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BANCOLOMBIA SA
Form 6-K
August 08, 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 August 2005

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

Calle 50 No. 51-66
Medellin, Colombia
(Address of principal executive offices)

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

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.)

This Report on Form 6-K shall be incorporated by reference into the registrant's registration statement on Form F-3 (File No. 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)

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Date: August 8, 2005

By /s/ JAIME ALBERTO VELASQUEZ B.

Name: Jaime Alberto Velasquez B.

Title: Vice President of Finance

[BANCOLOMBIA LOGO]

[NYSE LOGO]

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2005

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AUGUST 8, 2005. Medellin, Colombia - Today, BANCOLOMBIA S.A. (NYSE: CIB) announced the financial results for the quarter ended June 30, 2005.(1)

CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT (Ps millions)

	QUARTER		GROWTH
	1Q 05	2Q 05	2Q 05/1Q 05
ASSETS			
Loans and financial leases, net	10.159.139	10.655.883	4,89%
Investment securities, net	5.313.772	5.601.841	5,42%
Other assets	2.745.231	2.465.501	-10,19%
	18.218.142	18.723.225	2,77%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits	12.111.704	11.764.696	-2,87%
Other liabilities	4.123.444	4.721.342	14,50%
TOTAL LIABILITIES	16.235.148	16.486.038	1,55%
Shareholders' equity	1.982.994	2.237.187	12,82%
	18.218.142	18.723.225	2,77%
Interest income	464.374	530.775	14,30%
Interest expense	169.808	174.122	2,54%
NET INTEREST INCOME	294.566	356.653	21,08%
Net provisions	(26.131)	(27.392)	4,83%
Other operating income	175.494	167.605	-4,50%
Other operating expense	(253.465)	(264.615)	4,40%
Non-operating income, net	944	1.357	43,75%
Income tax expense	(63.684)	(63.727)	0,07%
	127.724	169.881	33,01%
NET INCOME	127.724	169.881	33,01%

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

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

Exchange rate: June 30, 2005 Ps 2,324.22 = US\$ 1
Average exchange rate June 2005 Ps 2,346.27 = 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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1. HIGHLIGHTS:

- Net income increased 33.0% over the quarter and 45.7% over the year, amounting to Ps 169.9 billion, or US\$ 0.507 per ADS, compared to a net income of Ps 127.7 billion, or US\$ 0.375 per ADS, for the previous quarter and Ps 116.6 billion, or US\$ 0.300 per ADS, during the second quarter of 2004.
- As of June 30, 2005 BANCOLOMBIA's net loans totaled Ps 10,656 billion, increasing 4.9% as compared to Ps 10,159 billion in the previous quarter. On a year-to-year basis, this represents an increase of 26.1% from Ps 8,454 billion at June 30, 2004. On the other hand, investment debt securities amounted to Ps 5,364 billion, increasing 6.8% over the quarter and 6.4% over the year.
- During the second quarter of 2005, the net interest income amounted to Ps 356.7 billion, increasing 21.1% compared to the previous quarter and 50.6% on a year-to-year basis, due mainly to the recovery of bond prices which made interest on investments rise 42.4% and 117.5%, respectively, but also to interest on loans which increased 4.5% and 19.2%, respectively.
- Net fees and income from services were up 9.5% over the quarter, reaching a total of Ps 127.1 billion, which represents an increase of 16.3% compared to the second quarter of 2004.
- BANCOLOMBIA's ratio of past due loans to total loans at June 30, 2005 was 1.66% and the ratio of allowances for past due loans was

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255%.

- Pro-forma post-merger financial statements are attached at the end of the press release. Further information is available in BANCOLOMBIA's web site www.bancolombia.com under investor relations.

STOCK INDICATORS	QUARTERS			AS OF	
	2Q 04	1Q 05	2Q 05	JUN-04	JUN-
Net Income (Ps millions)	116.583	127.724	169.881	240.631	297.
USD Earnings per ADS	0,300	0,375	0,507	0,620	0,
ROAA	3,17%	3,07%	3,91%	3,27%	3
ROAE	28,57%	26,85%	33,78%	29,48%	29
P/BV ADS(1)	1,50	2,30	2,40		
P/BV Local(2)(3)	1,54	2,36	2,43		
P/E(4)	5,65	9,07	7,97		
Shares Outstanding	576.695.395	576.695.395	576.695.395		

- (1) Defined as ADS price divided by ADS book value.
- (2) Defined as Share price divided by share book value.
- (3) Share prices on the Colombian Stock Exchange
- (4) Defined as market capitalization divided by annualized quarter results

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This release contains statements that may be considered forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. All forward-looking statements, whether made in this release or in future filings or press releases or orally, address matters that involve risks and uncertainties; consequently, there are or will be factors, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptances of new products or services by our targeted customers, changes in business strategy and various others factors, that could cause actual results to differ materially from those indicated in such statements. We do not intend, and do not assume any obligation, to update these forward-looking statements.

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2. CONSOLIDATED BALANCE SHEET

2.1 ASSETS

BANCOLOMBIA's total assets increased 2.77% over the quarter to Ps 18,723 billion as of June 30, 2005 from Ps 18.218 billion as of March 31, 2005, registering a 16,2% increase over the year from Ps 16,107

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billion as of June 30, 2004. The increase in total assets is explained mainly by a larger loan portfolio.

2.1.1 LOAN PORTFOLIO

Corporate loans maintained their positive trend, increasing 2,6% over the quarter from Ps 5,748 billion to Ps 5,898 billion, which represents an increase of 16.9% compared to Ps 5,047 billions as of June 30, 2004.

LOAN PORTFOLIO (Ps millions)	30-JUN-04	AS OF 31-MAR-05	30-JUN-05	GROWTH 2Q 05/1Q 05
	-----	-----	-----	-----
CORPORATE				
Working capital loans	4.402.620	4.605.565	4.702.575	2,11%
Loans funded by				
domestic development banks	380.353	754.871	763.909	1,20%
Trade Financing	190.854	293.966	320.487	9,02%
Overdrafts	53.223	69.267	87.614	26,49%
Credit Cards	19.985	24.625	23.832	-3,22%
TOTAL CORPORATE	5.047.035	5.748.294	5.898.417	2,61%
RETAIL AND SMES				
Working capital loans	1.088.583	1.353.731	1.473.914	8,88%
Personal loans	915.725	1.145.540	1.202.893	5,01%
Loans funded by				
domestic development banks	345.007	360.343	368.252	2,19%
Credit Cards	336.063	376.067	397.393	5,67%
Overdrafts	118.696	130.062	137.450	5,68%
Automobile loans	293.799	421.232	475.603	12,91%
Trade Financing	26.283	60.668	69.530	14,61%
TOTAL RETAIL AND SMES	3.124.156	3.847.643	4.125.035	7,21%
MORTGAGE	51.291	56.758	58.324	2,76%
FINANCIAL LEASES (1)	670.546	949.275	1.040.760	9,64%
TOTAL LOANS AND FINANCIAL LEASES	8.893.028	10.601.970	11.122.536	4,91%
ALLOWANCE FOR LOAN LOSSES AND FINANCIAL LEASES (1)	(439.466)	(442.831)	(466.653)	5,38%
TOTAL LOANS AND FINANCIAL LEASES, NET	8.453.562	10.159.139	10.655.883	4,89%

(1) These items include financial leases contracts for comparison reasons

The retail and small and medium-sized enterprise ("SME") loan portfolio also maintained robust growth rates. It totaled Ps 4,125 billion as of June 30, 2005, increasing 7.2% over the quarter and 32.0% over the year. Furthermore, financial leases for both corporate and SME clients increased 9.6% over the quarter and 55.2% over the year. All types of loans showed very positive trends in a year-to-year basis.

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2.1.2 INVESTMENT PORTFOLIO

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BANCOLOMBIA's investments debt securities amounted to Ps 5,364 billion, increasing 6.8% as compared to Ps 5,024 billion from the previous quarter. On a year-to-year basis, this represents an increase of only 6.4%, from Ps 5,039 billion at June 30, 2004.

2.1.3 ASSET QUALITY

As of June 30, 2005, the Bank's past due loans accounted for 1.66% of total loans. Loans classified as C, D and E accounted for 4.3% of total loans. Furthermore, the ratio of allowances for past due loans at the end of the quarter stayed at a conservative level of 255%.

LOANS AND FINANCIAL LEASES CLASSIFICATION

	AS OF 30-JUN-04		AS OF 31-MAR-05		AS OF 30-JUN-05	
	-----		-----		-----	
(Ps millions)						
"A" Normal	8.097.116	91,1%	9.877.011	93,2%	10.294.476	92,6%
"B" Subnormal	391.174	4,4%	334.330	3,2%	349.882	3,1%
"C" Deficient	99.457	1,1%	97.658	0,9%	141.570	1,3%
"D" Doubtful recovery	207.537	2,3%	205.593	1,9%	237.610	2,1%
"E" Unrecoverable	97.744	1,1%	87.378	0,8%	98.998	0,9%
TOTAL	8.893.028	100%	10.601.970	100%	11.122.536	100%

LOANS AND FINANCIAL LEASES CLASSIFIED

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

4,6%	3,7%	4,3%
------	------	------

ASSET QUALITY (Ps millions)

	30-JUN-04	AS OF 31-MAR-05	30-JUN-05	GRO 2Q 05/1Q 05
	-----	-----	-----	-----
Total performing past due loans	65.182	78.651	81.504	3,63%
Total non-performing past due loans (1)	96.018	96.987	103.245	6,45%
Total past due loans	161.200	175.638	184.749	5,19%
Allowance for loans and accrued interest losses	444.952	447.400	470.687	5,20%
Past due loans to total loans	1,81%	1,66%	1,66%	
Non-performing loans to total loans	1,08%	0,91%	0,93%	
C, D, and E loans to total loans	4,55%	3,68%	4,30%	
Allowances to past due loans (2)	276,02%	254,73%	254,77%	
Allowances to C, D, and E loans (2)	109,94%	114,53%	98,43%	
Allowances to non-performing loans (2)	463,40%	461,30%	455,89%	
Allowances to total loans	5,00%	4,22%	4,23%	
Performing loans to total loans	98,92%	99,09%	99,07%	

(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.

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

2.2 LIABILITIES

Total deposits decreased 2.9% over the quarter, but increased 11.2% over the year to Ps 11,765 billion as of June 30, 2005. The funding mix was stable over the year. Interest-bearing deposits increased 10.7%, while non-interest bearing deposits increased 12.9%.

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2.3 SHAREHOLDERS' EQUITY

BANCOLOMBIA's shareholders' equity totaled Ps 2,237 billion at the end of the second quarter of 2005. This represents an increase of 12.8% over the quarter and 29.7% over the year. Unrealized gains on available for sale debt securities totaled Ps 114.5 billion as of June 30, 2005, which represents increases of 167.8% compared to the previous quarter and 161.9% compared to the same period of 2004.

At the end of the second quarter, the Bank's consolidated ratio of technical capital to risk-weighted assets was 13.7%.

TECHNICAL CAPITAL RISK WEIGHTED ASSETS	AS OF		
Consolidated (Ps millions)	30-JUN-04	31-MAR-05	30-JUN-04
-----	-----	-----	-----
Basic capital (Tier I)	1.264.690	1.531.183	1.682.000
Additional capital (Tier II)	238.358	274.906	308.000
Technical capital (1)	1.503.048	1.806.089	1.990.000
Risk weighted assets included market risk	11.991.482	13.799.147	14.544.000
CAPITAL ADEQUACY (2)	12,53%	13,09%	13,70%

(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

BANCOLOMBIA's net income amounted to Ps 169.9 billion for the quarter ended June 30, 2005, as compared to net income of Ps 127.7 billion for the previous quarter and Ps 116.6 billion for the second quarter of 2004. This represents robust increases of 33.0% and 45.7%, respectively.

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3.1 NET INTEREST INCOME

Net interest income totaled Ps 356.7 billion during the second quarter of 2005, increasing 21.1% compared to Ps 294.6 billion for the previous quarter and 50.6% compared to Ps 236.9 billion for the second quarter of 2004.

It is important to notice that when compared to the second quarter of 2004, the interest income increased 41.2%, while the interest expense increased 25.3%. The increase in interest income was strongly impacted positively by the regional debt market recovery without underestimating the positive behavior of the interest on loans as well as on financial leases.

3.2 PROVISIONS

Provisions for loan and interest losses amounted to Ps 40.5 billion, increasing 25.6% as compared to the previous quarter, while total net provisions amounted to Ps 27.4 billion, increasing 4.8% over the quarter. Recoveries of previously charged-off loans and foreclosed assets stayed strong.

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 127.1 billion during the second quarter of 2005. This represents an increase of 9.5% as compared to Ps 116.1 billion for the previous quarter and an increase of 16.3% as compared to Ps 109.2 billion for the second quarter of 2004.

ACUMMULATED CREDIT CARD BILLING (Million pesos as of June 30, 2005)	2004	2005	%	Growth	Ma
-----	----	----	-----	-----	---
Bancolombia VISA	238,201	300,553		26,18%	
Bancolombia Mastercard	421,342	470,961		11,78%	
Bancolombia American Express	172,957	239,210		38,31%	
TOTAL BANCOLOMBIA	832,501	1.010,724		21,41%	
	-----	-----		-----	
Colombian credit card market	4.446,039	5.583,171		25,58%	

Source: Credibanco, American Express y Red Multicolor

CREDIT CARD MARKET SHARE Outstanding credit cards as of June 30,2005	2004	2005	%	Growth	20 Market
-----	----	----	-----	-----	-----
Bancolombia VISA	106.943	137.274		28,36%	4,49
Bancolombia Mastercard	165.225	177.741		7,58%	5,82
Bancolombia American Express	68.493	96.617		41,06%	3,16
TOTAL BANCOLOMBIA	340.661	411.632		20,83%	13,47
	-----	-----		-----	-----
Colombian credit card market	2.525.673	3.056.154		21,00%	

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Source: Credibanco, American Express y Red Multicolor.

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BANCOLOMBIA's accumulated unconsolidated credit card billing increased 21.4% during the second quarter of 2005, resulting in an 18.1% market share of the Colombian credit card business. In addition, the Bank's number of outstanding credit cards increased 20.8%, resulting in a 13.5% market share. BC American Express credit card showed excellent performance, increasing its billing to Ps 239.2 billion and the number of outstanding credit cards to 96,617 cards, as of June 30, 2005, reaching a market share of 4.3% of total billing and 3.2% of outstanding credit cards.

3.4 OPERATING EXPENSES

Total operating expenses increased 2.7% during the second quarter of 2005, amounting to Ps 251.4 billion. Nonetheless, due to the increase in net interest income discussed in section 3.1, BANCOLOMBIA's efficiency ratio dropped to 50.5% during the quarter.

PRINCIPAL RATIOS	QUARTERS			AS OF	
	2Q 04	1Q 05	2Q 05	JUN-04	JU
PROFITABILITY					
Net interest margin (1)	7,36%	8,06%	9,29%	8,65%	8
Return on average total assets (2)	3,17%	3,07%	3,91%	3,27%	3
Return on average shareholders' equity (3)	28,57%	26,85%	33,78%	29,48%	29
EFFICIENCY					
Operating expenses to net operating income (4)	59,76%	53,92%	50,48%	53,36%	52
Operating expenses to average total assets (4)	6,16%	6,10%	6,09%	6,18%	5
CAPITAL ADEQUACY					
Shareholders' equity to total assets	10,71%	10,88%	11,95%	10,71%	11
Technical capital to risk weighted assets	12,53%	13,09%	13,69%	12,53%	13

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

(2) Net income divided by monthly average total assets.

(3) Net income divided by monthly average shareholders' equity.

(4) Operating income includes net interest income, total fees and income from services, and total other operating income. The efficiency ratios contained herein are not comparable to those previously released by BANCOLOMBIA because merger expenses have been included as operating expenses.

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4. SUBSIDIARIES

BANCOLOMBIA PANAMA AND ITS SUBSIDIARIES

The following table is expressed in US dollars.

BANCOLOMBIA PANAMA AND ITS SUBSIDIARIES
BALANCE SHEET
AND INCOME STATEMENT
(US\$)

	QUARTER			
	2Q 04	1Q 05	2Q 05	2Q 0
	-----	-----	-----	-----
ASSETS				
Loans and financial leases, net	521.118.663	526.841.306	534.249.551	
Investment securities, net	508.776.132	372.797.891	394.997.540	
Overnight funds sold	109.401.486	258.850.700	210.871.221	
Other assets	41.388.857	49.768.563	63.556.517	
TOTAL ASSETS	1.180.685.138	1.208.258.460	1.203.674.829	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	1.022.790.639	1.020.806.955	959.678.271	
Other liabilities	5.733.688	5.233.240	48.346.202	
TOTAL LIABILITIES	1.028.524.327	1.026.040.195	1.008.024.473	
Shareholders' equity	152.160.811	182.218.265	195.650.356	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1.180.685.138	1.208.258.460	1.203.674.829	
Interest income	16.528.605	13.362.278	17.459.346	
Interest expense	(4.263.276)	(5.892.404)	(6.204.917)	
NET INTEREST INCOME	12.265.329	7.469.874	11.254.429	
Net provisions	(99.229)	(1.404.904)	(1.318.776)	
Other operating income	297.755	1.538.268	1.351.951	
Other operating expense	(533.777)	(1.484.540)	(1.422.337)	
NET INCOME	11.930.078	6.118.698	9.865.267	

Total assets were very stable amounting to US\$1,204 million as of June 30, 2005. Additionally, shareholders' equity increased 7.4% over the quarter, from US\$182 million as of March 31, 2005 to US\$196 million as of June 30, 2005.

BANCOLOMBIA Panama reported net income of US\$9.9 million during the second quarter, increasing 61.2% compared to the previous quarter. This increase is explained by the recovery on bond prices mentioned above.

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CONSOLIDATED BALANCE SHEET

(Ps millions)

	JUN-04	MAR-05	JUN-05	2Q 05/10
ASSETS				
Cash and due from banks	639.644	852.551	732.639	-14,
Overnight funds sold	423.373	525.528	311.420	-40,
TOTAL CASH AND EQUIVALENTS	1.063.017	1.378.079	1.044.059	-24,
DEBT SECURITIES				
Trading	2.111.136	2.295.496	2.156.776	-6,
Available for Sale	2.268.043	2.006.927	2.521.179	25,
Held to Maturity	659.945	721.385	685.806	-4,
EQUITY SECURITIES	283.288	355.450	302.665	-14,
Trading	43.159	83.950	26.189	-68,
Available for Sale	240.129	271.500	276.476	1,
Market value allowance	(83.524)	(65.486)	(64.585)	-1,
NET INVESTMENT SECURITIES	5.238.888	5.313.772	5.601.841	5,
Commercial loans				
Consumer loans	1.404.989	1.692.363	1.796.030	6,
Small business loans	84.628	91.321	95.943	5,
Mortgage loans	51.291	56.758	58.324	2,
Finance lease	672.710	949.275	1.040.760	9,
Allowance for loans and financial leases losses	(439.466)	(442.831)	(466.653)	5,
NET TOTAL LOANS AND FINANCIAL LEASES	8.453.562	10.159.139	10.655.883	4,
Accrued interest receivable on loans				
Allowance for accrued interest losses	(5.486)	(4.569)	(4.034)	-11,
NET TOTAL INTEREST ACCRUED	99.383	110.151	124.807	13,
Customers' acceptances and derivatives				
Net accounts receivable	162.264	190.403	204.532	7,
Net premises and equipment	371.661	348.801	376.263	7,
Foreclosed assets	30.961	12.779	10.362	-18,
Prepaid expenses and deferred charges	18.336	17.414	12.217	-29,
Good will	87.905	67.945	62.264	-8,
Operating lease, net	9.965	7.826	7.104	-9,
Other	237.437	331.942	293.715	-11,
Reappraisal of assets	266.883	261.871	279.698	6,
TOTAL ASSETS	16.107.364	18.218.142	18.723.225	2,
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
DEPOSITS				
NON-INTEREST BEARING				
Checking accounts	1.924.749	2.232.125	2.226.941	-0,
Other	185.421	155.538	154.592	-0,
INTEREST BEARING				
Checking accounts	1.221.367	937.442	1.043.645	11,
Time deposits	4.118.498	4.671.305	4.548.281	-2,
Savings deposits	3.133.947	4.115.294	3.791.237	-7,
TOTAL DEPOSITS	10.583.982	12.111.704	11.764.696	-2,
Overnight funds	1.097.369	509.366	1.123.770	120,
Bank acceptances outstanding	48.632	49.894	41.664	-16,
Interbank borrowings	253.365	669.331	817.794	22,
Borrowings from domestic development banks	762.680	848.751	858.736	1,
Accounts payable	567.274	908.101	645.319	-28,
Accrued interest payable	93.581	111.027	113.883	2,

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Other liabilities	158.719	214.765	238.781	11,
Bonds	522.896	569.718	562.449	-1,
Accrued expenses	253.172	198.932	274.722	38,
Minority interest in consolidated subsidiaries	40.999	43.559	44.224	1,
TOTAL LIABILITIES	14.382.669	16.235.148	16.486.038	1,
SHAREHOLDER'S EQUITY				
SUBSCRIBED AND PAID IN CAPITAL				
Non Voting Preference Shares	89.218	89.218	89.218	0,
Common Shares	199.130	199.130	199.130	0,
RETAINED EARNINGS				
Appropriated	862.792	1.204.114	1.193.705	-0,
Unappropriated	240.631	127.724	297.605	133,
REAPPRAISAL AND OTHERS				
GROSS UNREALIZED GAIN OR LOSS ON DEBT SECURITIES	43.732	42.772	114.531	167,
TOTAL SHAREHOLDER'S EQUITY	1.724.695	1.982.994	2.237.187	12,

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[BANCOLOMBIA LOGO]

2Q05

CONSOLIDATED INCOME STATEMENT (Ps Millions)	AS OF			QUARTER	
	JUN-04	JUN-05	JUN-05/ JUN-04	2Q 04	1Q 05
INTEREST INCOME AND EXPENSES					
Interest on loans	534,442	645,389	20.76%	276,572	315,62
Interest on investment securities	242,742	269,816	11.15%	72,877	111,31
Overnight funds	7,753	14,197	83.12%	4,139	5,58
Leasing	42,074	65,747	56.27%	22,295	31,86
TOTAL INTEREST INCOME	827,011	995,149	20.33%	375,883	464,37
Interest expense					
Checking accounts	6,238	9,008	44.41%	3,075	4,61
Time deposits	125,267	150,866	20.44%	62,815	74,67
Savings deposits	67,743	87,966	29.85%	37,679	42,65
TOTAL INTEREST ON DEPOSITS	199,248	247,840	24.39%	103,569	121,94
Interbank borrowings					
Borrowings from domestic development banks	35,646	40,293	13.04%	17,870	20,49
Overnight funds	15,666	17,495	11.67%	5,644	7,37
Bonds	17,287	26,114	51.06%	11,021	13,35
TOTAL INTEREST EXPENSE	270,249	343,930	27.26%	139,004	169,80
NET INTEREST INCOME	556,762	651,219	16.97%	236,879	294,56
Provision for loan and accrued interest losses, net					
Recovery of charged-off loans	(44,399)	(72,701)	63.74%	(23,668)	(32,22)
	14,069	20,489	45.63%	7,836	6,80

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Provision for foreclosed assets and other assets	(18,893)	(9,000)	-52.36%	2,527	(1,89)
Recovery of provisions for foreclosed assets and other assets	10,659	7,689	-27.86%	9,545	1,18
TOTAL NET PROVISIONS	(38,564)	(53,523)	38.79%	(3,760)	(26,13)
NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES	518,198	597,696	15.34%	233,119	268,43
Commissions from banking services and other services	33,003	40,622	23.08%	18,609	20,98
Electronic services and ATM's fees	28,432	34,194	20.27%	14,625	17,04
Branch network services	18,105	20,690	14.28%	9,416	9,74
Collections and payments fees	17,629	22,334	26.69%	8,257	10,66
Credit card merchant fees	36,309	42,460	16.94%	18,695	19,59
Credit and debit card annual fees	33,229	39,425	18.65%	16,982	18,86
Checking fees	24,100	25,653	6.44%	12,081	12,37
Warehouse services	23,102	27,634	19.62%	11,789	14,74
Fiduciary activities	25,826	27,945	8.20%	13,072	13,49
Check remittance	5,561	4,998	-10.12%	2,728	2,42
International operations	9,690	11,184	15.42%	4,520	5,12
FEES AND OTHER SERVICE INCOME	254,986	297,139	16.53%	130,774	145,06
Fees and other service expenses	(45,078)	(53,940)	19.66%	(21,529)	(28,95)
TOTAL FEES AND INCOME FROM SERVICES, NET	209,908	243,199	15.86%	109,245	116,10
OTHER OPERATING INCOME					
Net foreign exchange gains	(47,896)	(59,033)	23.25%	10,830	(17,17)
Forward contracts in foreign currency	75,698	88,872	17.40%	3,255	30,89
Dividend income	15,909	29,611	86.13%	991	28,30
Revenues from commercial subsidiaries	38,929	35,165	-9.67%	16,848	14,76
Communication, postage, rent and others	1,612	5,285	227.95%	1,015	2,61
TOTAL OTHER OPERATING INCOME	84,252	99,900	18.57%	32,939	59,38
TOTAL INCOME	812,358	940,795	15.81%	375,303	443,92
OPERATING EXPENSES					
Salaries and employee benefits	174,709	201,294	15.22%	88,328	99,43
Bonus plan payments	14,374	8,235	-42.71%	5,109	6,19
Compensation	9,543	4,500	-52.85%	4,678	2,08
Administrative and other expenses	210,560	239,561	13.77%	109,217	116,73
Deposit security, net	6,222	16,831	170.51%	2,455	7,66
Donation expenses	93	94	1.08%	45	4
Depreciation	21,334	25,796	20.91%	11,046	12,73
TOTAL OPERATING EXPENSES	436,835	496,311	13.62%	220,878	244,89
NET OPERATING INCOME	375,523	444,484	18.36%	154,425	199,03
Merger expenses	--	10,498	100.00%	--	2,90
Goodwill amortization Banco de Colombia	11,324	11,324	0.00%	5,662	5,66
NON-OPERATING INCOME (EXPENSE)					
Other income	22,912	24,143	5.37%	13,671	7,00
Minority interest	(1,592)	(1,915)	20.29%	(1,404)	(99)
Other expense	(31,858)	(19,874)	-37.62%	(7,520)	(5,06)
TOTAL NON-OPERATING INCOME	(10,538)	2,354	-122.34%	4,747	94
INCOME BEFORE INCOME TAXES	353,661	425,016	20.18%	153,510	191,40
Income tax expense	(113,030)	(127,411)	12.72%	(36,927)	(63,68)
NET INCOME	240,631	297,605	23.68%	116,583	127,72

[BANCOLOMBIA LOGO]

2Q05

5. PRO-FORMA FINANCIAL STATEMENTS (2)

PRINCIPAL RATIOS	AS OF JUNE 30, 2005	
	BANCOLOMBIA PRE-MERGER	BANCOLOMBIA POST-MERGER (1)
PROFITABILITY		
Net interest margin	8.49%	7.38%
Return on total assets	3.42%	2.95%
Return on shareholders' equity	29.59%	28.55%
EFFICIENCY		
Operating expenses to net operating income	52.11%	57.56%
Operating expenses to average total assets	5.96%	5.89%
CAPITAL ADEQUACY		
Shareholders' equity to total assets	11.95%	10.33%
Technical capital to risk weighted assets	13.69%	11.12%

(1) Calculated with figures as of June 30, 2005, not with averages like the Pre-Merger ratios

TECHNICAL CAPITAL RISK WEIGHTED ASSETS (Ps millions)	AS OF JUNE 30, 2005		
	BANCOLOMBIA PRE-MERGER	BANCOLOMBIA POST-MERGER	MERGER EFFECT %
Basic capital (Tier I)	1.682.375	1.955.867	16,26%
Additional capital (Tier II)	308.543	513.214	66,33%
Technical capital (1)	1.990.918	2.469.081	24,02%
Risk weighted assets included market risk	14.544.531	22.203.580	52,66%
CAPITAL ADEQUACY (2)	13,69%	11,12%	-2,57%

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

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

(2) The unaudited pro forma combined condensed financial statements presented below are derived from the consolidated unaudited financial statements of Bancolombia, Corporacion Financiera Nacional y

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Suramericana S.A. ("Corfinsura") and Conavi Banco Comercial y de Ahorros S.A ("Conavi"), as of June 30, 2005, adjusted to give effect to the acquisition of Corfinsura and Conavi by Bancolombia, realized through the merger of the three entities, as if the merger had been completed as of June 30, 2005.

The pro forma amounts have been developed from (a) the unaudited consolidated financial results of Bancolombia, included in this report, (b) the unaudited consolidated financial results of Corfinsura, giving effect to the spin-off of the portion of Corfinsura's assets and liabilities that will not be assumed by Bancolombia through the merger, as of June 30, 2005 and (c) the unaudited consolidated financial results of Conavi, as of June 30, 2005. These financial statements have been prepared in accordance with generally accepted accounting principles in Colombia, are stated in nominal terms and have not been audited.

There can be no assurance that the Superintendency of Banking will not modify the accounting characterization for some of these items, in accordance with generally accepted accounting principles in Colombia.

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.

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[BANCOLOMBIA LOGO]

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LOANS AND FINANCIAL LEASES CLASSIFICATION (Ps millions)	AS OF JUNE 30, 2005				MERGER EFFECT %
-----	BANCOLOMBIA PRE-MERGER		BANCOLOMBIA POST-MERGER		-----
"A" Normal	10.294.476	92,6%	16.255.410	92,6%	57,9%
"B" Subnormal	349.882	3,1%	628.849	3,6%	79,7%
"C" Deficient	141.570	1,3%	209.101	1,2%	47,7%
"D" Doubtful recovery	237.610	2,1%	284.589	1,6%	19,8%
"E" Unrecoverable	98.998	0,9%	174.451	1,0%	76,2%
TOTAL	11.122.536	100%	17.552.400	100%	57,8%
LOANS AND FINANCIAL LEASES CLASSIFIED					
AS C, D AND E AS A PERCENTAGE OF					
TOTAL LOANS AND FINANCIAL LEASES	4,3%		3,8%		

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AS OF JUNE 30, 2005

ASSET QUALITY (Ps millions)	BANCOLOMBIA PRE-MERGER	BANCOLOMBIA POST-MERGER	MERGER EFFECT %
Total performing past due loans	81.504	286.525	251,55%
Total non-performing past due loans (1)	103.245	250.046	142,19%
Total past due loans	184.749	536.571	190,43%
Allowance for loans and accrued interest losses	470.687	705.552	49,90%
Past due loans to total loans	1,66%	3,06%	
Non-performing loans to total loans	0,93%	1,42%	
C, D, and E loans to total loans	4,30%	3,81%	
Allowances to past due loans (2)	254,77%	131,49%	
Allowances to C, D, and E loans (2)	98,43%	105,60%	
Allowances to non-performing loans (2)	455,89%	282,17%	
Allowances to total loans	4,23%	4,02%	
Performing loans to total loans	99,07%	98,58%	

(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.

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[BANCOLOMBIA LOGO]

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AS OF JUNE 30, 2005

CONSOLIDATED BALANCE SHEET (Ps million and US Dollars millions)	BANCOLOMBIA PRE-MERGER	BANCOLOMBIA POST-MERGER	MERGER EFFECT %	B P MIL
ASSETS				
Cash and due from banks	732,639	1,146,553	56.50%	
Overnight funds sold	311,420	812,086	160.77%	
TOTAL CASH AND EQUIVALENTS	1,044,059	1,958,639	87.60%	
DEBT SECURITIES				
Trading	2,156,776	4,080,234	89.18%	
Available for Sale	2,521,179	2,474,099	-1.87%	
Held to Maturity	685,806	846,168	23.38%	
EQUITY SECURITIES				
Trading	26,189	31,678	20.96%	
Available for Sale	276,476	181,515	-34.35%	
Market value allowance	(64,585)	(64,532)	-0.08%	
NET INVESTMENT SECURITIES	5,601,841	7,549,162	34.76%	
Commercial loans	8,131,479	11,441,432	40.71%	
Consumer loans	1,796,030	2,125,157	18.33%	
Small business loans	95,943	96,232	0.30%	

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Mortgage loans	58,324	1,455,408	2395.38%
Finance lease	1,040,760	2,434,171	133.88%
Allowance for loans and financial leases losses	(466,653)	(692,832)	48.47%
NET TOTAL LOANS AND FINANCIAL LEASES	10,655,883	16,859,568	58.22%
Accrued interest receivable on loans	128,841	198,598	54.14%
Allowance for accrued interest losses	(4,034)	(12,720)	215.32%
NET TOTAL INTEREST ACCRUED	124,807	185,878	48.93%
Customers' acceptances and derivatives	50,480	88,989	76.29%
Net accounts receivable	204,532	311,856	52.47%
Net premises and equipment	376,263	637,040	69.31%
Foreclosed assets	10,362	54,562	426.56%
Prepaid expenses and deferred charges	12,217	60,188	392.66%
Good will	62,264	62,264	0.00%
Operating lease, net	7,104	18,540	160.98%
Other	293,715	386,040	31.43%
Reappraisal of assets	279,698	396,574	41.79%
TOTAL ASSETS	18,723,225	28,569,300	52.59%
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
DEPOSITS			
NON-INTEREST BEARING			
Checking accounts	2,381,533	2,502,570	5.08%
Other	2,226,941	2,246,186	0.86%
	154,592	256,384	65.85%
INTEREST BEARING	9,383,163	14,696,705	56.63%
Checking accounts	1,043,645	1,056,500	1.23%
Time deposits	4,548,281	6,812,775	49.79%
Savings deposits	3,791,237	6,827,430	80.08%
TOTAL DEPOSITS	11,764,696	17,199,275	46.19%
Overnight funds	1,123,770	1,534,014	36.51%
Bank acceptances outstanding	41,664	41,949	0.68%
Interbank borrowings	817,794	1,274,645	55.86%
Borrowings from domestic development banks	858,736	1,809,234	110.69%
Accounts payable	645,319	875,924	35.74%
Accrued interest payable	113,883	188,319	65.36%
Other liabilities	238,781	304,678	27.60%
Bonds	562,449	1,992,489	254.25%
Accrued expenses	274,722	344,474	25.39%
Minority interest in consolidated subsidiaries	44,224	54,315	22.82%
TOTAL LIABILITIES	16,486,038	25,619,316	55.40%
SHAREHOLDER'S EQUITY			
SUBSCRIBED AND PAID IN CAPITAL	288,348	363,604	26.10%
RETAINED EARNINGS	1,491,310	1,847,229	23.87%
Appropriated	1,193,705	1,426,165	19.47%
Unappropriated	297,605	421,064	41.48%
REAPPRAISAL AND OTHER	342,998	624,606	82.10%
GROSS UNREALIZED GAIN OR LOSS ON DEBT SECURITIES	114,531	114,545	0.01%
TOTAL SHAREHOLDER'S EQUITY	2,237,187	2,949,984	31.86%

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[BANCOLOMBIA LOGO]

2Q05

CONSOLIDATED INCOME STATEMENT (Ps million and US Dollars millions)	ACCUMULATED JUNE 30, 2005			
	BANCOLOMBIA PRE-MERGER	BANCOLOMBIA POST-MERGER	MERGER EFFECT %	B P MIL
INTEREST INCOME AND EXPENSES				
Interest on loans	645,389	987,243	52.97%	
Interest on investment securities	269,816	382,112	41.62%	
Overnight funds and other	14,197	15,643	10.19%	
Leasing	65,747	136,089	106.99%	
TOTAL INTEREST INCOME	995,149	1,521,087	52.85%	
Interest expense				
Checking accounts	9,008	9,090	0.91%	
Time deposits	150,866	230,657	52.89%	
Savings deposits	87,966	118,381	34.58%	
TOTAL INTEREST ON DEPOSITS	247,840	358,128	44.50%	
Interbank borrowings	12,188	20,693	69.78%	
Borrowings from domestic development banks	40,293	78,523	94.88%	
Overnight funds	17,495	40,236	129.99%	
Bonds	26,114	80,739	209.18%	
TOTAL INTEREST EXPENSE	343,930	578,319	68.15%	
NET INTEREST INCOME	651,219	942,768	44.77%	
Provision for loan and accrued interest losses, net	(72,701)	(77,385)	6.44%	
Recovery of charged-off loans	20,489	31,306	52.79%	
Provision for foreclosed assets and other assets	(9,000)	(28,674)	218.60%	
Recovery of provisions for foreclosed assets and other assets	7,689	24,234	215.18%	
TOTAL NET PROVISIONS	(53,523)	(50,519)	-5.61%	
NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES	597,696	892,249	49.28%	
Commissions from banking services and other services				
Electronic services and ATM's fees	40,622	85,173	109.67%	
Branch network services	34,194	47,376	38.55%	
Collections and payments fees	20,690	22,811	10.25%	
Credit card merchant fees	22,334	27,043	21.09%	
Credit card merchant fees	42,460	50,764	19.56%	
Credit and debit card annual fees	39,425	103,924	163.60%	
Checking fees	25,653	27,663	7.83%	
Warehouse services	27,634	27,524	-0.40%	
Fiduciary activities	27,945	28,827	3.16%	
Check remittance	4,998	5,001	0.06%	
International operations	11,184	13,325	19.15%	
FEES AND OTHER SERVICE INCOME	297,139	439,431	47.89%	
Fees and other service expenses	(53,940)	(77,887)	44.40%	
TOTAL FEES AND INCOME FROM SERVICES, NET	243,199	361,544	48.66%	

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OTHER OPERATING INCOME			
Net foreign exchange gains	(59,033)	(61,094)	3.49%
Forward contracts in foreign currency	88,872	105,166	18.33%
Dividend income	29,611	39,364	32.94%
Revenues from commercial subsidiaries	35,165	65,746	86.96%
Communication, postage, rent and others	5,285	7,798	47.55%
TOTAL OTHER OPERATING INCOME	99,900	156,980	57.14%
TOTAL INCOME	940,795	1,410,773	49.96%
OPERATING EXPENSES			
Salaries and employee benefits	201,294	302,473	50.26%
Bonus plan payments	8,235	8,703	5.68%
Compensation	4,500	4,756	5.69%
Administrative and other expenses	239,561	425,747	77.72%
Deposit security, net	16,831	27,086	60.93%
Donation expenses	94	403	328.72%
Depreciation	25,796	43,183	67.40%
TOTAL OPERATING EXPENSES	496,311	812,351	63.68%
NET OPERATING INCOME	444,484	598,422	34.63%
Merger expenses	10,498	17,381	65.56%
Goodwill amortization Banco de Colombia	11,324	11,324	0.00%
NON-OPERATING INCOME (EXPENSE)			
Other income	24,143	37,224	54.18%
Minority interest	(1,915)	(3,089)	61.31%
Other expense	(19,874)	(41,516)	108.90%
TOTAL NON-OPERATING INCOME	2,354	(7,381)	-413.55%
INCOME BEFORE INCOME TAXES	425,016	562,336	32.31%
Income tax expense	(127,411)	(141,272)	10.88%
NET INCOME	297,605	421,064	41.48%