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BANCOLOMBIA SA  
Form 6-K  
November 03, 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 November 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    X    Form 40-F  
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(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    X  
-----                    -----

(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: November 02, 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 LOGO)

## CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2005

NOVEMBER 2, 2005. Medellin, Colombia - Today, BANCOLOMBIA S.A. (NYSE: CIB) announced the financial results for the quarter ended September 30, 2005. (1)

| CONSOLIDATED BALANCE SHEET<br>AND INCOME STATEMENT<br>(Ps millions) | QUARTER            |                   |                         |
|---|--------------------|-------------------|-------------------------|
|   | 2Q 05<br>PRO FORMA | 3Q 05             | GROWTH<br>3Q 05 / 2Q 05 |
| <hr/>   |                    |                   |                         |
| <b>ASSETS</b>   |                    |                   |                         |
| Loans and financial leases, net                                     | 16,859,567         | 17,245,858        | 2.29%                   |
| Investment securities, net  | 7,549,162          | 7,636,300         | 1.15%                   |
| Other assets  | 4,160,571          | 3,966,172         | -4.67%                  |
|   | <hr/>              | <hr/>             | <hr/>                   |
| <b>TOTAL ASSETS</b>   | <b>28,569,300</b>  | <b>28,848,330</b> | <b>0.98%</b>            |
|   | <hr/>              | <hr/>             | <hr/>                   |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                         |                    |                   |                         |
| <b>DEPOSITS</b>   |                    |                   |                         |
| Non-interest bearing  | 17,199,275         | 17,516,446        | 1.84%                   |
| Interest bearing  | 2,502,570          | 2,613,728         | 4.44%                   |
| OTHER LIABILITIES   | 14,696,705         | 14,902,718        | 1.40%                   |
| TOTAL LIABILITIES   | 8,420,041          | 8,101,685         | -3.78%                  |
| Shareholders' equity  | 25,619,316         | 25,618,131        | 0.00%                   |
|   | 2,949,984          | 3,230,199         | 9.50%                   |
|   | <hr/>              | <hr/>             | <hr/>                   |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                   | <b>28,569,300</b>  | <b>28,848,330</b> | <b>0.98%</b>            |
|   | <hr/>              | <hr/>             | <hr/>                   |
| Interest income   | 813,245            | 885,428           | 8.88%                   |
| Interest expense  | 287,616            | 284,961           | -0.92%                  |
| NET INTEREST INCOME   | 525,629            | 600,467           | 14.24%                  |
| Net provisions  | (22,902)           | (58,115)          | 153.76%                 |
| Fees and income from service, net                                   | 175,917            | 207,961           | 18.22%                  |
| Other operating income  | 47,625             | 47,199            | -0.89%                  |
| Operating expense   | (407,897)          | (468,675)         | 14.90%                  |
| Non-operating income, net   | (4,098)            | (16,420)          | 300.68%                 |
| Income tax expense  | (70,752)           | (43,178)          | -38.97%                 |
|   | <hr/>              | <hr/>             | <hr/>                   |
| <b>NET INCOME</b>   | <b>243,522</b>     | <b>269,239</b>    | <b>10.56%</b>           |
|   | <hr/>              | <hr/>             | <hr/>                   |

(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 third quarter of 2004, for the second quarter of 2005, as of September 30, 2004, and as of June 30, 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

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June 30, 2004, September 30, 2004, as of March 31, 2005 and 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, 2004, September 30, 2004, as of March 31, 2005 and 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, 2004, as of September 30, 2004, as of March 31, 2005 and 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.

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: September 30, 2005 Ps 2,288.22 = US\$ 1 Average exchange rate  
September 2005 Ps 2,333.00 = US\$ 1

### CONTACTS

|                     |                     |                     |
|---------------------|---------------------|---------------------|
| SERGIO RESTREPO     | JAIME A. VELASQUEZ  | MAURICIO BOTERO     |
| EXECUTIVE VP        | FINANCIAL VP        | IR MANAGER          |
| TEL.: (574) 3120332 | TEL.: (574) 5108666 | TEL.: (574) 5108866 |

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(BANCOLOMBIA LOGO)

3Q05

### 1. HIGHLIGHTS:

- This is the first time BANCOLOMBIA has released consolidated results since the merger that took place on July 30, 2005. This report contains pro forma figures for the third quarter of 2004, for the second quarter of 2005 and for the periods ended September 30, 2004 and June 30, 2005 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 with the results of the third quarter of 2005 and the period ended September 30, 2005. 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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- Net income increased 10.6% over the quarter and 16.4% over the year, amounting to Ps 269.2 billion, compared to pro forma net income of Ps 243.5 billion for the previous quarter and Ps 231.4 billion during the third quarter of 2004.
- As of September 30, 2005, BANCOLOMBIA's net loans totaled Ps 17,246 billion, increasing 2.3% compared to Ps 16,860 billion in the previous quarter pro forma. On a year-to-year basis, this represents an increase of 10.6% from Ps 15,595 billion pro forma at September 30, 2004. On the other hand, investment debt securities amounted to Ps 7,343 billion. Compared to pro forma figures, they were stable over the quarter and increased 5.9% over the year.
- During the third quarter of 2005, net interest income amounted to Ps 600.5 billion, increasing 14.2% compared to the previous quarter pro forma and 20.2% on a year-to-year basis. Similarly, the net interest margin went from 8.63% during the third quarter 2004 to 9.59% for the same period of 2005.
- Net fees and income from services were up 18.2% over the quarter, reaching a total of Ps 208.0 billion, which represents an increase of 33.2% compared to pro forma figures for the third quarter of 2004.
- BANCOLOMBIA's ratio of past due loans to total loans at September 30, 2005 was 3.22% and the ratio of allowances for past due loans was 130%.
- BANCOLOMBIA experienced non-recurrent provisions, operating expenses and merger expenses, due mainly to accounting adjustments of the acquired companies to BANCOLOMBIA's policies.

| STOCK INDICATORS         | QUARTER<br>3Q 05 | AS OF<br>SEP-05 |
|--------------------------|------------------|-----------------|
| -----                    | -----            | -----           |
| Net Income (Ps millions) | 269,239          | 690,303         |
| USD Earnings per ADS     | 0.647            | 1.658           |
| ROAA                     | 3.73%            | 3.19%           |
| ROAE                     | 33.34%           | 28.49%          |
| P/BV ADS (1)             | 2.83             |                 |
| P/BV Local (2) (3)       | 2.80             |                 |
| P/E (4)                  | 8.43             |                 |
| Shares Outstanding (5)   | 727,829,109      |                 |

- (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
- (5) Approximate total number of shares of BANCOLOMBIA (Not accounting for cash payments of fractional shares)

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3Q05

## 2. CONSOLIDATED BALANCE SHEET

## 2.1 ASSETS

BANCOLOMBIA's total assets were stable during the quarter, compared to pro forma figures, but increased 11.25% over the year to Ps 28,848 billion as of September 30, 2005 from pro forma Ps 25,931 billion as of September 30, 2004.

## 2.1.1 LOAN PORTFOLIO

Corporate loans increased 3.8% over the quarter from Ps 9,208 billion to Ps 9,556 billion, which represents an increase of 2.3% compared to Ps 9,338 billion pro forma as of September 30, 2004.

| LOAN PORTFOLIO<br>(Ps millions)                   | 30-SEP-04<br>PRO FORMA | AS OF                  |                   | GROWTH       |              |
|---|------------------------|------------------------|-------------------|--------------|--------------|
|   |                        | 30-JUN-05<br>PRO FORMA | 30-SEP-05         | 3Q 05/2Q 05  | 3Q 05/2Q 04  |
| <b>CORPORATE</b>                                  |                        |                        |                   |              |              |
| Working capital loans                             | 7,630,011              | 7,299,250              | 7,958,571         | 9.03%        |              |
| Loans funded by                                   |                        |                        |                   |              |              |
| domestic development banks                        | 1,290,561              | 1,174,277              | 1,042,505         | -11.22%      | -11.22%      |
| Trade Financing                                   | 318,210                | 601,761                | 423,198           | -29.67%      | -29.67%      |
| Overdrafts  | 66,341                 | 96,980                 | 87,557            | -9.72%       | -9.72%       |
| Credit Cards                                      | 33,335                 | 36,101                 | 44,396            | 22.98%       | 22.98%       |
| <b>TOTAL CORPORATE</b>                            | <b>9,338,458</b>       | <b>9,208,369</b>       | <b>9,556,227</b>  | <b>3.78%</b> | <b>3.78%</b> |
| <b>RETAIL AND SMES</b>                            |                        |                        |                   |              |              |
| Working capital loans                             | 1,189,647              | 1,474,432              | 1,442,580         | -2.16%       | -2.16%       |
| Personal loans                                    | 1,103,430              | 1,426,152              | 1,498,279         | 5.06%        | 5.06%        |
| Loans funded by                                   |                        |                        |                   |              |              |
| domestic development banks                        | 357,994                | 368,252                | 385,205           | 4.60%        | 4.60%        |
| Credit Cards                                      | 440,974                | 497,677                | 550,927           | 10.70%       | 10.70%       |
| Overdrafts  | 120,281                | 138,108                | 134,639           | -2.51%       | -2.51%       |
| Automobile loans                                  | 336,494                | 480,300                | 541,223           | 12.68%       | 12.68%       |
| Trade Financing                                   | 42,608                 | 69,530                 | 60,056            | -13.63%      | -13.63%      |
| <b>TOTAL RETAIL AND SMES</b>                      | <b>3,591,428</b>       | <b>4,454,451</b>       | <b>4,612,909</b>  | <b>3.56%</b> | <b>3.56%</b> |
| MORTGAGE  | 1,645,989              | 1,455,408              | 1,483,011         | 1.90%        | 1.90%        |
| FINANCIAL LEASES                                  | 1,812,194              | 2,434,171              | 2,336,170         | -4.03%       | -4.03%       |
| <b>TOTAL LOANS AND FINANCIAL LEASES</b>           | <b>16,388,069</b>      | <b>17,552,399</b>      | <b>17,988,317</b> | <b>2.48%</b> | <b>2.48%</b> |
| ALLOWANCE FOR LOAN LOSSES AND<br>FINANCIAL LEASES | (793,283)              | (692,832)              | (742,459)         | 7.16%        | 7.16%        |
| <b>TOTAL LOANS AND FINANCIAL LEASES, NET</b>      | <b>15,594,786</b>      | <b>16,859,567</b>      | <b>17,245,858</b> | <b>2.29%</b> | <b>2.29%</b> |

The retail and small and medium-sized enterprise ("SME") loan portfolio maintained positive growth rates. It totaled Ps 4,613 billion as of

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September 30, 2005, increasing 3.6% over the quarter and 28.4% over the year.

Mortgage loans increased 1.9% over the quarter, amounting to Ps 1,483 billion, but decreased 9.9% year-to-year compared to the September 30, 2004, pro forma figures. The annual decrease is mainly explained by a mortgage securitization of Ps 229.9 billion that took place on December 20, 2004. On the other hand, financial leases decreased 4.0% over the quarter amounting to Ps 2,336 billion, but increased 28.9% over the year compared to pro forma results. The quarterly decrease is explained by the adjustment of an accounting policy as a result of the merger.

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(BANCOLOMBIA LOGO)

3Q05

### 2.1.2 INVESTMENT PORTFOLIO

BANCOLOMBIA's investment debt securities were very stable compared to the pro forma amounts for the previous quarter, totaling Ps 7,343 billion. On a year-to-year basis, this represents an increase of 5.9%, from the pro forma Ps 6,934 billion at September 30, 2004.

### 2.1.3 ASSET QUALITY

As of September 30, 2005, the Bank's past due loans accounted for 3.22% of total loans. Loans classified as C, D and E accounted for 3.5% of total loans. Furthermore, the ratio of allowances for past due loans at the end of the quarter was 130%, while the ratio of allowances for loans classified as C, D and E was 119%.

| LOANS AND FINANCIAL LEASES CLASSIFICATION<br>(Ps millions) | AS OF 30-SEP-04<br>PRO FORMA |       | AS OF 30-JUN-05<br>PRO FORMA |       | AS OF 30-SEP- |
|--|------------------------------|-------|------------------------------|-------|---------------|
| -----  | -----                        | ----- | -----                        | ----- | -----         |
| "A" Normal   | 15,015,457                   | 91.6% | 16,255,409                   | 92.6% | 16,853,001    |
| "B" Subnormal  | 642,818                      | 3.9%  | 628,849                      | 3.1%  | 503,075       |
| "C" Deficient  | 223,742                      | 1.4%  | 209,101                      | 1.3%  | 158,943       |
| "D" Doubtful recovery                                      | 220,649                      | 1.3%  | 284,589                      | 2.1%  | 278,559       |
| "E" Unrecoverable  | 285,403                      | 1.8%  | 174,451                      | 0.9%  | 194,739       |
| TOTAL  | 16,388,069                   | 100%  | 17,552,399                   | 100%  | 17,988,317    |
|  | =====                        | ===== | =====                        | ===== | =====         |

LOANS AND FINANCIAL LEASES CLASSIFIED AS C, D AND E  
AS A PERCENTAGE OF TOTAL LOANS AND FINANCIAL LEASES      4.5%   3.8%   3.5%

| ASSET QUALITY<br>(Ps millions) | 30-SEP-04<br>PRO FORMA | AS OF<br>30-JUN-05<br>PRO FORMA | 30-SEP-05 | 3Q 05/2Q 05 | GR    |
|--------------------------------|------------------------|---------------------------------|-----------|-------------|-------|
| -----                          | -----                  | -----                           | -----     | -----       | ----- |
|                                |                        |                                 |           |             |       |

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|   |         |         |         |        |
|---|---------|---------|---------|--------|
| Total performing past due loans                 | 291,391 | 286,525 | 301,878 | 5.36%  |
| Total non-performing past due loans (1)         | 344,195 | 250,046 | 277,971 | 11.17% |
| Total past due loans                            | 635,586 | 536,571 | 579,849 | 8.07%  |
| Allowance for loans and accrued interest losses | 813,850 | 705,552 | 755,290 | 7.05%  |
| Past due loans to total loans                   | 3.88%   | 3.06%   | 3.22%   |        |
| Non-performing loans to total loans             | 2.10%   | 1.42%   | 1.55%   |        |
| C, D, and E loans to total loans                | 4.45%   | 3.81%   | 3.51%   |        |
| Allowances to past due loans (2)                | 128.05% | 131.49% | 130.26% |        |
| Allowances to C, D, and E loans (2)             | 111.52% | 105.60% | 119.46% |        |
| Allowances to non-performing loans (2)          | 236.45% | 282.17% | 271.72% |        |
| Allowances to total loans                       | 4.97%   | 4.02%   | 4.20%   |        |
| Performing loans to total loans                 | 97.90%  | 98.58%  | 98.45%  |        |

(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 1.8% over the quarter and 13.6% over the year, compared to pro forma figures, to Ps 17,516 billion as of September 30, 2005. The funding mix improved over the year. Interest-bearing deposits increased 11.7%, while non-interest bearing deposits increased 26.3%. Savings deposits increased 30.8%, whereas time deposits decreased 3.0% over the year, compared to pro forma figures.

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(BANCOLOMBIA LOGO)

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### 2.3 SHAREHOLDERS' EQUITY

BANCOLOMBIA's shareholders' equity totaled Ps 3,230 billion at the end of the third quarter of 2005. Compared with pro forma figures, this amount represents an increase of 9.5% over the quarter and 23.7% over the year. Unrealized gains on available for sale debt securities totaled Ps 96.3 billion as of September 30, 2005.

At the end of the third quarter, the Bank's consolidated ratio of technical capital to risk-weighted assets was 11.6%.

| TECHNICAL CAPITAL RISK WEIGHTED ASSETS<br>Consolidated (Ps millions) | 30-SEP-04  | AS OF                  |            |
|--|------------|------------------------|------------|
|  | PRO FORMA  | 30-JUN-05<br>PRO FORMA | 30-SEP-05  |
| -----  | -----      | -----                  | -----      |
| Basic capital (Tier I)   | 2,069,034  | 1,955,867              | 2,123,055  |
| Additional capital (Tier II)   | 420,589    | 513,214                | 464,592    |
| Technical capital (1)  | 2,489,623  | 2,469,081              | 2,587,647  |
| Risk-weighted assets, including market risk                          | 19,957,240 | 22,203,580             | 22,371,981 |
| CAPITAL ADEQUACY (2)   | 12.47%     | 11.12%                 | 11.57%     |

- (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)

3Q05

### 3. INCOME STATEMENT

BANCOLOMBIA's net income amounted to Ps 269.2 billion during the third quarter of 2005 which represents an increase of 10.6% and 16.4% compared to pro forma figures from the previous quarter and from the third quarter of 2004, respectively. The accumulated net income increased 25.7% compared to 2004 pro forma results, rising from Ps 549.3 billion to Ps 690.3 billion.

#### 3.1 NET INTEREST INCOME

Interest on loans amounted to Ps 529.5 billion, increasing 5.3% compared to the previous quarter and 9.6% compared to the third quarter 2004. Furthermore, the rally in the prices of Colombian bonds led to increases of 18.0% and 29.6% in interest on investments, compared to the second quarter of 2005 and to the third quarter of 2004, respectively. In sum, net interest income totaled Ps 600.5 billion during the quarter, increasing 14.2% over the quarter and 20.2% compared pro forma results of Ps 499.8 billion for the same period of the previous year.

Due to the fact that the net interest income grew at a faster pace than the interest-earning assets, the net interest margin increased to 9.59% from the pro forma results of 8.63% achieved during the quarter ended September 30, 2004.

#### 3.2 PROVISIONS

Provisions for loan and interest losses amounted to Ps 64.2 billion, increasing 46.7% compared to the pro forma results of the previous quarter and 43.9% compared to the pro forma results of the same quarter in 2004. Similarly, the accumulated provisions for loans amounted to Ps 141.6 billion, which represents an increase of 46.3% over last year's pro forma results. These strong growth figures are explained by the additional allowances made for the loans of the acquired companies, taking into account BANCOLOMBIA's credit risk management policies.

#### 3.3 FEES AND INCOME FROM SERVICES

The different sources of fee generation continued their positive trend. Net fees and income from services increased to Ps 208.0 billion during the third quarter of 2005. This represents an increase of 18.2% as compared to Ps 175.9 billion for the previous quarter pro forma results and an increase of 33.2% as compared to Ps 156.2 billion for the third quarter of 2004 pro forma results.

BANCOLOMBIA's accumulated unconsolidated credit card billing increased 17.9% during the year, resulting in a 22.9% market share of the Colombian credit card business. In addition, the Bank's number of outstanding credit cards increased 17.4%, resulting in a 16.8% market share.



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| ACCUMULATED CREDIT CARD BILLING<br>(Millions of pesos as of September 30, 2005) | Sep-04<br>Proforma | Sep-05    | %<br>Growth | 2005<br>Market Share |
|---|--------------------|-----------|-------------|----------------------|
| Bancolombia VISA  | 510,770            | 626,894   | 22.74%      | 7.13%                |
| Bancolombia Mastercard  | 924,743            | 1,010,851 | 9.31%       | 11.50%               |
| Bancolombia American Express  | 270,788            | 373,166   | 37.81%      | 4.25%                |
| TOTAL BANCOLOMBIA   | 1,706,301          | 2,010,912 | 17.85%      | 22.88%               |
| Colombian credit card market  | 7,129,734          | 8,788,743 | 23.27%      |                      |

Source: Credibanco, American Express y Red Multicolor

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(BANCOLOMBIA LOGO)

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| CREDIT CARD MARKET SHARE<br>Outstanding credit cards as of June 30, 2005 | Sep-04<br>Pro forma | Sep-05    | %<br>Growth | 2005<br>Market Share |
|--|---------------------|-----------|-------------|----------------------|
| Bancolombia VISA   | 148,716             | 185,248   | 24.56%      | 5.74%                |
| Bancolombia Mastercard   | 239,619             | 255,250   | 6.52%       | 7.92%                |
| Bancolombia American Express   | 73,453              | 101,819   | 38.62%      | 3.16%                |
| TOTAL BANCOLOMBIA  | 461,788             | 542,317   | 17.44%      | 16.82%               |
| Colombian credit card market   | 2,662,157           | 3,224,653 | 21.13%      |                      |

Source: Credibanco, American Express y Red Multicolor.

### 3.4 OPERATING EXPENSES

Compared to pro forma figures, total operating expenses increased 14.0% during the quarter, amounting to Ps 443.2 billion, which represents a 14.7% increase on an accumulated year-to-year basis. This growth is mostly explained by non-recurrent expenses related to accounting adjustments for the acquired companies. As a result, the ratio of operating expenses to net operating income was 54.8% during the third quarter of 2005.

| PRINCIPAL RATIOS<br>PROFITABILITY              | 3Q 04     | QUARTERS<br>2Q 05 | 3Q 05  | AS OF     |           |
|--|-----------|-------------------|--------|-----------|-----------|
|  | PRO FORMA | PRO FORMA         |        | 30-SEP-04 | 30-SEP-05 |
| Net interest margin (1)                        | 8.63%     | 8.22%             | 9.59%  | 7.43%     | 8.13%     |
| Return on total assets (2)                     | 3.57%     | 3.41%             | 3.73%  | 2.82%     | 3.13%     |
| Return on shareholders' equity (3)             | 35.44%    | 33.02%            | 33.34% | 28.05%    | 28.13%    |
| EFFICIENCY                                     |           |                   |        |           |           |
| Operating expenses to net operating income (4) | 52.12%    | 54.45%            | 54.78% | 55.55%    | 56.13%    |

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|   |        |        |        |       |  |
|---|--------|--------|--------|-------|--|
| Operating expenses to total assets (4)    | 5.85%  | 5.71%  | 6.50%  | 5.58% |  |
| <br>CAPITAL ADEQUACY                      |        |        |        |       |  |
| Shareholders' equity to total assets      | 10.07% | 10.33% | 11.20% |       |  |
| Technical capital to risk weighted assets | 12.47% | 11.12% | 11.57% |       |  |

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

### 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)

3Q05

| CONSOLIDATED BALANCE SHEET<br>(Ps millions) | SEP-04<br>PRO FORMA | AS OF<br>JUN-05<br>PRO FORMA | SEP-05    | GR<br>-----<br>QUARTER |
|---|---------------------|------------------------------|-----------|------------------------|
| <br>ASSETS                                  |                     |                              |           |                        |
| Cash and due from banks                     | 936,248             | 1,146,552                    | 1,040,224 | -9.27%                 |
| Overnight funds sold                        | 146,317             | 812,086                      | 410,735   | -49.42%                |
| TOTAL CASH AND EQUIVALENTS                  | 1,082,565           | 1,958,638                    | 1,450,959 | -25.92%                |
| DEBT SECURITIES                             | 6,933,980           | 7,400,501                    | 7,342,978 | -0.78%                 |
| Trading                                     | 4,158,959           | 4,080,234                    | 4,591,826 | 12.54%                 |
| Available for Sale                          | 1,892,205           | 2,474,099                    | 1,879,456 | -24.03%                |
| Held to Maturity                            | 882,816             | 846,168                      | 871,696   | 3.02%                  |
| EQUITY SECURITIES                           | 185,776             | 213,193                      | 356,995   | 67.45%                 |
| Trading                                     | 17,616              | 31,678                       | 170,980   | 439.74%                |
| Available for Sale                          | 168,160             | 181,515                      | 186,015   | 2.48%                  |

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|  |            |            |            |         |
|--|------------|------------|------------|---------|
| Market value allowance                           | (76,821)   | (64,532)   | (63,673)   | -1.33%  |
| NET INVESTMENT SECURITIES                        | 7,042,935  | 7,549,162  | 7,636,300  | 1.15%   |
| Commercial loans                                 | 11,126,040 | 11,441,432 | 11,769,986 | 2.87%   |
| Consumer loans                                   | 1,720,859  | 2,125,156  | 2,300,528  | 8.25%   |
| Small business loans                             | 82,987     | 96,232     | 98,622     | 2.48%   |
| Mortgage loans                                   | 1,645,989  | 1,455,408  | 1,483,011  | 1.90%   |
| Finance lease                                    | 1,812,194  | 2,434,171  | 2,336,170  | -4.03%  |
| Allowance for loan losses                        | (793,283)  | (692,832)  | (742,459)  | 7.16%   |
| NET TOTAL LOANS AND FINANCIAL LEASES             | 15,594,786 | 16,859,567 | 17,245,858 | 2.29%   |
| Accrued interest receivable on loans             | 189,440    | 198,598    | 197,061    | -0.77%  |
| Allowance for accrued interest losses            | (20,567)   | (12,721)   | (12,831)   | 0.86%   |
| NET TOTAL INTEREST ACCRUED                       | 168,873    | 185,877    | 184,230    | -0.89%  |
| Customers' acceptances and derivatives           | 117,063    | 88,989     | 102,755    | 15.47%  |
| Net accounts receivable                          | 277,649    | 309,650    | 289,699    | -6.44%  |
| Net premises and equipment                       | 573,885    | 525,010    | 652,828    | 24.35%  |
| Foreclosed assets, net                           | 99,931     | 54,562     | 39,180     | -28.19% |
| Prepaid expenses and deferred charges            | 57,931     | 60,188     | 31,602     | -47.49% |
| Goodwill   | 80,756     | 62,264     | 56,024     | -10.02% |
| Operating leases, net                            | 132,755    | 127,500    | 143,024    | 12.18%  |
| Other  | 318,063    | 391,319    | 591,032    | 51.04%  |
| Reappraisal of assets                            | 384,268    | 396,574    | 424,839    | 7.13%   |
|  | -----      | -----      | -----      | -----   |
| TOTAL ASSETS                                     | 25,931,460 | 28,569,300 | 28,848,330 | 0.98%   |
|  | =====      | =====      | =====      | =====   |
| LIABILITIES AND SHAREHOLDERS' EQUITY             |            |            |            |         |
| LIABILITIES                                      |            |            |            |         |
| DEPOSITS   |            |            |            |         |
| NON-INTEREST BEARING                             |            |            |            |         |
| Checking accounts                                | 1,842,793  | 2,246,186  | 2,246,240  | 0.00%   |
| Other  | 226,987    | 256,384    | 367,488    | 43.33%  |
| INTEREST BEARING                                 |            |            |            |         |
| Checking accounts                                | 1,093,932  | 1,056,500  | 1,115,689  | 5.60%   |
| Time deposits                                    | 6,612,862  | 6,812,775  | 6,413,490  | -5.86%  |
| Savings deposits                                 | 5,638,162  | 6,827,430  | 7,373,539  | 8.00%   |
| TOTAL DEPOSITS                                   | 15,414,736 | 17,199,275 | 17,516,446 | 1.84%   |
| Overnight funds                                  | 1,452,975  | 1,534,014  | 1,032,610  | -32.69% |
| Bank acceptances outstanding                     | 57,510     | 41,949     | 57,209     | 36.38%  |
| Interbank borrowings                             | 815,041    | 1,274,645  | 1,543,154  | 21.07%  |
| Borrowings from domestic development banks       | 2,165,630  | 1,809,234  | 1,833,188  | 1.32%   |
| Accounts payable                                 | 715,699    | 875,924    | 916,552    | 4.64%   |
| Accrued interest payable                         | 169,759    | 188,319    | 185,168    | -1.67%  |
| Other liabilities                                | 254,877    | 304,678    | 292,033    | -4.15%  |
| Bonds  | 1,825,168  | 1,992,489  | 1,768,280  | -11.25% |
| Accrued expenses                                 | 389,279    | 344,474    | 419,172    | 21.68%  |
| Minority interest in consolidated subsidiaries   | 59,483     | 54,315     | 54,319     | 0.01%   |
|  | -----      | -----      | -----      | -----   |
| TOTAL LIABILITIES                                | 23,320,157 | 25,619,316 | 25,618,131 | 0.00%   |
|  | =====      | =====      | =====      | =====   |
| SHAREHOLDERS' EQUITY                             |            |            |            |         |
| SUBSCRIBED AND PAID IN CAPITAL                   |            |            |            |         |
| RETAINED EARNINGS                                | 1,597,127  | 1,847,228  | 2,118,885  | 14.71%  |
| Appropriated                                     | 1,047,862  | 1,426,164  | 1,428,582  | 0.17%   |
| Unappropriated                                   | 549,265    | 421,064    | 690,303    | 63.94%  |
| REAPPRAISAL AND OTHERS                           | 599,667    | 624,607    | 651,457    | 4.30%   |
| GROSS UNREALIZED GAIN OR LOSS ON DEBT SECURITIES | 50,594     | 114,545    | 96,277     | -15.95% |
|  | -----      | -----      | -----      | -----   |
| TOTAL SHAREHOLDER'S EQUITY                       | 2,611,303  | 2,949,984  | 3,230,199  | 9.50%   |
|  | =====      | =====      | =====      | =====   |

(BANCOLOMBIA LOGO)

3Q05

| CONSOLIDATED INCOME STATEMENT<br>(Ps Millions)                                   | AS OF               |                  | SEP-05 /<br>SEP-04 | 3Q 04<br>PRO FORMA | QUA<br>2Q<br>PRO |
|--|---------------------|------------------|--------------------|--------------------|------------------|
|  | SEP-04<br>PRO FORMA | SEP-05           |                    |                    |                  |
| <b>INTEREST INCOME AND EXPENSES</b>  |                     |                  |                    |                    |                  |
| Interest on loans  | 1,341,328           | 1,516,770        | 13.08%             | 483,018            | 502              |
| Interest on investment securities  | 541,013             | 655,712          | 21.20%             | 211,138            | 231              |
| Overnight funds  | 13,152              | 24,784           | 88.44%             | 4,298              | 9                |
| Leasing  | 171,158             | 209,249          | 22.25%             | 75,291             | 69               |
| <b>TOTAL INTEREST INCOME</b>   | <b>2,066,651</b>    | <b>2,406,515</b> | <b>16.45%</b>      | <b>773,745</b>     | <b>813</b>       |
| <b>Interest expense</b>  |                     |                  |                    |                    |                  |
| Checking accounts  | 9,414               | 14,158           | 50.39%             | 3,176              | 4                |
| Time deposits  | 298,667             | 345,846          | 15.80%             | 103,728            | 114              |
| Savings deposits   | 162,461             | 179,283          | 10.35%             | 56,035             | 60               |
| <b>TOTAL INTEREST ON DEPOSITS</b>  | <b>470,542</b>      | <b>539,287</b>   | <b>14.61%</b>      | <b>162,939</b>     | <b>179</b>       |
| Interbank borrowings   | 10,126              | 33,527           | 231.10%            | 4,896              | 9                |
| Borrowings from domestic development banks                                       | 116,383             | 117,699          | 1.13%              | 39,626             | 36               |
| Overnight funds  | 74,670              | 55,237           | -26.03%            | 27,701             | 25               |
| Bonds  | 104,078             | 117,530          | 12.92%             | 38,801             | 35               |
| <b>TOTAL INTEREST EXPENSE</b>  | <b>775,799</b>      | <b>863,280</b>   | <b>11.28%</b>      | <b>273,963</b>     | <b>287</b>       |
| <b>NET INTEREST INCOME</b>   | <b>1,290,852</b>    | <b>1,543,235</b> | <b>19.55%</b>      | <b>499,782</b>     | <b>525</b>       |
| <b>Provision for loan and accrued interest losses, net</b>                       |                     |                  |                    |                    |                  |
| Recovery of charged-off loans  | (96,755)            | (141,556)        | 46.30%             | (44,604)           | (43)             |
| Provision for foreclosed assets and other assets                                 | 25,583              | 46,603           | 82.16%             | 10,199             | 19               |
| Recovery of provisions for foreclosed assets and other assets                    | (52,876)            | (44,236)         | -16.34%            | (17,604)           | (18)             |
| <b>TOTAL NET PROVISIONS</b>  | <b>(96,324)</b>     | <b>(108,634)</b> | <b>12.78%</b>      | <b>(46,464)</b>    | <b>(22)</b>      |
| <b>NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES</b> | <b>1,194,528</b>    | <b>1,434,601</b> | <b>20.10%</b>      | <b>453,318</b>     | <b>502</b>       |
| <b>Commissions from banking services and other services</b>                      |                     |                  |                    |                    |                  |
| Electronic services and ATM fees   | 48,934              | 61,663           | 26.01%             | 16,384             | 17               |
| Branch network services  | 54,794              | 78,771           | 43.76%             | 19,666             | 29               |
| Collections and payments fees  | 31,258              | 35,643           | 14.03%             | 10,884             | 11               |
| Credit card merchant fees  | 35,113              | 41,683           | 18.71%             | 12,837             | 13               |
| Credit and debit card annual fees  | 8,026               | 7,387            | -7.96%             | 1,902              | 4                |
| Checking fees  | 140,746             | 152,967          | 8.68%              | 46,948             | 46               |
| Warehouse services   | 37,955              | 40,886           | 7.72%              | 13,041             | 13               |
| Fiduciary activities   | 35,981              | 41,706           | 15.91%             | 12,879             | 12               |
| Brokerage fees   | 38,648              | 45,328           | 17.28%             | 12,517             | 14               |
| Check remittance   | 35,452              | 52,753           | 48.80%             | 11,431             | 14               |
| International operations   | 8,145               | 7,723            | -5.18%             | 2,584              | 2                |
| <b>FEES AND OTHER SERVICE INCOME</b>   | <b>24,313</b>       | <b>27,640</b>    | <b>13.68%</b>      | <b>7,962</b>       | <b>8</b>         |
| Fees and other service expenses  | 499,365             | 594,150          | 18.98%             | 169,035            | 190              |
| <b>TOTAL FEES AND INCOME FROM SERVICES, NET</b>                                  | <b>(38,192)</b>     | <b>(38,598)</b>  | <b>1.06%</b>       | <b>(12,868)</b>    | <b>(14)</b>      |
| <b>OTHER OPERATING INCOME</b>  | <b>461,173</b>      | <b>555,552</b>   | <b>20.46%</b>      | <b>156,167</b>     | <b>175</b>       |
| Net foreign exchange gains   | (72,361)            | (77,664)         | 7.33%              | (20,229)           | (42)             |
| Forward contracts in foreign currency  | 141,206             | 136,613          | -3.25%             | 45,750             | 67               |
| Dividend income  | 41,469              | 41,195           | -0.66%             | 17,378             |                  |

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|   |           |           |          |          |      |
|---|-----------|-----------|----------|----------|------|
| Revenues from commercial subsidiaries   | 76,788    | 76,873    | 0.11%    | 24,356   | 20   |
| Communication, postage, rent and others | 15,419    | 8,649     | -43.91%  | 5,071    | 2    |
| TOTAL OTHER OPERATING INCOME            | 202,521   | 185,666   | -8.32%   | 72,326   | 47   |
| TOTAL INCOME                            | 1,858,222 | 2,175,819 | 17.09%   | 681,811  | 726  |
| OPERATING EXPENSES                      |           |           |          |          |      |
| Salaries and employee benefits          | 398,958   | 459,996   | 15.30%   | 135,644  | 153  |
| Bonus plan payments                     | 20,142    | 21,254    | 5.52%    | 5,687    | 2    |
| Compensation                            | 12,915    | 6,873     | -46.78%  | 3,343    | 2    |
| Administrative and other expenses       | 533,303   | 628,096   | 17.77%   | 185,309  | 198  |
| Deposit security, net                   | 31,228    | 42,008    | 34.52%   | 9,101    | 15   |
| Donation expenses                       | 552       | 533       | -3.44%   | 202      |      |
| Depreciation                            | 70,132    | 65,232    | -6.99%   | 34,400   | 16   |
| TOTAL OPERATING EXPENSES                | 1,065,960 | 1,223,992 | 14.69%   | 372,416  | 388  |
| NET OPERATING INCOME                    | 792,262   | 951,827   | 20.33%   | 309,395  | 337  |
| Merger expenses                         | 1,576     | 38,236    | 2326.14% | 194      | 13   |
| Goodwill amortization Banco de Colombia | 16,986    | 16,986    | 0.00%    | 5,662    | 5    |
| NON-OPERATING INCOME (EXPENSE)          |           |           |          |          |      |
| Other income                            | 53,246    | 50,322    | -5.49%   | 15,807   | 24   |
| Minority interest                       | (4,443)   | (4,518)   | 1.69%    | (366)    | (1)  |
| Other expense                           | (76,363)  | (67,656)  | -11.40%  | (19,289) | (26) |
| TOTAL NON-OPERATING INCOME              | (27,560)  | (21,852)  | -20.71%  | (3,848)  | (4)  |
| INCOME BEFORE INCOME TAXES              | 744,870   | 874,753   | 17.44%   | 298,421  | 314  |
| Income tax expense                      | 195,605   | (184,450) | -5.70%   | 67,044   | (70) |
| NET INCOME                              | 549,265   | 690,303   | 25.68%   | 231,377  | 243  |