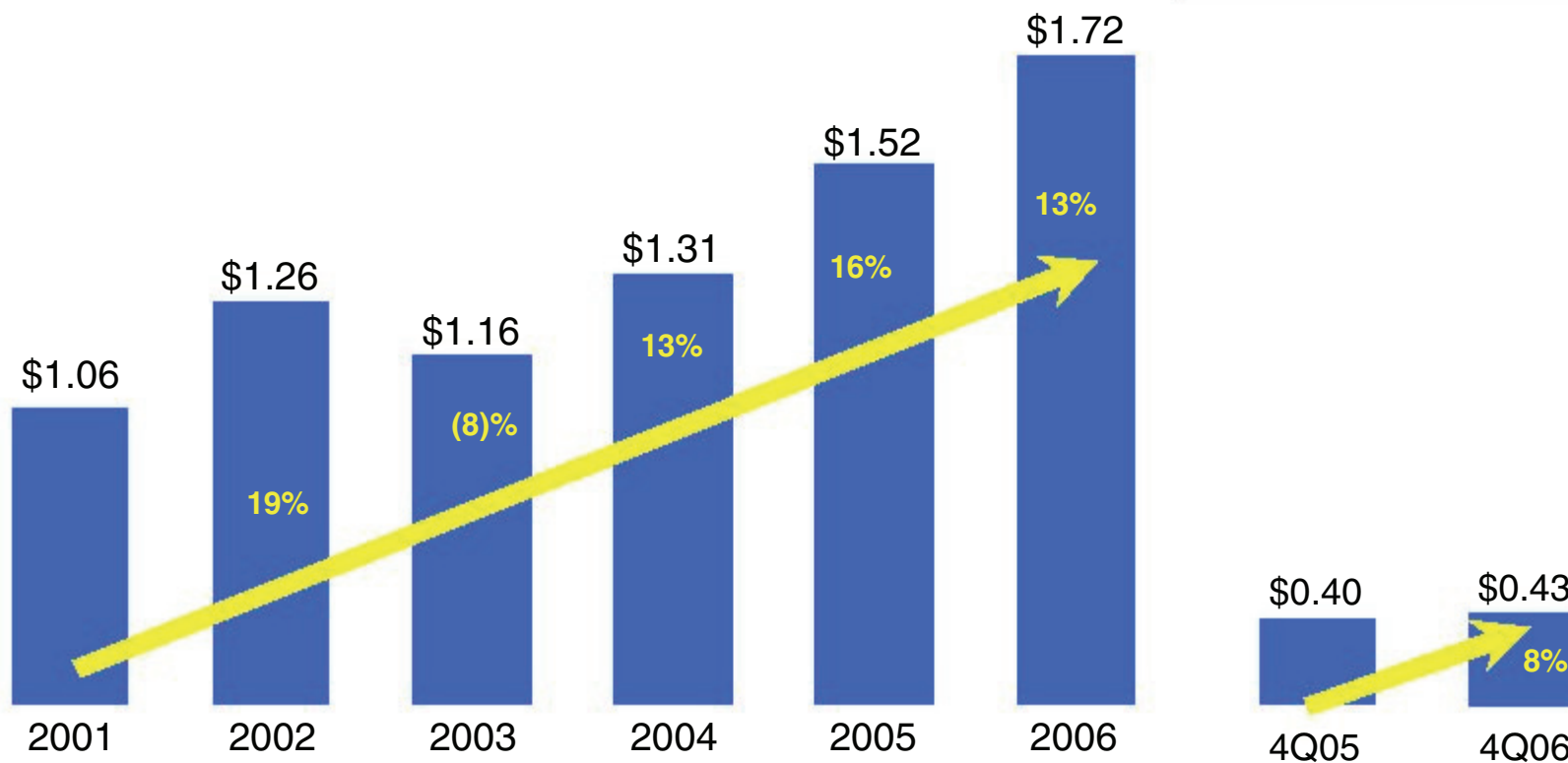
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Consistent Earnings Per Share Growth

(diluted)



5 Year CAGR = 10%
2001 - 2006

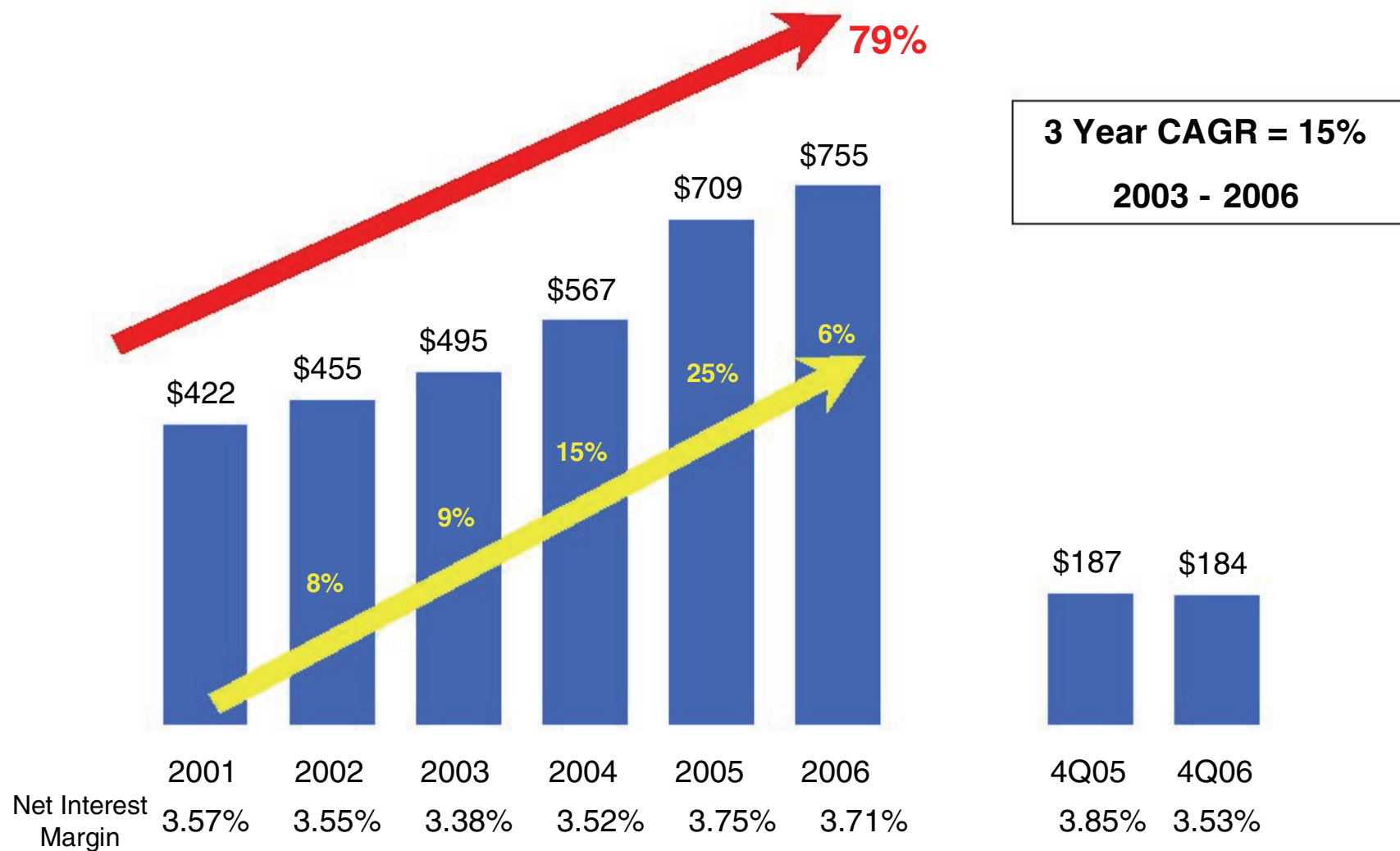


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Net Interest Income

(\$ in millions)

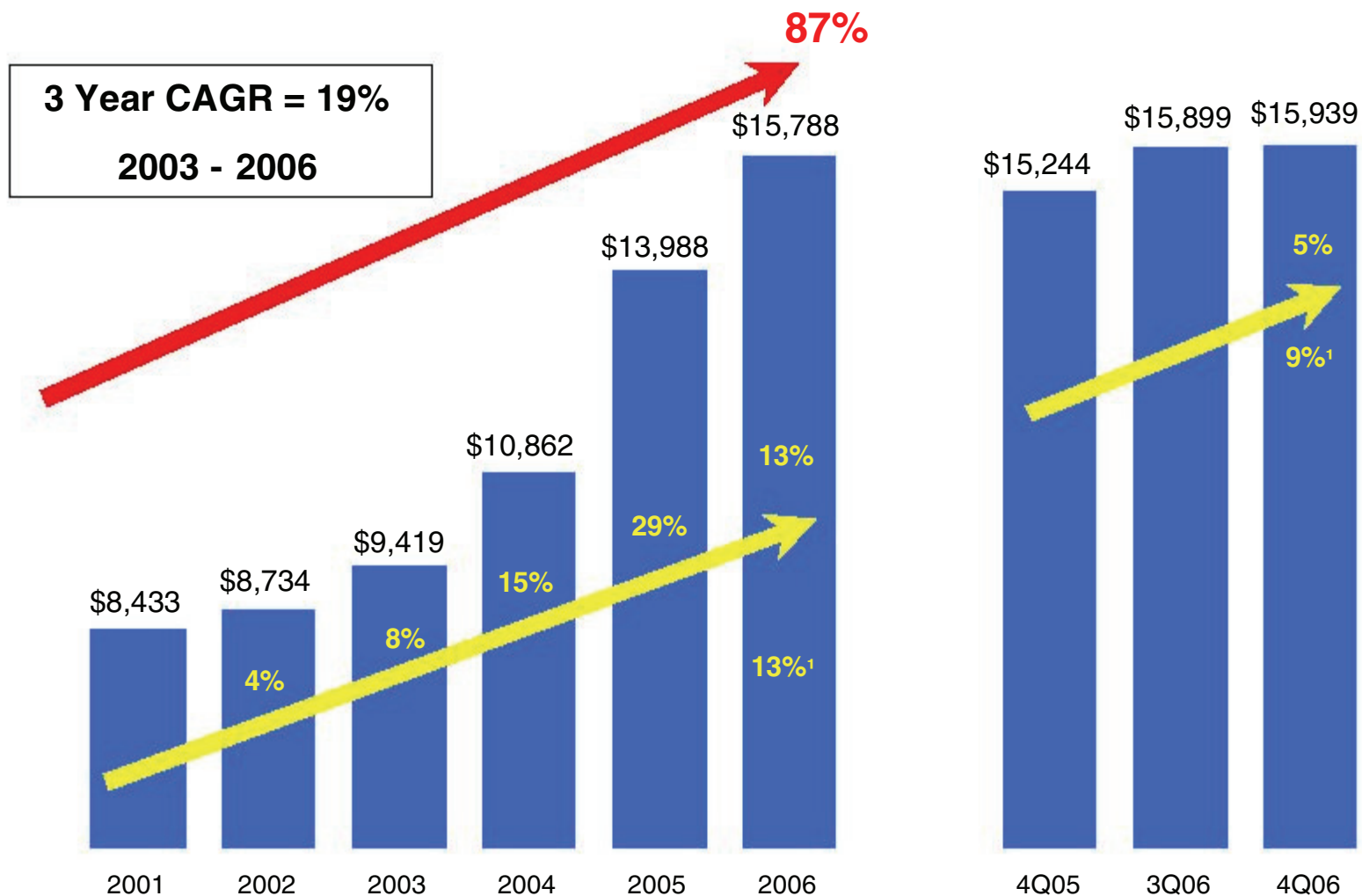


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Average Deposits

(\$ in millions)



¹Excluding acquisitions, sale of branches, and brokered deposits

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Noninterest Income

(\$ in millions)



	4Q06	3Q06	4Q05	% Change		2006 v. 2005
				3Q06	4Q05	
Service charges on deposit accounts	\$ 18.9	\$ 16.6	\$ 14.5	14%	30%	12%
Electronic banking	4.4	4.5	4.0	-2%	10%	12%
Other retail banking fees	3.5	3.6	3.3	-3%	6%	3%
Retail Banking Fees	26.8	24.7	21.8	9%	23%	10%
Financial planning services	3.3	3.9	2.6	-15%	27%	7%
Mortgage banking	3.7	3.2	2.8	16%	32%	11%
Mortgage warehouse fees	6.9	6.1	6.8	13%	1%	57%
Bank-owned life insurance	3.8	4.2	3.5	-10%	9%	14%
Goldleaf income	-	-	2.7	nm	nm	nm
Net cash settlement of swap derivatives	-	-	1.5	nm	nm	nm
Other income	4.9	3.7	1.9	32%	158%	23%
Core Noninterest Income	49.4	45.8	43.6	8%	13%	3%
Securities and derivatives gains (losses), net	0.4	0.2	(20.0)			
Change in fair value of derivatives	-	-	(6.7)			
Gain on sale of branches and other	-	-	27.4			
Total Noninterest Income	\$ 49.8	\$ 46.0	\$ 44.3	8%	12%	8%
Annualized Noninterest Income to Average Assets (1)	0.86%	0.80%	0.82%			
Noninterest Income to Total Revenue (1)	21.1%	19.4%	18.9%			

(1) Core noninterest income was used in the calculation
nm – not meaningful



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Noninterest Expense

(\$ in millions)



	% Change					
	4Q06	3Q06	4Q05	3Q06	4Q05	2006 v. 2005
Salaries and employee benefits	\$ 67.8	\$ 72.5	\$ 66.6	-6%	2%	7%
Occupancy expense of bank premises, net	18.2	17.2	17.4	6%	5%	7%
Furniture and equipment expense	13.0	12.3	11.8	6%	10%	11%
Professional services	5.4	4.3	6.9	26%	-22%	-14%
Amortization of intangibles	3.1	3.1	3.1	-	-	6%
Advertising	2.5	2.3	3.7	9%	-32%	-11%
Communications	2.9	2.8	2.6	4%	12%	5%
Electronic banking expense	1.7	1.6	1.4	6%	21%	3%
Merger related expenses	-	-	0.4	nm	nm	nm
Operating supplies	1.2	1.2	1.6	-	-25%	-5%
Other expense and losses on early ext. of debt	14.7	14.7	17.0	-	-14%	-20%
Total Noninterest Expense	<u>\$ 130.5</u>	<u>\$ 132.0</u>	<u>\$ 132.5</u>	-1%	-1%	1%
Efficiency Ratio (1)	55.73%	55.77%	57.48%			
Annualized Noninterest Expense to Average Assets	2.30%	2.33%	2.51%			

(1) Core noninterest income was used in the calculation, see components of core noninterest income on Noninterest Income slide

nm – not meaningful



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- **Record Earnings Per Share of \$1.72, up 13% over 2005**
- **Strong Earnings Per Share of \$0.43 for the fourth quarter, up 8% over 2005**
- **Record Net Income of \$266 million for 2006, up 16% over 2005**
- **Excellent Credit Quality**
- **Net Interest Income increased 6% over 2005**
- **Strong Organic Average Deposit Growth of 13%¹ over 2005**
- **Solid Period End Loan Growth of 5%² over 2005**
- **Noninterest Income increased 8% over 2005**
- **Excellent cost control – Noninterest Expenses up less than 1% over 2005**

¹Excluding acquisitions, sale of branches and brokered deposits

²Excluding Mortgage Warehouse Lending

Credit

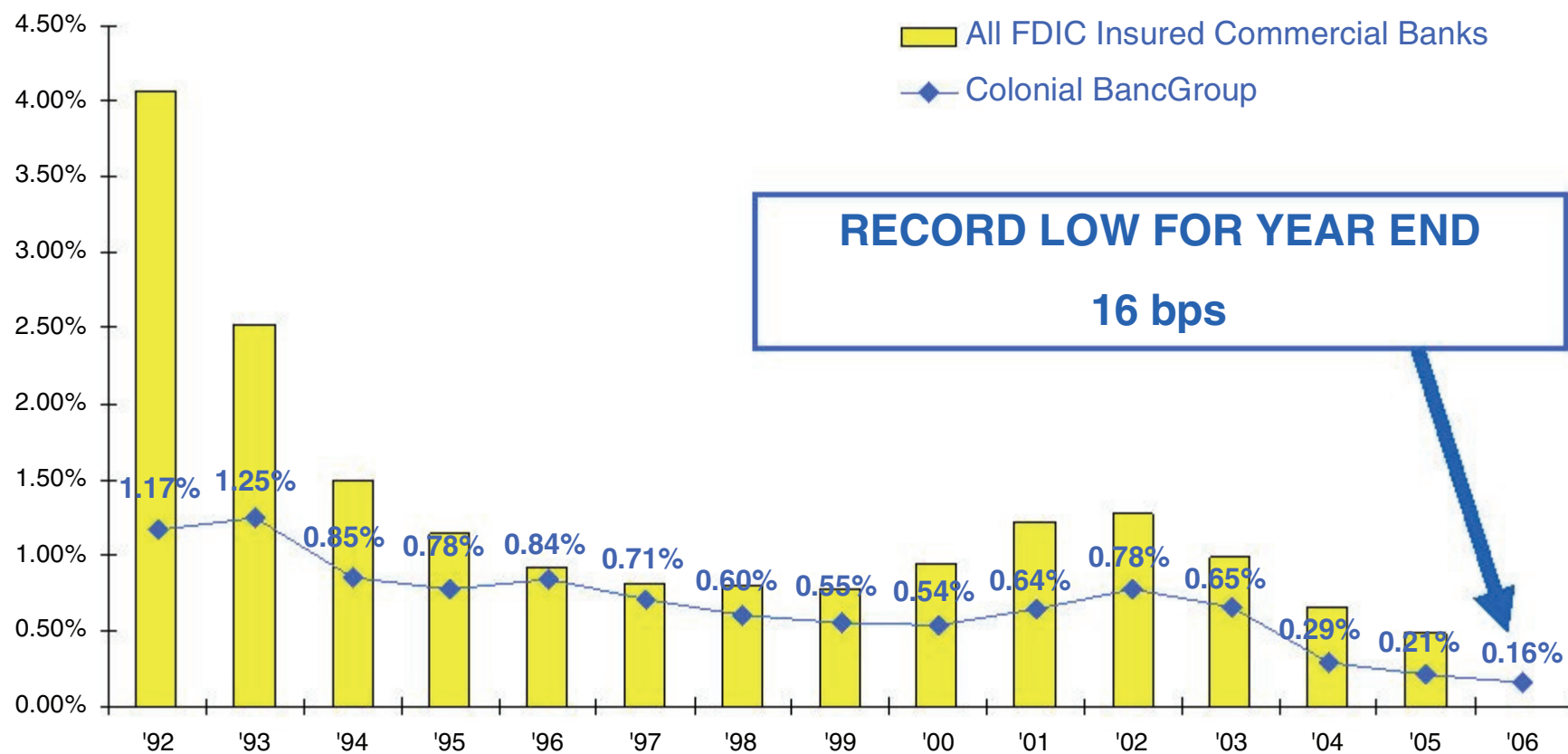


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- **Nonperforming Assets Ratio continues to be low at 0.16% as of 12/31/06**
 - Nonperforming Assets were \$25 million at 12/31/06 down \$6.8 million, or 21%, from 12/31/05
- **Net Charge-Off Ratio was 0.12% of average loans for the year and the 4th quarter of 2006**
- **Allowance for loan losses was 1.13% of total loans**

NPA Consistently Below Industry

(as originally reported)

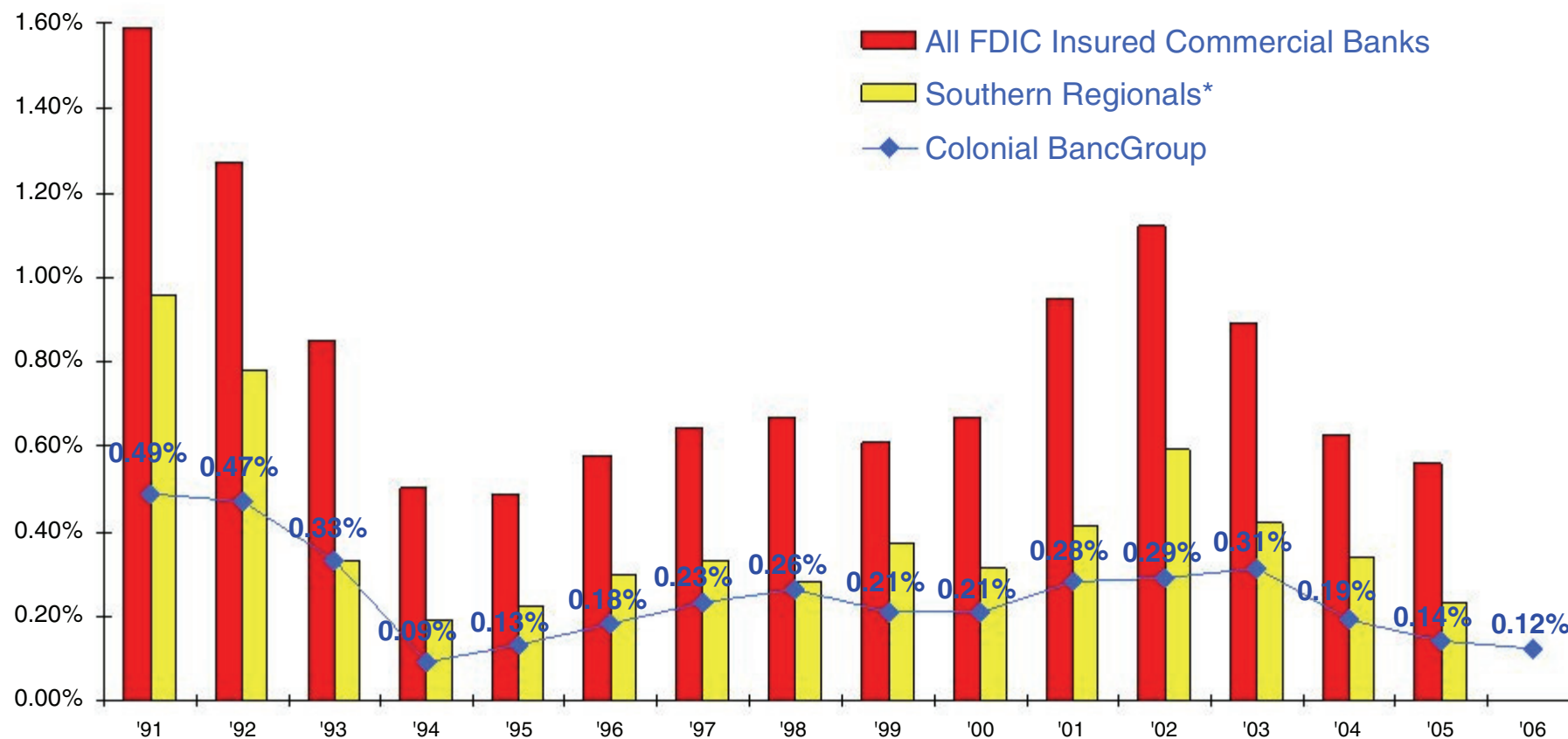


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Net Charge-Offs/Average Loans

(as originally reported)



*Source: KBW

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Why Invest in Colonial BancGroup?



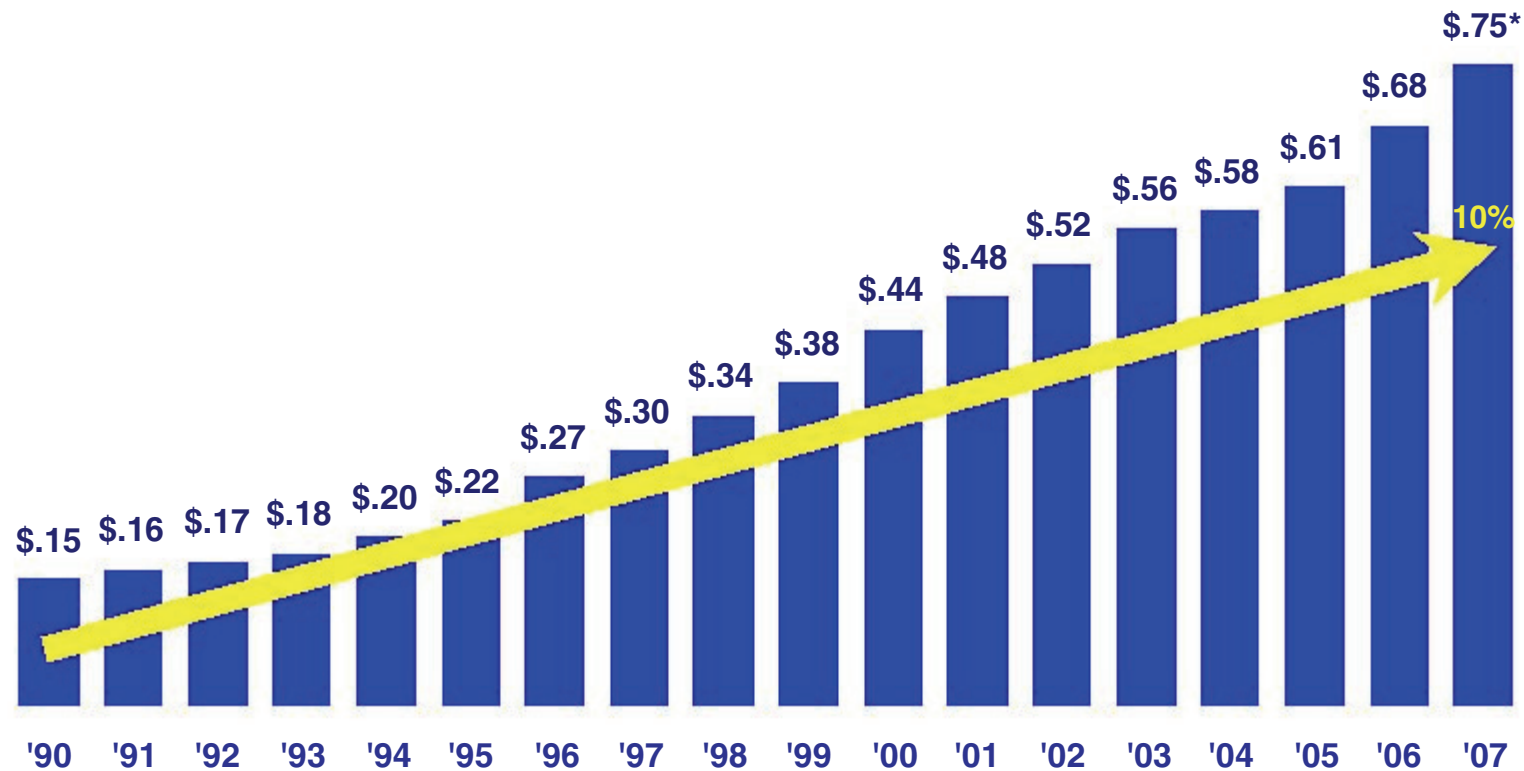
- **In the Right Locations for Continued Success**
- **Conservative Lending Philosophy**
 - Excellent net charge-off history
- **Opportunity to Improve**
 - Our goal is to have 25% of our revenue from fee based services
- **Experienced and Strong Management Team**
 - Delivered strong shareholder returns

	<u>Total</u>	<u>Annualized</u>
1 Year	11%	11%
2 Year	28%	13%
3 Year	62%	17%
5 Year	115%	17%

- **17 Years of Increased Dividends: \$0.75* for 2007, a 10% increase over 2006**

*Estimated

17 YEARS OF INCREASED DIVIDENDS



*Estimated

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Supplemental Information



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Summary Income Statement

(\$ in millions)



				% Change		
	4Q06	3Q06	4Q05	3Q06	4Q05	2006 v. 2005
Net interest income	\$ 184.5	\$ 190.6	\$ 186.6	-3%	-1%	6%
Core noninterest income	49.4	45.8	43.6	8%	13%	3%
Total revenue	233.9	236.4	230.2	-1%	2%	6%
Provision for loan losses	3.4	1.5	5.9	127%	-42%	-17%
Securities and derivatives gains (losses), net	0.4	0.2	(20.0)	nm	nm	nm
Change in fair value of derivatives	-	-	(6.7)	nm	nm	nm
Gain on sale of branches and other	-	-	27.4	nm	nm	nm
Noninterest expense and loss on early ext. of debt	130.5	132.0	132.5	-1%	-1%	1%
Pretax income	100.4	103.1	92.5	-3%	9%	17%
Income tax expense	34.1	35.1	31.0	-3%	10%	19%
Net income	\$ 66.3	\$ 68.0	\$ 61.5	-3%	8%	16%
Earnings per share - diluted	\$ 0.43	\$ 0.44	\$ 0.40	-2%	8%	13%
Weighted average shares outstanding - diluted	153.6	155.0	155.6	-1%	-1%	3%

nm – not meaningful

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Average Balance Sheet

(\$ in millions)



	2006	2005	% Change
Earning Assets	\$ 20,410	\$ 18,944	8%
Loans, excluding MWL	14,992	13,411	12%
MWL Assets (1)	2,277	2,002	14%
MWL Managed Assets (2)	3,958	2,860	38%
Securities	3,014	3,401	-11%
Total Assets	22,238	20,682	8%
Assets Under Management	23,919	21,540	11%
 Total Deposits	 15,788	 13,988	 13%
Noninterest Bearing Deposits	2,969	2,961	-
Interest Bearing Transaction Accounts	6,111	5,583	9%
Time Deposits	6,708	5,444	23%
 Shareholders' Equity	 1,993	 1,779	 12%

(1) Includes loans, loans held for sale and securities purchased under agreements to resell

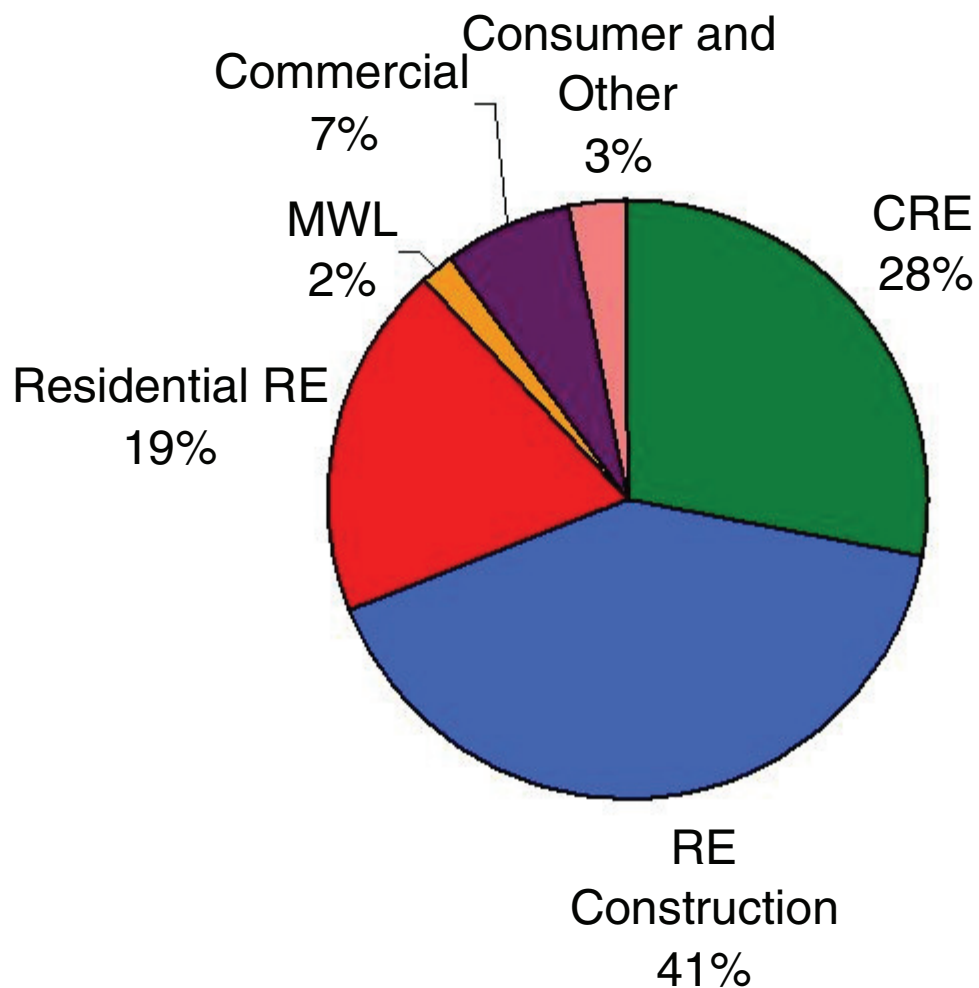
(2) Includes MWL assets and assets securitized

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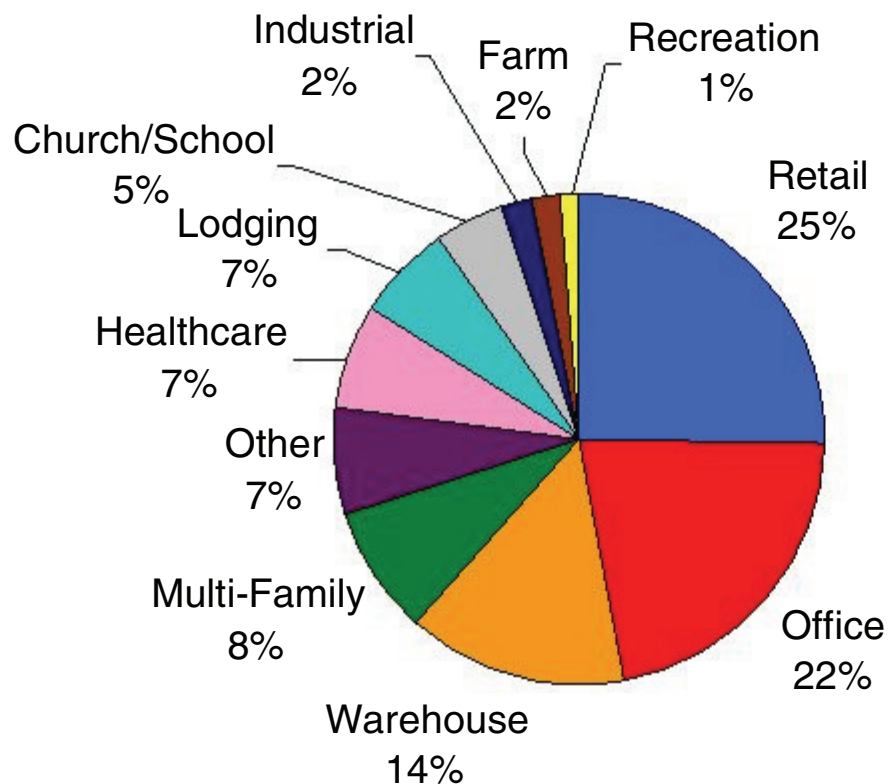
Loan Portfolio Distribution

(as of Dec. 31, 2006)



CRE Loan Portfolio Distribution

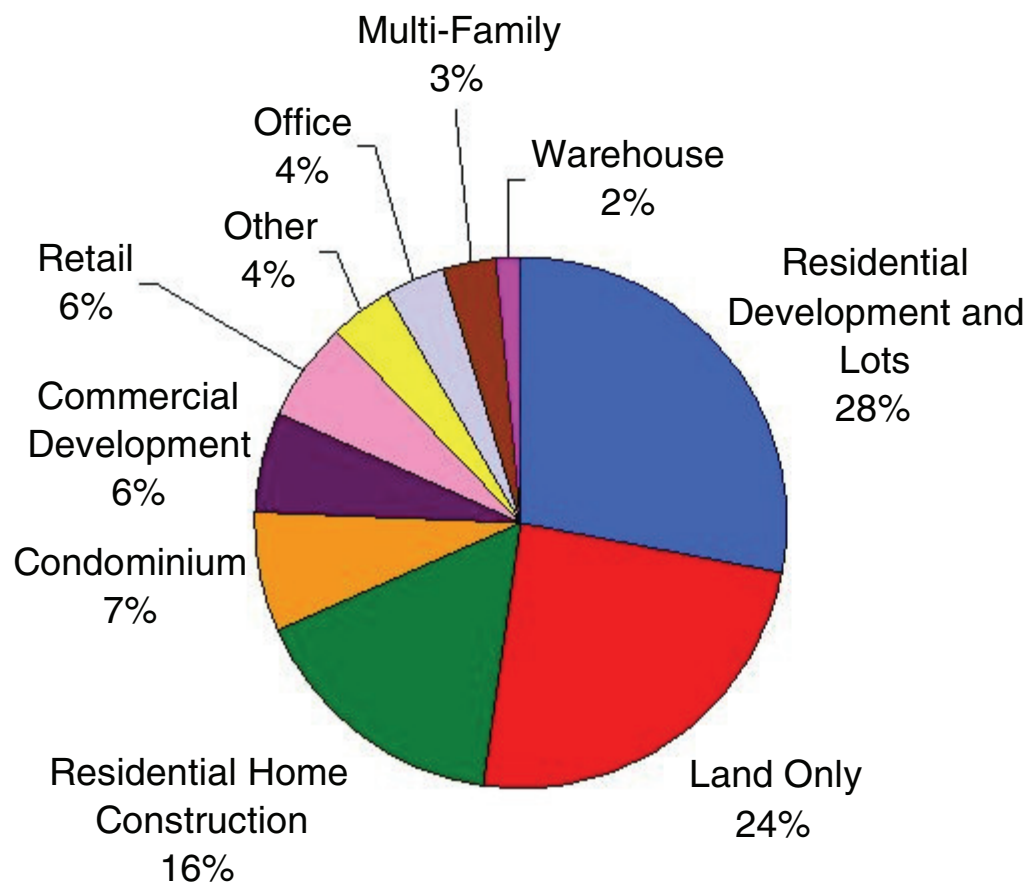
(as of Dec. 31, 2006)



- 28% Owner Occupied
- Average loan size = \$646 thousand
- Characteristics of 75 largest loans:
 - Total \$737 million and represent 17.2% of CRE portfolio
 - Average loan to value ratio is 67.4%
 - Average debt coverage ratio = 1.41x

Construction Loan Portfolio Distribution

(as of Dec. 31, 2006)



- Average loan size = \$829 thousand
- Characteristics of 75 largest loans:
 - Total \$1.3 billion and represent 20.8% of construction portfolio
 - Average loan to value ratio is 62.9%