

Hill Patti G
 Form 5
 February 13, 2009

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
 Hill Patti G

2. Issuer Name and Ticker or Trading Symbol
 COLONIAL BANCGROUP INC
 [CNB]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Chief Operating Officer

7257 BRISBANE PLACE

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting
 (check applicable line)

MONTGOMERY, AL 36117

(City) (State) (Zip)

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	(A) or (D)	Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/31/2008	Â	J ⁽⁸⁾	2,051	A	\$ 7.46	146,397	D	Â
Common Stock	12/31/2008	Â	J ⁽⁹⁾	11,857	A	\$ 8 ⁽¹⁰⁾	158,254	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
					(A) (D)	Date Exercisable Expiration Date	Title
Incentive Stock Option (right to buy)	\$ 21.41	Â	Â	Â	Â Â	12/30/2005 ⁽¹⁾ 12/30/2014	Common Stock
Incentive Stock Option (right to buy)	\$ 10.5	Â	Â	Â	Â Â	12/30/2000 ⁽²⁾ 12/30/2009	Common Stock
Incentive Stock Option (right to buy)	\$ 12.54	Â	Â	Â	Â Â	06/18/2001 06/18/2011	Common Stock
Incentive Stock Option (right to buy)	\$ 14.81	Â	Â	Â	Â Â	12/28/2002 ⁽²⁾ 12/28/2011	Common Stock
Incentive Stock Option (right to buy)	\$ 11.75	Â	Â	Â	Â Â	12/30/2007 12/30/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 11.75	Â	Â	Â	Â Â	12/30/2003 ⁽³⁾ 12/30/2012	Common Stock
Incentive Stock Option (right to buy)	\$ 17.28	Â	Â	Â	Â Â	12/23/2004 ⁽⁴⁾ 12/23/2013	Common Stock
Incentive Stock Option (right to buy)	\$ 25.4	Â	Â	Â	Â Â	04/18/2007 ⁽⁵⁾ 04/18/2016	Common Stock
Non Qualified Stock Option (right to buy)	\$ 25.4	Â	Â	Â	Â Â	04/18/2007 ⁽⁶⁾ 04/18/2016	Common Stock
Non Qualified Stock Option (right to buy)	\$ 25.81	Â	Â	Â	Â Â	01/16/2008 ⁽⁷⁾ 01/16/2017	Common Stock

Non Qualified
Stock Option
(right to buy)

\$ 11.29

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01/15/2009⁽⁷⁾

01/15/2018

Common
Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hill Patti G 7257 BRISBANE PLACE MONTGOMERY, AL 36117	^	^	^ Chief Operating Officer	^

Signatures

/s/ Patti G. Hill

01/29/2009

**Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant. (60% vested)
- (2) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant. (100% vested)
- (3) Options vest in 4 equal installments, 25% annually beginning one year from the date of grant. (100% vested)
- (4) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant. (80% vested)
- (5) 1,105 options will vest on 4/18/2007. 1,570 options will vest on 4/18/2008. 2,251 options will vest on 4/18/2009. The remaining 7,874 options will vest in two equal installments annually beginning on the fourth anniversary of the grant date.
- (6) 6,171 options will vest on 4/18/2007. 5,706 options will vest on 4/18/2008. 5,025 options will vest on 4/18/2009. The remaining 6,678 options will vest in two equal installments, annually, beginning on the fourth anniversary of the grant date.
- (7) Options vest in 5 equal installments, 20% annually beginning one year from the date of grant. (0% vested)
- (8) Shares acquired through the Colonial BancGroup, Inc. Dividend Reinvestment Plan.
- (9) Shares issued through the Colonial BancGroup, Inc. 401K Retirement Plan and Nonqualified Deferred Comp. Plan.
- (10) Average purchase price of 401K and Nonqualified Deferred Comp. shares issued throughout the year.

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