

COLONIAL BANGROUP INC  
Form 8-K/A  
March 02, 2009

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 8-K/A**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d)**

**OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported): March 2, 2009**

**THE COLONIAL BANGROUP, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**DELAWARE**  
(State or Other Jurisdiction  
of Incorporation or organization)

**1-13508**  
(Commission File Number)  
  
**100 Colonial Bank Blvd.**

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

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**Montgomery, Alabama 36117**

**(Address of Principal Executive Offices)**

**(334) 676-5000**

**(Registrant's Telephone Number)**

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))

**Explanatory Note:**

This Current Report on Form 8-K amends the Current Report on Form 8-K that The Colonial BancGroup, Inc. filed on January 27, 2009.

**Item 8.01. Other Events.**

The Colonial BancGroup, Inc. today filed its Annual Report on Form 10-K for the year ended December 31, 2008. The 10-K reflects a change in the unrealized gain or loss on available for sale securities at December 31, 2008, previously reported in BancGroup's Current Report on Form 8-K filed January 27, 2009. The fair market value of these securities is measured using Level 3 inputs under SFAS 157, and as a result of a revised view of liquidity discounts in the marketplace, the fair value of the securities and the resulting unrealized loss were adjusted. The non-cash revision does not result in a change to Colonial's liquidity position or results of operations. In addition, the Company finalized the December 31, 2008 regulatory reports for Colonial Bank and BancGroup and updated the Tier I leverage, Tier I risk-based capital and total risk-based capital ratios. The primary changes to the regulatory ratios arose from the exclusion of a portion of deferred tax assets for regulatory capital purposes and the risk weighting of certain securities that are rated below investment grade.

Descriptions of Colonial's fair value methods and regulatory capital ratios as of December 31, 2008 are included in the Annual Report on Form 10-K filed today with the Securities and Exchange Commission.

*This report includes forward-looking statements within the meaning of the federal securities laws. Words such as believes, estimates, plans, expects, should, may, might, could, outlook, potential, would and anticipates, the negative of these terms and similar expressions to The Colonial BancGroup, Inc. (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 such 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](http://www.sec.gov) or on BancGroup's website at [www.colonialbank.com](http://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:*

*losses to our loan portfolio are greater than estimated or expected;*

*an inability to raise additional capital on terms and conditions that are satisfactory;*

*failure to receive final approval for the U.S. Treasury Department's Capital Purchase Program;*

*the impact of current economic conditions on our ability to borrow additional funds to meet our liquidity needs;*

*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;*

*changes in the interest rate environment which expand or reduce margins or adversely affect critical estimates as applied, projected returns on investments, and fair values of assets;*

*continued or sustained deterioration of market and economic conditions or business performance could increase the likelihood that we would have an additional goodwill impairment charge;*

*deposit attrition, customer loss, or revenue loss in the ordinary course of business;*

*increases in competitive pressure in the banking industry and from non-banks;*

*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 2009 and beyond;*

*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 and 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);*

*unanticipated litigation or claims;*

*changes in the securities markets;*

*acts of terrorism or war; and*

*details of the recently enacted Emergency Economic Stabilization Act of 2008, and various announced and unannounced programs implemented by the U.S. Treasury Department and bank regulators to address capital and liquidity concerns in the banking system, are still being finalized and may have a significant effect on the financial services industry and BancGroup.*

*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.*

**SIGNATURES**

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.

March 2, 2009

**THE COLONIAL BANGROUP, INC.**

By: /s/ Sarah H. Moore  
Sarah H. Moore  
Senior Executive Vice President and Chief Financial Officer