

BANCOLOMBIA SA
Form 6-K
August 19, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1933

For the month of August 2002

BANCOLOMBIA S.A.

(Translation of Registrant's name into English)

Calle 50 No. 51-66
Medellín, Colombia

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F

Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes

No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.)

This Report on Form 6-K shall be incorporated by reference into the registrant's registration statement on Form F-3 (File No. 333-12658).

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, thereunto duly authorized.

BANCOLOMBIA S.A.
(Registrant)

Date: August 16, 2002 By /s/ Jaime Alberto Velásquez B.

Name: Jaime Alberto Velásquez B.
Title: Vice President of Finance

**BANCOLOMBIA ANNOUNCES CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED
JUNE 30, 2002**

August 16, 2002, Medellín, Colombia - Bancolombia S.A. (NYSE: CIB) announced today the financial results for the quarter ended June 30, 2002.¹

**CONSOLIDATED INCOME STATEMENT
AND BALANCE SHEET**

(Ps millions as of June 30, 2002)

| | Quarter | | Growth |
|--|-------------------|-------------------|----------------|
| | 1Q 02 | 2Q 02 | 2Q02/1Q02 |
| ASSETS | | | |
| Loans, net | 5,117,717 | 5,083,957 | -0.66% |
| Investment Securities, net | 3,440,145 | 3,865,654 | 12.37% |
| Other assets | 1,939,352 | 1,822,410 | -6.03% |
| Total assets | 10,497,214 | 10,772,021 | 2.62% |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | |
| Deposits | 7,497,986 | 7,954,830 | 6.09% |
| Other liabilities | 2,025,991 | 1,798,230 | -11.24% |
| Total liabilities | 9,523,977 | 9,753,060 | 2.41% |
| Shareholders equity | 973,237 | 1,018,961 | 4.70% |
| Total liabilities and shareholders equity | 10,497,214 | 10,772,021 | 2.62% |
| Interest income | 277,502 | 290,440 | 4.66% |
| Interest expense | 127,054 | 120,499 | -5.16% |
| Net interest income | 150,448 | 169,941 | 12.96% |
| Net provisions | (39,784) | (43,610) | 9.62% |
| Other operating income | 95,489 | 85,018 | -10.97% |
| Other operating expense | 162,005 | 164,460 | 1.52% |
| Non-operating income, net | 5,004 | (3,867) | -177.28% |
| Income tax expense | (8,011) | (9,014) | 12.52% |
| Net income | 41,141 | 34,008 | -17.34% |

¹ The financial information contained herein includes the results of Bancolombia's financial subsidiaries: Bancolombia Panama-Cayman, Colcorp, Leasing Colombia, Almacenar, and Fiducolombia. This information has been prepared on a consolidated basis, as set forth above, in accordance with Colombian GAAP, expressed in nominal pesos, and has not been audited. All growth rates mentioned herein are not adjusted for inflation.

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Exchange rate: June 30,
2002 TRM COP
2,398.82/USD
March 31,
2002 TRM COP
2,261.23/USD

I. HIGHLIGHTS:

Bancolombia's net income amounted to Ps 34 billion, US\$ 0.100 per ADS, during the quarter ended June 30, 2002, as compared to a net income of Ps 41 billion, US\$ 0.125 per ADS, for the quarter ended March 31, 2002.

Bancolombia showed positive results during the quarter driven by higher net interest income, and fees and income from services. During the quarter, there was an increase of total net provisions from Ps (39,784) million to Ps (43,610) million, represented by Ps (26,876) million for loans and Ps (25,143) million for investments.

Net interest income increased 13.0% in the second quarter over the first quarter. This increase is the result of higher income from investment portfolio and lower interest expenses. Net interest margin increased to 7.8% from 7.1% quarter-over-quarter.

Bancolombia posted Ps 73 billion in total fees and income from services, up 5.3% during the second quarter. Total fees and income from services increased to 34.4% from 33.4% as a percentage of total operating income quarter-over-quarter.

Bancolombia's total operating expenses increased 1.8% during the quarter mainly due to higher administrative and other expenses, which increased 2.3% for the same period.

Demand for loans from Bancolombia during the second quarter continues to be weak. During the quarter, the Bank's gross loans decreased 1.0% while total deposits increased 6.1%. Consequently, the investment securities portfolio amounted to Ps 3,912 billion, up 13% during the quarter.

The annualized ROE and ROA were 13.3% and 1.3% for the second quarter, respectively.

Banking Sector²

The results for the Colombian Banking Sector for 2002 continue to improve. The Colombian Banking Sector's accrued results, including former CAV's as of June 2002 posted a net income of Ps 539,384 million.

Gross loans in the Colombian Banking Sector increased 0.8% from March 2002 to June 2002, while total deposits increased 4.6% during the same period.

II. CONSOLIDATED BALANCE SHEET

Assets

² Banking sector figures are published by the Superintendency of Banking on their web page www.superbancaria.gov.co. BANCOLOMBIA is not responsible for the accuracy of those figures.

³ Mortgage banks (CAV's) have to be converted into commercial banks according to Law 510 of 1999. Currently, the Superintendency of Banking consolidates mortgage banks (CAV's) in the banking sector. Banking figures stated in this report include mortgage banks (CAV's).

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Total assets increased 2.6% to Ps 10,772 billion as of June 30, 2002 from Ps 10,497 billion as of March 31, 2002, and increased 22% from Ps 8,829 billion as of June 30, 2001. The main driver of this was larger volume in investment securities, which increased 13% to Ps 3,912 billion from Ps 3,461 billion quarter-over-quarter.

Loan Portfolio

Bancolombia's gross loans totaled Ps 5,387 billion as of June 30, 2002, down 1.0% from Ps 5,440 billion as of March 31, 2002. 80% of this reduction is due to loan charge-offs totaling Ps 42,937 million. Additionally, total corporate loans decreased 4.4% during the quarter from Ps 3,499 billion to Ps 3,344 billion with working capital loans decreasing significantly. However, total retail loans increased 5.2% during the same period from Ps 1,911 billion as of March 31, 2002 to Ps 2,011 billion as of June 30, 2002, with loans funded by domestic development banks, working capital loans for small and medium-sized companies, and personal loans increasing most significantly.

Total gross loans within the Colombian Banking sector increased 0.8% from March 2002 to June 2002. Bancolombia's (unconsolidated) accumulated gross loan market share in the Colombian Banking Sector decreased to 11.5% as of June 30, 2002 from 11.8% as of March 31, 2002.

| LOAN PORTFOLIO (Ps millions) | As of | | Growth | |
|--|------------------|------------------|------------------|----------------------|
| | 30-Jun-01 | 31-Mar-02 | 30-Jun-02 | 2Q02/1Q02 2Q02/2Q01 |
| CORPORATE | | | | |
| Trade Financing | 77,609 | 97,460 | 124,437 | 27.68% 60.34% |
| Loans funded by domestic development banks | 287,581 | 280,470 | 294,739 | 5.09% 2.49% |
| Working capital loans | 3,165,354 | 3,079,519 | 2,886,281 | -6.27% -8.82% |
| Credit Cards | 3,883 | 7,041 | 5,310 | -24.58% 36.75% |
| Overdrafts | 38,278 | 34,287 | 32,848 | -4.20% -14.19% |
| Total Corporate | 3,572,705 | 3,498,777 | 3,343,615 | -4.43% -6.41% |
| RETAIL | | | | |
| Credit Cards | 226,400 | 235,759 | 227,531 | -3.49% 0.50% |
| Personal loans | 390,139 | 444,075 | 463,896 | 4.46% 18.91% |
| Automobile loans | 27,311 | 15,789 | 16,536 | 4.73% -39.45% |
| Overdrafts | 93,625 | 124,242 | 127,138 | 2.33% 35.80% |
| Loans funded by domestic development banks | 100,731 | 159,592 | 208,980 | 30.95% 107.46% |
| Trade Financing | 35,914 | 34,611 | 46,200 | 33.48% 28.64% |
| Working capital loans | 773,085 | 896,812 | 920,444 | 2.64% 19.06% |
| Total Retail | 1,647,205 | 1,910,880 | 2,010,725 | 5.23% 22.07% |
| MORTGAGE | | | | |
| | 33,461 | 30,695 | 32,450 | 5.72% -3.02% |
| Total loans | 5,253,371 | 5,440,352 | 5,386,790 | -0.98% 2.54% |
| Allowance for loan losses | (286,325) | (322,635) | (302,833) | -6.14% 5.77% |

Total loans, net

4,967,046 5,117,717 5,083,957 -0.66% 2.35%

LOAN CLASSIFICATION

| (Ps millions) | As of 30-Jun-01 | | As of 31-Mar-02 | | As of 30-Jun-02 | |
|---------------------------------------|-----------------|------------------|-----------------|------------------|-----------------|-------|
| "A" Normal | 4,221,701 | 80.4% | 4,278,975 | 78.7% | 4,349,013 | 80.7% |
| "B" Subnormal | | | | | | |
| 578,484 | 11.0% | 599,923 | 11.0% | 498,077 | 9.3% | |
| "C" Deficient | | | | | | |
| 90,443 | 1.7% | 139,256 | 2.6% | 135,866 | 2.5% | |
| "D" Doubtful recovery | | | | | | |
| 214,400 | 4.1% | 274,362 | 5.0% | 233,695 | 4.3% | |
| "E" Unrecoverable | | | | | | |
| 148,343 | 2.8% | 147,836 | 2.7% | 170,139 | 3.2% | |
| Total | | | | | | |
| 5,253,371 | 100% | 5,440,352 | 100% | 5,386,790 | 100% | |
| Loans classified as C,D and E | | | | | | |
| as a percentage of total loans | | | | | | |
| | 8.6% | 10.3% | 10.0% | | | |

Asset Quality

The Bank's level of past due loans as a percentage of total loans was 5.09% as of June 2002, higher than the 4.87% level registered during the first quarter of 2002. The increase is the result of a deterioration in the debt of a public utility company, EMCALI. This loan was classified as "D" and provisioned at 100% as of March 2002, but as of June 2002 it became past due and was reclassified as "E". However, this company is currently negotiating to restructure its debt. Bancolombia (consolidated) had loan charge-offs of Ps 42,937 million during the quarter.

As of June 30, 2002, the level of allowances of the Bank's past due loans was 118.9%, down from 130.3% registered during the previous quarter. This level is considerably better than the Colombian Banking Sector's average of 56.9% of past due coverage as of June 30, 2002.

LOAN PORTFOLIO QUALITY

| (Ps millions) | As of | | Growth | | |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| | 30-Jun-01 | 31-Mar-02 | 30-Jun-02 | 2Q02/1Q02 | 2Q02/2Q01 |
| COMMERCIAL | | | | | |
| Performing loans | | | | | |
| 4,131,639 | 4,416,908 | 4,326,583 | -2.04% | 4.72% | |
| Past due loans | | | | | |
| 168,465 | 213,021 | 230,424 | 8.17% | 36.78% | |
| Non-performing loans | | | | | |
| 115,909 | 177,527 | 167,594 | -5.60% | 44.59% | |
| CONSUMER | | | | | |
| Performing loans | | | | | |
| 865,838 | 728,990 | 754,853 | 3.55% | -12.82% | |
| Past due loans | | | | | |
| 53,968 | 50,738 | 42,480 | -16.28% | -21.29% | |
| Non-performing loans | | | | | |
| 30,898 | 34,389 | 28,271 | -17.79% | -8.50% | |
| MORTGAGE | | | | | |
| Performing loans | | | | | |
| 32,182 | 29,336 | 31,180 | 6.28% | -3.11% | |
| Past due loans | | | | | |
| 1,279 | 1,359 | 1,270 | -6.59% | -0.74% | |
| Non-performing loans | | | | | |
| 976 | 1,105 | 1,198 | 8.43% | 22.73% | |

| ASSET QUALITY (Ps millions) | As of | | Growth | | |
|---|-----------|-----------|-----------|-----------|-----------|
| | 30-Jun-01 | 31-Mar-02 | 30-Jun-02 | 2Q02/1Q02 | 2Q02/2Q01 |
| Total performing past due loans | 75,929 | 52,097 | 77,111 | 48.01% | 1.56% |
| Total nonperforming past due loans (1) | 147,783 | 213,021 | 197,063 | -7.49% | 33.35% |
| Total past due loans | 223,712 | 265,118 | 274,174 | 3.42% | 22.56% |
| Allowance for loans and accrued interest losses | 313,340 | 345,315 | 325,876 | -5.63% | 4.00% |
| Past due loans to total loans | 4.26% | 4.87% | 5.09% | | |
| Non performing loans to total loans | 2.81% | 3.92% | 3.66% | | |
| Allowances to past due loans (2) | 140.06% | 130.25% | 118.86% | | |
| Allowances to C, D and E loans (2) | 69.14% | 61.50% | 60.38% | | |
| Allowances to non performing loans (2) | 212.03% | 162.10% | 165.37% | | |
| Performing loans to total loans | 97.19% | 96.08% | 96.34% | | |

(1) Non-performing loans are commercial and consumer loans that are past due 90 days or more, and mortgage loans that are past due 120 days or more. Beginning in January 2002, non-performing loans are consumer loans that are past due 60 days or more, commercial loans that are past due 90 days or more, and mortgage loans that are past due 120 days or more.

(2) Allowance

=
allowance
for loan
and
accrued
interest
losses.

Liabilities

Total deposits increased 6.1%, from Ps 7,498 billion to Ps 7,955 billion quarter-over-quarter and 21.2% from Ps 6,565 billion year-over-year. Bancolombia's non-interest-bearing deposits increased 9.4% during the second quarter while interest-bearing deposits increased 5.3% during the same period. Non-interest bearing checking accounts expressed as a percentage of total deposits increased from 17.2% as of March 31, 2002 to 18.1% as of June 30, 2002.

Total deposits within the Colombian Banking Sector increased 4.6% from March 2002 to June 2002. Bancolombia's (unconsolidated) deposit market share figures comparing March 31, 2002 and June 30, 2002 are as follows: total checking accounts decreased from 15.9% to 15.8%, savings accounts increased from 9.6% to 10.1% and time deposits increased from 11.0% to 12.0%. Total deposits have increased from 11.3% to 11.9%.

Shareholders Equity

Bancolombia's Shareholders Equity increased 4.7% quarter-over-quarter from Ps 973 billion to Ps 1,019 billion. As of June 30, 2002, Bancolombia's unconsolidated ratio of technical capital to risk weighted assets was 11.6%.

| TECHNICAL EQUITY RISK WEIGHTED ASSETS Unconsolidated (Ps nominal million) | As of | | Growth | | |
|--|-----------|-----------|-----------|-----------|-----------|
| | 30-Jun-01 | 31-Mar-02 | 30-Jun-02 | 2Q02/1Q02 | 2Q02/2Q01 |
| Basic capital | 538,862 | 528,446 | 551,001 | 4.27% | 2.25% |

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Additional capital

178,083 219,142 210,096 -4.13% 17.98%

Technical capital

716,945 747,588 761,097 1.81% 6.16%

Market Risk

35,900 26,351 -26.60%

Risk weighted assets

6,402,955 6,435,041 6,298,290 -2.13% -1.63%

CAPITAL ADEQUACY

11.20% 10.94% 11.55% 5.56% 3.10%

III. INCOME STATEMENT

Bancolombia's net income for the quarter ended June 30, 2002 amounted to Ps 34 billion, compared to Ps 41 billion for the quarter ended March 31, 2002. As we mentioned before, the decrease during the quarter is a result of lower other operating income due to dividends, which under Colombian law are accounted for at the General Shareholders' Meeting during the first quarter, and higher total net provisions.

Net Interest Income

Net interest income increased 13% over the quarter to Ps 170 billion from Ps 150 billion. This growth was caused by higher interest income of 4.7% and lower interest expenses, which decreased 5.2% during the same period. As a result, net interest margin increased to 7.8% from 7.1% quarter-over-quarter.

Interest Income

Total interest income amounted to Ps 290 billion during the second quarter, up 4.7% from Ps 278 billion registered in the first quarter. Income from interest on investment securities increased 32.8% due to higher volume, while interest on loans decreased 5.3% due to lower DTF rates.

Interest Expense

Total interest expenses decreased 5.2% to Ps 120 billion from Ps 127 billion quarter-over-quarter due to lower interest rates. The DTF rate registered during the last week of March 2002 was 10.55%, declining to 8.21% during the last week of June 2002.

Provisions

The item "Recovery of provisions for foreclosed assets and other assets" has increased from Ps 6 billion as of June 30, 2001 to Ps 20 billion as of June 30, 2002. Given the increased relevance of this figure, it has been reclassified from "other income" to "total net provisions". As a result, the numbers for total net provisions in this report are adjusted accordingly.

Total net provisions for the second quarter amounted to Ps (43,610) million, up 9.6% when compared to Ps (39,784) million for the previous quarter, as follows:

Provisions for loans decreased to Ps (26,876) million from Ps (49,268) million quarter-over-quarter.

Provisions for foreclosed assets increased to Ps (5,436) million from Ps (4,313) million during the same period. Beginning July 2002, any foreclosed asset received in payment has to be provisioned at 40% of its commercial value.

Provisions for investments increased to Ps (25,143) million from Ps (741) million quarter-over-quarter.

Fees and Income from Services

Total fees and income from services amounted to Ps 73 billion in the second quarter, up 5.3% from Ps 69 billion in the first quarter, and up 20.0% from Ps 61 billion year-over-year. Commissions from banking services, commissions and fees from fiduciary activities, and

checking fees increased 8.3%, 21.3% and 6.4%, respectively, during the quarter. Total fees and income from services reached 34.4% from 33.4% as a percentage of total operating income during the quarter.

As we mentioned in our previous earnings release, in March 2002 the Bank canceled some outstanding VISA credit cards that had not been active during a long period of time. The number of outstanding credit cards decreased 2.5% from June 30, 2001 to June 30, 2002. However, there was an increase of 2.2% quarter-over-quarter. Bancolombia's accumulated credit card billing increased 13.4% year-over-year, achieving 16% of market share.

ACCUMULATED CREDIT CARD BILLING

| (As of June 30, in Ps million) | 2001 | 2002 | % Growth | 2002 Mkt. Share |
|--------------------------------|-----------|-----------|-------------|-----------------------|
| Bancolombia Mastercard | 300,809 | 332,871 | 10.7% | 10.9% |
| Bancolombia VISA | 129,888 | 155,716 | 19.9% | 5.1% |
| Total Bancolombia | 430,697 | 488,587 | 13.4% | 16.0% |
| Colombian Industry | 2,672,337 | 3,050,605 | 14.2% | |

Source: Credibanco and Red Multicolor

CREDIT CARD MARKET SHARE

| Number of credit cards as of June 30, | 2001 | 2002 | % Growth | 2002 Mkt. Share |
|---------------------------------------|-----------|-----------|-------------|-----------------------|
| Bancolombia Mastercard | 153,862 | 158,329 | 2.9% | 7.5% |
| Bancolombia VISA | 105,380 | 94,335 | -10.5% | 4.5% |
| Total Bancolombia | 259,242 | 252,664 | -2.5% | 12.0% |
| Colombian Industry | 1,924,312 | 2,097,537 | 9.0% | |

Source: Credibanco and Red Multicolor

Operating Expenses

Operating expenses increased 1.8% to Ps 155 billion from Ps 152 billion during the quarter. This increase resulted from a slight increase in administrative and other expenses, and salaries and employee benefits. During the second quarter, the efficiency ratio reached 60.8%, improving slightly from 61.9% registered the previous quarter.

IV. SUBSIDIARIES

SUBSIDIARIES BREAKDOWN

| As of June 30, 2002 (Ps millions) | Bancolombia | Bancolombia Panama | Colcorp | Leasing Colombia | Almacena | Fiducolombia |
|-----------------------------------|-------------|-----------------------|---------|---------------------|----------|--------------|
| | | | | | | |

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| | | | | | | |
|----------------------------|-----------|-----------|---------|---------|--------|--------|
| Total assets | 8,313,293 | 2,356,068 | 340,303 | 214,710 | 91,955 | 72,273 |
| Total shareholders' equity | | | | | | |
| 1,006,421 | 113,276 | 239,130 | 19,188 | 72,242 | 53,285 | |
| Net income (loss) | | | | | | |
| 72,979 | (5,117) | 5,241 | 2,615 | 902 | 8,046 | |

Bancolombia Panama and its Subsidiaries

The following table included in this report for the subsidiary is expressed in US dollars.

**BANCOLOMBIA PANAMA
INCOME STATEMENT
AND BALANCE SHEET
(US\$)**

| | Quarter | | Growth |
|--|--------------------|--------------------|-----------------|
| | 1Q 02 | 2Q 02 | 2Q02/1Q02 |
| ASSETS | | | |
| Loans, net | | | |
| 235,635,546 | 235,210,150 | | -0.18% |
| Investment securities, net | | | |
| 586,602,956 | 623,762,252 | | 6.33% |
| Other assets | | | |
| 153,876,665 | 137,566,907 | | -10.60% |
| Total assets | 976,115,167 | 996,539,309 | 2.09% |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | |
| Deposits | | | |
| 875,465,295 | 887,468,118 | | 1.37% |
| Other liabilities | | | |
| 49,161,250 | 61,158,992 | | 24.40% |
| Total liabilities | 924,626,545 | 948,627,110 | 2.60% |
| Shareholders equity | | | |
| 51,488,622 | 47,912,199 | | -6.95% |
| Total liabilities and shareholders equity | 976,115,167 | 996,539,309 | 2.09% |
| Interest income | | | |
| 15,662,104 | 17,166,902 | | 9.61% |
| Interest expense | | | |
| 6,851,034 | 6,456,286 | | -5.76% |
| Net interest income | 8,811,070 | 10,710,616 | 21.56% |
| Net provisions | | | |
| (6,938,589) | (13,907,572) | | 100.44% |
| Other operating income | | | |
| 144,233 | 361,356 | | 150.54% |
| Other operating expense | | | |
| 605,790 | 739,693 | | 22.10% |
| Net income (loss) | 1,410,924 | (3,575,293) | -353.40% |

Bancolombia Panama's total assets increased 2.1% from US\$976 million to US\$997 million quarter-over-quarter. This growth was the result of higher volume of investment securities, which increased 6.3% to US\$624 million from US\$587 million during the same period. The Bank's total liabilities increased 2.6% from US\$925 million to US\$949 million quarter-over-quarter.

Bancolombia Panama showed very positive results during the quarter, not taking provisions into account. Net interest income increased 21.6% during the quarter from US\$8.8 million to US\$10.7 million. This was the result of higher volume of the investment portfolio. However, net provisions increased 100.4% during the quarter from US\$(6.9) million to US\$(13.9) million due to a provision for investments. As a result, Bancolombia Panama showed a net loss of US\$ 3.6 million during the second quarter.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This release contains statements that may be considered forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. All forward-looking statements, whether made in this release or in future filings or press releases or orally, address matters that involve risks and uncertainties; consequently, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements.

| PRINCIPAL RATIOS | 2Q01 | Quarters 1Q02 | 2Q02 |
|--|---------|------------------|---------|
| PROFITABILITY | | | |
| Net interest margin (1) | 7.91% | 7.11% | 7.77% |
| Return on average total assets (2) | 1.36% | 1.60% | 1.30% |
| Return on average shareholders' equity (3) | 13.38% | 16.11% | 13.26% |
| EFFICIENCY | | | |
| Operating expenses to net operating income (4) | 68.28% | 61.85% | 60.76% |
| Operating expenses to average total assets (4) | 6.57% | 5.90% | 5.92% |
| CAPITAL ADEQUACY | | | |
| Shareholders' equity to total assets | 10.60% | 9.27% | 9.46% |
| Technical capital to risk weighted assets (5) | 11.20% | 10.94% | 11.55% |
| ASSET QUALITY | | | |
| Non performing loans to total loans (6) | 2.81% | 3.92% | 3.66% |
| C, D and E loans to total loans (7) | 8.63% | 10.32% | 10.02% |
| Past due loans to total loans | 4.26% | 4.87% | 5.09% |
| Allowances to non performing loans (8) | 212.03% | 162.10% | 165.37% |
| Allowances to past due loans (8) | 140.06% | 130.25% | 118.86% |
| Allowances to C, D and E loans (8) | 69.14% | 61.50% | 60.38% |
| Allowances to total loans (8) | 5.96% | 6.35% | 6.05% |

1. Defined as net interest income divided by monthly average interest-earning assets.
2. Net income divided by monthly average total assets.
3. Net income divided by monthly average shareholders' equity.
4. Excluding merger expenses. Operating Income includes Net Interest Income, Total fees and income from services, and Total other operating income.
5. Calculated on an unconsolidated basis.
6. Non-performing loans are commercial and consumer loans that are past due 90 days or more, and mortgage loans that are past due 120 days or more. Beginning January 2002, non-performing loans are consumer loans that are past due 60 days or more, commercial loans that are past due 90 days or more, and mortgage loans that are past due 120 days or more.
7. C, D and E loans include all non-performing loans as well as consumer and commercial loans classified C which are considered performing loans under the regulations of the Colombian Superintendency of Banking.

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8. Allowance = allowance for loan and accrued interest losses.

| STOCK INDICATORS | 2Q01 | Quarters 1Q 02 | 2Q 02 |
|---------------------------|-------------|---------------------------|--------------|
| Net Income | 30,013 | 41,141 | 34,008 |
| USD Earnings per ADS | 0.090 | 0.125 | 0.100 |
| ROAA | 1.36% | 1.60% | 1.30% |
| ROAE | 13.38% | 16.11% | 13.26% |
| P/BV ADS | 0.80 | 0.57 | 0.80 |
| P/BV Local ⁽¹⁾ | 0.69 | 0.74 | 0.98 |
| Shares Outstanding | 576,695,395 | 576,695,395 | 576,695,395 |

⁽¹⁾ Share prices on the Colombian Stock Exchange.

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CONSOLIDATED BALANCE SHEET

(Ps millions as of June 30, 2002)

| | | | As of | | Growth | |
|--|------------------|-------------------|-------------------|----------------|---------------|-----------|
| | 30-Jun-01 | 31-Mar-02 | 30-Jun-02 | 2Q02/1Q02 | 2Q02/2Q01 | 2Q02/2Q01 |
| ASSETS | | | | | | |
| Cash and due from banks | | | | | | |
| 400,746 | 417,824 | 405,341 | -2.99% | 1.15% | | |
| Overnight funds | | | | | | |
| 147,666 | 190,355 | 180,888 | -4.97% | 22.50% | | |
| Total cash and equivalents | 548,412 | 608,179 | 586,229 | -3.61% | 6.90% | |
| Investments securities | | | | | | |
| 2,038,083 | 3,460,641 | 3,911,529 | 13.03% | 91.92% | | |
| Market value allowance | | | | | | |
| (22,026) | (20,496) | (45,875) | 123.82% | 108.28% | | |
| Net Investment Securities | 2,016,057 | 3,440,145 | 3,865,654 | 12.37% | 91.74% | |
| Gross Loans | | | | | | |
| 5,253,371 | 5,440,352 | 5,386,790 | -0.98% | 2.54% | | |
| Allowance for loan losses | | | | | | |
| (286,325) | (322,635) | (302,833) | -6.14% | 5.77% | | |
| Net total loans | 4,967,046 | 5,117,717 | 5,083,957 | -0.66% | 2.35% | |
| Accrued interest receivable on loans | | | | | | |
| 104,034 | 109,018 | 98,763 | -9.41% | -5.07% | | |
| Allowance for accrued interest losses | | | | | | |
| (27,015) | (22,647) | (23,043) | 1.75% | -14.70% | | |
| Net total interest accrued | 77,019 | 86,371 | 75,720 | -12.33% | -1.69% | |
| Customers acceptances | | | | | | |
| 43,039 | 40,319 | 6,105 | -84.86% | -85.82% | | |
| Net accounts receivable | | | | | | |
| 64,430 | 69,084 | 55,667 | -19.42% | -13.60% | | |
| Net premises and equipment | | | | | | |
| 270,913 | 254,463 | 253,727 | -0.29% | -6.34% | | |
| Foreclosed assets | | | | | | |
| 75,245 | 50,162 | 53,388 | 6.43% | -29.05% | | |
| Prepaid expenses and deferred charges | | | | | | |
| 81,573 | 52,235 | 42,590 | -18.47% | -47.79% | | |
| Good will | | | | | | |
| 152,876 | 135,890 | 130,228 | -4.17% | -14.81% | | |
| Net lease | | | | | | |
| 226,844 | 268,916 | 280,375 | 4.26% | 23.60% | | |
| Other | | | | | | |
| 34,057 | 131,087 | 86,568 | -33.96% | 154.18% | | |
| Reappraisal of assets | | | | | | |
| 271,948 | 242,646 | 251,813 | 3.78% | -7.40% | | |
| Total assets | 8,829,459 | 10,497,214 | 10,772,021 | 2.62% | 22.00% | |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | | | | |
| LIABILITIES | | | | | | |
| DEPOSITS | | | | | | |
| Non-interest bearing | | | | | | |
| 1,190,718 | 1,384,436 | 1,514,512 | 9.40% | 27.19% | | |
| Checking accounts | | | | | | |

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| | | | | |
|--|-------------------|-------------------|--------------|---------------|
| 1,107,723 | 1,293,295 | 1,438,034 | 11.19% | 29.82% |
| Other | | | | |
| 82,995 | 91,141 | 76,478 | -16.09% | -7.85% |
| Interest bearing | | | | |
| 5,374,732 | 6,113,550 | 6,440,318 | 5.34% | 19.83% |
| Checking accounts | | | | |
| 590,839 | 676,731 | 518,946 | -23.32% | -12.17% |
| Time deposits | | | | |
| 3,015,672 | 3,528,750 | 3,804,278 | 7.81% | 26.15% |
| Savings deposits | | | | |
| 1,768,221 | 1,908,069 | 2,117,094 | 10.95% | 19.73% |
| Total deposits | | | | |
| 6,565,450 | 7,497,986 | 7,954,830 | 6.09% | 21.16% |
| Overnight funds | | | | |
| 385,973 | 394,202 | 310,090 | -21.34% | -19.66% |
| Bank acceptances outstanding | | | | |
| 41,701 | 26,409 | 24,008 | -9.09% | -42.43% |
| Interbank borrowings | | | | |
| 156,645 | 476,735 | 394,396 | -17.27% | 151.78% |
| Borrowings from domestic development banks | | | | |
| 301,137 | 382,049 | 446,978 | 17.00% | 48.43% |
| Accounts payable | | | | |
| 240,598 | 482,867 | 369,012 | -23.58% | 53.37% |
| Other liabilities | | | | |
| 98,824 | 112,676 | 105,762 | -6.14% | 7.02% |
| Bonds | | | | |
| 9,677 | 7,623 | 5,077 | -33.41% | -47.54% |
| Accrued expenses | | | | |
| 78,435 | 121,579 | 116,176 | -4.44% | 48.12% |
| Minority interest in consolidated subsidiaries | | | | |
| 15,082 | 21,851 | 26,731 | 22.33% | 77.24% |
| Total liabilities | | | | |
| 7,893,522 | 9,523,977 | 9,753,060 | 2.41% | 23.56% |
| Shareholders equity | | | | |
| 935,937 | 973,237 | 1,018,961 | 4.70% | 8.87% |
| Total liabilities and shareholders equity | | | | |
| 8,829,459 | 10,497,214 | 10,772,021 | 2.62% | 22.00% |

