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BANCOLOMBIA SA
Form 6-K
August 03, 2006

CONFORMED COPY

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 2006

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. 001-32535).

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 02, 2006

By /s/ JAIME ALBERTO VELASQUEZ B.

Name: Jaime Alberto Velasquez B.

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Title: Vice President of Finance

(BANCOLOMBIA LOGO)

CIB
LISTED
NYSE

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2006

AUGUST 2, 2006. Medellin, Colombia - Today, BANCOLOMBIA S.A. (NYSE: CIB) announced its financial results for the second quarter of fiscal year 2006, ended June 30, 2006.(1)

CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

(Ps millions)	QUARTER		GROWTH
	1Q 06	2Q 06	2Q 06/ 1Q 06
ASSETS			
Loans and financial leases, net	18,365,410	21,084,601	14.81%
Investment securities, net	8,315,148	7,954,602	-4.34%
Other assets	4,284,405	4,448,419	3.83%
TOTAL ASSETS	30,964,963	33,487,622	8.15%
LIABILITIES AND SHAREHOLDERS' EQUITY			
DEPOSITS			
Non-interest bearing	3,229,036	3,282,769	1.66%
Interest bearing	15,114,402	17,398,496	15.11%
OTHER LIABILITIES	9,422,199	9,590,872	1.79%
TOTAL LIABILITIES	27,765,637	30,272,137	9.03%
Shareholders' equity	3,199,326	3,215,485	0.51%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	30,964,963	33,487,622	8.15%
Interest income	747,905	484,489	-35.22%
Interest expense	289,761	301,759	4.14%
NET INTEREST INCOME	458,144	182,730	-60.12%
Net provisions	(50,678)	(7,554)	-85.09%
Fees and income from service, net	206,119	210,335	2.05%
Other operating income	84,938	87,677	3.22%
Operating expense	(418,911)	(426,601)	1.84%
Non-operating income, net	2,269	55,515	2,346.67%
Income tax expense	(67,779)	(33,054)	-51.23%
NET INCOME	214,102	69,048	-67.75%

(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. Any reference to BANCOLOMBIA must be understood as referring to the Bank together with its affiliates, unless

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otherwise specified. The unaudited pro forma combined condensed financial statements for the second quarter of 2005 and the relevant numbers developed from such financial statements presented below are derived from (a) the unaudited consolidated financial statements of Bancolombia as of June 30, 2005 (b) the unaudited consolidated financial statements of Corporacion Financiera Nacional y Suramericana S.A. ("Corfinsura"), giving effect to the spin-off of the portion of Corfinsura's assets and liabilities that were not assumed by Bancolombia through the merger, as of June 30, 2005 and (c) the unaudited consolidated financial statements of Conavi Banco Comercial y de Ahorros S.A ("Conavi"), as of June 30, 2005, as if the merger had been completed as of those dates.

These financial statements have been prepared in accordance with generally accepted accounting principles in Colombia (COLGAAP), are stated in nominal terms and have not been audited. Even though for purposes of COLGAAP historical pro forma information is not required, these pro forma financial statements are presented for comparison purposes. BANCOLOMBIA maintains accounting records in Colombian pesos, referred to herein as "Ps."

The unaudited pro forma combined condensed financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of Bancolombia would have been, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position. The unaudited pro forma combined condensed financial statements do not include the realization of cost savings from operating efficiencies, revenue synergies or other restructuring costs currently expected to result from the merger. No assurance can be given that any such savings or other expected benefits of the merger will in fact take place, whether at the level of management's current expectations or at all.

ANY REFERENCE TO BANCOLOMBIA MUST BE UNDERSTOOD AS REFERRING TO THE BANK TOGETHER WITH ITS AFFILIATES, UNLESS OTHERWISE SPECIFIED.

Exchange rate: June 30, 2006 Ps 2,579.08 = US\$ 1 Average exchange rate June 2006 Ps 2,361.40 = US\$ 1

Contacts

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(BANCOLOMBIA LOGO)

2Q06

1. HIGHLIGHTS(2):

- Despite positive operating results for the second quarter of 2006, the Bank's overall results were negatively impacted by the volatility of the international capital markets. The Colombian sovereign bonds sell-off, resulted in a drop in prices, as the benchmark TES 2020 yield rose from 7.62%, at the end of the first quarter, to 10.50% as of June 30, 2006. This drove interest on investments to a loss of Ps

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158,401 million, compared to the Ps 135,379 million gain from the first quarter and to Ps 228,791 million gain from the second quarter of 2005.

- As a result, net income for the second quarter of 2006 amounted to Ps 69,048 million, decreasing 71.7% as compared to Ps 243,522 million pro forma for the second quarter of 2005, and 67.7% as compared to Ps 214,102 million for the first quarter of 2006.
- As of June 30, 2006, BANCOLOMBIA's net loans totaled Ps 21,085 billion, increasing 14.8% compared to Ps 18,365 billion in the previous quarter and 25.1% on a year-to-year basis. Similarly, interest on loans increased 4.7% quarterly and 8.1% yearly.
- The deposit mix improved for the quarter. Total deposits amounted to Ps 20,681 billion increasing 12.7% for the quarter and 20.2% for the year, while interest on deposits increased 5.4% for the quarter and decreased 1.1% for the year.
- Net fees and income from services totaled Ps 210,335 million for the quarter, increasing 19.6% compared to the pro forma figure for the same period in 2005, and increasing 2.1% from the quarter ended on March 31, 2006.
- The financial business grew during the first six months of 2006, while the operating expenses remained stable for the quarter and increased 5.2% in a year over year basis, below the Bank's assets growth.
- BANCOLOMBIA's ratio of past due loans to total loans at June 30, 2006 was 2.7% and the ratio of allowances to past due loans was 130.7%.

STOCK INDICATORS

	1Q 06	2Q 06	AS OF	
			MAR-31-06	JUN-30-06
Net Income (Ps millions)	214,102	69,048	214,102	283,150
USD Earnings per ADS	0.513	0.147	0.513	0.603
ROAA	2.78%	0.91%	2.78%	1.87%
ROAE	25.11%	8.49%	25.11%	17.41%
P/BV ADS (1)	4.55	3.52		
P/BV Local (2) (3)	4.45	3.03		
P/E (4)	16.74	37.00		
Shares Outstanding	727,827,005	727,827,005		

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

(2) Defined as Share price on the Colombian Stock Exchange divided by share book value.

(3) Share prices on the Colombian Stock Exchange

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

 (2) This is the fourth time BANCOLOMBIA has released consolidated quarterly financial results since the merger that took place on July 30, 2005. This

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report contains pro forma figures for the second quarter of 2005 as if the spin off of Corfinsura and the merger with Conavi and Corfinsura (after the spin-off) had taken place on that date, for the purpose of comparison. All references to numbers for periods prior to the merger contained herein were derived from such pro forma consolidated financial statements.

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(BANCOLOMBIA LOGO)

2Q06

2. CONSOLIDATED BALANCE SHEET

2.1 ASSETS

BANCOLOMBIA's total assets for the quarter amounted to Ps 33,488 billion as of June 30, 2006, increasing 8.15% as compared to Ps 30,965 billion as of March 31, 2006. This represents an increase of 17.2% over the year from Ps 28,569 billion as of June 30, 2005. The assets growth is a result of the positive dynamic of the loan portfolio.

2.1.1 LOAN PORTFOLIO

The loan portfolio presented very positive figures amounting to Ps 21,085 billion as of June 30, 2006, increasing 14.8% for the quarter and 25.1% on a year-to-year basis.

Corporate loans presented a robust growth amounting to Ps 9,552 billion for the quarter, increasing 17.5% as compared to Ps 11,224 billion in the previous quarter. This represents an increase of 21.9% as compared to Ps 9,208 billion for the same period of 2005.

The retail and small and medium-sized enterprise ("SME") loans maintained their positive growth rates. They amounted to Ps 5,806 billion as of June 30, 2006, increasing 12.3% over the quarter and 30.3% over the year. Similarly, financial leases maintain their positive trend amounting to Ps 3,099 billion, increasing 8.7% over the quarter and 27.3% over the year.

In March, the Bank implemented a new commercial strategy based on 1% per month fixed-rate ten year mortgages that resulted in a strong growth of the mortgage loans during the second quarter, amounting to Ps 1,719 billion as of June 30, 2006. This represents a 12.3% increase over the quarter, and an 18.1% increase over the year.

LOAN PORTFOLIO

(Ps millions)	30-JUN-05	AS OF	30-JUN-06	GROWTH	
	PRO FORMA	31-MAR-06		2Q 06/1Q 06	2Q 06/2Q 05
CORPORATE					
Working capital loans	7,299,250	8,414,643	9,983,764	18.65%	
Loans funded by					
domestic development banks	1,174,277	433,435	394,049	-9.09%	
Trade financing	601,761	598,818	649,875	8.53%	
Overdrafts	96,980	74,824	147,057	96.54%	

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Credit cards	36,101	30,233	49,363	63.28%
	-----	-----	-----	-----
TOTAL CORPORATE	9,208,369	9,551,953	11,224,108	17.51%
	-----	-----	-----	-----
RETAIL AND SMES				
Working capital loans	1,474,432	1,663,145	1,878,090	12.92%
Personal loans	1,426,152	1,613,637	1,807,138	11.99%
Loans funded by				
domestic development banks	368,252	406,196	405,651	-0.13%
Credit Cards	497,677	613,549	700,157	14.12%
Overdrafts	138,108	141,874	176,774	24.60%
Automobile loans	480,300	675,834	760,980	12.60%
Trade Financing	69,530	57,084	77,305	35.42%
	-----	-----	-----	-----
TOTAL RETAIL AND SMES	4,454,451	5,171,319	5,806,095	12.27%
	-----	-----	-----	-----
MORTGAGE	1,455,408	1,530,291	1,719,002	12.33%
	-----	-----	-----	-----
FINANCIAL LEASES	2,434,171	2,850,547	3,099,021	8.72%
	-----	-----	-----	-----
TOTAL LOANS AND FINANCIAL LEASES	17,552,399	19,104,110	21,848,226	14.36%
ALLOWANCE FOR LOAN LOSSES AND FINANCIAL LEASES	(692,832)	(738,700)	(763,625)	3.37%
	-----	-----	-----	-----
TOTAL LOANS AND FINANCIAL LEASES, NET	16,859,567	18,365,410	21,084,601	14.81%
	=====	=====	=====	=====

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(BANCOLOMBIA LOGO)

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2.1.2 INVESTMENT PORTFOLIO

BANCOLOMBIA's investments in debt securities amounted to Ps 7,699 billion, decreasing 5.3% over the quarter. Aside from the growth figures, important changes in the debt securities portfolio took place during the quarter. Trading debt securities decreased 26.0% over the quarter, while debt securities classified as available for sale and held to maturity increased 43.4% and 21.3%, respectively.

2.1.3 ASSET QUALITY

As of June 30, 2006, the Bank's past due loans accounted for 2.7% of total loans. Charged-off loans for the quarter amounted to Ps 57,203 billion. Loans classified as C, D and E were 2.7% of total loans. Furthermore, the ratio of allowances to past due loans at the end of the quarter was 130.7%, very similar to the ratio of allowances to loans classified as C, D and E, which was 129.6%.

LOANS AND FINANCIAL LEASES CLASSIFICATION

(Ps millions)

AS OF 30-JUN-05

AS OF 31-MAR-06

AS OF 30-JUN-

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"A" Normal	16,255,409	92.6%	17,880,922	93.6%	20,437,368
"B" Subnormal	628,849	3.1%	628,404	3.3%	814,255
"C" Deficient	209,101	1.3%	208,751	1.1%	199,243
"D" Doubtful recovery	284,589	2.1%	219,086	1.1%	247,670
"E" Unrecoverable	174,451	0.9%	166,947	0.9%	149,690
	-----	-----	-----	-----	-----
TOTAL	17,552,399	100%	19,104,110	100%	21,848,226
	=====	=====	=====	=====	=====

LOANS AND FINANCIAL LEASES CLASSIFIED
AS C, D AND E AS A PERCENTAGE OF TOTAL
LOANS AND FINANCIAL LEASES

3.8% 3.1% 2.7%

ASSET QUALITY

(Ps millions)	30-JUN-05 PRO FORMA	AS OF 31-MAR-06	30-JUN-06	GROWTH	
				2Q 06/1Q 06	2Q 06
Total performing past due loans	286,525	298,428	334,001	11.92%	16
Total non-performing past due loans (1)	250,046	298,567	257,666	-13.70%	3
Total past due loans	536,571	596,995	591,667	-0.89%	10
Allowance for loans and accrued interest losses	705,553	748,226	773,157	3.33%	9
Past due loans to total loans	3.06%	3.12%	2.71%		
Non-performing loans to total loans	1.42%	1.56%	1.18%		
C, D, and E loans to total loans	3.81%	3.11%	2.73%		
Allowances to past due loans (2)	131.49%	125.33%	130.67%		
Allowances to C, D, and E loans (2)	105.60%	125.80%	129.59%		
Allowances to non-performing loans (2)	282.17%	250.61%	300.06%		
Allowances to total loans	4.02%	3.92%	3.54%		
Performing loans to total loans	98.58%	98.44%	98.82%		

(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, small business loans that are past due 30 days or more and mortgage loans that are past due 60 days or more.

(2) Allowance means allowance for loan and accrued interest losses.

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(BANCOLOMBIA LOGO)

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2.2 LIABILITIES

The Bank's deposits presented robust growth, amounting to Ps 20,681 billion as of June 30, 2006, increasing 12.7% over the quarter and 20.2% over the year. The deposit mix improved over the year. On a year-over-year basis, interest-bearing deposits increased 18.4% while non-interest bearing deposits increased 31.2%. Specifically, Checking and Savings accounts increased 29.8% and 29.1%, respectively, while time deposits increased 7.2% over the year, as compared to the 2005 pro forma figures.

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2.3 SHAREHOLDERS' EQUITY

BANCOLOMBIA's shareholders' equity was stable for the quarter, amounting to Ps 3,215 billion as of June 30, 2006. This represents an increase of 9.0% over the year. Due to the decrease of Colombia's government bond prices (TES), unrealized losses on available-for-sale debt securities amounted to Ps 56.3 billion as of June 30, 2006.

At the end of the second quarter, the Bank's consolidated ratio of technical capital to risk-weighted assets decreased to 11.3% mainly due to the solid growth of the loan portfolio.

TECHNICAL CAPITAL RISK WEIGHTED ASSETS

Consolidated (Ps millions)	30-JUN-05		
	PRO FORMA	31-MAR-06	30-JUN-06
Basic capital (Tier I)	1,955,867	2,758,088	2,835,435
Additional capital (Tier II)	513,214	392,604	369,393
Technical capital (1)	2,469,081	3,150,692	3,204,828
Risk weighted assets included market risk	22,203,580	24,891,156	28,282,884
CAPITAL ADEQUACY (2)	11.12%	12.66%	11.33%

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

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

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)

2Q06

3. INCOME STATEMENT

BANCOLOMBIA's net income amounted to Ps 69,048 million for the quarter ended June 30, 2006, as compared to Ps 214,102 million for the previous quarter and Ps 243,522 million pro forma for the second quarter of 2005. This represents a decrease of 67.8% and 71.7%, respectively, due to the

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losses resulting from the mark to market valuation of Colombian bond prices.

3.1 NET INTEREST INCOME

Interest on loans totaled Ps 543,606 million for the second quarter of 2006, increasing 4.7% as compared to Ps 519,316 million for the previous quarter and 8.1% compared to Ps 502,733 million pro forma for the second quarter of 2005. On the other hand, interests on investment securities were negatively impacted by the decrease of Colombian bond prices for the second quarter of 2006 amounting to a total loss of Ps 158,401 million.

The most representative bond in the market is the COLOMBIA TES 20 which matures in July 2020. As illustrated below, this bond was traded at a yield of 7.62% as of March 31, 2006 and at 10.50% the end of the second quarter it.

TES JULY 24/2020

(PERFORMANCE GRAPH)

(PLOT POINTS TO COME)

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(BANCOLOMBIA LOGO)

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3.2 PROVISIONS

During the second quarter of 2006, provisions for loan and interest losses amounted to Ps 67,228 million, increasing 4.7% and 53.6% as compared to the previous quarter and to pro forma results for the second quarter of 2005, respectively. Approximately Ps 8,000 million from these provisions corresponds to adjustments made by the new provisioning regulation.

3.3 FEES AND INCOME FROM SERVICES

Contributions to income from the various sources of fee generation continued to demonstrate a positive trend. Net fees and income from services amounted to Ps 210,335 million, increasing 2.1% over the quarter and 19.6% as compared to Ps 175,917 million pro forma results for the second quarter of 2005.

BANCOLOMBIA's accumulated unconsolidated credit card billing increased 16.6% during the year, resulting in a 20.7% market share of the Colombian credit card business. In addition, the Bank's number of outstanding credit cards increased 14.7%, resulting in a 15.5% market share.

ACCUMULATED CREDIT CARD BILLING

(Millions of pesos as of June 30, 2006)	June-05 Pro Forma	June-06	% Growth	2006 Market Share
	-----	-----	-----	-----
Bancolombia VISA	399,535	478,560	19.78%	6.55%

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Bancolombia Mastercard	657,110	728,557	10.87%	9.97%
Bancolombia American Express	239,210	303,287	26.79%	4.15%
TOTAL BANCOLOMBIA	1,295,855	1,510,404	16.56%	20.68%
	-----	-----	-----	
Colombian credit card market	5,583,171	7,304,603	30.83%	
	-----	-----	-----	

Source: Credibanco, American Express and Red Multicolor

CREDIT CARD MARKET SHARE

Outstanding credit cards as of June 30, 2006	June-05 Pro Forma	June-06	%	2006 Market Share
	-----	-----	-----	-----
Bancolombia VISA	174,354	205,237	17.71%	5.28%
Bancolombia Mastercard	252,905	272,303	7.67%	7.01%
Bancolombia American Express	96,617	123,282	27.60%	3.17%
TOTAL BANCOLOMBIA	523,876	600,822	14.69%	15.47%
	-----	-----	-----	
Colombian credit card market	3,056,154	3,884,469	27.10%	
	-----	-----	-----	

Source: Credibanco, American Express and Red Multicolor.

3.4 OTHER OPERATING INCOME

Other operating income totaled Ps 87,677 million during the second quarter of 2006, increasing 3.2% over the quarter and 72.8% over the year. This increase is mainly due to the net foreign exchange gains added to the forward contracts in foreign currency, which amounted to Ps 64,387 million during the quarter.

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(BANCOLOMBIA LOGO)

2Q06

3.5 OPERATING EXPENSES

Total operating expenses were stable for the quarter, amounting to Ps 412,462 million, which represents a 6.0% increase on a year-over-year basis.

As explain in section [1] of this document, the decrease in price of bonds had a negative impact in the operating income of the Bank. BANCOLOMBIA's operating expenses to net operating income efficiency ratio increase to 88.7% for the quarter. In a six month accumulated basis the income efficiency ratio reached 68.7%.

The Bank's efficiency measured as operating expenses over average total assets was to 5.63% for the quarter and 5.58% during the first half of 2006.

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PRINCIPAL RATIOS

	QUARTER			AS OF	
	2Q 05				
	PRO FORMA	1Q 06	2Q 06	JUN-05	JUN-06
PROFITABILITY					
Net interest margin (1)	8.22%	6.73%	2.67%	7.38%	4.69%
Return on average total assets (2)	3.41%	2.78%	0.91%	2.95%	1.87%
Return on average shareholders' equity (3)	33.02%	25.11%	8.49%	28.55%	17.41%
EFFICIENCY					
Operating expenses to net operating income (4)	54.45%	55.91%	88.74%	56.73%	68.74%
Operating expenses to average total assets (4)	5.71%	5.44%	5.63%	5.67%	5.58%
CAPITAL ADEQUACY					
Shareholders' equity to total assets	10.33%	10.33%	9.60%		
Technical capital to risk weighted assets	11.12%	12.66%	11.33%		

- (1) Defined as Net Interest Income divided by monthly average interest-earning assets.
- (2) Net income divided by monthly average assets.
- (3) Net income divided by monthly average shareholders' equity.
- (4) Operating income includes net interest income, total net fees and income from services, and total other operating income. Operating expenses include merger expenses and good will amortization.

3.6 NON OPERATING INCOME - EXPENSES

Non-operating income for the second quarter of 2006 increased due to non-recurrent events, amounting to Ps 55,515 million. Other income amounted Ps 121,284 million due to the recovery of differed taxes provisions from the investment portfolio and from the derivatives portfolio.

Non-operating expenses amounted to Ps 64,224 million, primarily due to the following two events:

1. There were some adjustments as a result of the merger. The corporate dissolution of 3001 S.A. (a subsidiary of Conavi S.A.) took place during the quarter with two effects: a loss of Ps 30,108 million accounted as "other expenses" and a gain accounted as "recovery of provisions for foreclosed assets and other assets" that amounted to Ps 33,632 million.
2. There was a provision of Ps 20,285 million corresponding to legal contingencies.

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CONSOLIDATED BALANCE SHEET

(Ps millions)	JUN-05 PRO FORMA	AS OF MAR-06	JUN-06	GROWTH	
				LAST QUARTER	ANNUAL
ASSETS					
Cash and due from banks	1,146,552	1,432,090	1,123,060	-21.58%	-2.05%
Overnight funds sold	812,086	257,964	647,403	150.97%	-20.28%
TOTAL CASH AND EQUIVALENTS	1,958,638	1,690,054	1,770,463	4.76%	-9.61%
DEBT SECURITIES					
Trading	4,080,234	5,393,302	3,990,245	-26.01%	-2.21%
Available for Sale	2,474,099	1,749,010	2,508,292	43.41%	1.38%
Held to Maturity	846,168	989,656	1,200,116	21.27%	41.83%
EQUITY SECURITIES					
Trading	31,678	56,378	137,378	143.67%	333.67%
Available for Sale	181,515	200,211	197,141	-1.53%	8.61%
Market value allowance	(64,532)	(73,409)	(78,570)	7.03%	21.75%
NET INVESTMENT SECURITIES	7,549,162	8,315,148	7,954,602	-4.34%	5.37%
Commercial loans					
Consumer loans	2,125,156	2,547,051	2,903,674	14.00%	36.63%
Small business loans	96,232	113,980	73,968	-35.10%	-23.14%
Mortgage loans	1,455,408	1,530,291	1,719,002	12.33%	18.11%
Finance lease	2,434,171	2,850,547	3,099,021	8.72%	27.31%
Allowance for loan losses	(692,832)	(738,700)	(763,625)	3.37%	10.22%
NET TOTAL LOANS AND FINANCIAL LEASES	16,859,567	18,365,410	21,084,601	14.81%	25.06%
Accrued interest receivable on loans	198,598	199,623	210,003	5.20%	5.74%
Allowance for accrued interest losses	(12,721)	(9,526)	(9,532)	0.06%	-25.07%
NET TOTAL INTEREST ACCRUED	185,877	190,097	200,471	5.46%	7.85%
Customers' acceptances and derivatives					
Net accounts receivable	309,650	395,484	396,608	0.28%	28.08%
Net premises and equipment	525,010	645,915	649,493	0.55%	23.71%
Foreclosed assets, net	54,562	26,663	25,859	-3.02%	-52.61%
Prepaid expenses and deferred charges	60,188	34,404	50,516	46.83%	-16.07%
Goodwill	62,264	45,297	53,991	19.19%	-13.29%
Operating leases, net	127,500	157,761	149,800	-5.05%	17.49%
Other	391,319	648,030	725,965	12.03%	85.52%
Reappraisal of assets	396,574	346,328	370,546	6.99%	-6.56%
TOTAL ASSETS	28,569,300	30,964,963	33,487,622	8.15%	17.22%
LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
DEPOSITS					
NON-INTEREST BEARING					
Checking accounts	2,246,186	2,758,182	3,006,549	9.00%	33.85%
Other	256,384	470,854	276,220	-41.34%	7.74%

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INTEREST BEARING	14,696,705	15,114,402	17,398,496	15.11%	18.38%
Checking accounts	1,056,500	1,152,790	1,281,143	11.13%	21.26%
Time deposits	6,812,775	6,739,068	7,306,274	8.42%	7.24%
Savings deposits	6,827,430	7,222,544	8,811,079	21.99%	29.05%
TOTAL DEPOSITS	17,199,275	18,343,438	20,681,265	12.74%	20.24%
Overnight funds	1,534,014	1,650,203	1,818,644	10.21%	18.55%
Bank acceptances outstanding	41,949	40,990	62,563	52.63%	49.14%
Interbank borrowings	1,274,645	1,810,035	1,899,892	4.96%	49.05%
Borrowings from domestic development banks	1,809,234	2,407,828	2,439,329	1.31%	34.83%
Accounts payable	875,924	1,021,597	1,001,489	-1.97%	14.34%
Accrued interest payable	188,319	205,177	218,011	6.26%	15.77%
Other liabilities	304,678	465,855	392,553	-15.73%	28.84%
Bonds	1,992,489	1,477,542	1,382,430	-6.44%	-30.62%
Accrued expenses	344,474	292,622	320,850	9.65%	-6.86%
Minority interest in consolidated subsidiaries	54,315	50,350	55,111	9.46%	1.47%
TOTAL LIABILITIES	25,619,316	27,765,637	30,272,137	9.03%	18.16%
SHAREHOLDERS' EQUITY					
SUBSCRIBED AND PAID IN CAPITAL	363,604	363,914	366,027	0.58%	0.67%
RETAINED EARNINGS	1,847,228	2,215,130	2,325,159	4.97%	25.87%
Appropriated	1,426,164	2,001,028	2,042,009	2.05%	43.18%
Unappropriated	421,064	214,102	283,150	32.25%	-32.75%
REAPPRAISAL AND OTHERS	624,607	569,793	580,639	1.90%	-7.04%
GROSS UNREALIZED GAIN OR LOSS ON DEBT SECURITIES	114,545	50,489	(56,340)	-211.59%	-149.19%
TOTAL SHAREHOLDER'S EQUITY	2,949,984	3,199,326	3,215,485	0.51%	9.00%

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(BANCOLOMBIA LOGO)

2Q06

CONSOLIDATED INCOME STATEMENT

(Ps Millions)	AS OF			QUARTER	
	JUN-05	JUN-06	JUN-06/JUN-05	2Q 05	1Q 06
	PRO FORMA			PRO FORMA	
INTEREST INCOME AND EXPENSES					
Interest on loans	987,243	1,062,922	7.67%	502,733	519,316
Interest on investment securities	378,989	(23,022)	-106.07%	228,791	135,379
Overnight funds	15,643	17,635	12.73%	9,593	9,015
Leasing	136,089	174,859	28.49%	69,005	84,195
TOTAL INTEREST INCOME	1,517,964	1,232,394	-18.81%	810,122	747,905

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Interest expense					
Checking accounts	9,090	15,230	67.55%	4,476	7,098
Time deposits	230,657	218,552	-5.25%	114,599	106,016
Savings deposits	118,381	112,121	-5.29%	60,438	55,277
TOTAL INTEREST ON DEPOSITS	358,128	345,903	-3.41%	179,513	168,391
Interbank borrowings	20,693	55,669	169.02%	9,925	28,085
Borrowings from domestic development banks	78,523	83,183	5.93%	36,980	40,857
Overnight funds	40,236	47,115	17.10%	25,668	20,835
Bonds	80,739	59,650	-26.12%	35,530	31,593
TOTAL INTEREST EXPENSE	578,319	591,520	2.28%	287,616	289,761
NET INTEREST INCOME	939,645	640,874	-31.80%	522,506	458,144
Provision for loan and accrued interest losses, net	(77,385)	(131,433)	69.84%	(43,757)	(64,205)
Recovery of charged-off loans	31,306	32,074	2.45%	19,424	16,747
Provision for foreclosed assets and other assets	(28,674)	(20,132)	-29.79%	(18,089)	(12,636)
Recovery of provisions for foreclosed assets and other assets	24,234	61,259	152.78%	19,520	9,416
TOTAL NET PROVISIONS	(50,519)	(58,232)	15.27%	(22,902)	(50,678)
NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES	889,126	582,642	-34.47%	499,604	407,466
Commissions from banking services and other services	35,477	69,320	95.39%	17,484	27,963
Electronic services and ATM fees	54,028	42,550	-21.24%	29,842	20,725
Branch network services	22,806	26,151	14.67%	11,798	12,833
Collections and payments fees	27,043	33,844	25.15%	13,916	15,164
Credit card merchant fees	4,740	4,314	-8.99%	4,315	2,235
Credit and debit card annual fees	99,771	118,251	18.52%	46,665	59,248
Checking fees	26,782	28,988	8.24%	13,869	14,696
Warehouse services	27,524	34,012	23.57%	12,775	17,981
Fiduciary activities	28,827	28,870	0.15%	14,720	15,595
Brokerage fees	28,857	36,111	25.14%	14,774	23,383
Check remittance	4,998	5,589	11.82%	2,572	2,852
International operations	14,627	15,674	7.16%	8,005	6,836
FEES AND OTHER SERVICE INCOME	375,480	443,674	18.16%	190,735	219,511
Fees and other service expenses	(27,889)	(27,220)	-2.40%	(14,818)	(13,392)
TOTAL FEES AND INCOME FROM SERVICES, NET	347,591	416,454	19.81%	175,917	206,119
OTHER OPERATING INCOME					
Net foreign exchange gains	(61,475)	143,463	333.37%	(42,994)	11,269
Forward contracts in foreign currency	105,166	(63,470)	-160.35%	67,505	4,337
Gains on sales of investments on equity securities	3,123	43,015	1277.36%	3,123	34,121
Dividend income	39,364	19,718	-49.91%	570	19,620
Revenues from commercial subsidiaries	48,989	21,951	-55.19%	20,205	13,245
Communication, postage, rent and others	6,423	7,938	23.59%	2,339	2,346

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TOTAL OTHER OPERATING INCOME	141,590	172,615	21.91%	50,748	84,938
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TOTAL INCOME	1,378,307	1,171,711	-14.99%	726,269	698,523
OPERATING EXPENSES					
Salaries and employee benefits	302,163	335,647	11.08%	153,441	163,778
Bonus plan payments	8,703	8,288	-4.77%	2,383	8,227
Compensation	4,685	1,598	-65.89%	2,443	716
Administrative and other expenses	392,851	398,012	1.31%	198,877	198,526
Deposit security, net	28,805	29,333	1.83%	15,180	15,682
Donation expenses	403	135	-66.50%	295	58
Depreciation	43,183	48,034	11.23%	16,317	21,598
TOTAL OPERATING EXPENSES	780,793	821,047	5.16%	388,936	408,585
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NET OPERATING INCOME	597,514	350,664	-41.31%	337,333	289,938
Merger expenses	18,422	12,478	-32.26%	13,299	4,664
Goodwill amortization (1)	11,324	11,987	5.85%	5,662	5,662
NON-OPERATING INCOME (EXPENSE)					
Other income	37,991	141,745	273.10%	24,077	20,461
Minority interest	(3,088)	(4,306)	39.44%	(1,267)	(2,761)
Other expense	(40,335)	(79,655)	97.48%	(26,908)	(15,431)
TOTAL NON-OPERATING INCOME	(5,432)	57,784	1163.77%	(4,098)	2,269
INCOME BEFORE INCOME TAXES	562,336	383,983	-31.72%	314,274	281,881
Income tax expense	(141,272)	(100,833)	-28.62%	(70,752)	(67,779)
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NET INCOME	421,064	283,150	-32.75%	243,522	214,102
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(1) Includes Banco de Colombia and Comercia S.A. amortization.