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Colonial
BancGroup
Montgomery, Alabama

TO OUR STOCKHOLDERS:

The annual meeting of the stockholders of The Colonial BancGroup, Inc. will be held at 10:00 a.m., Wednesday, April 17, 2002 at the Colonial Financial Center, One Commerce Street, Montgomery, Alabama.

Enclosed is a Notice of the meeting, a Proxy Statement, a proxy card and the Annual Report to Shareholders for 2001. We hope that you will study the enclosed material carefully and attend the meeting in person.

Whether you plan to attend the meeting or not, please sign and date the enclosed proxy card and return it in the accompanying envelope as promptly as possible. Alternatively, you may submit your vote by telephone or via the internet if your proxy card contains instructions for doing so. The proxy may be revoked by your vote in person at the meeting, by submission of a later dated proxy, or by you giving written notice of revocation to the Secretary of The Colonial BancGroup, Inc., at any time prior to the voting thereof. Thank you for your support.

Sincerely,

/s/ ROBERT E. LOWDER
Robert E. Lowder
Chairman of the Board,
Chief Executive Officer and President

March 18, 2002

NOTICE
of the
ANNUAL MEETING OF STOCKHOLDERS
of
THE COLONIAL BANCGROUP, INC.

To Be Held April 17, 2002

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of The Colonial BancGroup, Inc. ("BancGroup"), a Delaware corporation, will be held at the Colonial Financial Center, One Commerce Street, Montgomery, Alabama, on Wednesday, April 17, 2002 at 10:00 a.m., central time, for the following purposes:

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1. To elect the nominees named in the Proxy Statement as directors to serve terms of three years as set out therein.

2. To transact such other business as may properly come before the meeting or any adjournments thereof, but which is not now anticipated.

Details respecting these matters are set forth in the accompanying Proxy Statement. Only stockholders of record at the close of business on February 20, 2002 will be entitled to notice of, and to vote at, the meeting. A complete list of the stockholders of record entitled to vote at the meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be open to examination by any stockholder at BancGroup's principal office at One Commerce Street, Montgomery, Alabama, during ordinary business hours for any purpose germane to the meeting. Such list will be open for a period of at least ten days prior to the meeting.

All stockholders of BancGroup are cordially invited to attend the meeting in person. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, PLEASE SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT IN THE ACCOMPANYING ENVELOPE AS PROMPTLY AS POSSIBLE. ALTERNATIVELY, IF YOUR PROXY CARD CONTAINS INSTRUCTIONS AS TO VOTING VIA TELEPHONE OR INTERNET, YOU MAY FOLLOW THOSE INSTRUCTIONS. THE PROXY MAY BE REVOKED BY YOUR VOTE IN PERSON AT THE MEETING, BY YOUR EXECUTION AND SUBMISSION OF A LATER DATED PROXY BEFORE THE MEETING, OR IF YOU VOTE ELECTRONICALLY, THEN BEFORE 5:00 P.M. EASTERN TIME ON APRIL 16, 2002, OR BY YOU GIVING WRITTEN NOTICE OF REVOCATION TO THE SECRETARY OF THE COLONIAL BANCGROUP, INC. AT ANY TIME PRIOR TO THE VOTING THEREOF.

By Order of the Board of Directors

/s/ W. Flake Oakley
W. Flake Oakley
Executive Vice President,
Chief Financial Officer and Secretary

March 18, 2002

THE COLONIAL BANCGROUP, INC.
One Commerce Street
Post Office Box 1108
Montgomery, Alabama 36101
Telephone: 334-240-5000

PROXY STATEMENT
FOR 2002 ANNUAL MEETING OF STOCKHOLDERS

This Proxy Statement and the accompanying proxy are furnished on or about March 18, 2002 by The Colonial BancGroup, Inc. ("BancGroup") to the holders of record of common stock, par value \$2.50 per share, of BancGroup (the "Common Stock") in connection with BancGroup's annual meeting of stockholders (the "Annual Meeting"), and any adjournments thereof, to be held on Wednesday, April 17, 2002, at 10:00 a.m. at the Colonial Financial Center, One Commerce Street, Montgomery, Alabama. The matters to be considered and acted upon, including the election of directors, are described herein.

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The Board of Directors of BancGroup (the "Board") recommends the election of the six director-nominees named in this Proxy Statement for a term of three years.

The enclosed proxy is solicited on behalf of the Board and is revocable at any time prior to the voting of such proxy by giving written notice of revocation to the Secretary of BancGroup, by submitting a later-dated proxy, or by voting in person at the Annual Meeting. Mere attendance at the Annual Meeting without submitting a later-dated proxy will not be sufficient to revoke a previously submitted proxy. All properly submitted proxies delivered pursuant to this solicitation will be voted at the Annual Meeting and in accordance with instructions, if any. If no instructions are given, the proxies will be voted FOR election of the director-nominees named herein, and in accordance with the instructions of management as to any other matters that may come before the Annual Meeting.

The cost of soliciting proxies will be borne by BancGroup. In addition to the use of the mail, proxies may be solicited by personal interview, telephone, facsimile, e-mail or any other electronic means, and banks, brokers, nominees or fiduciaries will be required to forward the soliciting material to the principals and to obtain authorization of the execution of proxies. BancGroup also will allow proxies to be delivered by telephone or via the Internet. BancGroup may, upon request, reimburse banks, brokers and other institutions, nominees and fiduciaries for their expenses in forwarding proxy material to the principals. BancGroup has retained the firm of Georgeson & Co. to solicit street-name holders and will pay such firm a fee of \$6,500 plus out of pocket expenses.

Stockholders Eligible to Vote

This Proxy Statement is furnished to the holders of Common Stock who were holders of record as of the close of business on February 20, 2002. Only those holders are eligible to vote at the Annual Meeting.

Votes will be tabulated and counted by one or more inspectors of election appointed by the Chairman of the Board. Proxies marked as abstentions and shares held in street names which have been designated by brokers on proxy cards as not voted will not be counted as votes cast. Such proxies will be counted for purposes of determining a quorum at the Annual Meeting. A quorum consists of a majority of the shares of Common Stock outstanding.

VOTING SECURITIES AND PRINCIPAL STOCKHOLDERS

As of February 20, 2002, BancGroup had issued and outstanding 115,395,315 shares of Common Stock with approximately 9,742 stockholders of record. Each such share is entitled to one vote. In addition, as of that date, 3,855,191 shares of Common Stock were subject to issuance upon the exercise of options pursuant to BancGroup's stock option plans, and up to 499,546 shares of Common Stock were issuable upon conversion of BancGroup's Convertible Subordinated Debentures. There are currently 200,000,000 shares of Common Stock authorized. BancGroup is not aware of any material change in the ownership of Common Stock since February 20, 2002.

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Principal Stockholders

The following table shows the only person who is known to BancGroup to be the beneficial owner, as of February 20, 2002, of more than 5% of BancGroup's

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outstanding Common Stock.

Name and Address	Shares of BancGroup Beneficially Owned	
	Common Stock	Percentage of Class Outstanding(1)
Robert E. Lowder..... Post Office Box 1108 Montgomery, AL 36101	6,374,441(1)	5.5%

(1)Includes 240,000 shares of Common Stock subject to options under BancGroup's stock option plans. In addition, the total includes 25,960 shares and 22,628 shares owned by Mr. Lowder's wife and stepson, respectively. Mr. Lowder disclaims beneficial ownership of these shares.

Security Ownership of Management

The following table indicates for each director, director-nominee, executive officer, and all executive officers and directors of BancGroup as a group the number of shares of outstanding Common Stock beneficially owned on February 20, 2002.

Name	Shares of BancGroup Beneficially Owned	
	Common Stock	Percentage of Class Outstanding(1)
DIRECTORS		
Lewis E. Beville.....	3,988(1)	*
William Britton.....	46,919(2)	*
Jerry J. Chesser.....	328,336	*
Augustus K. Clements, III.....	49,779	*
Robert S. Craft.....	38,353(3)	*
Patrick F. Dye.....	33,950	*
Clinton O. Holdbrooks.....	568,271(4)	*
Harold D. King.....	217,362(5)	*
Robert E. Lowder.....	6,374,441(6)	5.5%
John Ed Mathison.....	44,924(7)	*
Milton E. McGregor.....	100,000	*
John C.H. Miller, Jr.....	93,810(8)	*
Joe D. Mussafer.....	45,749	*
William E. Powell, III.....	33,474	*
James W. Rane.....	6,143	*
Frances E. Roper.....	758,138	*
Simuel Sippial.....	18,017(9)	*
Edward V. Welch.....	63,519	*
EXECUTIVE OFFICERS WHO ARE NOT ALSO DIRECTORS		
W. Flake Oakley.....	160,336(10)	*
Sarah H. Moore.....	46,437(10)	*
Caryn D. Cope.....	39,517(10)	*
All Executive Officers and Directors as a Group	9,071,380	7.9%

* Represents less than 1%.

- (1) Includes 356 shares owned by Mr. Beville's son.
- (2) Includes 7,232 shares owned by Mr. Britton's wife. Mr. Britton disclaims beneficial ownership of the shares.
- (3) Includes 2,808 shares held by the IRA of Mr. Craft's wife. Mr. Craft disclaims beneficial ownership of the shares.
- (4) Includes 118,996 shares held by Mr. Holdbrooks as trustee.
- (5) Includes 40,780 shares owned by Mr. King's wife and 20 shares held in a trust of which he is beneficiary. Mr. King disclaims beneficial ownership of the shares.
- (6) Includes 240,000 shares of Common Stock subject to options under BancGroup's stock option plans. In addition, the total includes 25,960 shares and 22,628 shares owned by Mr. Lowder's wife and stepson, respectively. Mr. Lowder disclaims beneficial ownership of these shares.
- (7) Includes 2,000 shares owned by Dr. Mathison's wife. Dr. Mathison disclaims beneficial ownership of the shares.
- (8) Includes 55,000 shares subject to options under BancGroup's stock option plans. Includes 260 shares owned by Mr. Miller's wife. Mr. Miller disclaims beneficial ownership of these shares.
- (9) Includes 500 shares owned by Mr. Sippial's son.
- (10) W. Flake Oakley, Sarah H. Moore and Caryn Cope hold vested options respecting 98,000, 30,500 and 20,200 shares, respectively, pursuant to BancGroup's stock option plans, excluding options that are not exercisable within 60 days of February 20, 2002, due to vesting requirements. Mr. Oakley's amount includes 4,250 shares owned by his sons. Ms. Moore's amount includes 4,100 shares owned by her sons.

ELECTION OF DIRECTORS

The Board recommends that the stockholders elect the six persons named below to hold office for terms of three years, or until their successors are elected and qualified. BancGroup's Amended and Restated Certificate of Incorporation provides that the number of directors which shall constitute the entire Board shall be fixed from time to time by resolutions adopted by the Board, but shall not be less than three persons. If the stockholders elect directors as recommended by the Board, then the Board shall consist of 18 members. By resolution, the Board has currently fixed the maximum number of directors at 23.

BancGroup's Amended and Restated Certificate of Incorporation provides for the election of directors by classes to terms of three years, with one class of approximately one-third of the total number of directors to be elected each year. Six nominees are proposed for election to the class of directors whose terms expire in 2005. At the Annual Meeting, proxies cannot be voted for more than six directors whose terms expire in 2005.

If, prior to the voting at the Annual Meeting, any person proposed for election as a director is unavailable to serve or for good cause cannot serve, the shares represented by all valid proxies may be voted for the election of such substitute as the members of the Board may recommend. The management of BancGroup knows of no reason why any nominated person would be unavailable to serve as a director.

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Assuming a quorum is present at the Annual Meeting, a plurality of the votes cast will be sufficient to elect the directors. On the proxy card, voting for directors is Proposal 1.

The bylaws of BancGroup contain certain limitations on stockholder nominations of candidates for election as directors. See "Bylaw Provisions Regarding Conduct of Stockholders' Meetings" for a description of such limitations.

The following table provides certain biographical information about each nominee to be proposed on behalf of the Board and the directors whose terms will not expire until 2003 and 2004. Unless otherwise indicated, each person has been engaged in the principal occupation shown for the last five years. Executive officers serve at the discretion of the Board.

DIRECTORS NOMINATED FOR A TERM EXPIRING IN 2005:

Name, Age and Year Became Director	Position and Office Held with BancGroup And Subsidiaries(1)	Present and Principal Occupation for Last Five Years
William Britton 77, 1985	Director, BancGroup; Director, Northern Region; Member, Audit Committee	Chairman of the Board, Muscle Shoals Center, (truck service and retail sales business) Muscle Shoals, AL
Augustus K. Clements, III 59, 1997	Director, BancGroup; Director, Colonial Bank; Director, Montgomery Region; Member, Executive Committee; Member, Nominating Committee; Member, Colonial Bank Trust Committee	General Agent, New England Financial/The Clements Agency (insurance agency); Managing Partner, Clements Financial Group Montgomery, AL
Patrick F. Dye 62, 1981	Director, BancGroup; Member, Asset/Liability Committee	Special Advisor, Auburn University, since December, 1992; Head Football Coach and Athletic Director, Auburn University, 1981-1992; Part Owner, Craftmasters Printing, 2001; Assistant to the President, Auburn University Foundation, 2002; Host of Pat Dye Outdoors (Radio Show), Owner of Hunting Preserve, Auburn, AL

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DIRECTORS NOMINATED FOR TERMS EXPIRING IN 2005:

Name, Age and Year Became Director	Position and Office Held with BancGroup And Subsidiaries(1)	Present and Principal Occupation for Last Five Years
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<p>Milton E. McGregor 62, 1993</p>	<p>Director, BancGroup; Member, Personnel and Compensation Committee</p>	<p>Chief Executive Officer and President Macon County Greyhound Park d/b/a Victoryland; Chief Executive Officer and President, Jefferson County Raci Association (greyhound racing facili since 1992, Montgomery, AL</p>
<p>William E. Powell, III 57, 1987</p>	<p>Director, BancGroup; Director, Montgomery Region; Member, Audit Committee</p>	<p>Executive Vice President, Alabama Cattlemen's Association (trade association representing the beef ca industry), Montgomery, AL</p>
<p>Simuel Sippial 58, 1997</p>	<p>Director, BancGroup; Director, Colonial Bank; Director, Montgomery Region; Member, Personnel and Compensation Committee; Member, Audit Committee; Member, Colonial Bank Trust Committee; Member, Colonial Bank CRA Committee</p>	<p>President, Sippial Enterprises, Inc. estate investment company), Montgomery, AL</p>

CONTINUING DIRECTORS WHOSE TERMS EXPIRE IN 2004:

<p>Robert S. Craft 50, 1992</p>	<p>Director, BancGroup; Chairman of the Board, Gulf Coast Region; Member, Executive Committee</p>	<p>President, Craft Development Corp. (golf course ownership and development company); Managing Partner, Pinehurst Development (real estate development company); Partner, Craft Turf Farms (turf grass production and sales company); President, Wingo Trucking (trucking company); Managing Member, Woodlands Management Co. (golf course management company); Managing Member, Bright's Creek Development Co. (golf course ownership company); Managing Member, TRI-TEL, LLC (hotel ownership company); President, Cotton Creek Condominium Development Corp. (condominium development company); Managing Member, Turf Properties, LLC and Turf Properties II, LLC, (turf grass production and sales company), Foley, AL</p>
<p>Clinton O. Holdbrooks 63, 1986</p>	<p>Director, BancGroup; Chairman of the Board, Central Alabama Region; Member, Audit Committee</p>	<p>Chairman of the Board, Central Alabama Region since June 20, 2000; Chairman of the Board, East Central Region, January 1988 to June 2000, Vestavia Hills, AL</p>

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CONTINUING DIRECTORS WHOSE TERMS EXPIRE IN 2004:

Name, Age and Year Became Director -----	Position and Office Held with BancGroup And Subsidiaries(1) -----	Present and Principal Occupation for Last Five Years -----
Harold D. King 69, 1986	Vice Chairman, BancGroup; Director, Central Alabama Region; Director, Colonial Bank; Member, Executive Committee; Chairman, Asset/Liability Committee; Member, Colonial Bank Trust Committee; Member, Colonial Bank CRA Committee	Vice Chairman, BancGroup, since October 1987, Pell City, AL
Robert E. Lowder* 59, 1981	Chairman of the Board, Chief Executive Officer and President, BancGroup; Chairman, Executive Committee; BancGroup; Chairman of the Board, Chief Executive Officer and President, Colonial Bank; Director, Central Alabama Region; Director, Northern Region; Director, Gulf Coast Region; Director, Montgomery Region; Director, Central Florida Region; Director, South Florida Region; Director, Bay Area Region; Director, Southwest Florida Region; Chairman of the Board, Georgia Region; Director, Texas Region; Director, Nevada Region; Chairman of the Board, Colonial Investment Services, Inc.; Chairman of the Board, Chief Executive Officer and President, Colonial BancGroup Building Corporation	Chief Executive Officer and Chairman of the Board, (and President at all relevant times except 1997-2000) Colonial BancGroup; Chief Executive Officer and Chairman of the Board, (and President at all relevant times except 1997-2000) Colonial Bank; Chairman of the Board and CEO, Colonial Mortgage Company until 1999; Chairman of the Board and President, Colonial Broadcasting Company, Inc. until 1998, Montgomery, AL
John C. H. Miller, Jr. 58, 1981	Director, BancGroup; Director, Gulf Coast Region; Chairman, Personnel and Compensation Committee; Member, Executive Committee; Chairman, Nominating Committee	Member, Miller, Hamilton Snider & Odom, L.L.C. (law firm); Vice President, The Pilot Group (consulting firm), until 2001, Mobile, AL
James W. Rane 54, 1997	Director, BancGroup; Member, Asset/Liability Committee	President, Great Southern Wood Preserving, Inc., Great Southern Wood of Florida, Inc. and Great Southern Wood of North Alabama, Inc., Great Southern Wood - Statesboro, Inc., Statesboro GA; Manager, Texas, Great Southern Wood, LLC (lumber companies), Abbeville, AL

CONTINUING DIRECTORS WHOSE TERMS EXPIRE IN 2003:

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Name, Age and Year Became Director	Position and Office Held with BancGroup And Subsidiaries(1)	Present and Principal Occupation for Last Five Years
Lewis E. Beville 50, 1997	Director, BancGroup; Director, Gulf Coast Region; Chairman, Audit Committee	Vice President of Thames, Batre, Mattei, Beville and Ison (insurance agency), Mobile, AL
Jerry J. Chesser 65, 1984	Director, BancGroup; Chairman of the Board, Northern Region; Member, Audit Committee	President, Shelby Contracting Co., Inc. (general contractor), Huntsville, AL
John Ed Mathison 63, 1987	Director, BancGroup; Director, Montgomery Region; Member, Personnel and Compensation Committee	Senior Minister, Frazer Memorial United Methodist Church, Montgomery, AL
Joe D. Mussafer 62, 1981	Director, BancGroup; Director, Montgomery Region; Member, Personnel and Compensation Committee; Member, Asset/Liability Committee; Member, Nominating Committee	President, Montgomery Beverage Company, Inc. (wholesale beverage distributorship), Montgomery, AL
Frances E. Roper 82, 1984	Director, BancGroup; Director, Northern Region; Member, Personnel and Compensation Committee; Member, Audit Committee	Owner, Roper's Flowers (retail florist) Owner, Frances Roper Corporation (renting and leasing properties), Huntsville, AL
Edward V. Welch 69, 1981	Director, BancGroup; Director, Montgomery Region; Member, Asset/Liability Committee	Chairman of the Board, Welch, Hornsby & Welch, Inc, (investment advisory firm) and Trinity Investments, Inc., (investments holding company), since May 1994, Montgomery, AL

* Indicates that the director is also an executive officer.

(1)All references to the word "Region" refer to a region of Colonial Bank.

BancGroup's Amended and Restated Certificate of Incorporation provides that there shall be an Audit Committee of the Board composed of not less than three directors appointed by the Board at least annually, none of whom shall be active officers of BancGroup, whose duty it shall be to make an examination at least once each year into the financial affairs of BancGroup and to report the results of their examination in writing to the Board at its next regular meeting. The Audit Committee may make recommendations to the Board and, with the approval of the Board, may employ an independent firm of certified public accountants. The Audit Committee of the Board presently consists of Lewis E. Beville, Chairman, William Britton, Jerry J. Chesser, Clinton O. Holdbrooks, William E. Powell, Frances E. Roper, and Simuel Sippial. The Audit Committee met four times in 2001 (See "Audit Committee Report").

BancGroup has a Personnel and Compensation Committee presently consisting of John C. H. Miller, Jr., Chairman, John Ed Mathison, Milton E. McGregor, Joe D. Mussafer, Frances E. Roper, and Simuel Sippial. The principal functions of this committee are to make recommendations from time to time to the Board regarding compensation and personnel matters, compensation plans in which officers and directors are eligible to participate, the establishment of or changes in benefit plans in which officers and employees participate, and personnel policies. A subcommittee of this committee consisting of Joe D. Mussafer,

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Frances E. Roper, and

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Simuel Sippial performs these functions regarding executive officers of BancGroup. The committee met one time, and the subcommittee met three times in 2001 (See "Executive Compensation Committee Report").

BancGroup created a Nominating Committee in January, 2002. This committee's purpose is to nominate directors to stand for election as directors of BancGroup. This committee presently consists of John C. H. Miller, Jr., Chairman, Augustus K. Clements, III, and Joe D. Mussafer. This committee met once in 2002 to recommend nomination of the directors listed on pages 4 and 5, who stand for election at the 2002 annual meeting of stockholders.

BancGroup has an Executive Committee presently consisting of Robert E. Lowder, Chairman, Augustus K. Clements, III, Robert S. Craft, Harold D. King, and John C.H. Miller, Jr. The principal functions of this committee are to perform certain actions in lieu of the Board at times when a meeting of the full Board is not feasible or practicable. This committee met twice in 2001.

BancGroup has an Asset/Liability Committee (ALCO) presently consisting of Harold D. King, Chairman, Patrick F. Dye, Joe D. Mussafer, James W. Rane, and Edward V. Welch. The principal function of this committee is to establish a framework of procedures, responsibilities and policies regarding the management of BancGroup's assets and liabilities in order to optimize the net interest margin and net income under a range of interest rate scenarios while assuming reasonable business risks. Management provides to this committee detailed reports on the company's interest rate risk and liquidity position along with current strategies. The committee met four times in 2001.

During 2001, the Board met four times. All incumbent BancGroup directors attended 75% or more of the Board meetings and their respective committee meetings, in which he or she served, except for Robert S. Craft who attended 67%.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires BancGroup's directors, certain officers and 10% stockholders, if any, to file reports of ownership and changes in ownership of BancGroup Common Stock with the Securities and Exchange Commission (the "SEC"). Such officers, directors and 10% stockholders, if any, are required by SEC regulations to furnish BancGroup with copies of all Section 16(a) reports they file, including reports on Form 5, which are filed with the SEC annually.

Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons that no reports on Form 5 were required for those persons, BancGroup believes that during 2001, all filings applicable to its officers, directors and 10% stockholders were made timely.

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COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Personnel and Compensation Committee of BancGroup consists of John C.H.

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Miller, Jr., Chairman, John Ed Mathison, Milton E. McGregor, Joe D. Mussafer, Frances E. Roper, and Simuel Sippial. Mr. Miller is a member in the law firm of Miller, Hamilton, Snider & Odom, L.L.C. Such firm performed legal services for BancGroup, its subsidiary bank, Colonial Bank, and other operating subsidiaries in 2001 and received approximately \$1,781,996 in fees. In addition, as described below at "Executive Compensation -- Director Compensation," Mr. Miller received employment-related compensation of \$41,000 from BancGroup in 2001. See "-- Other Transactions".

Robert E. Lowder is the Chairman of the Board, Chief Executive Officer, President and a principal stockholder of BancGroup. BancGroup and its subsidiaries lease office space in the Colonial Financial Center in Montgomery, Alabama, from GC Associates I, Joint Venture, a company in which Mr. Lowder has a 16.7% ownership interest. The lease agreements, which began in 1987 and will expire in 2007, provide that BancGroup and its subsidiaries will pay rent of approximately \$1,758,506 in the aggregate, per annum, subject to certain adjustments, including reimbursement of certain operating expenses, to GC Associates I. Colonial Bank currently leases real estate which is partially owned by Mr. Lowder and on which one of its Montgomery, Alabama branches is located. Mr. Lowder receives an annual rental of \$2,000 pursuant to this lease. This lease commenced in 1974, was renewed in 1999 and has a five-year term.

With respect to the preceding transactions, management of BancGroup believes that such arrangements are at least as favorable to BancGroup as those which might be negotiated with unaffiliated parties for similar transactions.

Other Transactions

BancGroup has retained in the past and proposes to retain in the future on behalf of BancGroup or its subsidiaries the law firm of Miller, Hamilton, Snider & Odom, L.L.C., Mobile, Alabama, of which a director of BancGroup, John C. H. Miller, Jr., is a member. Legal fees paid to this firm by BancGroup and its subsidiaries were approximately \$1,781,996 for 2001.

Management of BancGroup believes that such arrangements and related transactions are at least as favorable to BancGroup as that which might be negotiated with unaffiliated parties for similar arrangements and transactions.

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Loans

Certain directors, officers and principal stockholders of BancGroup and their affiliated interests were customers of and had transactions with Colonial Bank in the ordinary course of its business during the past year. Additional transactions may be expected to take place in the ordinary course of business. Included in such transactions were outstanding loans and commitments from Colonial Bank, all of which were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons and did not involve more than the normal risk of collectability or present other unfavorable features.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table presents for the last three fiscal years of BancGroup the compensation paid to the Chief Executive Officer of BancGroup, and the four most highly compensated individuals who served as executive officers of

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BancGroup during calendar year 2001, in addition to the Chief Executive Officer, whose total annual salary and bonus for 2001 exceeded \$100,000.

Name and Principal Position	Year	Annual Compensation		Restricted Stock Awards (\$)
		Salary (\$)	Bonus (\$)	
Robert E. Lowder..... Chairman, CEO and President	2001	\$ 950,000	\$ 419,900 (2)	
	2000	950,000	189,050	
	1999	982,686	350,000	
W. Flake Oakley..... Executive Vice President, Chief Financial Officer and Secretary	2001	\$ 231,000	\$ 60,000	
	2000	220,000	50,000	
	1999	206,923	50,000	
Sarah H. Moore..... Executive Vice President and Chief Operations Officer	2001	\$ 215,385	\$ 60,000	
	2000	182,500	50,000	
	1999	122,885	10,000	
Caryn D. Cope(10)..... Executive Vice President and Chief Credit Officer	2001	\$ 175,000	\$ 60,000	
Young J. Boozer, III..... Executive Vice President and General Auditor	2001	\$ 157,561	\$ --	
	2000	149,000	--	
	1999	147,231	5,000	

Name and Principal Position	Securities Underlying Options(#)		All Other Compensation(1)
Robert E. Lowder..... Chairman, CEO and President		\$	29,444
	200,000 (5)		35,057
	100,000 (6)		19,473
W. Flake Oakley..... Executive Vice President, Chief Financial Officer and Secretary	10,000 (8) (9)	\$	5,250
	--		5,250
	30,000 (6)		5,000
Sarah H. Moore..... Executive Vice President and Chief Operations Officer	5,000 (8) (9)	\$	5,250
	50,000 (7)		4,813
	10,000 (6)		3,072
Caryn D. Cope(10)..... Executive Vice President and Chief Credit Officer	5,000 (8) (9)	\$	11,138
Young J. Boozer, III..... Executive Vice President and General Auditor	7,500 (8)	\$	4,726
	--		4,366
	--		3,681

(1) The amounts shown in this column for Mr. Lowder consist of \$23,265, \$28,878 and \$13,199 in compensation for personal use of the company aircraft in

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2001, 2000 and 1999, respectively. They also include for Mr. Lowder \$5,250, \$5,250, and \$5,000 contributed in 2001, 2000 and 1999, respectively, to BancGroup's 401(k) and Profit Sharing Plan; and \$929, \$929 and \$1,274 in 2001, 2000 and 1999, respectively, for insurance premiums paid by BancGroup for Mr. Lowder. The amount shown for Ms. Cope for 2001 consists of \$5,138 for contributions by BancGroup to Colonial BancGroup's 401(k) Plan and \$6,000 for a car allowance. The amounts shown for all other persons reflect only contributions by BancGroup to the 401(k) and Profit Sharing Plan.

- (2) Represents a cash bonus awarded under BancGroup's Management Incentive Plan.
- (3) Includes the market value of 8,127, 5,289 and 3,501 shares of Common Stock as of December 31, 2001, 2000 and 1999, respectively, awarded to Mr. Lowder in lieu of cash director fees pursuant to BancGroup's Restricted Stock Plan for Directors. These shares vest annually on the day before the annual meeting of shareholders of the corporation in question. At December 31, 2001, December 31, 2000 and December 31, 1999, the per share market values of these shares were \$14.09, \$10.75 and \$10.375, respectively.

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- (4) Includes the market value, on the date of grant, of shares awarded under BancGroup's Stock Bonus Plan. Mr. Lowder was granted 75,000 shares on March 29, 2001, subject to certain performance and/or vesting requirements. Mr. Lowder was granted 125,000 shares on March 29, 2000, subject to certain performance and/or vesting requirements. Mr. Lowder and Mr. Oakley were granted 25,000 and 5,000 shares, respectively, on January 2, 2000, based on 1999 performance. Mr. Oakley, Ms. Moore, and Ms. Cope received 2,000 shares each on January 2, 2002 based on 2001 performance. Mr. Boozer received 500 shares on January 2, 2002 based on 2001 performance. These shares vest at 20% per year beginning one year from the date of grant. The holder is entitled to receive dividends on these shares and to vote the shares prior to vesting. At March 29, 2000, January 2, 2000, March 29, 2001, and January 2, 2002, the per share market value of these shares were \$10.38, \$10.50, \$12.40 and \$14.01, respectively.

The following table provides information about restricted shares not vested as of December 31, 2001. Awards granted in 2002 for 2001 performance are not included.

Name	Aggregate # of Restricted Shares Held	Market Value on December 31, 2001
----	-----	-----
Robert E. Lowder....	211,843	\$2,984,868
W. Flake Oakley.....	4,000	56,360
Sarah H. Moore.....	2,320	32,689
Caryn D. Cope.....	4,240	59,742
Young J. Boozer, III	--	--

- (5) Represents options awarded on March 29, 2000. 100,000 options vest subject to BancGroup's stock price reaching \$16.71 within five years of the grant date. The remaining 100,000 options vest on a 20% per year vesting schedule, beginning one year from the date of grant.
- (6) Represents options awarded December 30, 1999, based on 1999 performance. These options vest at the rate of 20% per year beginning one year from the date of grant.
- (7) Represents options awarded May 16, 2000. These options vest at the rate of 20% per year beginning one year from the date of grant.
- (8) Represents options awarded December 28, 2001. These options vest at the rate

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of 20% per year beginning one year from the date of grant. Mr. Oakley, Ms. Moore, and Ms. Cope received options to purchase 10,000, 5,000, and 5,000 shares, respectively. Mr. Boozer was awarded options to purchase 7,500 shares.

(9) Does not include options granted pursuant to an option exchange program on June 18, 2001. See "Executive Compensation - Ten Year Option Repricing". Mr. Oakley, Ms. Moore and Ms. Cope received options to purchase 20,000, 10,000, and 4,000 shares, respectively.

(10) Ms. Cope became an Executive Officer in January 2001.

FOR A DISCUSSION OF CERTAIN COMPENSATION COMMITTEE INTERLOCKS, SEE "COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION." SEE ALSO "EXECUTIVE COMPENSATION COMMITTEE REPORT."

Options

The following table shows certain information respecting exercised and unexercised options for Common Stock held by BancGroup executive officers at December 31, 2001. Certain options have been granted pursuant to a vesting schedule which only permits the holder to exercise options respecting 20% of the shares for each year the holder is employed after the grant of options.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year End Option Values

Name	Shares Acquired On Exercise (#)	Value Realized (\$) (1)	Number of Securities Underlying	
			Unexercised Options At December 31, 2001	Values of Unexercised In-the-Money Options At December 31, 2001 (2)
Robert E. Lowder....	--	--	200,000/300,000	\$732,302/\$1,075,793
W. Flake Oakley.....	--	--	100,000/52,000	444,861/117,959
Sarah H. Moore.....	--	--	29,500/59,000	106,136/221,575
Caryn D.Cope.....	--	--	19,400/24,600	55,468/60,912
Young J. Boozer, III	--	--	-- /7,500	-- / --

(1) Value realized is the difference between the fair market value of the securities underlying the options and the exercise price on the date of exercise.

(2) Value is calculated by subtracting the exercise price from the market value of underlying securities at December 31, 2001.

The following table shows certain information respecting grants of options respecting Common Stock to certain executive officers of BancGroup during 2001.

Option Grants in Last Fiscal Year

Potential Realizab

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Assumed Annual
Stock Price Appr
for Option

Individual Grants						Assumed Annual Stock Price Appr for Option	
Name	Number of Securities Underlying Options Granted (#)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Sh)	Market Price on Date of Grant	Expiration Date	0%(\$)	5%(\$)
Robert E. Lowder....	--	--	--	--	--	--	--
W. Flake Oakley.....	10,000	1.47%	\$ 14.81	*	December 28, 2011	--	\$93,139
Sarah H. Moore.....	5,000	.74%	14.81	*	December 28, 2011	--	46,570
Caryn D. Cope.....	5,000	.74%	14.81	*	December 28, 2011	--	46,570
Young J. Boozer, III	7,500	1.10%	14.81	*	December 28, 2011	--	69,854

* Same as exercise price

Ten Year Option Repricing

Name	Date	Number of Securities Underlying Options Repriced or Amended	Market Price of Stock at Time of Repricing or Amendment	Exercise Price at Time of Repricing or Amendment	New Exercise Price
W. Flake Oakley..... Executive Vice President, Chief Financial Officer and Secretary	(1) (2)	20,000	(4)	\$ 17.19	\$ 12.54
Sarah H. Moore..... Executive Vice President and Chief Operations Officer	(1) (2) (1) (3)	5,000 5,000	(4) (4)	\$17.19 \$17.00	\$12.54 \$12.54
Caryn D. Cope..... Executive Vice President and Chief Credit Officer	(1) (2)	4,000	(4)	\$17.19	\$12.54

- (1)The exchanged options were cancelled by an agreement dated as of December 15, 2000. Replacement options were granted as of June 18, 2001.
- (2)The original options were granted on January 2, 1998 and were due to expire on January 2, 2008.
- (3)The original options were granted on July 15, 1998 and were due to expire on July 15, 2008.
- (4)The market price (determined by the average of the high and low prices on the date in question) on December 15, 2000 was \$9.66. The market price on June 18, 2001 was \$12.54.

Defined Benefit Plan

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BancGroup maintains a Retirement Plan for all of the employees of BancGroup and its subsidiaries. An employee becomes eligible on January 1 or July 1 commencing at age 21 and after the completion of 1,000 hours of service during a year of employment by BancGroup or one of its subsidiaries.

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The following table reflects the estimated annual benefits payable upon retirement under the Retirement Plan as a single life annuity commencing at age 65. These benefits ignore the lower benefit rate applicable to earnings below the Social Security Covered Compensation level.

Annual Remuneration	Years of Service				
	5	10	15	20	25
\$100,000	\$ 7,600	\$15,200	\$22,800	\$30,400	\$38,000
125,000	9,500	19,000	28,500	38,000	47,500
160,000	12,160	24,320	48,640	48,640	60,800
170,000	12,920	25,840	38,760	51,680	64,600

A person's benefits are not increased to the extent his annual compensation exceeds \$170,000.

Benefits are based upon the number of years of service (maximum 25 years), the participant's final earnings, and the amount of Social Security Covered Compensation. A participant receives credit for a year of service for every year in which 1,000 hours are completed in the employment of BancGroup or one of its subsidiaries.

The benefits shown are limited by the current statutory limitations, which restrict the amount of benefits that can be paid from a qualified retirement plan. The statutory limit on compensation that may be recognized in calculating benefits is \$170,000. This limitation is scheduled to increase periodically with the cost of living increase.

All compensation except compensation which relates to director fees, if any, shown for executive officers in the cash compensation table above is covered by the Retirement Plan. Robert E. Lowder has 37 years of eligibility, W. Flake Oakley, has 14 years, Sarah H. Moore has 5 years, Caryn Cope has 16 years and Young J. Boozer, III has 16 years.

Compensation Plans

Directors' Plan. BancGroup's Restricted Stock Plan for Directors (the "Directors' Plan") provides a means whereby directors of BancGroup and its subsidiaries may receive shares of BancGroup Common Stock in lieu of cash fees for service as directors. Employees are not currently eligible to participate in the Directors' Plan.

Upon election as a director, each director may receive, at the option of the director, in lieu of cash fees, that number of whole shares of Common Stock of BancGroup, rounded to the nearest whole number, determined by dividing the Regular Fees the director would have received during the director's current term of office by the average of the closing prices of the Common Stock as reported by the New York Stock Exchange for the period of 30 trading days prior to such election. "Regular Fees" means that amount of fees payable to a director in cash, and without regard to attendance at meetings, for a full term

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of office as a director. Under the terms of the Directors' Plan, a BancGroup director's term of office begins upon the day of BancGroup's annual meeting of stockholders and ends the day before the next year's annual meeting.

A director may also elect to receive Common Stock at the end of the term, based upon the amount of Supplemental Fees such director would have been entitled to receive during such term and subject to certain restrictions and risks of forfeiture, provided such director has waived the receipt of Supplemental Fees at the commencement of such director's term. "Supplemental Fees" means fees paid to a director for attendance at the committee meetings, special meetings of the Board, or otherwise, and which are paid only on an ad hoc basis. The number of shares to which the director is entitled shall be calculated at the end of the director's term and shall be equal to that number of whole shares of Common Stock, rounded to the nearest whole number, determined by dividing the Supplemental Fees the director would have received during the current term by the average of the closing prices of the Common Stock for the period of 30 trading days prior to the election as a director to such term.

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Each director of BancGroup who participates in the Directors' Plan must enter into a written agreement with BancGroup. Directors of BancGroup may elect on an annual basis whether to participate in the Directors' Plan for the following year commencing with the annual meeting of stockholders, in which case the 30-day period used to determine price expires prior to the annual meeting which commences the period of annual participation. No director may receive more than 4,800 shares of Common Stock during any one year, except for shares which may be received through stock splits, stock dividends, or certain other events specified in the Directors' Plan.

Directors to whom shares of Common Stock have been awarded in lieu of Regular Fees under the Directors' Plan have all rights of shareholders with respect to shares of Common Stock so awarded, subject to certain provisions regarding forfeiture, which means, among other things, that directors may receive dividends upon and vote the shares of Common Stock awarded in lieu of Regular Fees.

Stock Option Plans. Effective July 1, 2001, BancGroup adopted The Colonial BancGroup, Inc., 2001 Long-Term Incentive Plan (the "LTIP") pursuant to which equity based incentives, including but not limited to options for Common Stock and grants of Common Stock, may be issued to officers, directors and employees. BancGroup may issue a total of 10,000,000 shares of Common Stock under the LTIP. BancGroup's former stock option and stock bonus plans expired on June 30, 2001, but options issued pursuant to those plans remain outstanding.

Management Incentive Plan. In 2000, BancGroup adopted a management incentive plan pursuant to which BancGroup's Executive Compensation Subcommittee may award certain executive officers of BancGroup cash compensation, the receipt of which is dependant on BancGroup achieving one or more pre-selected performance goals. No Common Stock is issued in connection with the Management Incentive Plan.

Director Compensation. Directors of BancGroup receive fees of \$2,500 per quarter, plus \$1,000 for each Board meeting attended. Members of BancGroup committees receive fees of \$500 (\$750 for the Chairman) for each BancGroup committee meeting attended. Certain directors of BancGroup also serve as directors of Colonial Bank or its regional boards and receive fees that are comparable to those paid by BancGroup. Fees paid to BancGroup directors in cash for 2001 totaled \$302,412. In 2001, a total of 15,689 shares of Common Stock

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were earned for service in 2001 and 25,272 shares were issued for service in 2000 under the Directors' Plan to BancGroup directors for service as directors of BancGroup and its subsidiaries.

John C. H. Miller, Jr., Clinton O. Holdbrooks, Patrick F. Dye and John Ed Mathison received employment-related compensation during 2001 of \$40,100, \$1,900, \$3,000 and \$18,000, respectively. Mr. Miller provides advice to BancGroup management and to the Colonial Bank's Gulf Coast Region that extends beyond legal work for which Mr. Miller's law firm receives legal fees. Mr. Holdbrooks, Mr. Dye and Dr. Mathison perform consulting, public relations and/or customer development services for either BancGroup, Colonial Bank or both.

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EXECUTIVE COMPENSATION COMMITTEE REPORT

The Personnel and Compensation Committee of BancGroup (the "Committee") consists of John C. H. Miller, Jr., Chairman, Milton E. McGregor, Joe D. Mussafer, John Ed Mathison, Frances E. Roper, and Simuel Sippial. The Board has established a subcommittee of the Committee (the "Subcommittee"), consisting of Joe D. Mussafer, Frances E. Roper, and Simuel Sippial, to determine all cash compensation for executive officers of BancGroup. The Subcommittee also makes decisions regarding stock-based awards under BancGroup's Long-Term Incentive Plan, including awards made to executive officers.

John C. H. Miller, Jr. and John Ed Mathison receive employment-related compensation from BancGroup, and the law firm of which Mr. Miller is a partner receives legal fees from BancGroup. See "Executive Compensation Committee Interlocks and Insider Participation" and "Executive Compensation -- Director Compensation."

Compensation Principles

The Subcommittee determines executive compensation in accordance with five principles: (1) BancGroup's financial performance, both in terms of the attainment of short-term and long-term goals; (2) the competitiveness of executive compensation with BancGroup's peers; (3) the encouragement of stock ownership by executive officers; (4) the individual performance of each executive officer; and (5) recommendations of the Chief Executive Officer regarding all executive officers other than himself. No disproportionate weight is assigned to any individual principle.

Total Cash Compensation

Cash compensation consists of an annual salary established at the beginning of the fiscal year and a year-end bonus described further below. In setting compensation for the 2001 fiscal year, the Subcommittee reviewed the compensation paid by a peer group of 52 bank holding companies which, as of June 30, 2000, had total assets greater than \$10.0 billion, which is a category designated by the Board of Governors of the Federal Reserve System as Peer Group 1. A total of 61 bank holding companies were in this category, but compensation information on nine companies was not available. BancGroup had total assets of \$11.7 billion at year-end 2000.

The Subcommittee determined the salaries of the executive officers of BancGroup for 2001 in mid-January, 2001. The salaries paid to executive officers in the peer group companies were analyzed in terms of (1) return on

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average assets, (2) return on average equity, (3) nonperforming assets, and (4) stock performance within ranges comparable to the same performance criteria for BancGroup. These criteria reflect how well the executives perform for the benefit of stockholders and provide a range of performance comparable to the performance of BancGroup.

The Subcommittee accorded equal weight to the performance criteria in assessing the performance of BancGroup and in making the comparisons with the peer group. The Subcommittee did not recommend compensation levels based upon a formula, but, rather, after reviewing the factors outlined above and receiving recommendations of the Chief Executive Officer for each person reviewed other than the Chief Executive Officer, the Subcommittee established salaries for 2001 that, in its subjective judgment, were fair in terms of BancGroup's performance in comparison with the peer group, the responsibilities performed by the executive within BancGroup and the level of compensation paid to comparable executives in the peer group companies.

Compensation for Chief Executive Officer

The Subcommittee evaluated the salary of the Chief Executive Officer on the basis of the same criteria used to evaluate salaries of other executive officers. The Subcommittee's determination of an appropriate level of compensation for the Chief Executive Officer was thus based on a comparison of BancGroup's performance with

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the performance of the peer group, the Chief Executive Officer's responsibilities within BancGroup, and the compensation paid to chief executive officers within the peer group. The Subcommittee left the Chief Executive Officer's salary for 2001 unchanged at \$950,000.

Cash Bonuses

The Subcommittee approved cash bonuses to BancGroup's current executive officers, other than the Chief Executive Officer, as follows: \$60,000 to W. Flake Oakley, \$60,000 to Sarah H. Moore, and \$60,000 to Caryn Cope. The Subcommittee based these awards upon the recommendations of the Chief Executive Officer.

In January 2000, the Board approved the Management Incentive Plan of The Colonial BancGroup, Inc. (the "MIP") for the purpose of providing short-term, performance-based cash bonus opportunities to BancGroup's executive officers. In December 2000, the Subcommittee selected the Chief Executive Officer to participate in the MIP in 2001 and subsequently developed a payout matrix upon which the Chief Executive Officer's bonus under the MIP would be based. Under the payout matrix established by the Subcommittee, the Chief Executive Officer was eligible to receive a bonus ranging from zero to 100% of his base salary depending upon BancGroup's performance with respect to four business criteria: return on average assets, return on average equity, earnings per share, and nonperforming assets. At a meeting held on January 24, 2002, the Subcommittee reviewed BancGroup's 2001 performance with respect to these measures and certified that the Chief Executive Officer was entitled to receive a cash bonus for 2001 in an amount equal to \$419,900.

Stock Bonuses and Stock Options

In March 2000, the Subcommittee awarded the Chief Executive Officer 125,000 shares of restricted stock under BancGroup's Stock Bonus and Retention Plan. The vesting of 62,500 of these shares is contingent upon BancGroup's Common

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Stock price reaching a certain level within five years of the date the shares were granted, while the vesting of the remaining 62,500 shares of restricted stock is contingent upon the level of BancGroup's return on average assets, return on average equity, earnings per share, and nonperforming assets. At its meeting held on January 24, 2002, the Subcommittee certified that 8,706 shares of restricted stock vested as a result of BancGroup's performance in 2001 with respect to these four financial measures.

In addition, in March 2001, the Subcommittee awarded the Chief Executive Officer 75,000 shares of restricted stock under BancGroup's Stock Bonus and Retention Plan. The vesting of 37,500 of these shares is contingent upon BancGroup's Common Stock price reaching a certain level within five years of the date the shares were granted, while the vesting of the remaining 37,500 shares of restricted stock is contingent upon the level of BancGroup's return on average assets, return on average equity, earnings per share, and nonperforming assets. At its meeting held on January 24, 2002, the Subcommittee certified that 16,575 shares of restricted stock vested as a result of BancGroup's performance in 2001 with respect to these four financial measures.

In December 2001 the Subcommittee approved awards of incentive stock options under the LTIP to Mr. Oakley, Ms. Moore and Ms. Cope, BancGroup's other current executive officers, for 10,000, 5,000 and 5,000 shares respectively, and awards of restricted stock under the LTIP to these executive officers of 2,000 shares each. The Subcommittee based these awards upon recommendations of the Chief Executive Officer.

Stock Option Exchanges

On November 30, 2000, the Subcommittee elected to allow all employees who had stock options with exercise prices above \$13.00 to participate in an option exchange program in order to retain key employees and

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provide the incentive originally intended from the options. Most employees who participated relinquished their original options on December 15, 2000 and were granted new options on June 18, 2001. Of the employees who elected to participate in the stock option exchange program, three are currently executive officers of BancGroup. Pursuant to the stock option exchange program, Mr. Oakley, Ms. Moore and Ms. Cope received options on June 18, 2001 with an exercise price of \$12.54 per share exercisable for 20,000, 10,000 and 4,000 shares, respectively, of BancGroup's Common Stock. (See "Executive Compensation - Ten Year Option Repricing").

This foregoing report is submitted by the Subcommittee.

Subcommittee:

Joe D. Mussafer
Frances E. Roper
Simuel Sippial

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[CHART]

COMPARATIVE FIVE-YEAR CUMULATIVE TOTAL RETURN

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AMONG THE COLONIAL BANCGROUP, INC.,
S&P 500 INDEX AND S&P GROUP INDEX

	COLONIAL BANCGROUP	S&P GROUP INDEX	S&P 500 INDEX
1996	100.00	100.00	100.00
1997	176.40	150.37	133.36
1998	125.65	166.13	171.47
1999	112.04	142.55	207.56
2000	121.56	182.51	188.66
2001	165.43	170.14	166.24

ASSUMES \$100 INVESTED ON DECEMBER 31, 1996
ASSUMES DIVIDENDS REINVESTED
FISCAL YEAR ENDED DECEMBER 31, 2001

Neither the foregoing graph nor the Executive Compensation Committee Report given above is to be deemed to be incorporated by reference into any past or subsequent filings by BancGroup under the Securities Act of 1933 or the Securities Exchange Act of 1934.

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AUDIT COMMITTEE REPORT

The Audit Committee of BancGroup consists of Lewis E. Beville, Chairman, William Britton, Jerry J. Chesser, Clinton O. Holdbrooks, William E. Powell, Frances E. Roper and Simuel Sippial. The members of the Audit Committee satisfy the independence and experience requirements of the New York Stock Exchange.

The Audit Committee has adopted a charter, which was amended on January 19, 2002. The amended charter is attached to this Proxy Statement as Appendix A. The Audit Committee reviews its charter for adequacy on an annual basis. In accordance with its charter, the Audit Committee met four times in 2001. The Audit Committee has reviewed BancGroup's audited financial statements with management to determine whether such statements were consistent with BancGroup's audit policy and whether BancGroup's internal controls were adequate for the preparation of the financial statements.

The Audit Committee also reviewed with management and BancGroup's independent auditor the quarterly financial statements of BancGroup prior to the filing of BancGroup's Quarterly Reports on Form 10-Q in 2001.

One of the Audit Committee's responsibilities is to recommend to the BancGroup's Board of Directors an independent auditor. The Audit Committee has recommended PricewaterhouseCoopers LLP as BancGroup's independent auditor for 2002 (See "Relationship with Independent Public Accountant").

In making its recommendation for 2002, the Audit Committee considered the fees paid to PricewaterhouseCoopers LLP in relation to the services PricewaterhouseCoopers LLP provided and the compatibility of any non-audit services that PricewaterhouseCoopers LLP provided to BancGroup with PricewaterhouseCoopers LLP's status as its independent auditor. See "Relationship with Independent Public Accountant -- Audit Fees" for more information regarding fees paid to PricewaterhouseCoopers LLP during 2001.

RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANT

Selection

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BancGroup has selected the firm of PricewaterhouseCoopers LLP to act as its independent public accountant for 2002. It is expected that representatives of this firm will be present at the Annual Meeting and will have an opportunity to make a statement to, and to answer questions from, stockholders.

Audit Fees

For the 2001 audit of BancGroup's annual financial statements, including the review of the quarterly financial statements included in BancGroup's Quarterly Reports on Form 10-Q filed in 2001, BancGroup has agreed to pay PricewaterhouseCoopers LLP \$385,000. As of December 31, 2001, \$325,000 of these fees had been billed by PricewaterhouseCoopers LLP.

Financial Information Systems Design and Implementation Fees

For the year ending December 31, 2001, PricewaterhouseCoopers was not engaged to and did not provide any of the professional services described in Paragraph (c)(4)(ii) of Rule 2-01 of Regulation S-X.

All Other Fees

For the year ended December 31, 2001, PricewaterhouseCoopers LLP billed \$1,889,000 to BancGroup for services other than those described above. These fees primarily relate to internal audit services and tax advisory services, which amounted to \$995,000 and \$654,000 respectively.

Compatibility of Fees

BancGroup's Audit Committee has considered the provision of non-audit services by PWC and the fees paid to PWC for such services, and believes that the provision of such services and their fees are compatible with maintaining PWC's independence (See "Audit Committee Report").

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BYLAW PROVISIONS REGARDING CONDUCT OF STOCKHOLDERS' MEETINGS

BancGroup's bylaws contain two provisions relating to the conduct of stockholders' meetings. The first provision requires that certain procedures be followed by a stockholder of record who wishes to present business at the annual meeting of stockholders, including the nomination of candidates for election as directors. In order to nominate persons for election as a director or to present other business at a meeting, a stockholder must provide written notice thereof to the Secretary of BancGroup not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting, provided that, if the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the stockholder to be timely must be delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made.

As it relates to director nominations, the written notice must state all information as to each nominee required to be disclosed in solicitations of proxies for election of directors under SEC regulations, including the written consent of each such nominee. As for any other business that the stockholder proposes to bring before the meeting, the written notice must contain a brief description of the business, the reasons for conducting the business at the meeting and any material interest in such business of such stockholder. The

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notice must also contain the name and address of such stockholder and the class and number of shares of BancGroup owned beneficially and of record, as well as the same information for each beneficial owner who may be nominated for election as a director.

The Board is not required to nominate a person designated by a stockholder or to take up such other business as may be contained in a written notice from a stockholder; however, compliance with this procedure would permit a stockholder to nominate the individual at the stockholders' meeting, and any stockholder may vote shares in person or by proxy for any individual such stockholder desires. The procedures relating to nominating directors and presenting other business at a stockholders' meeting may only be used by a stockholder who is a stockholder of record at the time of the giving of the notice by the stockholder to the secretary of BancGroup. The procedures do not prohibit or apply to stockholder proposals under SEC Rule 14a-8 as described at "Proposals of Stockholders."

The second provision of BancGroup's bylaws relates to the conduct of the business at a stockholders' meeting. Under that provision, the Board has the authority to adopt rules for the conduct of meetings, and, unless inconsistent with any such rules, the Chairman of the meeting may prescribe such rules, regulations and procedures as, in his judgment, are appropriate for the proper conduct of the meeting.

PROPOSALS OF STOCKHOLDERS

Subject to certain rules of the SEC, proposals by stockholders intended to be presented at BancGroup's 2003 annual meeting of stockholders must be received at BancGroup's principal executive offices not less than 120 calendar days in advance of March 18, 2003 (November 19, 2002), for inclusion in the proxy or information statement relating to the 2003 annual meeting.

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OTHER MATTERS

BancGroup does not know of any matters to be presented for action at the meeting other than those listed in the notice of the meeting and referred to herein.

BancGroup will furnish stockholders, upon written request and payment of a reasonable fee for copying charges, copies of the exhibits to its annual report on Form 10-K filed with the SEC for the year ended December 31, 2001. Requests should be made to:

Chief Financial Officer and Secretary
The Colonial BancGroup, Inc.
Post Office Box 1108
Montgomery, Alabama 36101

PLEASE SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT IN THE ACCOMPANYING ENVELOPE AS PROMPTLY AS POSSIBLE. ALTERNATIVELY, IF YOUR PROXY CARD CONTAINS INSTRUCTIONS REGARDING DELIVERING YOUR PROXY VIA TELEPHONE OR THE INTERNET, YOU MAY FOLLOW THOSE INSTRUCTIONS.

YOU MAY REVOKE THE PROXY BY GIVING WRITTEN NOTICE OF REVOCATION TO THE SECRETARY OF BANCGROUP AT ANY TIME PRIOR TO THE VOTING THEREOF, BY EXECUTING AND SUBMITTING A LATER DATED PROXY BEFORE THE MEETING, OR IF YOU VOTE ELECTRONICALLY, THEN BEFORE 5:00 P.M. EASTERN TIME ON APRIL 16, 2002, OR BY ATTENDING THE MEETING AND VOTING IN PERSON.

AUDIT COMMITTEE CHARTER

The Audit Committee of The Colonial BancGroup, Inc. (the "Company") is appointed by the Board to assist the Board in monitoring the integrity of the financial statements of the Company, the compliance by the Company with legal and regulatory requirements and the independence and performance of the Company's internal and external auditors.

The members of the Audit Committee shall meet the independence and experience requirements of the New York Stock Exchange. The members of the Audit Committee shall be appointed by the Board on the recommendation of the Chief Executive Officer.

The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Committee. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Audit Committee shall make regular reports to the Board.

The Audit Committee shall:

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. Meet at least four times in each fiscal year.
3. Review the annual audited financial statements with management, including
 - (i) major issues regarding accounting and auditing principles and practices,
 - (ii) compliance with the Company's audit policy, and
 - (iii) the adequacy of internal controls that could significantly affect the Company's financial statements.
4. Review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.
5. Review with management and the independent auditor the Company's quarterly financial statements prior to the filing of quarterly reports on Form 10-Q.
6. Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
7. Review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management.
8. Recommend to the Board the appointment of the independent auditor, which

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firm is ultimately accountable to the Audit Committee and the Board.

9. Review the fees to be paid to the independent auditor, for both audit and non-audit services.
10. Receive periodic reports from the independent auditor regarding the auditor's independence, discuss such reports with the auditor, and if so determined by the Audit Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the auditor.
11. Evaluate the performance of the independent auditor and, if so determined by the Audit Committee, recommend that the Board replace the independent auditor.

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12. Review the appointment and replacement of a General Auditor and review annually the performance of the Company's internal audit staff.
13. Review the significant reports to management prepared by the internal auditing department, the internal loan review department and any other departments performing controls monitoring activities; review management's responses to those reports.
14. Make recommendations to management regarding outsourcing of internal audit services.
15. If internal audit services are outsourced, annually review the proposed scope of internal audit services, schedule and audit plan presented by the General Auditor and the outsourcing firm.
16. Review annually the performance of any such outsourcing firm.
17. Meet with the independent auditor prior to the audit to review the planning and staffing of the audit.
18. Obtain from the independent auditor representation that its audit procedures and communications are in compliance with the requirements of Section 10A of the Private Securities Litigation Reform Act of 1995.
19. Obtain reports from management and the Company's senior internal auditing executive that the Company's subsidiary affiliated entities are in material conformity with applicable legal requirements and the material provisions of the Company's employee conduct policies.
20. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit.
21. Review with the independent auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Company's response to that letter. Such review should include:
 - (a) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
 - (b) Any changes required in the planned scope of the internal audit.
 - (c) The internal audit department responsibilities, budget and

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22. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
23. Review and advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations.
24. Review with the Company's counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
25. Meet at least annually with the chief financial officer, the senior internal auditing executive and the independent auditor in separate executive sessions.
26. Perform such additional oversight functions relating to the Company's audit process as may be requested from time to time by the Board.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

These duties are the responsibility of management and/or the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations.

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PROXY

SOLICITED BY THE BOARD OF DIRECTORS
THE COLONIAL BANCGROUP, INC.

Annual Meeting of Stockholders
April 17, 2002

The undersigned hereby appoints Robert E. Lowder and Joe D. Mussafer, and either of them, or such other persons as the Board of Directors of The Colonial BancGroup, Inc. ("BancGroup") may designate, proxies for the undersigned, with full power of substitution, to represent the undersigned and to vote all of the shares of common stock, par value \$2.50 per share, of BancGroup (the "Common Stock") which the undersigned would be entitled to vote at the annual meeting of stockholders to be held on April 17, 2002, and at any and all adjournments thereof. The proxies, in their discretion, are further authorized to vote (i) for the election of a person to the Board of Directors if any nominee named herein becomes unable to serve or for good cause will not serve, and (ii) on any other matter that may properly come before the meeting, including matters incident to the conduct of the meeting.

(Continued and to be signed on reverse side.)

(up triangle) FOLD AND DETACH HERE (up triangle)

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Return your proxy in the postage-paid envelope provided.

Vote 24 hours a day, 7 days a week!

Your telephone or internet vote must be received by 11:59 p.m. eastern daylight
time

on April 16, 2002 to be counted in the final tabulation.

YOUR CONTROL NUMBER IS _____

Vote by Telephone

Have your proxy card available when you call the Toll-Free number
1-800-542-1160 using a touch-tone phone. You will be prompted to enter your
control number and then you can follow the simple prompts that will be
presented to you to record your vote.

Vote by Internet

Have your proxy card available when you access the website
<http://www.votefast.com>. You will be prompted to enter your control number
and then you can follow the simple prompts that will be presented to you to
record your vote.

To Change Your Vote

Any subsequent vote by any means will change your prior vote. For example,
if you voted by telephone, a subsequent internet vote will change your vote.
The last vote received before 5:00 p.m. eastern daylight time, April 16, 2002
will be the one counted. You may also revoke your proxy by voting in person at
the Annual Meeting.