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BANCOLOMBIA SA
Form 6-K
March 04, 2005

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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 March 2005

BANCOLOMBIA S.A.

(Translation of Registrant's name into English)

Calle 50 No. 51-66
Medellin, 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: March 3, 2005

By /s/ JAIME ALBERTO VELASQUEZ B.

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

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[BANCOLOMBIA LOGO]

CIB
LISTED
NYSE

CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED DECEMBER 31, 2004

| | | |
|-------------------|-------------------------------|-----------------|
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MARCH 3, 2005. Medellin, Colombia - BANCOLOMBIA S.A. (NYSE: CIB) announced today the financial results for the quarter ended December 31, 2004.(1)

CONSOLIDATED BALANCE SHEET
AND INCOME STATEMENT
(PS MILLIONS)

| | QUARTER | | GROWTH |
|---|-------------------|-------------------|----------------|
| | 3Q 04 | 4Q 04 | 4Q 04/3Q 04 |
| | ----- | ----- | ----- |
| ASSETS | | | |
| Loans and financial leases, net | 9,332,414 | 9,600,861 | 2.88% |
| Investment securities, net | 4,781,795 | 5,250,211 | 9.80% |
| Other assets | 2,162,461 | 2,628,057 | 21.53% |
| | ----- | ----- | ----- |
| TOTAL ASSETS | 16,276,670 | 17,479,129 | 7.39% |
| | ----- | ----- | ----- |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Deposits | 10,491,351 | 11,862,116 | 13.07% |
| Other liabilities | 3,863,023 | 3,526,290 | -8.72% |
| TOTAL LIABILITIES | 14,354,374 | 15,388,406 | 7.20% |
| Shareholders' equity | 1,922,296 | 2,090,723 | 8.76% |
| | ----- | ----- | ----- |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 16,276,670 | 17,479,129 | 7.39% |
| | ----- | ----- | ----- |
| Interest income | 497,925 | 478,069 | -3.99% |
| Interest expense | 150,858 | 164,636 | 9.13% |
| NET INTEREST INCOME | 347,067 | 313,433 | -9.69% |
| Net provisions | (32,261) | 4,201 | 113.02% |
| Other operating income | 159,948 | 152,872 | -4.42% |
| Other operating expense | (230,146) | (254,294) | 10.49% |
| Non-operating income, net | 3,899 | (892) | -122.88% |
| Income tax expense | (61,216) | (64,564) | 5.47% |
| | ----- | ----- | ----- |
| NET INCOME | 187,291 | 150,756 | -19.51% |
| | ----- | ----- | ----- |

(1) This report corresponds to the consolidated financial statements of BANCOLOMBIA and its affiliates of which it owns, directly or indirectly, 50% or more of the voting capital stock. For this reason, the financial information contained herein is not comparable to BANCOLOMBIA's consolidated results (including the results of its financial subsidiaries) released prior to March 2003. This information has been prepared in accordance with generally accepted accounting principles in Colombia, is stated in nominal terms and has not been

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| | | | | |
|--------------------|-------------|-------------|-------------|--------|
| ROAA | 4.24% | 4.90% | 3.78% | 3.40% |
| ROAE | 38.83% | 43.87% | 33.50% | 31.14% |
| P/BV ADS (1) | 1.28 | 1.58 | 2.33 | |
| P/BV Local (2) (3) | 1.38 | 1.65 | 2.21 | |
| P/E (4) | 3.90 | 4.18 | 7.78 | |
| Shares Outstanding | 576.695.395 | 576.695.395 | 576.695.395 | |

(1) Defined as ADS price divided by ADS book value.

(2) Defined as Share price divided by share book value.

(3) Share prices on the Colombian Stock Exchange

(4) Defined as market capitalization divided by annualized quarter results

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 factors, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptances of new products or services by our targeted customers, changes in business strategy and various others factors, that could cause actual results to differ materially from those indicated in such statements. We do not intend, and do not assume any obligation, to update these forward-looking statements.

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[BANCOLOMBIA LOGO]

4Q04

2. CONSOLIDATED BALANCE SHEET

2.1 ASSETS

BANCOLOMBIA's total assets increased 7.4% over the quarter to Ps 17,479 billion as of December 31, 2004 from Ps 16,277 billion as of September 30, 2004 and 15.2% from Ps 15,176 billion as of December 31, 2003. The increase in total assets was due to a larger loan portfolio as well as an increase of the investment debt securities portfolio.

2.1.1 LOAN PORTFOLIO

Total corporate loans decreased 2.9% over the quarter from Ps 5,577 billion to Ps 5,414 billion. Nevertheless, total corporate loans increased as compared to the same period in fiscal year 2003, rising 2.7%.

| LOAN PORTFOLIO (PS MILLIONS) | AS OF | | | GROWTH | |
|---------------------------------|-----------|-----------|-----------|------------|-----------|
| | 31-DEC-03 | 30-SEP-04 | 31-DEC-04 | 4Q 04/3Q04 | 4Q04/4Q03 |
| CORPORATE | | | | | |
| Working capital loans | 4,687,153 | 4,372,394 | 4,298,354 | -1.69% | -8.0% |

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| | | | | | |
|--|-----------|-----------|------------|---------|-------|
| Loans funded by | | | | | |
| domestic development banks | 394,947 | 841,871 | 770,331 | -8.50% | 95. |
| Trade Financing | 149,582 | 282,660 | 253,632 | -10.27% | 69. |
| Overdrafts | 32,371 | 58,611 | 67,018 | 14.34% | 107. |
| Credit Cards | 8,237 | 21,639 | 24,621 | 13.78% | 198. |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL CORPORATE | 5,272,290 | 5,577,175 | 5,413,956 | -2.93% | 2. |
| RETAIL AND SMEs | | | | | |
| Working capital loans | 898,239 | 1,189,002 | 1,295,643 | 8.97% | 44. |
| Personal loans | 814,884 | 967,245 | 1,111,250 | 14.89% | 36. |
| Loans funded by | | | | | |
| domestic development banks | 330,246 | 357,994 | 359,494 | 0.42% | 8. |
| Credit Cards | 335,172 | 342,004 | 392,900 | 14.88% | 17. |
| Overdrafts | 81,294 | 119,855 | 89,867 | -25.02% | 10. |
| Automobile loans | 229,737 | 331,715 | 381,723 | 15.08% | 66. |
| Trade Financing | 19,644 | 42,608 | 54,189 | 27.18% | 175. |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL RETAIL AND SMEs | 2,709,216 | 3,350,423 | 3,685,066 | 9.99% | 36. |
| MORTGAGE | 48,162 | 53,887 | 56,107 | 4.12% | 16. |
| FINANCIAL LEASES (1) | 536,985 | 786,457 | 880,110 | 11.91% | 63. |
| TOTAL LOANS AND FINANCIAL LEASES | 8,566,653 | 9,767,942 | 10,035,239 | 2.74% | 17. |
| ALLOWANCE FOR LOAN LOSSES AND | | | | | |
| FINANCIAL LEASES (1) | (401,730) | (435,528) | (434,378) | -0.26% | 8. |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL LOANS AND FINANCIAL LEASES, NET | 8,164,923 | 9,332,414 | 9,600,861 | 2.88% | 17. |

(1) These items include information of financial lease contracts for effects of comparison with subsequent periods.

The retail and SMEs (small and medium-sized enterprises) loan portfolio maintains robust growth rates. It amounted to Ps 3,685 billion, increasing 10.0% over the quarter and 36.0% over the year. Even though all types of retail and SMEs loans showed positive trends, the most significant changes during the quarter were seen in working capital loans, which primarily benefit SMEs, and in personal loans, showing annual increases of 44.2% and 36.4%, respectively.

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[BANCOLOMBIA LOGO]

4Q04

Financial leases for both corporate and SMEs clients increased 11.9% over the quarter and 63.9% over the year. These positive figures are explained by the recovery of corporate investment budgets and more beneficial tax legislation.

2.1.2 INVESTMENTS PORTFOLIO

BANCOLOMBIA's investments in debt securities amounted to Ps 4,923 billion, increasing 7.4% over the quarter and 18% over the year. The quarterly increment in trading debt securities is mainly explained by the seasonal excess of liquidity during the last quarter of the year.

2.1.3 ASSET QUALITY

As of December 31, 2004, the Bank's past due loans, as a percentage of total loans reached 1.45%. Loans classified as C, D and E accounted for 3.9% of total loans, continuing their decline. Furthermore, the ratio of

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allowances for past due loans for the quarter was 302%.

| LOAN CLASSIFICATION (PS MILLIONS) | AS OF 31-DEC-03 | | AS OF 30-SEP-04 | | AS OF 31-DEC-04 | |
|--|------------------|-------------|------------------|-------------|-------------------|-------------|
| "A" Normal | 7,734,964 | 90.3% | 8,990,520 | 92.0% | 9,327,398 | 93.0% |
| "B" Subnormal | 405,462 | 4.7% | 394,013 | 4.0% | 320,959 | 3.2% |
| "C" Deficient | 125,894 | 1.5% | 105,341 | 1.1% | 93,175 | 0.9% |
| "D" Doubtful recovery | 203,764 | 2.4% | 190,657 | 2.0% | 204,344 | 2.0% |
| "E" Unrecoverable | 96,569 | 1.1% | 87,411 | 0.9% | 89,363 | 0.9% |
| TOTAL | 8,566,653 | 100% | 9,767,942 | 100% | 10,035,239 | 100% |
| LOANS CLASSIFIED AS C, D AND E AS A PERCENTAGE OF TOTAL LOANS | 5.0% | | 3.9% | | 3.9% | |

| ASSET QUALITY (PS MILLIONS) | 31-DEC-03 | AS OF 30-SEP-04 | 31-DEC-04 | 4Q 04/3Q 04 | G |
|---|-----------|--------------------|-----------|-------------|------|
| Total performing past due loans | 54,907 | 58,435 | 56,822 | | -2.7 |
| Total non-performing past due loans (1) | 82,136 | 88,664 | 88,452 | | -0.2 |
| Total past due loans | 137,043 | 147,099 | 145,274 | | -1.2 |
| Allowance for loans and accrued interest losses | 406,900 | 440,282 | 438,981 | | -0.3 |
| Past due loans to total loans | 1.60% | 1.51% | 1.45% | | |
| Non-performing loans to total loans | 0.96% | 0.91% | 0.88% | | |
| C, D, and E loans to total loans | 4.98% | 3.93% | 3.86% | | |
| Allowances to past due loans (2) | 296.91% | 299.31% | 302.17% | | |
| Allowances to C, D, and E loans (2) | 95.47% | 114.83% | 113.47% | | |
| Allowances to non-performing loans (2) | 495.40% | 496.57% | 496.29% | | |
| Allowances to total loans | 4.75% | 4.51% | 4.37% | | |
| Performing loans to total loans | 99.04% | 99.09% | 99.12% | | |

(1) Non-performing loans comprise 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 means allowance for loan and accrued interest losses.

2.2 LIABILITIES

Total deposits were up 13.1% over the quarter and 15.9% over the year to Ps 11,862 billion as of December 31, 2004. In a year over year basis, interest-bearing deposits increased 15.9%, while non-interest bearing deposits increased 16.0%. This reflects stability in the funding mix composition, taking into account that time deposits only increased 2.9%.

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| DEPOSIT MIX COMPOSITION | DEC -03 | AS OF SEP-04 | DEC-04 |
|-------------------------|---------|-----------------|---------|
| ----- | ----- | ----- | ----- |
| Checking accounts | 34.66% | 27.83% | 32.03% |
| Savings deposits | 22.69% | 28.41% | 29.80% |
| Time deposits | 41.41% | 42.39% | 36.77% |
| Other | 1.24% | 1.37% | 1.41% |
| TOTAL DEPOSITS | 100.00% | 100.00% | 100.00% |

2.3 SHAREHOLDERS' EQUITY

BANCOLOMBIA's shareholders' equity totaled Ps 2,091 billion at the end of the fourth quarter of 2004. It increased 8.8% compared to the previous quarter and 23.8%, compared to the fourth quarter of 2003. Unrealized gains on investment debt securities totaled Ps 104 billion as of December 31, 2004, which represents an increase of 31.1% compared to the previous quarter.

At the end of the fourth quarter, the Bank's consolidated ratio of technical capital to risk weighted assets was 13.4%.

| TECHNICAL CAPITAL RISK WEIGHTED ASSETS CONSOLIDATED (PS MILLIONS) | 31-DEC-03 | AS OF 30-SEP-04 | 31-DEC-04 |
|--|------------|--------------------|------------|
| ----- | ----- | ----- | ----- |
| Basic capital (Tier I) | 1,167,427 | 1,394,699 | 1,499,474 |
| Additional capital (Tier II) | 260,454 | 264,969 | 279,548 |
| Technical capital(1) | 1,427,881 | 1,659,668 | 1,779,022 |
| Risk weighted assets included market risk | 10,920,514 | 12,764,018 | 13,240,657 |
| CAPITAL ADEQUACY(2) | 13.08% | 13.00% | 13.44% |

(1) Technical capital is the sum of basic capital and additional capital.

(2) Capital Adequacy is Technical capital divided by Risk weighted assets

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[BANCOLOMBIA LOGO]

4Q04

3. INCOME STATEMENT

BANCOLOMBIA's net income amounted to Ps 150.8 billion during the quarter and Ps 578.7 billion during the year ended December 31, 2004, as compared to Ps 146.3 billion and Ps 469.4 billion for the same periods of 2003, respectively.

3.1 NET INTEREST INCOME

Net interest income decreased to Ps 313.4 billion for the quarter ended December 31, 2004, as compared to Ps 347.1 billion for the previous quarter, but it increased 14.5% during fiscal year 2004 amounting to Ps 1.217 billion, as compared to Ps 1.063 billion for fiscal year 2003.

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The resulting figures for interest on loans during the fourth quarter of 2004 are not comparable with those from the same period of 2003, due to the acquisition of Sufinanciamiento on December 30, 2003. This transaction required the Bank to include Sufinanciamiento's interest on loans for the year 2003, which totaled Ps 54.653 billion, in its financial results for the quarter ended December 31, 2003.

3.2 PROVISIONS

Provisions for loan and interest losses amounted to Ps 29.7 billion, decreasing 18.4% as compared to the previous quarter. Additionally, total net recoveries increased 291.6% over the quarter to Ps 41.6 billion.

3.3 FEES AND INCOME FROM SERVICES

The different sources of fee generation continued their positive trend, increasing not only on a quarter over quarter basis, but also when comparing their results of fiscal year 2004 with those of 2003.

Due to a change in the classification of expenses, Ps 10.0 billion was reclassified from administrative expenses to fee expenses. This resulted in figures that are more appropriate for comparison purposes in the category of gross fees and income from services.

Total fees and income from services amounted to Ps 148.5 billion for the fourth quarter of 2004, increasing 11.5%. They totaled Ps 539.0 billion during fiscal year 2004, which represents an increase of 20.1% as compared to Ps 448.9 billion for fiscal year 2003.

3.4 OPERATING EXPENSES

Donations expenses amounted to Ps 10.9 billion during the quarter ended December 31, 2004. These donations are regularly made at the end of the year to take advantage of fiscal benefits. This explains why total operating expenses increased 10.8% over the quarter, amounting to Ps 248.6 billion.

BANCOLOMBIA's efficiency ratio reached 54.5% during the fourth quarter and 51.1% during the twelve-month period ended December 31, 2004.

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[BANCOLOMBIA LOGO]

4Q04

| PRINCIPAL RATIOS | QUARTERS | | | AS |
|--|----------|--------|--------|--------|
| PROFITABILITY | 4Q 03 | 3Q 04 | 4Q 04 | DEC-03 |
| ----- | ----- | ----- | ----- | ----- |
| Net interest margin (1) | 11.12% | 10.34% | 9.02% | 9.25% |
| Return on average total assets (2) | 4.24% | 4.90% | 3.78% | 3.40% |
| Return on average shareholders' equity (3) | 38.83% | 43.87% | 33.50% | 31.14% |
| | | | | |
| EFFICIENCY | | | | |
| Operating expenses to net operating income (4) | 58.16% | 45.39% | 54.53% | 54.27% |
| Operating expenses to average total assets (4) | 7.77% | 6.02% | 6.37% | 6.21% |

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CAPITAL ADEQUACY

| | | | | |
|---|--------|--------|--------|--------|
| Shareholders' equity to total assets | 11.13% | 11.81% | 11.96% | 11.13% |
| Technical capital to risk weighted assets | 13.08% | 13.00% | 13.44% | 13.08% |

(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) Operating income includes net interest income, total fees and income from services, and total other operating income.

The efficiency ratios contained herein are not comparable to those previously released by BANCOLOMBIA because merger expenses have been included as operating expenses.

3.5 OTHER OPERATING INCOME

Other operating income decreased 10.1% during the quarter, amounting to Ps 45.3 billion. This decrease resulted from the dividend payments from Conavi that were recorded during the third quarter of 2004.

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[BANCOLOMBIA LOGO]

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4. SUBSIDIARIES

BANCOLOMBIA PANAMA AND ITS SUBSIDIARIES

The following table is expressed in US dollars.

BANCOLOMBIA PANAMA AND ITS SUBSIDIARIES

BALANCE SHEET

AND INCOME STATEMENT

| (US\$) | 3Q 04 | 4Q 04 | GROWTH 4Q 04/3Q 04 |
|---|----------------------|----------------------|-----------------------|
| ----- | ----- | ----- | ----- |
| ASSETS | | | |
| Loans and financial leases, net | 628,519,327 | 655,467,480 | 4.29% |
| Investment securities, net | 248,557,106 | 269,610,675 | 8.47% |
| Overnight funds sold | 184,374,508 | 315,135,186 | 70.92% |
| Other assets | 54,119,698 | 37,135,164 | -31.38% |
| | ----- | ----- | ----- |
| TOTAL ASSETS | 1,115,570,639 | 1,277,348,505 | 14.50% |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Deposits | 941,648,544 | 1,091,142,768 | 15.88% |
| Other liabilities | 5,891,056 | 6,217,713 | 5.54% |
| TOTAL LIABILITIES | 947,539,600 | 1,097,360,481 | 15.81% |
| Shareholders' equity | 168,031,039 | 179,988,024 | 7.12% |
| | ----- | ----- | ----- |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 1,115,570,639 | 1,277,348,505 | 14.50% |

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| | | | |
|-------------------------|-------------|-------------|---------|
| Interest income | 20,099,845 | 16,967,202 | -15.59% |
| Interest expense | (4,392,505) | (5,072,605) | 15.48% |
| NET INTEREST INCOME | 15,707,340 | 11,894,597 | -24.27% |
| Net provisions | (1,150,379) | (1,757,208) | 52.75% |
| Other operating income | 1,325,675 | 2,340,533 | 76.55% |
| Other operating expense | (1,188,316) | (2,080,912) | 75.11% |
| NET INCOME | 14,694,320 | 10,397,010 | -29.24% |

Total assets increased 14.5% over the fourth quarter of 2004 to US\$1,277 million as of December 31, 2004, as compared to US\$1,116 million as of September 30, 2004. Additionally, shareholders' equity increased 7.1% over the quarter from US\$168 million as of September 30, 2004 to US\$180 million as of December 31, 2004. Unrealized gains on investment securities totaled US\$2.5 million as of December 31, 2004.

BANCOLOMBIA Panama reported net income of US\$10.4 million during the fourth quarter and US\$47.1 million during fiscal year 2004, which was very stable compared to fiscal year 2003, when net income amounted to US\$46.5 million.

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[BANCOLOMBIA LOGO]

4Q04

5. RATINGS

Fitch Ratings assigned the following ratings to Bancolombia and its subsidiaries: Long-term foreign currency 'BB', Short-term foreign currency 'B', Long-term local currency 'BBB-' Short-term local currency 'F3' and Individual 'C'. The Outlook on the Long-term debt ratings is stable. At the same time, the bank's support rating was affirmed at '3'.

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[BANCOLOMBIA LOGO]

4Q04

| CONSOLIDATED BALANCE SHEET (PS MILLIONS) | DEC-03 | AS OF SEP-04 | DEC-04 | 4Q 0 |
|---|-----------|-----------------|-----------|------|
| ASSETS | | | | |
| Cash and due from banks | 848,052 | 649,069 | 768,514 | |
| Overnight funds sold | 598,409 | 117,053 | 480,846 | |
| TOTAL CASH AND EQUIVALENTS | 1,446,461 | 766,122 | 1,249,360 | |
| DEBT SECURITIES | 4,171,591 | 4,582,180 | 4,922,792 | |
| Trading | 1,644,068 | 1,952,078 | 2,245,756 | |
| Available for Sale | 1,805,230 | 1,892,205 | 1,943,685 | |
| Held to Maturity | 722,293 | 737,897 | 733,351 | |
| EQUITY SECURITIES | 246,172 | 274,709 | 393,044 | |
| Trading | 17,667 | 16,028 | 129,964 | |
| Available for Sale | 228,505 | 258,681 | 263,080 | |

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| | | | |
|---|------------|------------|------------|
| Market value allowance | (81,039) | (75,094) | (65,625) |
| NET INVESTMENT SECURITIES | 4,336,724 | 4,781,795 | 5,250,211 |
| Commercial loans | 6,624,494 | 7,364,877 | 7,353,956 |
| Consumer loans | 1,273,160 | 1,479,878 | 1,655,066 |
| Small business loans | 83,852 | 82,843 | 90,000 |
| Mortgage loans | 48,162 | 53,887 | 56,107 |
| Finance lease | 536,985 | 786,457 | 880,110 |
| Allowance for loans and financial leases losses | (401,730) | (435,528) | (434,378) |
| NET TOTAL LOANS AND FINANCIAL LEASES | 8,164,923 | 9,332,414 | 9,600,861 |
| Accrued interest receivable on loans | 117,880 | 111,004 | 125,879 |
| Allowance for accrued interest losses | (5,170) | (4,754) | (4,603) |
| NET TOTAL INTEREST ACCRUED | 112,710 | 106,250 | 121,276 |
| Customers' acceptances and derivatives | 1,539 | 78,444 | 43,894 |
| Net accounts receivable | 163,310 | 173,078 | 173,875 |
| Net premises and equipment | 337,964 | 373,075 | 346,243 |
| Foreclosed assets | 27,676 | 20,013 | 12,206 |
| Prepaid expenses and deferred charges | 27,831 | 22,672 | 15,950 |
| Good will | 99,910 | 80,756 | 73,607 |
| Operating lease, net | 5,188 | 9,146 | 8,311 |
| Other | 198,480 | 266,716 | 315,394 |
| Reappraisal of assets | 253,413 | 266,189 | 267,941 |
| TOTAL ASSETS | 15,176,129 | 16,276,670 | 17,479,129 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| LIABILITIES | | | |
| DEPOSITS | | | |
| NON-INTEREST BEARING | 2,319,787 | 2,039,707 | 2,690,679 |
| Checking accounts | 2,193,069 | 1,895,729 | 2,523,505 |
| Other | 126,718 | 143,978 | 167,174 |
| INTEREST BEARING | 7,912,210 | 8,451,644 | 9,171,437 |
| Checking accounts | 1,353,123 | 1,023,922 | 1,275,618 |
| Time deposits | 4,237,345 | 4,447,256 | 4,361,206 |
| Savings deposits | 2,321,742 | 2,980,466 | 3,534,613 |
| TOTAL DEPOSITS | 10,231,997 | 10,491,351 | 11,862,116 |
| Overnight funds | 1,118,139 | 1,051,779 | 616,494 |
| Bank acceptances outstanding | 35,833 | 55,236 | 66,593 |
| Interbank borrowings | 456,059 | 239,357 | 246,282 |
| Borrowings from domestic development banks | 755,536 | 797,985 | 857,919 |
| Accounts payable | 451,501 | 545,414 | 729,448 |
| Accrued interest payable | 93,818 | 101,041 | 109,164 |
| Other liabilities | 174,317 | 170,033 | 232,932 |
| Bonds | 71,818 | 525,347 | 552,531 |
| Accrued expenses | 56,173 | 335,294 | 71,649 |
| Minority interest in consolidated subsidiaries | 41,559 | 41,537 | 43,278 |
| TOTAL LIABILITIES | 13,486,750 | 14,354,374 | 15,388,406 |
| SHAREHOLDER'S EQUITY | | | |
| SUBSCRIBED AND PAID IN CAPITAL | 288,348 | 288,348 | 288,348 |
| Non Voting Preference Shares | 89,218 | 89,218 | 89,218 |
| Common Shares | 199,130 | 199,130 | 199,130 |
| RETAINED EARNINGS | 1,040,188 | 1,275,260 | 1,419,697 |
| Appropriated | 570,804 | 847,338 | 841,019 |
| Unappropriated | 469,384 | 427,922 | 578,678 |
| REAPPRAISAL | 266,407 | 279,169 | 278,470 |
| Gross unrealized gain or loss on investments | 94,436 | 79,519 | 104,208 |

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| | | | |
|----------------------------|-----------|-----------|-----------|
| TOTAL SHAREHOLDER'S EQUITY | 1,689,379 | 1,922,296 | 2,090,723 |
|----------------------------|-----------|-----------|-----------|

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[BANCOLOMBIA LOGO]

4Q04

| CONSOLIDATED INCOME STATEMENT (PS MILLIONS) | AS OF DEC-03 | OF DEC-04 | GROWTH DEC-04/DEC-03 | 4Q 03 | QUARTER 3Q 04 |
|--|------------------|------------------|-------------------------|-----------------|------------------|
| INTEREST INCOME AND EXPENSES | | | | | |
| Interest on loans | 919,703 | 1,140,955 | 24.06% | 302,763 | 303,293 |
| Interest on investment securities | 552,167 | 549,225 | -0.53% | 133,567 | 164,156 |
| Overnight funds | 13,133 | 18,375 | 39.91% | 2,119 | 3,774 |
| Leasing | 58,774 | 94,450 | 60.70% | 18,703 | 26,702 |
| TOTAL INTEREST INCOME | 1,543,777 | 1,803,005 | 16.79% | 457,152 | 497,925 |
| Interest expense | | | | | |
| Checking accounts | 11,622 | 13,505 | 16.20% | 3,115 | 3,176 |
| Time deposits | 249,911 | 267,558 | 7.06% | 78,144 | 67,230 |
| Savings deposits | 113,968 | 141,288 | 23.97% | 28,558 | 35,912 |
| TOTAL INTEREST ON DEPOSITS | 375,501 | 422,351 | 12.48% | 109,817 | 106,318 |
| Interbank borrowings | 5,293 | 7,389 | 39.60% | 1,743 | 2,473 |
| Borrowings from domestic development banks | 58,456 | 73,549 | 25.82% | 16,155 | 18,616 |
| Overnight funds | 38,423 | 41,215 | 7.27% | 11,386 | 11,654 |
| Bonds | 2,840 | 41,239 | 1352.08% | 780 | 11,797 |
| TOTAL INTEREST EXPENSE | 480,513 | 585,743 | 21.90% | 139,881 | 150,858 |
| NET INTEREST INCOME | 1,063,264 | 1,217,262 | 14.48% | 317,271 | 347,067 |
| Provision for loan and accrued interest losses, net | (162,057) | (110,455) | -31.84% | (39,775) | (36,379) |
| Recovery of charged-off loans | 31,701 | 49,032 | 54.67% | 8,027 | 9,542 |
| Provision for foreclosed assets and other assets | (68,892) | (33,127) | -51.91% | 3,551 | (6,506) |
| Recovery of provisions for foreclosed assets and other assets | 16,949 | 27,926 | 64.76% | 10,394 | 1,082 |
| TOTAL NET PROVISIONS | (182,299) | (66,624) | -63.45% | (17,803) | (32,261) |
| NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES | 880,965 | 1,150,638 | 30.61% | 299,468 | 314,806 |
| Commissions from banking services and other services | 60,041 | 75,687 | 26.06% | 32,744 | 16,160 |
| Electronic services and ATM's fees | 48,751 | 60,507 | 24.11% | 13,617 | 16,532 |
| Branch network services | 28,594 | 37,929 | 32.65% | 7,672 | 9,585 |
| Collections and payments fees | 30,691 | 43,838 | 42.84% | 8,723 | 11,491 |
| Credit card merchant fees | 59,922 | 73,369 | 22.44% | 19,208 | 16,914 |
| Credit and debit card annual fees | 56,459 | 66,668 | 18.08% | 15,223 | 16,574 |
| Checking fees | 46,910 | 49,391 | 5.29% | 11,960 | 12,501 |
| Warehouse services | 42,705 | 49,072 | 14.91% | 10,796 | 12,879 |

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| | | | | | |
|--|-----------|-----------|----------|----------|----------|
| Fiduciary activities | 39,469 | 50,425 | 27.76% | 11,498 | 12,220 |
| Check remittance | 12,877 | 10,850 | -15.74% | 3,200 | 2,584 |
| International operations | 22,477 | 21,294 | -5.26% | 5,434 | 5,693 |
| FEES AND OTHER SERVICE INCOME | 448,896 | 539,030 | 20.08% | 140,075 | 133,133 |
| | ----- | ----- | ----- | ----- | ----- |
| Fees and other service expenses | (85,203) | (112,890) | 32.50% | (36,065) | (23,584) |
| TOTAL FEES AND INCOME FROM SERVICES, NET | 363,693 | 426,140 | 17.17% | 104,010 | 109,549 |
| | ----- | ----- | ----- | ----- | ----- |
| OTHER OPERATING INCOME | | | | | |
| Net foreign exchange gains | 39,262 | (90,706) | -331.03% | 27,454 | (17,733) |
| Forward contracts in foreign currency | 9,588 | 149,457 | 1458.79% | (9,458) | 34,368 |
| Dividend income | 30,734 | 30,546 | -0.61% | 479 | 14,258 |
| Revenues from commercial subsidiaries | 76,446 | 78,973 | 3.31% | 23,387 | 16,858 |
| Communication, postage and others | 7,101 | 12,570 | 77.02% | 3,219 | 2,648 |
| TOTAL OTHER OPERATING INCOME | 163,131 | 180,840 | 10.86% | 45,081 | 50,399 |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL INCOME | 1,407,789 | 1,757,618 | 24.85% | 448,559 | 474,754 |
| OPERATING EXPENSES | | | | | |
| Salaries and employee benefits | 320,885 | 363,557 | 13.30% | 94,733 | 90,261 |
| Bonus plan payments | 22,423 | 32,923 | 46.83% | 3,952 | 5,649 |
| Compensation | 22,959 | 15,169 | -33.93% | 3,746 | 3,326 |
| Administrative and other expenses | 365,579 | 417,425 | 14.18% | 105,770 | 110,092 |
| Deposit security, net | 31,877 | 22,945 | -28.02% | 9,707 | 2,957 |
| Donation expenses | 1,708 | 11,060 | 547.54% | 1,192 | 59 |
| Depreciation | 40,625 | 46,872 | 15.38% | 12,280 | 12,140 |
| TOTAL OPERATING EXPENSES | 806,056 | 909,951 | 12.89% | 231,380 | 224,484 |
| | ----- | ----- | ----- | ----- | ----- |
| NET OPERATING INCOME | 601,733 | 847,667 | 40.87% | 217,179 | 250,270 |
| Merger expenses | 22,648 | 22,648 | 0.00% | 5,662 | 5,662 |
| Goodwill amortization | 36,347 | - | -100.00% | 36,347 | - |
| NON-OPERATING INCOME (EXPENSE) | | | | | |
| Other income | 34,059 | 51,898 | 52.38% | 8,625 | 11,900 |
| Minority interest | 330 | (2,425) | -834.85% | (208) | (1,298) |
| Other expense | (45,108) | (57,004) | 26.37% | (18,131) | (6,703) |
| TOTAL NON-OPERATING INCOME | (10,719) | (7,531) | -29.74% | (9,714) | 3,899 |
| INCOME BEFORE INCOME TAXES | 532,019 | 817,488 | 53.66% | 165,456 | 248,507 |
| Income tax expense | (62,635) | (238,810) | 281.27% | (19,108) | (61,216) |
| | ----- | ----- | ----- | ----- | ----- |
| NET INCOME | 469,384 | 578,678 | 23.28% | 146,348 | 187,291 |