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BANCOLOMBIA SA  
Form 6-K  
March 02, 2006

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 2006

BANCOLOMBIA S.A.  
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(Translation of Registrant's name into English)

Calle 50 No. 51-66  
Medellin, Colombia  
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(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

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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 02, 2006

By /s/ JAIME ALBERTO VELASQUEZ B.

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

(BANCOLOMBIA LOGO)

(CIB LISTED NYSE LOGO)

### CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2005

MARCH 2, 2006. Medellin, Colombia -- Today, BANCOLOMBIA S.A. (NYSE: CIB) announced the financial results for the quarter ended December 31, 2005.(1)

CONSOLIDATED BALANCE SHEET  
AND INCOME STATEMENT  
(Ps millions)

|   | QUARTER           |                   | GRO    |
|---|-------------------|-------------------|--------|
|   | 3Q 05             | 4Q 05             | 4Q 05/ |
| -----   | -----             | -----             | -----  |
| <b>ASSETS</b>                                     |                   |                   |        |
| Loans and financial leases, net                   | 17,245,858        | 17,920,370        |        |
| Investment securities, net                        | 7,636,300         | 8,459,703         |        |
| Other assets                                      | 3,966,172         | 4,423,444         |        |
|   | -----             | -----             |        |
| <b>TOTAL ASSETS</b>                               | <b>28,848,330</b> | <b>30,803,517</b> |        |
|   | -----             | -----             |        |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |                   |                   |        |
| <b>DEPOSITS</b>                                   |                   |                   |        |
| Non-interest bearing                              | 2,613,728         | 3,530,279         |        |
| Interest bearing                                  | 14,902,718        | 14,854,703        |        |
| <b>OTHER LIABILITIES</b>                          | <b>8,101,685</b>  | <b>9,041,245</b>  |        |
| <b>TOTAL LIABILITIES</b>                          | <b>25,618,131</b> | <b>27,426,227</b> |        |
| Shareholders' equity                              | 3,230,199         | 3,377,290         |        |
|   | -----             | -----             |        |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>28,848,330</b> | <b>30,803,517</b> |        |
|   | -----             | -----             |        |
| Interest income                                   | 885,126           | 793,968           |        |
| Interest expense                                  | 284,961           | 286,994           |        |
| <b>NET INTEREST INCOME</b>                        | <b>600,165</b>    | <b>506,974</b>    |        |
| Net provisions                                    | (58,115)          | (22,406)          |        |
| Fees and income from service, net                 | 207,961           | 212,777           |        |
| Other operating income                            | 47,501            | 7,883             |        |
| Operating expense                                 | (468,675)         | (375,591)         |        |
| Non-operating income, net                         | (16,420)          | 20,006            |        |
| Income tax expense                                | (43,178)          | (93,065)          |        |
|   | -----             | -----             |        |
| <b>NET INCOME</b>                                 | <b>269,239</b>    | <b>256,578</b>    |        |
|   | -----             | -----             |        |

(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 to the Bank together with its affiliates, unless otherwise specified. The unaudited pro forma combined condensed financial statements for the fourth quarter of 2004 and as of December 31, 2004 and the relevant numbers developed from such financial statements presented below are derived from (a) the unaudited consolidated financial statements of Bancolombia as of September 30, 2004 and as of December 31, 2004, (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 September 30, 2004 and, as of December 31, 2004 and (c) the unaudited consolidated financial statements of Conavi Banco Comercial y de Ahorros S.A ("Conavi"), as of September 30, 2004 and as of December 31, 2004, 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.

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 TO THE BANK TOGETHER WITH ITS AFFILIATES, UNLESS OTHERWISE SPECIFIED.

Exchange rate: December 31, 2005 Ps 2,284.22 = US\$ 1 Average exchange rate  
December 2005 Ps 2,320.77 = US\$ 1

CONTACTS

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IR MANAGER  
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(BANCOLOMBIA LOGO)

4Q05

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1. HIGHLIGHTS:
- o This is the second time BANCOLOMBIA has released consolidated results since the merger that took place on July 30, 2005. This report contains pro forma figures for the fourth quarter of 2004 and for the period ended December 31, 2004 as if the spin off of Corfinsura and the merger with Conavi and Corfinsura (after the spin-off) had taken place on those dates, 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.
  - o Net income for the year totaled Ps 946.9 billion, increasing 18.2% as compared to Ps 801.1 billion pro forma for 2004. During the fourth quarter, net income amounted to Ps 256.6 billion, which represents a 1.9% increase compared to the same period of 2004 pro forma.
  - o As of December 31, 2005, BANCOLOMBIA's net loans totaled Ps 17,920 billion, increasing 3.9% compared to Ps 17,246 billion in the previous quarter. On a year-to-year basis, this represents an increase of 14.8% from Ps 15,611 billion pro forma at December 31, 2004. On the other hand, investment debt securities amounted to Ps 8,265 billion, increasing 7.8% over the year compared to pro forma figures.
  - o During 2005, net interest income amounted to Ps 2,049.8 billion, increasing 13.7% compared to 2004 pro forma. However, net interest income for the fourth quarter 2005 was stable compared to the same period of 2004. Similarly, the net interest margin was very stable resulting in a margin of 7.89% during 2005, compared 7.86% during 2004 pro forma.
  - o Net fees and income from services for 2005 totaled Ps 768.3 billion, which represents an increase of 22.1% compared to the pro forma figure for 2004. During the fourth quarter of 2005, they amounted to Ps 212.8 billion, up 26.7% compared to the fourth quarter of 2004 pro forma.
  - o BANCOLOMBIA's ratio of past due loans to total loans at December 31, 2005 was 2.4% and the ratio of allowances to past due loans was 158%.
  - o As the Bank announced on January 2, 2006, its subsidiary Colcorp sold its position in Abonos Colombianos S.A. -- Abocol S.A, to V. International Ventures Inc. As a result of the transaction, there are non-recurrent changes in income and expenses throughout the fourth quarter results.
  - o BANCOLOMBIA experienced non-recurrent provisions due to changes in the provisioning regulation.

| STOCK INDICATORS         | QUARTER     |             | AS OF   |         |
|--------------------------|-------------|-------------|---------|---------|
|                          | 3Q 05       | 4Q 05       | SEP-05  | DEC-05  |
| Net Income (Ps millions) | 269,239     | 256,578     | 690,303 | 946,881 |
| USD Earnings per ADS     | 0.647       | 0.617       | 1.658   | 2.278   |
| ROAA                     | 3.73%       | 3.50%       | 3.19%   | 3.23%   |
| ROAE                     | 33.34%      | 31.76%      | 28.49%  | 29.30%  |
| P/BV ADS (1)             | 2.83        | 3.55        |         |         |
| P/BV Local (2) (3)       | 2.80        | 3.31        |         |         |
| P/E (4)                  | 8.43        | 11.12       |         |         |
| Shares Outstanding       | 727,827,005 | 727,827,005 |         |         |

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- (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

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(BANCOLOMBIA LOGO)

4Q05

### 2. CONSOLIDATED BALANCE SHEET

#### 2.1 ASSETS

BANCOLOMBIA's total assets increased 6.8% over the quarter to Ps 30,804 billion as of December 31, 2005 from Ps 28.848 billion as of September 30, 2005, registering a 12,5% increase over the year from pro forma Ps 27,379 billion as of December 31, 2004.

##### 2.1.1 LOAN PORTFOLIO

Corporate loans were stable over the quarter, but increased 9.76% over the year to Ps 9,558 billion as of December 31, 2005 from Ps 8,708 billion pro forma as of December 31, 2004.

| LOAN PORTFOLIO<br>(Ps millions)<br>----- | 31-DEC-04<br>-----<br>PRO FORMA | AS OF<br>30-SEP-05<br>----- | 31-DEC-05<br>----- | 4Q<br>----- |
|--|---------------------------------|-----------------------------|--------------------|-------------|
| <b>CORPORATE</b>                         |                                 |                             |                    |             |
| Working capital loans                    | 6,827,168                       | 7,958,571                   | 7,754,880          |             |
| Loans funded by                          |                                 |                             |                    |             |
| domestic development banks               | 1,178,611                       | 1,042,505                   | 948,659            |             |
| Trade Financing                          | 593,294                         | 423,198                     | 749,342            |             |
| Overdrafts                               | 71,001                          | 87,557                      | 62,043             |             |
| Credit Cards                             | 37,984                          | 44,396                      | 43,084             |             |
|  | -----                           | -----                       | -----              |             |
| <b>TOTAL CORPORATE</b>                   | <b>8,708,058</b>                | <b>9,556,227</b>            | <b>9,558,008</b>   |             |
|  | -----                           | -----                       | -----              |             |
| <b>RETAIL AND SMES</b>                   |                                 |                             |                    |             |
| Working capital loans                    | 1,295,950                       | 1,442,580                   | 1,613,158          |             |
| Personal loans                           | 1,235,058                       | 1,498,279                   | 1,517,369          |             |
| Loans funded by                          |                                 |                             |                    |             |
| domestic development banks               | 359,494                         | 385,205                     | 403,412            |             |
| Credit Cards                             | 638,890                         | 550,927                     | 623,934            |             |
| Overdrafts                               | 90,361                          | 134,639                     | 101,957            |             |
| Automobile loans                         | 382,107                         | 541,223                     | 631,972            |             |
| Trade Financing                          | 54,189                          | 60,056                      | 52,449             |             |
|  | -----                           | -----                       | -----              |             |
| <b>TOTAL RETAIL AND SMES</b>             | <b>4,056,049</b>                | <b>4,612,909</b>            | <b>4,944,251</b>   |             |
| <b>MORTGAGE</b>                          | <b>1,391,333</b>                | <b>1,483,011</b>            | <b>1,463,437</b>   |             |

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|  |            |            |            |
|--|------------|------------|------------|
| FINANCIAL LEASES                               | 2,126,247  | 2,336,170  | 2,660,556  |
|  | -----      | -----      | -----      |
| TOTAL LOANS AND FINANCIAL LEASES               | 16,281,687 | 17,988,317 | 18,626,252 |
| ALLOWANCE FOR LOAN LOSSES AND FINANCIAL LEASES | (670,408)  | (742,459)  | (705,882)  |
|  | -----      | -----      | -----      |
| TOTAL LOANS AND FINANCIAL LEASES, NET          | 15,611,279 | 17,245,858 | 17,920,370 |
|  | -----      | -----      | -----      |

The retail and small and medium-sized enterprise ("SME") loan portfolio maintained positive growth rates. It totaled Ps 4,944 billion as of December 31, 2005, increasing 7.2% over the quarter and 21.9% over the year.

Mortgage loans increased 5.2% over the year, amounting to Ps 1,463 billion, but decreased 1.3% quarter-to-quarter compared to the September 30, 2005 results. The quarterly decrease is mainly explained by a mortgage securitization of Ps 32 billion that took place on December 15, 2005. On the other hand, financial leases increased 13.9% over the quarter and 25.1% over the year amounting to Ps 2,661 billion.

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(BANCOLOMBIA LOGO)

4Q05

### 2.1.2 INVESTMENT PORTFOLIO

BANCOLOMBIA's investments in debt securities amounted to Ps 8,265 billion, increasing 12.6% over the quarter. On a year-to-year basis, this represents an increase of 7.8%, from pro forma Ps 7,667 billion at December 31, 2004.

### 2.1.3 ASSET QUALITY

As of December 31, 2005, the Bank's past due loans accounted for 2.4% of total loans. Loans classified as C, D and E accounted for 3.4% of total loans. Furthermore, the ratio of allowances to past due loans at the end of the quarter was 158%, while the ratio of allowances to loans classified as C, D and E was 114%.

### LOANS AND FINANCIAL LEASES CLASSIFICATION (Ps millions)

|                       | AS OF 31-DEC-04 |       | AS OF 30-SEP-05 |       |
|-----------------------|-----------------|-------|-----------------|-------|
| -----                 | -----           | ----- | -----           | ----- |
| "A" Normal            | 15,128,994      | 92.9% | 16,853,001      | 93.7% |
| "B" Subnormal         | 531,801         | 3.3%  | 503,075         | 2.8%  |
| "C" Deficient         | 205,870         | 1.3%  | 158,943         | 0.9%  |
| "D" Doubtful recovery | 234,643         | 1.4%  | 278,559         | 1.5%  |
| "E" Unrecoverable     | 180,379         | 1.1%  | 194,739         | 1.1%  |
| TOTAL                 | 16,281,687      | 100%  | 17,988,317      | 100%  |
|                       | -----           | ----- | -----           | ----- |

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

3.8%

3.5%

ASSET QUALITY  
(Ps millions)

|   | 31-DEC-04 | AS OF<br>30-SEP-05 | 31-DEC-04 |
|---|-----------|--------------------|-----------|
| -----   | -----     | -----              | -----     |
|   | PRO FORMA |                    |           |
| Total performing past due loans                 | 289,268   | 301,878            | 224,000   |
| Total non-performing past due loans (1)         | 254,773   | 277,971            | 227,000   |
| Total past due loans                            | 544,041   | 579,849            | 451,000   |
| Allowance for loans and accrued interest losses | 684,826   | 755,290            | 714,000   |
| Past due loans to total loans                   | 3.34%     | 3.22%              | 2.2%      |
| Non-performing loans to total loans             | 1.56%     | 1.55%              | 1.1%      |
| C, D, and E loans to total loans                | 3.81%     | 3.51%              | 3.3%      |
| Allowances to past due loans (2)                | 125.88%   | 130.26%            | 158.0%    |
| Allowances to C, D, and E loans (2)             | 110.30%   | 119.46%            | 113.0%    |
| Allowances to non-performing loans (2)          | 268.80%   | 271.72%            | 314.0%    |
| Allowances to total loans                       | 4.21%     | 4.20%              | 3.3%      |
| Performing loans to total loans                 | 98.44%    | 98.45%             | 98.0%     |

(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 increased 5.0% over the quarter and 5.8% over the year, totaling Ps 18,385 billion as of December 31, 2005. The funding mix improved over the year. Savings deposits increased 15.7%, whereas time deposits decreased 7.2% over the year, compared to pro forma 2004 figures.

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(BANCOLOMBIA LOGO)

4Q05

2.3 SHAREHOLDERS' EQUITY

BANCOLOMBIA's shareholders' equity totaled Ps 3,377 billion at the end of 2005. Compared with September 31, 2005, this amount represents an increase of 4.6% over the quarter and 20.9% over the year. Unrealized gains on available for sale debt securities totaled Ps 58.6 billion as of December 30, 2005.

At the end of 2005, the Bank's consolidated ratio of technical capital to risk-weighted assets was 10.9%.

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| TECHNICAL CAPITAL RISK WEIGHTED ASSETS<br>Consolidated (Ps millions) | 31-DEC-04  | AS OF<br>30-SEP-05 | 31-DEC-05  |
|--|------------|--------------------|------------|
| -----  | -----      | -----              | -----      |
|  | PRO FORMA  |                    |            |
| Basic capital (Tier I)   | 2,156,490  | 2,123,055          | 2,169,481  |
| Additional capital (Tier II)   | 441,138    | 464,592            | 393,822    |
| Technical capital (1)  | 2,597,628  | 2,587,647          | 2,563,303  |
| Risk weighted assets included market risk                            | 20,661,560 | 22,371,981         | 23,457,768 |
|  | -----      | -----              | -----      |
| CAPITAL ADEQUACY (2)   | 12.57%     | 11.57%             | 10.93      |
|  | -----      | -----              | -----      |

(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)

4Q05

### 3. INCOME STATEMENT

BANCOLOMBIA's net income amounted to Ps 256.6 billion during the fourth quarter and Ps 946.9 billion during the year ended December 31, 2005, as compared to Ps 251.8 billion and Ps 801.1 billion for the same periods of 2004 pro forma, respectively.

#### 3.1 NET INTEREST INCOME

Interest on loans were stable over the quarter, totaling Ps 533.5 billion. On a year-to-year basis, this represents an increase of 7.9% from the pro forma Ps 494.4 billion at December 31, 2004. On the other hand, interests on investment securities reached Ps 824.7 billions in 2005, increasing 8.8% over the year from pro forma Ps 758.3 billion on a pro forma basis as of December 31, 2004. On a quarterly basis,



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interests on investments amounted to Ps 169.4 billion during the quarter, decreasing 38.0% compared to the previous quarter, due mainly to a not so strong performance of the Colombian bond prices. In sum, net interest income totaled Ps 2,049.8 billion during 2005, increasing 13.7% compared to the previous year pro forma results.

### 3.2 PROVISIONS

Provisions for loan and interest losses amounted to Ps 43.8 billion, decreasing 31.7% compared to the results of the previous quarter which, as explained in the previous quarterly release, included additional allowances made for the loans of the acquired companies, following BANCOLOMBIA's credit risk management policies. Ps 26.2 billion from these provisions correspond to adjustments made by the new provisioning regulation. On the other hand, recoveries of provisions for foreclosed assets increased strongly compared to the previous quarter amounting to Ps 26.0 billion.

### 3.3 FEES AND INCOME FROM SERVICES

The different sources of fee generation continued their positive trend. Net fees and income from services amounted to Ps 212.8 billion during the fourth quarter of 2005. This represents an increase of 26.7% as compared to Ps 167.9 billion pro forma results for the fourth quarter of 2004.

BANCOLOMBIA's accumulated unconsolidated credit card billing increased 17.0% during the year, resulting in a 22.3% market share of the Colombian credit card business. In addition, the Bank's number of outstanding credit cards increased 13.4%, resulting in a 16.1% market share.

| ACCUMULATED CREDIT CARD BILLING<br>(Millions of pesos as of December 31, 2005) | Dec-04     | Dec-05     | %      |
|--|------------|------------|--------|
| -----  | -----      | -----      | -----  |
|  | Pro forma  |            | Growth |
| Bancolombia VISA   | 718,740    | 879,462    | 22.36% |
| Bancolombia Mastercard   | 1,275,721  | 1,391,484  | 9.07%  |
| Bancolombia American Express   | 389,357    | 517,309    | 32.86% |
| TOTAL BANCOLOMBIA  | 2,383,818  | 2,788,255  | 16.97% |
|  | -----      | -----      | -----  |
| Colombian credit card market   | 10,085,888 | 12,514,862 | 24.08% |
|  | -----      | -----      | -----  |

Source: Credibanco, American Express y Red Multicolor

| CREDIT CARD MARKET SHARE<br>Outstanding credit cards as of December 31, 2005 | Dec-04    | Dec-05  | %      |
|--|-----------|---------|--------|
| -----  | -----     | -----   | -----  |
|  | Pro forma |         | Growth |
| Bancolombia VISA   | 159,390   | 191,821 | 20.35% |
| Bancolombia Mastercard   | 246,186   | 258,518 | 5.01%  |
| Bancolombia American Express   | 84,366    | 105,003 | 24.46% |
| TOTAL BANCOLOMBIA  | 489,942   | 555,342 | 13.35% |
|  | -----     | -----   | -----  |

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|                              |           |           |        |
|------------------------------|-----------|-----------|--------|
| Colombian credit card market | 2,812,228 | 3,454,971 | 22.86% |
|                              | -----     | -----     | -----  |

Source: Credibanco, American Express y Red Multicolor.

(BANCOLOMBIA LOGO)

4Q05

### 3.4 OPERATING EXPENSES

Total operating expenses decreased 18.2% during the quarter to Ps 362.5 billion, which represents a 7.4% increase on an accumulated year-over-year basis. BANCOLOMBIA's operating expenses to net operating income efficiency ratio dropped to 51.6% and the operating expenses over average total assets dropped to 5.1%, during the fourth quarter of 2005.

#### PRINCIPAL RATIOS

|  | QUARTER   |        |        |
|--|-----------|--------|--------|
|  | 4Q 04     | 3Q 05  | 4Q 05  |
| -----  |           |        |        |
| PROFITABILITY                                  | PRO FORMA |        |        |
| Net interest margin (1)                        | 8.87%     | 9.59%  | 7.80%  |
| Return on average total assets (2)             | 3.92%     | 3.73%  | 3.50%  |
| Return on average shareholders' equity (3)     | 40.12%    | 33.34% | 31.76% |
| -----  |           |        |        |
| EFFICIENCY                                     |           |        |        |
| Operating expenses to net operating income (4) | 56.38%    | 54.78% | 51.62% |
| Operating expenses to average total assets (4) | 6.49%     | 6.50%  | 5.12%  |
| -----  |           |        |        |
| CAPITAL ADEQUACY                               |           |        |        |
| Shareholders' equity to total assets           | 10.20%    | 11.20% | 10.96% |
| Technical capital to risk weighted assets      | 12.57%    | 11.57% | 10.93% |

(1) Defined as Net Interest Income divided by interest-earning assets.

(2) Net income divided by total assets.

(3) Net income divided by shareholders' equity.

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

### 3.5 NON-OPERATING INCOME

There were non-recurrent events such as the sale of real state from Corfinsura and Conavi, the recovery from 2004 income tax provision and the sale of stocks received as payment for fully provisioned charged-off loans, that explain the increase of non-operating income.

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4Q05

CONSOLIDATED BALANCE SHEET

AS OF

(Ps millions)

DEC-04

SEP-05

DEC-

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PRO FORMA

ASSETS

Cash and due from banks 1,122,846 1,040,224 1,241

Overnight funds sold 507,540 410,735 488

TOTAL CASH AND EQUIVALENTS 1,630,386 1,450,959 1,730

DEBT SECURITIES

Trading 4,837,478 4,591,826 5,400

Available for Sale 1,943,685 1,879,456 1,842

Held to Maturity 885,908 871,696 1,021

EQUITY SECURITIES 301,944 356,995 268

Trading 130,462 170,980 50

Available for Sale 171,482 186,015 217

Market value allowance (70,566) (63,673) (73)

NET INVESTMENT SECURITIES 7,898,449 7,636,300 8,459

Commercial loans

10,775,256 11,769,986 11,949

Consumer loans 1,898,735 2,300,528 2,437

Small business loans 90,116 98,622 115

Mortgage loans 1,391,333 1,483,011 1,463

Finance lease 2,126,247 2,336,170 2,660

Allowance for loan losses (670,408) (742,459) (705)

NET TOTAL LOANS AND FINANCIAL LEASES 15,611,279 17,245,858 17,920

Accrued interest receivable on loans

202,064 197,061 206

Allowance for accrued interest losses (14,418) (12,831) (8)

NET TOTAL INTEREST ACCRUED 187,646 184,230 198

Customers' acceptances and derivatives

96,411 102,755 133

Net accounts receivable 317,241 289,699 590

Net premises and equipment 502,664 652,828 623

Foreclosed assets, net 81,302 39,180 31

Prepaid expenses and deferred charges 53,781 31,602 26

Goodwill 73,607 56,024 50

Operating leases, net 130,922 143,024 143

Other 404,764 591,032 563

Reappraisal of assets 390,402 424,839 330

TOTAL ASSETS

27,378,854 28,848,330 30,803

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

DEPOSITS

NON-INTEREST BEARING 2,885,725 2,613,728 3,530

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|  |            |            |        |
|--|------------|------------|--------|
| Checking accounts                                | 2,581,220  | 2,246,240  | 3,171  |
| Other  | 304,505    | 367,488    | 359    |
| <hr/>  |            |            |        |
| INTEREST BEARING                                 | 14,488,323 | 14,902,718 | 14,854 |
| Checking accounts                                | 1,238,013  | 1,115,689  | 1,068  |
| Time deposits                                    | 6,744,413  | 6,413,490  | 6,259  |
| Savings deposits                                 | 6,505,897  | 7,373,539  | 7,526  |
| <hr/>  |            |            |        |
| TOTAL DEPOSITS                                   | 17,374,048 | 17,516,446 | 18,384 |
| Overnight funds                                  | 821,926    | 1,032,610  | 1,329  |
| Bank acceptances outstanding                     | 67,507     | 57,209     | 63     |
| Interbank borrowings                             | 747,183    | 1,543,154  | 1,705  |
| Borrowings from domestic development banks       | 2,284,972  | 1,833,188  | 2,222  |
| Accounts payable                                 | 907,987    | 916,552    | 1,250  |
| Accrued interest payable                         | 182,877    | 185,168    | 182    |
| Other liabilities                                | 301,355    | 292,033    | 459    |
| Bonds  | 1,723,590  | 1,768,280  | 1,648  |
| Accrued expenses                                 | 119,353    | 419,172    | 130    |
| Minority interest in consolidated subsidiaries   | 55,384     | 54,319     | 49     |
| <hr/>  |            |            |        |
| TOTAL LIABILITIES                                | 24,586,182 | 25,618,131 | 27,426 |
| <hr/>  |            |            |        |
| SHAREHOLDERS' EQUITY                             |            |            |        |
| SUBSCRIBED AND PAID IN CAPITAL                   | 364,643    | 363,580    | 363    |
| RETAINED EARNINGS                                | 1,810,491  | 2,118,885  | 2,362  |
| Appropriated                                     | 1,009,385  | 1,428,582  | 1,415  |
| Unappropriated                                   | 801,106    | 690,303    | 946    |
| <hr/>  |            |            |        |
| REAPPRAISAL AND OTHERS                           | 552,066    | 651,457    | 592    |
| GROSS UNREALIZED GAIN OR LOSS ON DEBT SECURITIES | 65,472     | 96,277     | 58     |
| <hr/>  |            |            |        |
| TOTAL SHAREHOLDER'S EQUITY                       | 2,792,672  | 3,230,199  | 3,377  |
| <hr/>  |            |            |        |

8

(BANCOLOMBIA LOGO)

4Q05

| CONSOLIDATED INCOME STATEMENT     | AS OF              |                    |                    | QUARTER            |                    |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                   | DEC-04             | DEC-05             | DEC-05 /<br>DEC-04 | 4Q 04              | 3Q 05              |
| (Ps Millions)                     | -----<br>PRO FORMA | -----<br>PRO FORMA | -----<br>PRO FORMA | -----<br>PRO FORMA | -----<br>PRO FORMA |
| INTEREST INCOME AND EXPENSES      |                    |                    |                    |                    |                    |
| Interest on loans                 | 1,835,772          | 2,050,274          | 11.68%             | 494,444            | 529,527            |
| Interest on investment securities | 758,287            | 824,709            | 8.76%              | 217,690            | 273,298            |
| Overnight funds                   | 20,031             | 33,629             | 67.88%             | 6,879              | 9,141              |
| Leasing                           | 245,800            | 291,472            | 18.58%             | 70,313             | 73,160             |
| TOTAL INTEREST INCOME             | 2,859,890          | 3,200,084          | 11.90%             | 789,326            | 885,126            |
| <hr/>                             |                    |                    |                    |                    |                    |
| Interest expense                  |                    |                    |                    |                    |                    |
| Checking accounts                 | 13,505             | 20,311             | 50.40%             | 4,091              | 5,068              |

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|   |           |           |         |          |          |
|---|-----------|-----------|---------|----------|----------|
| Time deposits   | 412,387   | 449,367   | 8.97%   | 113,720  | 115,189  |
| Savings deposits  | 220,215   | 241,889   | 9.84%   | 57,754   | 60,902   |
| TOTAL INTEREST ON DEPOSITS  | 646,107   | 711,567   | 10.13%  | 175,565  | 181,159  |
| Interbank borrowings  | 15,865    | 54,630    | 244.34% | 5,739    | 12,834   |
| Borrowings from domestic<br>development banks   | 153,531   | 156,509   | 1.94%   | 37,148   | 39,176   |
| Overnight funds   | 98,040    | 73,910    | -24.61% | 23,370   | 15,001   |
| Bonds   | 143,210   | 153,658   | 7.30%   | 39,132   | 36,791   |
| TOTAL INTEREST EXPENSE  | 1,056,753 | 1,150,274 | 8.85%   | 280,954  | 284,961  |
| NET INTEREST INCOME   | 1,803,137 | 2,049,810 | 13.68%  | 508,372  | 600,165  |
| Provision for loan and accrued<br>interest losses, net                                | (126,321) | (159,214) | 26.04%  | (29,566) | (64,171) |
| Adjustment of provisions on loan<br>and accrued interest losses by new<br>regulations | --        | (26,190)  | --      | --       | --       |
| Recovery of charged-off loans   | 57,613    | 61,829    | 7.32%   | 32,030   | 15,297   |
| Provision for foreclosed assets and<br>other assets                                   | (83,409)  | (63,969)  | -23.31% | (30,533) | (15,562) |
| Recovery of provisions for<br>foreclosed assets and other assets                      | 51,595    | 56,504    | 9.51%   | 23,871   | 6,321    |
| TOTAL NET PROVISIONS  | (100,522) | (131,040) | 30.36%  | (4,198)  | (58,115) |
| NET INTEREST INCOME AFTER PROVISION<br>FOR LOANS AND ACCRUED INTEREST<br>LOSSES       | 1,702,615 | 1,918,770 | 12.70%  | 504,174  | 542,050  |
| Commissions from banking services<br>and other services                               | 77,949    | 101,355   | 30.03%  | 29,015   | 26,186   |
| Electronic services and ATM fees  | 76,397    | 101,299   | 32.60%  | 21,603   | 24,743   |
| Branch network services   | 42,836    | 48,984    | 14.35%  | 11,578   | 12,837   |
| Collections and payments fees   | 48,544    | 56,670    | 16.74%  | 13,431   | 14,640   |
| Credit card merchant fees   | 8,251     | 10,076    | 22.12%  | 225      | 2,647    |
| Credit and debit card annual<br>fees, net   | 192,029   | 205,606   | 7.07%   | 51,283   | 53,196   |
| Checking fees   | 51,239    | 54,846    | 7.04%   | 13,284   | 14,104   |
| Warehouse services  | 49,049    | 62,155    | 26.72%  | 13,068   | 14,182   |
| Fiduciary activities, net   | 51,178    | 60,131    | 17.49%  | 12,530   | 16,501   |
| Brokerage fees  | 43,014    | 68,231    | 58.63%  | 7,562    | 23,896   |
| Check remittance  | 10,850    | 10,579    | -2.50%  | 2,705    | 2,725    |
| International operations  | 36,476    | 36,484    | 0.02%   | 12,163   | 13,013   |
| FEES AND OTHER SERVICE INCOME   | 687,812   | 816,416   | 18.70%  | 188,447  | 218,670  |
| Fees and other service expenses   | (58,753)  | (48,087)  | -18.15% | (20,561) | (10,709) |
| TOTAL FEES AND INCOME FROM<br>SERVICES, NET   | 629,059   | 768,329   | 22.14%  | 167,886  | 207,961  |
| OTHER OPERATING INCOME  |           |           |         |          |          |
| Net foreign exchange gains  | (116,008) | (53,361)  | -54.00% | (43,647) | (16,189) |
| Forward contracts in foreign<br>currency  | 207,222   | 141,055   | -31.93% | 66,016   | 31,447   |
| Gains on sales of investments<br>on equity securities                                 | 3,979     | 8,097     | 103.49% | 3,563    | 302      |
| Dividend income   | 42,967    | 42,731    | -0.55%  | 1,498    | 1,831    |
| Revenues from commercial<br>subsidiaries  | 107,856   | 45,020    | -58.26% | 31,068   | 27,884   |
| Communication, postage, rent and<br>others  | 15,073    | 10,406    | -30.96% | 3,983    | 2,226    |
| TOTAL OTHER OPERATING INCOME  | 261,089   | 193,948   | -25.72% | 62,481   | 47,501   |
| TOTAL INCOME  | 2,592,763 | 2,881,047 | 11.12%  | 734,541  | 797,512  |

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|  |           |           |          |          |          |
|--|-----------|-----------|----------|----------|----------|
| OPERATING EXPENSES                         |           |           |          |          |          |
| Salaries and employee benefits             | 545,129   | 615,121   | 12.84%   | 146,171  | 157,833  |
| Bonus plan payments                        | 33,107    | 26,826    | -18.97%  | 12,965   | 12,551   |
| Compensation                               | 15,235    | 8,030     | -47.29%  | 2,320    | 2,188    |
| Administrative and other expenses          | 731,405   | 793,179   | 8.45%    | 198,102  | 235,245  |
| Deposit security, net                      | 44,626    | 55,050    | 23.36%   | 13,398   | 13,203   |
| Donation expenses                          | 11,595    | 615       | -94.70%  | 11,043   | 130      |
| Depreciation                               | 96,778    | 87,633    | -9.45%   | 26,646   | 22,049   |
| TOTAL OPERATING EXPENSES                   | 1,477,875 | 1,586,454 | 7.35%    | 410,645  | 443,199  |
| -----                                      |           |           |          |          |          |
| NET OPERATING INCOME                       | 1,114,888 | 1,294,593 | 16.12%   | 323,896  | 354,313  |
| Merger expenses                            | 1,799     | 45,703    | 2440.47% | 223      | 19,814   |
| Goodwill amortization Banco de<br>Colombia | 22,648    | 22,648    | 0.00%    | 5,662    | 5,662    |
| NON-OPERATING INCOME (EXPENSE)             |           |           |          |          |          |
| Other income                               | 75,674    | 109,770   | 45.06%   | 22,428   | 12,331   |
| Minority interest                          | (6,204)   | (6,496)   | 4.71%    | (1,761)  | (1,430)  |
| Other expense                              | (99,749)  | (105,120) | 5.38%    | (23,386) | (27,321) |
| TOTAL NON-OPERATING INCOME                 | (30,279)  | (1,846)   | -93.90%  | (2,719)  | (16,420) |
| INCOME BEFORE INCOME TAXES                 | 1,060,162 | 1,224,396 | 15.49%   | 315,292  | 312,417  |
| Income tax expense                         | (259,056) | (277,515) | 7.13%    | (63,451) | (43,178) |
| -----                                      |           |           |          |          |          |
| NET INCOME                                 | 801,106   | 946,881   | 18.20%   | 251,841  | 269,239  |
| -----                                      |           |           |          |          |          |