

BANCOLOMBIA SA
Form 6-K
November 08, 2007

**UNITED STATES
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 1934**

For the month of November, 2007.

Comission File Number 001-32535

Bancolombia S.A.

(Translation of registrant's name into English)

Calle 50 No. 51-66

Medellín, Colombia

(Address of principal executive offices)

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

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(2):

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-_____.

**CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2007**

November 7, 2007. Medellín, Colombia Today, BANCOLOMBIA S.A. (BANCOLOMBIA or the Bank) (NYSE: CIB) announced its financial results for the third quarter of fiscal year 2007, ended September 30, 2007¹.

| CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT | Quarter | | Growth | | |
|--|-------------------|-------------------|-------------------|------------------|------------------|
| | Proforma | Proforma | | 3Q 07 / 2Q 07 | 3Q 07 / 3Q 06 |
| (Ps millions) | 3Q 06 | 2Q 07 | 3Q 07 | | |
| ASSETS | | | | | |
| Loans and financial leases, net | 28,467,140 | 31,110,145 | 34,188,333 | 9.89% | 20.10% |
| Investment securities, net | 6,861,448 | 5,517,317 | 5,331,636 | -3.37% | -22.30% |
| Other assets | 6,933,817 | 8,383,636 | 9,163,991 | 9.31% | 32.16% |
| Total assets | 42,262,405 | 45,011,098 | 48,683,960 | 8.16% | 15.19% |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | | | |
| Deposits | 26,285,109 | 29,540,131 | 30,641,803 | 3.73% | 16.57% |
| Non-interest bearing | 4,048,438 | 4,499,236 | 4,647,520 | 3.30% | 14.80% |
| Interest bearing | 22,236,671 | 25,040,895 | 25,994,283 | 3.81% | 16.90% |
| Other liabilities | 11,923,889 | 11,902,250 | 13,274,738 | 11.53% | 11.33% |
| Total liabilities | 38,208,998 | 41,442,381 | 43,916,541 | 5.97% | 14.94% |
| Shareholders equity | 4,053,407 | 3,568,717 | 4,767,419 | 33.59% | 17.62% |
| Total liabilities and shareholders equity | 42,262,405 | 45,011,098 | 48,683,960 | 8.16% | 15.19% |
| Interest income | 1,036,919 | 1,152,435 | 1,242,684 | 7.83% | 19.84% |
| Interest expense | 389,524 | 463,861 | 526,607 | 13.53% | 35.19% |
| Net interest income | 647,395 | 688,574 | 716,077 | 3.99% | 10.61% |
| Net provisions | (106,478) | (123,212) | (192,709) | 56.40% | 80.98% |
| Fees and income from service, net | 273,584 | 271,361 | 283,549 | 4.49% | 3.64% |
| Other operating income | 1,819 | 47,291 | 95,682 | 102.33% | 5160.14% |
| Operating expense | (541,494) | (571,322) | (550,826) | -3.59% | 1.72% |
| Non-operating income, net | (33,617) | 11,310 | 13,967 | 23.49% | 141.55% |
| Income tax expense | (52,689) | (82,703) | (49,007) | -40.74% | -6.99% |
| Net income | 188,520 | 241,299 | 316,733 | 31.26% | 68.01% |

¹ This report corresponds to the consolidated financial statements of BANCOLOMBIA

and its affiliates of which it owns, directly or indirectly more than 50% of the voting capital stock. These financial statements have been prepared in accordance with generally accepted accounting principles in Colombia and the regulations of Superintendency of Finance in Colombia, collectively COL GAAP, and are stated in nominal terms and have not been audited. BANCOLOMBIA maintains accounting records in Colombian pesos, referred to herein as Ps. There have been no changes to the Bank's principal accounting policies in the 3Q2007. The statements of income for the 3Q2007 are not necessarily indicative of the results that may be expected for the entire year or any other future interim period. For more information, please refer to the Company's filings with the Securities and Exchange Commission,

which are available
on the
Commission's
website at
www.sec.gov.

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 other 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. Certain monetary amounts, percentages and other figures included in this report have been subject to rounding adjustments.

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 acquisition of Banagrícola. No assurance can be given that any such savings or other expected benefits of the acquisition 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.

Representative Market Exchange Rate: September 30, 2007 Ps 2,023.19 = US\$ 1 Average exchange rate
September 2007 Ps 2,097.84 = US\$ 1

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1. HIGHLIGHTS:

This is the second time BANCOLOMBIA has released consolidated results since the acquisition of BANAGRÍCOLA S.A. (BANAGRICOLA) that took place during the second quarter of 2007. This report contains pro forma figures for the second quarter of the present year and pro forma figures for the third quarter of 2006 as if the acquisition had taken place on June 30, 2006. All references to numbers for periods prior to second quarter of 2007 were derived from such pro forma consolidated financial statements and are used herein for the purpose of comparison. Some assumptions were needed in order to complete the pro forma figures, the purchase transaction was simulated applying the same multiples, used on the acquisition, to the numbers that BANAGRICOLA had at that time and an issuance of subordinated bonds and preferred shares were simulated keeping a similar participation on the bank's funding as they did in June 30 2007. BANCOLOMBIA's management strongly recommends taking this into account before analyzing this financial report.

Net income for the quarter ended September 30, 2007, totaled Ps 316.7 billion, representing an increase of 31.3% when compared to Ps 241.3 billion pro forma for the second quarter of 2007. As of September 30, 2007, the net income for the first nine months of this year totaled Ps 764.4 billion, an increase of 44% when compared with the pro forma figure for the same period last year.

As of September 30, 2007, BANCOLOMBIA's net loans and financial leases totaled Ps 34,188 billion, representing an increase of 9.9% when compared to Ps 31,110 billion for the second quarter of 2007 and an increase of 20.1% on a year-to-year basis from Ps 28,467 billion pro forma as of September 30, 2006.

Net interest income as of September 30, 2007, totaled Ps 2,021 billion representing a 38.0% increase as compared to the pro forma figures for the first nine months of 2006.

Allowances for Loan losses reached Ps 1,257 billion, increasing 12.5% over the quarter and 25.5% over the year on a pro forma basis. Net Provisions for the first nine months of this year increased significantly when compared with the pro forma figure for the same period of 2006 increasing 83.7%. This increase will be further analysed later on this report.

Asset quality measures continue to be on comfortable levels. As of September 30, 2007, BANCOLOMBIA's ratio of past due loans to total loans was 2.77%, and the ratio of allowances to past due loans was 131.14%. On the other hand, C,D and E loans as a percentage of total loans was 2.64% as of September 30, 2007.

Annualized return on average shareholders equity as of September 30, 2007 is 24.4% and Efficiency measured as the ratio between operating expenses and net operating income was 55.4% for the same period.

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2. CONSOLIDATED BALANCE SHEET

2.1. Assets

BANCOLOMBIA's total assets reached Ps 48,684 billion as of September 30, 2007, up 15.2% when compared to Ps 42,262 billion pro forma as of September 2006. This growth is mainly due to the Ps 5,721 billion increase in net loans and financial leases estimated from the pro forma mentioned above.

2.1.1. Loan Portfolio

Total loans and financial leases represented 70.2% of assets as of September 30, 2007, amounting Ps 34,188 billion, a 9.89% increase when compared to June 30, 2007 and a 20.1% increase when compared to the pro forma figures as of September 30, 2006. Dynamic Loan portfolio growth continues among all segments as a result of the good performance of Colombian economy, the Bank's primary market.

Corporate loans were the most dynamic segment over the quarter, reaching Ps 17,871 billion as of September 30, 2007, representing a 12.9% increase as compared to Ps 15,835 billion as of June 30, 2007 and a 16.9% increase as compared to Ps 15,288 billion pro forma as of September 30, 2006.

Retail and small and medium-sized enterprise (SME) loans amounted to Ps 10,224 billion as of September 30, 2007, representing an 8.2% increase as compared to Ps 9,447 billion as of June 30, 2007 and a 32.5% increase as compared to Ps 7,714 billion pro forma as of September 30, 2006.

Financial leases amounted to Ps 4,333 billion as of September 30, 2007, representing an increase of 8.6% as compared to June 30, 2007, and an increase of 29.8% as compared to the pro forma figures as of September 30, 2006.

Mortgage loans, amounted to Ps 3,017 billion as of September 30, 2007. The increase in mortgage loans including past securitizations was 7.0% and 23.8% when compared to June 30, 2007 and the pro forma figures as of September 30, 2006 respectively. BANCOLOMBIA securitized Ps 289 billion mortgage loans on July 4, 2007. It is important to highlight that the bank purchases some of the securities product of these securitizations, which account for debt investment securities on the investment portfolio. This does not represent an increase on the risk appetite of the Bank as these securities are backed by mortgage loans originated by BANCOLOMBIA, therefore, meeting the Bank's credit risk standards.

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| LOAN PORTFOLIO (Ps millions) | 30-Sep-06 Proforma | As of 30-Jun-07 | 30-Sep-07 | Growth | |
|---|-------------------------------------|----------------------------------|--------------------|----------------------|----------------------|
| | | | | Sep-07/Jun-07 | Sep-07/Sep-06 |
| CORPORATE | | | | | |
| Working capital loans | 13,806,340 | 14,058,294 | 15,719,266 | 11.81% | 13.86% |
| Loans funded by domestic development banks | 493,854 | 608,272 | 852,098 | 40.09% | 72.54% |
| Trade Financing | 817,328 | 945,679 | 1,002,428 | 6.00% | 22.65% |
| Overdrafts | 110,658 | 145,706 | 140,692 | -3.44% | 27.14% |
| Credit Cards | 59,504 | 76,867 | 156,576 | 103.70% | 163.14% |
| TOTAL CORPORATE | 15,287,684 | 15,834,818 | 17,871,060 | 12.86% | 16.90% |
| RETAIL AND SMEs | | | | | |
| Working capital loans | 2,039,747 | 2,680,255 | 2,874,562 | 7.25% | 40.93% |
| Personal loans | 3,255,735 | 3,780,146 | 3,554,436 | -5.97% | 9.17% |
| Loans funded by domestic development banks | 383,801 | 439,583 | 553,915 | 26.01% | 44.32% |
| Credit Cards | 926,065 | 1,126,592 | 1,701,169 | 51.00% | 83.70% |
| Overdrafts | 166,404 | 218,921 | 234,653 | 7.19% | 41.01% |
| Automobile loans | 861,847 | 1,121,268 | 1,214,440 | 8.31% | 40.91% |
| Trade Financing | 80,239 | 80,230 | 90,820 | 13.20% | 13.19% |
| TOTAL RETAIL AND SMEs | 7,713,838 | 9,446,995 | 10,223,995 | 8.22% | 32.54% |
| MORTGAGE | 3,129,387 | 2,955,711 | 3,017,151 | 2.08% | -3.59% |
| FINANCIAL LEASES | 3,337,680 | 3,989,953 | 4,332,769 | 8.59% | 29.81% |
| Total loans and financial leases | 29,468,589 | 32,227,477 | 35,444,975 | 9.98% | 20.28% |
| Allowance for loan losses and financial leases | (1,001,449) | (1,117,332) | (1,256,642) | 12.47% | 25.48% |
| Total loans and financial leases, net | 28,467,140 | 31,110,145 | 34,188,333 | 9.89% | 20.10% |

2.1.2. Investment Portfolio

As of September 30, 2007, BANCOLOMBIA's net investment securities amounted to Ps 5,332 billion, representing a decrease of 3.4% when compared to June 30, 2007, and a decrease of 22.3% when compared to the pro forma figures as of September 30, 2006. As of September 30, 2007, investments in debt securities represented 97.0% of BANCOLOMBIA's net investment securities.

BANCOLOMBIA's investments in debt securities amounted to Ps 5,174 billion (10.6% of total assets) by the end of the third quarter, decreasing 3.5% when compared to June 30, 2007 when such investments amounted to

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Ps 5,363 billion (11.9% of total assets) and 22.5% as compared to the pro-forma figures as of September 30, 2006, when such investments amounted to Ps 6,676 billion (15.8% of total assets). As explained in previous quarters the low exposure in debt securities is a result of the growth in the loan.

The next table discloses the composition of the portfolio by type of issuer where TIPS is the name given in Colombia to the mortgage backed securities, which are originated by BANCOLOMBIA according to its credit policies.

| Debt Securities | Government (Colombia) | Government (Others) | MBS (TIPS) | Corporate (Others) |
|------------------------|----------------------------------|--------------------------------|-----------------------|-------------------------------|
| Trading | 14% | 4% | 8% | 5% |
| Available for sale | 16% | 0% | 3% | 15% |
| Held to Maturity | 10% | 12% | 7% | 7% |
| Total | 40% | 16% | 18% | 27% |

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2.1.3. Asset Quality

As of September 30, 2007, the Bank's past due loans accounted for 2.77% of total loans. Loans classified as C, D and E comprised 2.64% of total loans. In addition, the ratio of allowances to past due loans at the end of the quarter was 131.14%, while the ratio of allowances to loans classified as C, D and E at the end of the quarter was 137.44%.

| LOANS AND FINANCIAL LEASES CLASSIFICATION (Ps millions) | As of 30-Sep-06 Proforma | | As of 30-Jun-07 | | As of 30-Sep-07 | |
|--|-----------------------------|-------------|-------------------|-------------|-------------------|-------------|
| A Normal | 27,852,177 | 94.4% | 30,307,013 | 94.1% | 33,732,877 | 95.1% |
| B Subnormal | 843,051 | 2.9% | 1,101,821 | 3.4% | 776,157 | 2.2% |
| C Deficient | 283,384 | 1.0% | 260,297 | 0.8% | 248,459 | 0.7% |
| D Doubtful recovery | 284,414 | 1.0% | 295,430 | 0.9% | 456,216 | 1.3% |
| E Unrecoverable | 205,563 | 0.7% | 262,916 | 0.8% | 231,266 | 0.7% |
| Total | 29,468,589 | 100% | 32,227,477 | 100% | 35,444,975 | 100% |

| | | | |
|---|------|------|------|
| Loans and financial leases classified as C, D and E as a percentage of total loans and financial leases | 2.6% | 2.5% | 2.6% |
|---|------|------|------|

| ASSET QUALITY (Ps millions) | As of | | | Growth | |
|---|-----------------------|-----------|-----------|------------------|------------------|
| | Proforma 30-Sep-06 | 30-Jun-07 | 30-Sep-07 | 3Q 07 / 2Q 07 | 3Q 07 / 3Q 06 |
| Total performing past due loans ⁽¹⁾ | 452,232 | 387,295 | 435,868 | 12.54% | -3.62% |
| Total non-performing past due loans | 321,038 | 486,762 | 544,985 | 11.96% | 69.76% |
| Total past due loans | 773,270 | 874,057 | 980,853 | 12.22% | 26.84% |
| Allowance for loans and accrued interest losses | 1,014,792 | 1,133,380 | 1,286,330 | 13.50% | 26.76% |
| Past due loans to total loans | 2.62% | 2.71% | 2.77% | | |
| Non-performing loans as a percentage of total loans | 1.09% | 1.51% | 1.54% | | |
| C, D and E loans as a percentage of total loans | 2.62% | 2.54% | 2.64% | | |
| Allowances to past due loans ⁽²⁾ | 131.23% | 129.67% | 131.14% | | |
| Allowance for loan and accrued interest losses as a percentage of C, D and E loans | 131.22% | 138.45% | 137.44% | | |
| Allowance for loan and accrued interest losses as a percentage of non-performing loans ⁽²⁾ | 316.10% | 232.84% | 236.03% | | |
| Allowance for loan and accrued interest losses as a percentage of | 3.44% | 3.52% | 3.63% | | |

total loans

Percentage of performing loans to
total loans

| | | |
|--------|--------|--------|
| 98.91% | 98.49% | 98.46% |
|--------|--------|--------|

(1) Performing past due loans are loans upon which the Bank continues to recognize income although interest has not been received for the periods indicated. Once interest is unpaid on accrual loans for a longer period than is specified above, the loan is classified as non-performing. Under Colombian Banking regulations, a loan is past due when it is at least 31 days past the actual due date.

(2) Allowance means allowances for loan and accrued interest losses

2.2. Liabilities

As of September 30, 2007, BANCOLOMBIA's total deposits amounted to Ps 30,642 billion, representing an increase of 3.7% as compared to June 30, 2007, and an increase of 16.6% as compared to the pro forma figures as of September 30, 2006. The composition of the deposits did not change much on this quarter. However time deposits increased their share over total deposits to 42.3%. and savings deposits, observed a slight decrease representing 38.3% of total deposits. Checking accounts and other represented 17.9% and 1.6% respectively of the total deposits.

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| | sep-06 | Part . | jun-07 | Part . | sep-07 | Part . |
|-----------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|
| Checking accounts | 5.175.363 | 19,7% | 5.206.905 | 17,6% | 5.472.186 | 17,9% |
| Time deposits | 10.190.834 | 38,8% | 12.045.703 | 40,8% | 12.952.902 | 42,3% |
| Savings deposits | 10.563.713 | 40,2% | 11.938.893 | 40,4% | 11.737.909 | 38,3% |
| Other | 355.199 | 1,4% | 348.630 | 1,2% | 478.806 | 1,6% |
| Total Deposits | 26.285.109 | 100% | 29.540.131 | 100% | 30.641.803 | 100% |

As of September 30, 2007, checking accounts and time deposits increased 23.4% and 7.5%, respectively as compared to June 30, 2007, whereas savings deposits decreased 1.7% on the same period. When compared to the pro forma figures as of September 30, 2006, savings deposits and time deposits increased 11.1% and 27.1% respectively, whereas checking accounts decreased 12.0% on the same period. The dynamic observed is highly influenced by the marginal reserve requirement imposed by the Colombian central bank on the first quarter of this year, which requires a marginal reserve of 27% on checking and savings accounts and 5% on marginal time deposits, producing a logical preference for time deposits over other kind of deposits.

2.3. Shareholders Equity

As of September 30, 2007 BANCOLOMBIA's shareholders' equity amounted to Ps 4,767 billion, representing an increase of 33.6% when compared to June 30, 2007. The increase is mainly explained by the stock issuance that took place on July. As a result of the issuance of 59,999,998 preferred shares the Bank increased its capital on an aggregate amount of Ps 927.6 billion.

Unrealized losses on available-for-sale debt securities amounted to Ps 33.8 billion as of September 30, 2007. This result is due to the price decrease of Colombian government and corporate bonds.

Also as of September 30, 2007, the Bank's consolidated ratio of technical capital to risk-weighted assets was 13.28%, a major increase from the 11.85% as of June 30, 2007, and an even bigger increase from the 11.24% pro forma as of September 30, 2006. This increase was due particularly to the capital increase that took place during the month of July.

| TECHNICAL CAPITAL RISK WEIGHTED ASSETS | Proforma | | |
|---|-----------------|---------------|---------------|
| Consolidated (Ps millions) | Sep-06 | Jun-07 | Sep-07 |
| Basic capital (Tier I) | 3,692,370 | 3,382,308 | 4,526,042 |
| Additional capital (Tier II) | 495,858 | 1,297,599 | 1,124,654 |
| Technical capital ⁽¹⁾ | 4,188,228 | 4,679,907 | 5,650,696 |
| Risk weighted assets included market risk | 37,268,789 | 39,507,368 | 42,549,517 |
| CAPITAL ADEQUACY ⁽²⁾ | 11.24% | 11.85% | 13.28% |

(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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3. INCOME STATEMENT

Despite higher provision charges BANCOLOMBIA's net income presented solid results for the third quarter of the present year amounting Ps 316.7 billion on the period ended September 30, 2007, this figure represents an increase of 31.3% when compared to Ps 241.3 billion for the previous quarter and 68.0% when compared to Ps 188.5 billion pro forma for the third quarter of 2006.

3.1. Net Interest Income

Interest on loans totaled Ps 971.4 billion for the third quarter of 2007, increasing 12.0% when compared to Ps 866.9 billion pro forma for the previous quarter and 33.4% when compared to Ps 728.3 billion pro forma for the third quarter of 2006.

The interest derived from the financial leases reached Ps 148.8 billion on the quarter increasing 12.3% over the quarter and 50.6% over the year in a demonstration of the good dynamic shown by this business line.

Interest on investment securities amounted to Ps 93.0 billion, which represents a decrease of 21.2% when compared to the previous quarter and a decrease of 50.7% when compared to the third quarter pro forma figures of 2006. This is a consequence of a lower investment securities amount, combined with lower Colombian bond prices on the third quarter. This decrease is even more noticeable when the figures are compared with the performance of the third quarter of last year when Colombian bond prices had some appreciation as they recovered part of the losses presented on the second quarter of 2006.

The total interest income had a solid performance increasing 7.8% when compared to last quarter's results and 19.8% when compared with the third quarter of 2006. This growth can be explained mainly by the loan portfolio growth, the higher interest rates that the Bank captures through the variable rate portfolio and the re-pricing of short terms loans and was partly offset by the interest of investment securities for the reasons explained above.

Interest expenses increased 13.5% over the quarter and 35.2% over the year as deposits interest rates catch up with the tightening cycle. However it is important to highlight that despite that fact, net interest margin remains above the levels seen during the year 2006, what can be understood comparing the growth on their accumulated figures for the nine months period; total interest income increased 34.8% over the year while total interest expense increase at a lower pace being up a 30.5% over the same period.

Net interest margin was 6.99% when calculated for the quarter and 6.76% when calculated for the first nine months of 2007. BANCOLOMBIA expects net interest margin to be reduced in a moderate pace as competition for funding would keep adding pressure on the cost of deposits in Colombia, BANCOLOMBIA's biggest market.

3.2. Provisions

During the third quarter of 2007, provisions for loan and interest losses amounted to Ps 203.0 billion, increasing 35.4% compared to the pro forma figures for the previous quarter and 62.4% when compared with the third quarter of 2006.

To analyze the behavior of provisions charges is necessary to make an overview of, Colombia's regulatory evolution on the matter, which is the one applied for the consolidated results of BANCOLOMBIA, meaning that

even BANAGRÍCOLA s provision charges are calculated under these requirements

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3.2.1. Colombia's regulatory frame

The Bank establishes its loan allowances by classifying its loan portfolio according to the classification system determined by Colombia's Superintendency of Finance, which depends on the past due days of the obligation and the credit category of such a loan. After the obligation is classified, the Bank applies to each such classification the allowance percentage formula, also as specified by Colombia's Superintendency of Finance.

Additionally, Colombia's Superintendency of Finance has required institutions subject to its supervision to develop a credit risk management system (Sistema de Administración de Riesgo Crediticio - SARC). Consequently, the Bank must establish, policies, methodologies, processes and structures to evaluate, rate, monitor, and control its credit risk, which include developing models to calculate an adequate level of provisions. Colombia's Superintendency of Finance defined the required characteristics internal credit risk models must meet when evaluating the expected losses of the loan portfolio and established reference models, which must be used by financial institutions while the use of their internal models is approved. The reference models will be implemented by stages depending on the credit categories, the model for commercial loans is in place since July 1st 2007, and the model for consumer loan portfolio should be applied beginning on July 2008. Reference models for mortgage and small business loans have not yet been released. Both internal and reference models require the quantification of expected losses through the following factors:

Probability of default.

Exposure at default.

Loss given Default.

3.2.2. Source of provisions charges variation on the quarter

During 2007, the Bank has made the necessary adjustments to fulfill the requirements established by Colombia's Superintendency of Finance, including the application of the reference model when calculating provisions for commercial loans, implemented for the first time on the third quarter 2007. As a result of this implementation, the provision charges increased on the quarter to meet the parameters of the model. Additionally, the general provision charges related to this credit category were replaced with individual provisions producing a tax benefit as individual provisions are tax deductible, while general provisions are not. This situation explains the decrease presented on income tax expenses for the quarter.

Additionally, there has been some changes on the quarter concerning the applicable allowance percentage formula for consumer loans which increased these percentages for the loans classified as A and B. Since these changes have to be applied to the whole consumer loan portfolio, producing an increase on provisions, Colombia's Superintendency of Finance permitted banks to adjust their allowances on one year. Nonetheless, the Bank's management decided to apply the whole adjustment on the third quarter 2007.

² Additional information can be found on the form 20-F for 2006, item 4 section E.3, that can be downloaded from BANCOLOMBIA investor relations website: <http://www.grupobancolombia.com/investorRelations/index.asp>. Superintendency of finance's External Circular 039 of June, 2007, Superintendency of finance's External Circular 040 of June, 2007.

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The adjustment of BANAGRÍCOLA's allowances to Colombia's regulatory frame has continued, meaning additional non recurrent provisions on the third quarter of 2007, beside the recurrent provisions derived from its operation. It should be noted that these non recurrent provisions are only charged for consolidation purposes.

In short, beside the current provisions charges due to the normal development of the credit business, the variation on provisions charges on the quarter are explained in a good extent to the implementation of the legal requirements on the subject. Specifically, the application of the reference model for commercial loans and the changes on the applicable percentage of allowances for consumer loans and the provisions generated from BANAGRÍCOLA's allowances adjustment to Colombian regulation, combined with the loan growth and its direct effect on provisions charged on the period.

3.3. Fees and Income from Services

Net fees and income from services amounted to Ps 283.55 billion during the third quarter of 2007, increasing 4.5% when compared to the pro forma figures for the second quarter of 2007. It is important to highlight this good performance on the quarter's figure as the annualized rate of increase has returned to levels not seen in recent quarters. On the other hand, the year over year comparison, was affected by the sale of ALMACENAR S.A., as the bank is no longer accounting any income from its warehouse services. Additionally, brokerages fees have not had the performance expected this year.

During the third quarter of 2007, BANCOLOMBIA's accumulated unconsolidated credit card billing increased 32.8%, resulting in a 22.5% market share of the Colombian credit card business. In addition, the number of outstanding credit cards issued by BANCOLOMBIA increased 25.2%, resulting in a 15.9% market share.

ACCUMULATED CREDIT CARD BILLING

| (Millions of pesos as of September 30, 2007) | September-06 | September-07 | Growth | % | 2007 Market Share |
|--|------------------|------------------|---------------|---|-------------------------|
| Bancolombia VISA | 764,809 | 1,042,111 | 36.26% | | 7.44% |
| Bancolombia Mastercard | 1,148,472 | 1,426,638 | 24.22% | | 10.18% |
| Bancolombia American Express | 462,701 | 686,136 | 48.29% | | 4.90% |
| Total Bancolombia | 2,375,982 | 3,154,884 | 32.78% | | 22.52% |
| Colombian Credit Card Market | 11,342,122 | 14,007,441 | 23.50% | | |

Source: Credibanco y Redeban multicolor

CREDIT CARD MARKET SHARE

| (Outstanding credit cards as of September 30, 2007) | September-06 | September-07 | Growth | % | 2007 Market Share |
|---|----------------|----------------|---------------|---|-------------------------|
| Bancolombia VISA | 225,827 | 287,666 | 27.38% | | 5.65% |
| Bancolombia Mastercard | 285,188 | 335,430 | 17.62% | | 6.59% |
| Bancolombia American Express | 134,081 | 184,701 | 37.75% | | 3.63% |
| Total Bancolombia | 645,096 | 807,797 | 25.22% | | 15.87% |
| Colombian Credit Card Market | 4,277,497 | 5,088,776 | 18.97% | | |

Source: Credibanco y Redeban multicolor

3.4. Other Operating Income

Total other operating income amounted to Ps 95.7 billion during the third quarter of 2007, increasing 102.3% when compared to the pro forma figures for the second quarter of 2007. This solid performance is mainly due to trading gains on foreign exchange operations and forward contracts.

3Q07

3.5. Operating expenses and efficiency ratios

BANCOLOMBIA's total operating expenses decreased 4.4% as compared to the pro forma figures from the previous quarter, amounting to Ps 531.43 billion, which also represents a 3.7% increase as compared to Ps 512.41 billion for the third quarter 2006 pro forma.

Personnel related expenses understood as the sum of salaries and employee benefit, Bonus plan payments and compensation decreased 1.3% over the quarter and increased 9.7% over the year when compared with the pro forma figures for second quarter of 2007 and third quarter of 2006 respectively. Administrative and other expenses decreased 5.2% on the quarter and increase 2.5% when compared to last year's third quarter pro forma number for that line of expense.

BANCOLOMBIA's ratio of operating expenses to net operating income improved reaching 50.3% when compared with the pro forma figures ratio of 56.72% from the previous quarter and 58.7% on last years pro forma figures. On a nine-month accumulated basis, the income efficiency ratio reached 55.3%.

The Bank's efficiency measured as operating expenses over average total assets was 4.70% as compared to the 5.07% from the pro forma figures of the previous quarter and 4.89% during the first nine months of 2007.

PRINCIPAL RATIOS

| | 3Q 06⁽¹⁾ | Quarter 2Q 07⁽²⁾ | 3Q 07⁽³⁾ | As of Sep-06⁽⁴⁾ | Sep-07⁽⁵⁾ |
|---|----------------------------|--|----------------------------|---------------------------------------|-----------------------------|
| | Proforma | Proforma | | Proforma | |
| PROFITABILITY | | | | | |
| Net interest margin ⁽⁶⁾ | 6.93% | 7.02% | 6.99% | 5.23% | 6.76% |
| Return on average total assets ⁽⁷⁾ | 1.77% | 2.14% | 2.70% | 1.66% | 2.24% |
| Return on average shareholders' equity ⁽⁸⁾ | 18.99% | 25.21% | 28.81% | 17.82% | 24.35% |
| EFFICIENCY | | | | | |
| Operating expenses to net operating income ⁽⁹⁾ | 58.68% | 56.72% | 50.29% | 62.17% | 55.35% |
| Operating expenses to average total assets | 5.09% | 5.07% | 4.70% | 4.77% | 4.89% |
| CAPITAL ADEQUACY | | | | | |
| Shareholders' equity to total assets | 9.59% | 7.93% | 9.79% | | |
| Technical capital to risk weighted assets | 11.24% | 11.85% | 13.28% | | |

(1) Calculated taking into account an average between the figures as of June 2006 and as of September 2006

- (2) Calculated taking into account an average between the figures as of March 2006 and as of June 2006
- (3) Calculated taking into account an average between the figures of June 2007, July 2007, August 2007 and September 2007
- (4) Calculated with the figures at the end of September 2006
- (5) Calculated with the average of Dec-06, Mar-07, Jun-07, Sep-07
- (6) Net interest income divided by monthly average interest-earning assets
- (7) Net income by monthly average assets
- (8) Net income by monthly average shareholders equity
- (9) Operating expenses divided by monthly average assets

3Q07

| BALANCE SHEET | Proforma | | | Last | |
|---|-------------------|-------------------|-------------------|----------------|----------------|
| (Millones de pesos) | Sep-06 | Jun-07 | Sep-07 | Quarter | Annual |
| ASSETS | | | | | |
| Cash and due from banks | 2,629,746 | 3,405,203 | 2,846,131 | -16.42% | 8.23% |
| Overnight funds sold | 394,873 | 513,713 | 1,691,508 | 229.27% | 328.37% |
| Total cash and equivalents | 3,024,619 | 3,918,916 | 4,537,639 | 15.79% | 50.02% |
| Debt securities | 6,675,601 | 5,363,253 | 5,173,644 | -3.54% | -22.50% |
| Trading | 2,567,227 | 1,999,470 | 1,745,887 | -12.68% | -31.99% |
| Available for Sale | 1,980,665 | 1,447,851 | 1,549,168 | 7.00% | -21.79% |
| Held to Maturity | 2,127,709 | 1,915,932 | 1,878,589 | -1.95% | -11.71% |
| Equity securities | 256,764 | 231,115 | 235,401 | 1.85% | -8.32% |
| Trading | 54,005 | 70,613 | 77,272 | 9.43% | 43.08% |
| Available for Sale | 202,759 | 160,502 | 158,129 | -1.48% | -22.01% |
| Market value allowance | -70,917 | -77,051 | -77,409 | 0.46% | 9.15% |
| Net investment securities | 6,861,448 | 5,517,317 | 5,331,636 | -3.37% | -22.30% |
| Commercial loans | 18,204,824 | 19,581,261 | 21,789,482 | 11.28% | 19.69% |
| Consumer loans | 4,677,851 | 5,569,558 | 6,189,229 | 11.13% | 32.31% |
| Small business loans | 118,847 | 130,994 | 116,344 | -11.18% | -2.11% |
| Mortgage loans | 3,129,387 | 2,955,711 | 3,017,151 | 2.08% | -3.59% |
| Finance lease | 3,337,680 | 3,989,953 | 4,332,769 | 8.59% | 29.81% |
| Allowance for loan losses | -1,001,449 | -1,117,332 | -1,256,642 | 12.47% | 25.48% |
| Net total loans and financial leases | 28,467,140 | 31,110,145 | 34,188,333 | 9.89% | 20.10% |
| Accrued interest receivable on loans | 277,793 | 326,995 | 400,825 | 22.58% | 44.29% |
| Allowance for accrued interest losses | -13,343 | -16,048 | -29,688 | 85.00% | 122.50% |
| Net total interest accrued | 264,450 | 310,947 | 371,137 | 19.36% | 40.34% |
| Customers' acceptances and derivatives | 132,016 | 237,126 | 178,461 | -24.74% | 35.18% |
| Net accounts receivable | 470,638 | 625,336 | 676,696 | 8.21% | 43.78% |
| Net premises and equipment | 872,847 | 885,393 | 806,688 | -8.89% | -7.58% |
| Foreclosed assets, net | 56,719 | 40,688 | 27,893 | -31.45% | -50.82% |
| Prepaid expenses and deferred charges | 99,956 | 119,440 | 133,953 | 12.15% | 34.01% |
| Goodwill | 740,752 | 873,854 | 917,025 | 4.94% | 23.80% |

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| | | | | | |
|---|-------------------|-------------------|-------------------|---------------|------------------|
| Operating leases, net | 160,077 | 345,446 | 414,959 | 20.12% | 159.22% |
| Other | 730,782 | 662,265 | 739,947 | 11.73% | 1.25% |
| Reappraisal of assets | 380,961 | 364,225 | 359,593 | -1.27% | -5.61% |
| Total assets | 42,262,405 | 45,011,098 | 48,683,960 | 8.16% | 15.19% |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | | | |
| LIABILITIES | | | | | |
| DEPOSITS | | | | | |
| Non-interest bearing | 4,048,438 | 4,499,236 | 4,647,520 | 3.30% | 14.80% |
| Checking accounts | 3,693,239 | 4,150,606 | 4,168,714 | 0.44% | 12.87% |
| Other | 355,199 | 348,630 | 478,806 | 37.34% | 34.80% |
| Interest bearing | 22,236,671 | 25,040,895 | 25,994,283 | 3.81% | 16.90% |
| Checking accounts | 1,482,124 | 1,056,299 | 1,303,472 | 23.40% | -12.05% |
| Time deposits | 10,190,834 | 12,045,703 | 12,952,902 | 7.53% | 27.10% |
| Savings deposits | 10,563,713 | 11,938,893 | 11,737,909 | -1.68% | 11.12% |
| Total deposits | 26,285,109 | 29,540,131 | 30,641,803 | 3.73% | 16.57% |
| Overnight funds | 1,672,061 | 1,882,290 | 2,127,637 | 13.03% | 27.25% |
| Bank acceptances outstanding | 78,987 | 57,071 | 52,378 | -8.22% | -33.69% |
| Interbank borrowings | 2,461,016 | 1,752,518 | 1,170,339 | -33.22% | -52.44% |
| Borrowings from domestic development banks | 2,505,204 | 2,780,660 | 3,270,537 | 17.62% | 30.55% |
| Accounts payable | 938,196 | 1,573,156 | 2,191,160 | 39.28% | 133.55% |
| Accrued interest payable | 249,172 | 228,875 | 269,085 | 17.57% | 7.99% |
| Other liabilities | 495,531 | 486,007 | 479,070 | -1.43% | -3.32% |
| Bonds | 2,721,872 | 2,438,909 | 2,937,268 | 20.43% | 7.91% |
| Accrued expenses | 511,779 | 516,710 | 606,235 | 17.33% | 18.46% |
| Minority interest in consolidated subsidiaries | 290,071 | 186,054 | 171,029 | -8.08% | -41.04% |
| Total liabilities | 38,208,998 | 41,442,381 | 43,916,541 | 5.97% | 14.94% |
| SHAREHOLDERS EQUITY | | | | | |
| Subscribed and paid in capital | 383,446 | 365,375 | 393,914 | 7.81% | 2.73% |
| Retained earnings | 3,051,109 | 2,612,363 | 3,789,802 | 45.07% | 24.21% |
| Appropriated | 2,520,448 | 2,164,669 | 3,025,375 | 39.76% | 20.03% |
| Unappropriated | 530,661 | 447,694 | 764,427 | 70.75% | 44.05% |
| Reappraisal and others | 615,511 | 614,218 | 617,514 | 0.54% | 0.33% |
| Gross unrealized gain or loss on debt securities | 3,341 | -23,239 | -33,811 | 45.49% | -1112.00% |
| Total shareholder s equity | 4,053,407 | 3,568,717 | 4,767,419 | 33.59% | 17.62% |

| | | | | | | | 3Q07 | |
|--|------------------|------------------|-----------------------|------------------|------------------|------------------|--------------------|--------------------|
| INCOME STATEMENT | Proforma | | Proforma | Proforma | Proforma | | Proforma | Proforma |
| (Millones de pesos) | Sep-06 | Sep-07 | Sep-06/Sept-07 | 3Q 06 | 2Q 07 | 3Q 07 | 3Q 07/2Q 07 | 3Q 07/3Q 06 |
| Interest income and expenses | | | | | | | | |
| Interest on loans | 2,029,323 | 2,636,236 | 29.91% | 728,303 | 866,944 | 971,352 | 12.04% | 33.37% |
| Interest on investment securities | 194,416 | 310,728 | 59.83% | 188,733 | 118,077 | 92,996 | -21.24% | -50.73% |
| Overnight funds | 50,777 | 86,008 | 69.38% | 21,100 | 34,922 | 29,540 | -15.41% | 40.00% |
| Leasing | 273,670 | 401,735 | 46.80% | 98,783 | 132,492 | 148,796 | 12.31% | 50.63% |
| Total interest income | 2,548,186 | 3,434,707 | 34.79% | 1,036,919 | 1,152,435 | 1,242,684 | 7.83% | 19.84% |
| Interest expense | | | | | | | | |
| Checking accounts | 29,173 | 28,481 | -2.37% | 10,443 | 9,197 | 9,126 | -0.77% | -12.61% |
| Time deposits | 408,118 | 566,399 | 38.78% | 145,138 | 185,162 | 219,594 | 18.60% | 51.30% |
| Savings deposits | 194,016 | 331,535 | 70.88% | 75,302 | 117,569 | 119,021 | 1.24% | 58.06% |
| Total interest on deposits | 631,307 | 926,415 | 46.75% | 230,883 | 311,928 | 347,741 | 11.48% | 50.61% |
| Interbank borrowings | 127,710 | 91,068 | -28.69% | 39,317 | 38,584 | 20,966 | -45.66% | -46.67% |
| Borrowings from domestic development banks | 135,970 | 192,806 | 41.80% | 47,572 | 64,267 | 73,029 | 13.63% | 53.51% |
| Overnight funds | 74,966 | 92,570 | 23.48% | 27,851 | 24,717 | 39,166 | 58.46% | 40.63% |
| Bonds | 113,706 | 110,882 | -2.48% | 43,901 | 24,365 | 45,705 | 87.58% | 4.11% |
| Total interest expense | 1,083,659 | 1,413,741 | 30.46% | 389,524 | 463,861 | 526,607 | 13.53% | 35.19% |
| Net interest income | 1,464,527 | 2,020,966 | 37.99% | 647,395 | 688,574 | 716,077 | 3.99% | 10.61% |
| Provision for loan and accrued interest losses, net | (278,470) | (450,008) | 61.60% | (124,989) | (149,901) | (203,047) | 35.45% | 62.45% |
| Recovery of charged-off loans | 60,630 | 65,472 | 7.99% | 20,905 | 21,995 | 24,222 | 10.13% | 15.87% |
| Provision for foreclosed assets and other assets | (57,750) | (53,721) | -6.98% | (6,446) | (8,747) | (22,963) | 162.52% | 256.24% |
| Recovery of provisions for foreclosed assets and other assets | 65,314 | 51,941 | -20.47% | 4,052 | 13,441 | 9,079 | -32.45% | 124.06% |
| Total net provisions | (210,276) | (386,316) | 83.72% | (106,478) | (123,212) | (192,709) | 56.40% | 80.98% |
| Net interest income after provision for loans and accrued interest losses | 1,254,251 | 1,634,650 | 30.33% | 540,917 | 565,362 | 523,368 | -7.43% | -3.24% |

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| | | | | | | | | |
|--|------------------|------------------|---------------|----------------|----------------|----------------|----------------|-----------------|
| Commissions from banking services and other services | 163,022 | 199,947 | 22.65% | 60,173 | 63,042 | 75,196 | 19.28% | 24.97% |
| Electronic services and ATM fees | 70,007 | 58,081 | -17.04% | 23,947 | 18,227 | 20,955 | 14.97% | -12.49% |
| Branch network services | 50,019 | 76,595 | 53.13% | 16,068 | 25,251 | 25,869 | 2.45% | 61.00% |
| Collections and payments fees | 65,536 | 93,496 | 42.66% | 22,471 | 31,148 | 32,937 | 5.74% | 46.58% |
| Credit card merchant fees | 9,524 | 28,106 | 195.11% | 5,210 | 8,608 | 8,800 | 2.23% | 68.91% |
| Credit and debit card annual fees | 181,596 | 185,745 | 2.28% | 62,434 | 63,161 | 66,000 | 4.49% | 5.71% |
| Checking fees | 44,981 | 49,646 | 10.37% | 15,575 | 16,653 | 16,546 | -0.64% | 6.23% |
| Warehouse services ⁽²⁾ | 52,731 | | -100.00% | 18,719 | | | 0.00% | * |
| Fiduciary activities | 44,303 | 49,956 | 12.76% | 15,023 | 16,756 | 17,161 | 2.42% | 14.23% |
| Pension plan administration | 66,501 | 62,179 | -6.50% | 22,366 | 19,444 | 20,912 | 7.55% | -6.50% |
| Brokerage fees | 53,163 | 42,488 | -20.08% | 16,125 | 15,696 | 12,539 | -20.11% | -22.24% |
| Check remittance | 17,283 | 16,798 | -2.81% | 5,958 | 5,338 | 5,672 | 6.26% | -4.80% |
| International operations | 27,237 | 31,189 | 14.51% | 10,136 | 10,270 | 10,357 | 0.85% | 2.18% |
| Fees and other service income | 845,903 | 894,226 | 5.71% | 294,205 | 293,594 | 312,944 | 6.59% | 6.37% |
| Fees and other service expenses | (51,613) | (73,255) | 41.93% | (20,621) | (22,233) | (29,395) | 32.21% | 42.55% |
| Total fees and income from services, net | 794,290 | 820,971 | 3.36% | 273,584 | 271,361 | 283,549 | 4.49% | 3.64% |
| Other operating income | | | | | | | | |
| Net foreign exchange gains | 106,627 | 14,271 | -86.62% | (50,126) | (68,951) | 100,996 | 246.48% | 301.48% |
| Forward contracts in foreign currency | (26,452) | 69,706 | -363.52% | 30,952 | 80,763 | (40,634) | -150.31% | -231.28% |
| Gains on sales of investments on equity securities | 48,948 | (15,224) | -131.10% | 5,933 | 62 | (101) | -262.90% | -101.70% |
| Gains on sale of mortgage loan | | 857 | * | | | 857 | * | * |
| Dividend income | 21,631 | 18,606 | -13.98% | 1,603 | 1,435 | 2,460 | 71.43% | 53.46% |
| Revenues from commercial subsidiaries | 31,223 | 66,369 | 112.56% | 9,272 | 27,306 | 22,854 | -16.30% | 146.48% |
| Insurance income | (4,184) | 1,493 | -135.68% | 294 | 1,812 | (676) | -137.31% | -329.93% |
| Communication, postage, rent and others | 11,957 | 19,200 | 60.58% | 3,891 | 4,864 | 9,926 | 104.07% | 155.10% |
| Total other operating income | 189,750 | 175,278 | -7.63% | 1,819 | 47,291 | 95,682 | 102.33% | 5160.14% |
| Total income | 2,238,291 | 2,630,899 | 17.54% | 816,320 | 884,014 | 902,599 | 2.10% | 10.57% |
| Operating expenses | | | | | | | | |
| Salaries and employee benefits | 575,346 | 618,026 | 7.42% | 192,953 | 210,646 | 205,180 | -2.59% | 6.34% |

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| | | | | | | | | |
|---------------------------------------|------------------|------------------|-----------------|-----------------|----------------|----------------|---------------|----------------|
| Bonus plan payments | 34,464 | 52,309 | 51.78% | 14,630 | 17,511 | 17,545 | 0.19% | 19.92% |
| Compensation | 3,394 | 17,239 | 407.93% | 1,669 | 4,279 | 6,826 | 59.52% | 308.99% |
| Administrative and other expenses | 711,599 | 799,584 | 12.36% | 252,817 | 273,364 | 259,065 | -5.23% | 2.47% |
| Deposit security, net | 49,535 | 36,831 | -25.65% | 20,131 | 12,022 | 12,515 | 4.10% | -37.83% |
| Donation expenses | 1,388 | 2,395 | 72.55% | 480 | 648 | 601 | -7.25% | 25.21% |
| Depreciation | 83,444 | 92,891 | 11.32% | 29,727 | 37,550 | 29,695 | -20.92% | -0.11% |
| Total operating expenses | 1,459,170 | 1,619,275 | 10.97% | 512,407 | 556,020 | 531,427 | -4.42% | 3.71% |
| Net operating income | 779,121 | 1,011,624 | 29.84% | 303,913 | 327,994 | 371,172 | 13.16% | 22.13% |
| Merger expenses | 26,303 | | -100.00% | 13,825 | | | 0.00% | * |
| Goodwill amortization ⁽¹⁾ | 36,741 | 50,716 | 38.04% | 15,262 | 15,302 | 19,399 | 26.77% | 27.11% |
| Non-operating income (expense) | | | | | | | | |
| Other income | 108,646 | 101,160 | -6.89% | 18,845 | 29,598 | 37,003 | 25.02% | 96.35% |
| Minority interest | (45,463) | (26,072) | -42.65% | (10,998) | (16,323) | (2,174) | -86.68% | -80.23% |
| Other expense | (78,396) | (46,908) | -40.17% | (41,464) | (1,965) | (20,862) | 961.68% | -49.69% |
| Total non-operating income | (15,213) | 28,180 | -285.24% | (33,617) | 11,310 | 13,967 | 23.49% | 141.55% |
| Income before income taxes | 700,864 | 989,088 | 41.12% | 241,209 | 324,002 | 365,740 | 12.88% | 51.63% |
| Income tax expense | (170,203) | (224,661) | 32.00% | (52,689) | (82,703) | (49,007) | -40.74% | -6.99% |
| Net income | 530,661 | 764,427 | 44.05% | 188,520 | 241,299 | 316,733 | 31.26% | 68.01% |

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 7, 2007

By: /s/ JAIME ALBERTO VELÁSQUEZ B.

Name: Jaime Alberto Velásquez B.

Title: Vice President of Finance