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BANCOLOMBIA SA
Form 6-K
November 07, 2003

CONFORMED COPY

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of November 2003

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

(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. 333-12658).

SIGNATURE

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BANCOLOMBIA S.A.
(Registrant)

Date: November 7 , 2003

By /s/ JAIME ALBERTO VELASQUEZ B.
Name: Jaime Alberto Velasquez B.
Title: Vice President of Finance

[BANCOLOMBIA LETTERHEAD]

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2003

NOVEMBER 5, 2003. Medellin, Colombia - BANCOLOMBIA S.A. (NYSE: CIB) announced today the financial results for the quarter ended September 30, 2003. 1

CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

| (Ps millions) ----- | QUARTER ----- | | GROWTH ----- |
|--|-------------------|-------------------|----------------------|
| | 2Q 03 ----- | 3Q 03 ----- | 3Q 03/2Q 03 ----- |
| ASSETS | | | |
| Loans, net | 6,454,094 | 7,062,705 | 9.43% |
| Investment Securities, net | 4,152,619 | 4,316,902 | 3.96% |
| Other assets | 3,190,868 | 2,570,614 | -19.44% |
| | ----- | ----- | ----- |
| TOTAL ASSETS | 13,797,581 | 13,950,221 | 1.11% |
| | ===== | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Deposits | 9,594,710 | 9,461,540 | -1.39% |
| Other liabilities | 2,722,686 | 2,938,474 | 7.93% |
| TOTAL LIABILITIES | 12,317,396 | 12,400,014 | 0.67% |
| Shareholders' equity | 1,480,185 | 1,550,207 | 4.73% |
| | ----- | ----- | ----- |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY .. | 13,797,581 | 13,950,221 | 1.11% |
| | ===== | ===== | ===== |
| Interest income | 393,039 | 352,351 | -10.35% |
| Interest expense | 114,087 | 118,619 | 3.97% |
| NET INTEREST INCOME | 278,952 | 233,732 | -16.21% |
| Net provisions | (61,425) | (45,693) | -25.61% |
| Other operating income | 123,092 | 136,891 | 11.21% |

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| | | | |
|---------------------------------|-----------|-----------|----------|
| Other operating expense | (195,297) | (200,970) | 2.90% |
| Non-operating income, net | (5,863) | 8,319 | -241.89% |
| Income tax expense | (16,680) | (13,875) | -16.82% |
| | ----- | ----- | ----- |
| NET INCOME | 122,779 | 118,404 | -3.56% |
| | ===== | ===== | ===== |

1 This report corresponds to the intermediate consolidated financial statements of BANCOLOMBIA and its affiliated companies, where it owns, directly or indirectly, 50% or more of the capital stock with right to voting. For this reason, the financial information contained herein is not comparable to BANCOLOMBIA's consolidated results (with its financial subsidiaries) previously released. This information has been prepared in accordance with generally accepted accounting principles in Colombia, and 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 AND ITS AFFILIATES, UNLESS OTHERWISE SPECIFIED.

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.

Exchange rate: September 30, 2003 TRM COP 2,889.39/USD Average exchange rate Sep. 2003

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[BANCOLOMBIA LETTERHEAD]

1. HIGHLIGHTS:

- BANCOLOMBIA's net income amounted to Ps 118.4 billion, or US\$ 0.289 per ADS, during the quarter ended September 30, 2003, as compared to a net income of Ps 122.8 billion, or US\$ 0.301 per ADS, for the quarter ended June 30, 2003.
- Net interest margin decreased quarter over quarter to 8.2% from 9.9%. This decrease was the result of lower net interest income.
- BANCOLOMBIA's total net provisions decreased from Ps 61.4 billion to Ps 45.7 billion quarter over quarter.

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- Total fees and income from services increased 15.6% quarter over quarter from Ps 81.2 billion to Ps 93.9 billion.
- The Bank's gross loans increased 9.5% quarter over quarter from Ps 6,771.4 billion to Ps 7,414.8 billion.
- BANCOLOMBIA's shareholders' equity increased 4.7% during the quarter ended September 30, 2003 as compared to the previous quarter.
- BANCOLOMBIA's ratio of past due loans to total loans for the quarter ended September 30, 2003 decreased to 1.5% compared to 1.8% for the quarter ended June 30, 2003 and allowances for past due loans for the quarter ended September 30, 2003 increased to 324.6% compared to 264.9%, for the previous quarter.
- The annualized ROAE (Return on average shareholders' equity) and ROAA (Return on average total assets) for the third quarter of 2003 were 33.8% and 3.6%, respectively.

2. CONSOLIDATED BALANCE SHEET

2.1 ASSETS

BANCOLOMBIA's total assets increased 1.1% over the quarter to Ps 13,950 billion as of September 30, 2003 from Ps 13,798 billion as of June 30, 2003. The increase in total assets was primarily due to a larger loan portfolio and higher volume of trading debt securities.

2.1.1 LOAN PORTFOLIO

BANCOLOMBIA's gross loans totaled Ps 7,415 billion as of September 30, 2003, an increase of 9.5% from Ps 6,771 billion as of June 30, 2003.

Total corporate loans increased 10.4% during the third quarter of 2003 from Ps 4,594 billion as of June 30, 2003, to Ps 5,072 billion as of September 30, 2003. This increase resulted from growth in

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[BANCOLOMBIA LETTERHEAD]

working capital loans, and loans funded by domestic development banks, which increased 11.7% and 11.2%, respectively. Total retail loans increased 7.5% from Ps 2,137 billion as of June 30, 2003 to Ps 2,297 billion as of September 30, 2003, with working capital loans, and personal loans, increasing the most.

In addition, net lease increased 7% from Ps 439 billion to Ps 470 billion quarter over quarter.

LOAN PORTFOLIO

| (Ps millions) | 30-SEP-02 | AS OF ----- 30-JUN-03 | 30-SEP-03 | 3Q 03/2Q 03 ----- |
|-----------------------------|-----------|-----------------------------|-----------|----------------------|
| ----- | ----- | ----- | ----- | ----- |
| CORPORATE | | | | |
| Working capital loans | 3,293,222 | 3,987,546 | 4,453,082 | 11.67% |

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| | | | | |
|---------------------------------|-----------|-----------|-----------|---------|
| Loans funded by | | | | |
| domestic development banks ... | 363,609 | 384,138 | 427,178 | 11.20% |
| Trade Financing | 137,575 | 157,682 | 151,043 | -4.21% |
| Overdrafts | 29,877 | 58,123 | 33,826 | -41.80% |
| Credit Cards | 5,017 | 6,813 | 7,343 | 7.78% |
| | ----- | ----- | ----- | ----- |
| TOTAL CORPORATE | 3,829,300 | 4,594,302 | 5,072,472 | 10.41% |
| | ===== | ===== | ===== | ===== |
| RETAIL | | | | |
| Working capital loans | 979,794 | 775,193 | 842,020 | 8.62% |
| Personal loans | 500,991 | 621,117 | 687,207 | 10.64% |
| Loans funded by | | | | |
| domestic development banks ... | 261,736 | 307,304 | 333,839 | 8.63% |
| Credit Cards | 229,249 | 288,823 | 281,585 | -2.51% |
| Overdrafts | 134,383 | 106,965 | 102,801 | -3.89% |
| Automobile loans | 17,310 | 25,898 | 28,915 | 11.65% |
| Trade Financing | 58,445 | 11,346 | 20,911 | 84.30% |
| | ----- | ----- | ----- | ----- |
| TOTAL RETAIL | 2,181,908 | 2,136,646 | 2,297,278 | 7.52% |
| MORTGAGE | 35,584 | 40,499 | 45,002 | 11.12% |
| | ----- | ----- | ----- | ----- |
| TOTAL LOANS | 6,046,792 | 6,771,447 | 7,414,752 | 9.50% |
| ALLOWANCE FOR LOAN LOSSES | (336,911) | (317,353) | (352,047) | 10.93% |
| | ----- | ----- | ----- | ----- |
| TOTAL LOANS, NET | 5,709,881 | 6,454,094 | 7,062,705 | 9.43% |
| | ===== | ===== | ===== | ===== |

2.1.2 ASSET QUALITY

As of September 30, 2003 the Bank's past due loans as a percentage of total loans were 1.5% as compared to 1.8% as of June 30, 2003. During the third quarter, BANCOLOMBIA had loan charge offs of Ps 38 million. During the nine months ended September 30, 2003, the Bank's charge offs totaled Ps 115,605 million as compared to Ps 46,777 million during the nine months ended September 30, 2002.

| LOAN CLASSIFICATION | AS OF 30-SEP-02 | | AS OF 30-JUN-03 | | |
|-----------------------------------|-----------------|-------|-----------------|-------|-------|
| ----- | ----- | | ----- | | |
| (Ps millions) | | | | | |
| "A" Normal | 4,939,231 | 81.7% | 5,806,722 | 85.7% | 6,5 |
| "B" Subnormal | 567,813 | 9.4% | 526,778 | 7.8% | 4 |
| "C" Deficient | 88,901 | 1.5% | 71,389 | 1.1% | |
| "D" Doubtful recovery | 263,001 | 4.3% | 273,872 | 4.0% | 2 |
| "E" Unrecoverable | 187,846 | 3.1% | 92,686 | 1.4% | |
| | ----- | ----- | ----- | ----- | ----- |
| TOTAL | 6,046,792 | 100% | 6,771,447 | 100% | 7,4 |
| | ===== | ===== | ===== | ===== | ===== |
| LOANS CLASSIFIED AS C, D AND E | | | | | |
| AS A PERCENTAGE OF TOTAL LOANS .. | 8.9% | | 6.5% | | |

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| ASSET QUALITY (Ps millions) ----- | AS OF ----- | | |
|--|--------------------|--------------------|--------------------|
| | 30-SEP-02 ----- | 30-JUN-03 ----- | 30-SEP-03 ----- |
| Total performing past due loans | 37,552 | 48,713 | 25,711 |
| Total non-performing past due loans (1) | 222,065 | 73,315 | 84,304 |
| Total past due loans | 259,617 | 122,028 | 110,015 |
| Allowance for loans and accrued interest losses .. | 353,577 | 323,260 | 357,154 |
| Past due loans to total loans | 4.29% | 1.80% | 1.48% |
| Non-performing loans to total loans | 3.67% | 1.08% | 1.14% |
| C, D, and E loans to total loans | 8.93% | 6.47% | 5.24% |
| Allowances to past due loans (2) | 136.19% | 264.91% | 324.64% |
| Allowances to C, D, and E loans (2) | 65.51% | 73.81% | 91.89% |
| Allowances to non-performing loans (2) | 159.22% | 440.92% | 423.65% |
| Allowances to total loans | 5.85% | 4.77% | 4.82% |
| Performing loans to total loans | 96.33% | 98.92% | 98.86% |

(1) Before January 1, 2002, non-performing loans included commercial and consumer loans that were past due 90 days or more, and mortgage loans that were past due 120 days or more. Since January 1, 2002, 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 = allowance for loan and accrued interest losses.

2.2 LIABILITIES

Total deposits decreased 1.4% over the quarter, from Ps 9,595 billion as of June 30, 2003, to Ps 9,461.5 billion as of September 30, 2003. During the third quarter of 2003, BANCOLOMBIA's funding mix improved as a result of a 5.4% increase in non-interest bearing deposits while interest-bearing deposits decreased 2.9%. The growth in non-interest bearing checking accounts was the result of seasonality, which tends to reach its highest level near the end of the year.

| FUNDING MIX COMPOSITION ----- | AS OF ----- | | |
|----------------------------------|--------------------|--------------------|--------------------|
| | 30-SEP-02 ----- | 30-JUN-03 ----- | 30-SEP-03 ----- |
| NON-INTEREST BEARING | 18.87% | 18.25% | 19.50% |
| Checking accounts | 17.63% | 16.73% | 17.85% |
| Other | 1.24% | 1.52% | 1.64% |
| INTEREST BEARING | 81.13% | 81.75% | 80.50% |
| Checking accounts | 8.50% | 11.79% | 10.63% |
| Time deposits | 42.42% | 44.04% | 44.00% |
| Savings deposits | 30.21% | 25.92% | 25.87% |
| TOTAL DEPOSITS | 100.00% | 100.00% | 100.00% |

2.3 SHAREHOLDERS' EQUITY

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BANCOLOMBIA's shareholders' equity totaled Ps 1,550 billion during the third quarter. As of September 30, 2003, the Bank's consolidated ratio of technical capital to risk-weighted assets was 13.6%. Unrealized gains on investment debt securities totaled Ps 97.2 billion as of September 30, 2003.

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[BANCOLOMBIA LETTERHEAD]

| TECHNICAL EQUITY RISK WEIGHTED ASSETS | AS OF | | |
|---------------------------------------|-----------|-----------|-----------|
| Consolidated (Ps millions) | 30-SEP-02 | 30-JUN-03 | 30-SEP-03 |
| | | | |
| Basic capital | 731,660 | 969,178 | 1,079,512 |
| Additional capital | 135,098 | 275,264 | 255,796 |
| Technical capital (1) | 866,758 | 1,244,442 | 1,335,308 |
| CAPITAL ADEQUACY (2) | 10.07% | 12.64% | 13.63% |

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

(2) Capital Adequacy = Technical capital / risk weighted assets

3. INCOME STATEMENT

BANCOLOMBIA's net income amounted to Ps 118.4 billion during the quarter ended September 30, 2003, as compared to net income of Ps 122.8 billion for the quarter ended June 30, 2003. This decrease during the third quarter of 2003 was mainly due to lower net interest income and higher operating expenses.

3.1 NET INTEREST INCOME

Net interest income decreased 16.2% to Ps 233.7 billion for the quarter ended September 30, 2003, compared to net interest income of Ps 279.0 billion for the quarter ended June 30, 2003. However, net interest income as of September 30, 2003 increased 62.0% to Ps 741.3 billion from Ps 458.8 billion as of September 30, 2002.

Total interest income decreased 10.4% over the quarter as a result of lower interest on investment securities, which decreased 27.9% as a result of lower valuation. Total interest expense increased 4% as a result of interest paid on overnight funds, which showed a high average volume during the quarter.

3.2 PROVISIONS

Total net provisions for the third quarter of 2003 amounted to Ps 46 billion, decreasing 25.6% as compared to the previous quarter.

3.3 FEES AND INCOME FROM SERVICES

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Total fees and income from services totaled Ps 93.9 billion during the third quarter of 2003, increasing 15.6% from Ps 81.2 billion for the quarter ended June 30, 2003, with commissions from banking services, credit card merchant fees, and international operations, increasing the most.

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[BANCOLOMBIA LETTERHEAD]

BANCOLOMBIA's accumulated unconsolidated credit card billing increased 33.1% over the twelve-months ended September 30, 2003, resulting in a 17% market share of the Colombian credit card business. In addition, the Bank's unconsolidated number of outstanding credit cards increased 22.1% year over year, resulting in a 13.2% market share. (Source: Credibanco, American Express and Red Multicolor).

| ACCUMULATED CREDIT CARD BILLING (As of September 30, in Ps million) | 2002 | 2003 | % | 2003 |
|--|-----------|-----------|--------|------------|
| ----- | ---- | ---- | ----- | ----- |
| | | | Growth | Mkt. Share |
| Bancolombia Mastercard | 518,797 | 568,877 | 9.7% | 9.7% |
| Bancolombia VISA | 241,601 | 284,440 | 17.7% | 4.8% |
| Bancolombia American Express | -- | 158,833 | -- | 2.7% |
| Total Bancolombia | 760,398 | 1,012,150 | 33.1% | 17.2% |
| | ----- | ----- | ----- | ----- |
| Colombian credit card industry | 4,794,988 | 5,868,593 | 22.4% | |
| | ----- | ----- | ----- | |

Source: Credibanco, American Express and Red Multicolor

| CREDIT CARD MARKET SHARE | | | % | 2003 |
|--|-----------|-----------|--------|---------|
| Number of credit cards as of September 30, | 2002 | 2003 | Growth | Mkt. Sh |
| ----- | ---- | ---- | ----- | ----- |
| Bancolombia Mastercard | 159,506 | 157,761 | -1.1% | 6.6 |
| Bancolombia VISA | 97,546 | 107,401 | 10.1% | 4.5 |
| Bancolombia American Express | -- | 48,573 | -- | 2.0 |
| Total Bancolombia | 257,052 | 313,735 | 22.1% | 13.2 |
| | ----- | ----- | ----- | ----- |
| Colombian credit card industry | 2,175,607 | 2,381,829 | 9.5% | |
| | ----- | ----- | ----- | |

Source: Credibanco, American Express and Red Multicolor.

3.4 OPERATING EXPENSES

Operating expenses increased 3% quarter over quarter totaling Ps 195 billion during the quarter ended September 30, 2003. This increase in operating expenses was due to non-recurrent items. As a consequence, BANCOLOMBIA's efficiency ratio reached 54.2% for the quarter ended September 30, 2003.

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3.5 OTHER OPERATING INCOME

Total other operating income totaled Ps 43.0 billion during the third quarter increasing 2.7% from Ps 41.9 billion during the previous quarter. During the third quarter, CONAVI paid dividends of Ps 19.5 billion. Income from the foreign exchange business (spot and forward contracts) decreased 63.4% to Ps 6,394 million as of September 30, 2003 from Ps 17,465 million as of June 30, 2003.

4. SUBSIDIARIES

BANCOLOMBIA PANAMA AND ITS SUBSIDIARIES

The following table is expressed in US dollars.

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[BANCOLOMBIA LETTERHEAD]

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

| | QUARTER | | GROWTH |
|--|---------------|---------------|---------|
| | 2Q 03 | 3Q 03 | 3Q 03/2 |
| ----- | ----- | ----- | ----- |
| ASSETS | | | |
| Loans, net | 447,024,394 | 558,218,195 | 24. |
| Investment securities, net | 449,454,713 | 450,850,332 | 0. |
| Overnight funds sold | 273,593,548 | 79,269,989 | -71. |
| Leases, net | 46,991,662 | 44,749,940 | -4. |
| Other assets | 23,036,134 | 33,426,209 | 45. |
| | ----- | ----- | ----- |
| TOTAL ASSETS | 1,240,100,451 | 1,166,514,665 | -5. |
| | ===== | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Deposits | 1,091,549,246 | 979,666,689 | -10. |
| Other liabilities | 13,305,732 | 48,363,507 | 263. |
| TOTAL LIABILITIES | 1,104,854,978 | 1,028,030,196 | -6. |
| Shareholders' equity | 135,245,473 | 138,484,469 | 2. |
| | ----- | ----- | ----- |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY ... | 1,240,100,451 | 1,166,514,665 | -5. |
| | ===== | ===== | ===== |
| Interest income | 21,778,032 | 18,617,466 | -14. |
| Interest expense | (5,547,066) | (4,837,249) | -12. |
| NET INTEREST INCOME | 16,230,966 | 13,780,217 | -15. |
| Net provisions | (4,973,281) | (3,295,903) | -33. |
| Other operating income | 1,245,421 | 911,076 | -26. |
| Other operating expense | (816,593) | (665,732) | -18. |
| | ----- | ----- | ----- |
| NET INCOME | 11,686,513 | 10,729,658 | -8. |
| | ===== | ===== | ===== |

BANCOLOMBIA Panama's total assets decreased 5.9% over the quarter to US\$1,167 million as of September 30, 2003 from US\$1,240 million as of June

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30, 2003. The decrease in total assets was driven by a decrease in overnight funds sold as a result of lower short-term deposits.

BANCOLOMBIA Panama's shareholders' equity increased 2.4% over the quarter from US\$135 million as of June 30, 2003, to US\$138 million as of September 30, 2003. Unrealized gains on investment securities totaled US\$25 million as of September 30, 2003, down 24.2% from US\$33 million as of June 30, 2003.

BANCOLOMBIA Panama reported net income of US\$10.7 million during the quarter ended September 30, 2003 as compared to a net income of US\$11.7 million for the quarter ended June 30, 2003, mainly due to lower net interest income resulting from the average volume of overnight funds sold and its low yield.

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[BANCOLOMBIA LETTERHEAD]

5. CORPORATE RISK MAP

Following the decisions of its leaders and through its Risk Vice Presidency, BANCOLOMBIA has set forth procedures that will integrate the risk concept into the strategic decision-making process.

In order to integrate risk analysis into BANCOLOMBIA's strategic planning process, the development of the Corporate Risk Map was initiated. This map assists in the identification of risks that would hinder or prevent BANCOLOMBIA from meeting its business objectives and facilitates the analysis and implementation of strategies to mitigate such risks.

The Corporate Risk Map is considered the main tool used by leading entities to:

- Identify the organization's risk profile;
- Identify the risks inherent in every new or existing business;
- Analyze the effectiveness and cost benefit ratio of the existing mitigation strategies;
- Select businesses based on their returns and their risks.

Given that one of the BANCOLOMBIA's main challenges is growth, which could lead to the penetration of new segments and businesses in which it lacks former experience, it is necessary that these initiatives analyze the risk-return ratio from the very beginning.

Consequently, the Bank's senior management and its affiliates are currently developing this Corporate Risk Map, which will enable us to obtain benefits by establishing an adequate balance of the assumed risk and the expected return, in such a way that it ensures the creation of shareholder value.

6. RECOGNITIONS AND OTHER DEVELOPMENTS

- In September 2003, BANCOLOMBIA was named for the second consecutive year as Bank of the Year in Colombia by the magazine The Banker.

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- Last September, BANCOLOMBIA received from American Express, the international distinction "Exceptional Marketing Award" in recognition of BANCOLOMBIA's integral strategy in launching the AMERICAN EXPRESS Card.
- On November 1st, 2003, BANCOLOMBIA signed a collective bargaining agreement with the labor union, Sintrabancol, and the industry union, Uneb. This agreement will be effective from November 2003 until October 2005.

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[BANCOLOMBIA LETTERHEAD]

| PRINCIPAL RATIOS | QUARTERS | | |
|--|----------|--------|--------|
| | 3Q 02 | 2Q 03 | 3Q 03 |
| | ----- | ----- | ----- |
| PROFITABILITY | | | |
| Net interest margin (1) | 6.11% | 9.92% | 8.19% |
| Return on average total assets (2) | 1.76% | 3.77% | 3.60% |
| Return on average shareholders' equity (3) | 19.72% | 36.63% | 33.80% |
| EFFICIENCY | | | |
| Operating expenses to net operating income (4) | 70.68% | 48.58% | 54.22% |
| Operating expenses to average total assets (4) | 6.40% | 6.00% | 6.11% |
| CAPITAL ADEQUACY | | | |
| Shareholders' equity to total assets | 8.14% | 10.73% | 11.11% |
| Technical capital to risk weighted assets | 10.07% | 12.64% | 13.63% |

- (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.

| STOCK INDICATORS | QUARTERS | | |
|--------------------------------|----------|---------|---------|
| | 3Q 02 | 2Q 03 | 3Q 03 |
| | ----- | ----- | ----- |
| Net Income (Ps millions) | 48,260 | 122,779 | 118,404 |
| USD Earnings per ADS | 0.122 | 0.301 | 0.289 |
| ROAA | 1.76% | 3.77% | 3.60% |
| ROAE | 19.72% | 36.63% | 33.80% |

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| | | | |
|--------------------------|-------------|-------------|-------------|
| P/BV ADS (1) | 0.55 | 1.36 | 1.28 |
| P/BV Local (2) (3) | 1.01 | 1.36 | 1.35 |
| 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

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[BANCOLOMBIA LETTERHEAD]

| CONSOLIDATED BALANCE SHEET | AS OF | | |
|--|-----------|-----------|---------|
| (Ps millions) | 30-SEP-02 | 30-JUN-03 | 30-SEP- |
| ----- | ----- | ----- | ----- |
| ASSETS | | | |
| Cash and due from banks | 579,774 | 691,319 | 647,2 |
| Overnight funds sold | 96,667 | 833,654 | 237,0 |
| TOTAL CASH AND EQUIVALENTS | 676,441 | 1,524,973 | 884,3 |
| DEBT SECURITIES | | | |
| Trading | 3,843,688 | 4,002,565 | 4,172,5 |
| Available for Sale | 1,720,477 | 1,413,992 | 1,632,4 |
| Held to Maturity | 1,525,533 | 1,835,468 | 1,809,8 |
| EQUITY SECURITIES | 597,678 | 753,105 | 730,2 |
| Trading | 361,604 | 243,259 | 241,0 |
| Available for Sale | 148,161 | 18,507 | 12,0 |
| Market value allowance | 213,443 | 224,752 | 229,0 |
| NET INVESTMENT SECURITIES | (64,211) | (93,205) | (96,7 |
| NET INVESTMENT SECURITIES | | | |
| Gross Loans | 4,141,081 | 4,152,619 | 4,316,9 |
| Allowance for loan losses | 6,046,792 | 6,771,447 | 7,414,7 |
| NET TOTAL LOANS | (336,911) | (317,353) | (352,0 |
| NET TOTAL LOANS | | | |
| Accrued interest receivable on loans | 5,709,881 | 6,454,094 | 7,062,7 |
| Allowance for accrued interest losses | 100,523 | 93,979 | 85,3 |
| NET TOTAL INTEREST ACCRUED | (16,666) | (5,907) | (5,1 |
| NET TOTAL INTEREST ACCRUED | | | |
| Customers' acceptances and derivatives | 83,857 | 88,072 | 80,2 |
| Net accounts receivable | 1,225 | 75,240 | 23,3 |
| Net premises and equipment | 119,620 | 127,376 | 187,0 |
| Foreclosed assets | 266,686 | 317,073 | 332,8 |
| Prepaid expenses and deferred charges | 50,582 | 39,064 | 32,3 |
| Good will | 71,430 | 36,690 | 36,9 |
| Net lease | 124,566 | 107,580 | 101,9 |
| Other | 305,294 | 438,959 | 469,5 |
| Reappraisal of assets | 189,350 | 166,903 | 165,0 |
| TOTAL ASSETS | 235,340 | 268,938 | 257,0 |
| TOTAL ASSETS | | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| LIABILITIES | | | |
| DEPOSITS | | | |

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| | | | |
|---|------------|------------|----------|
| NON-INTEREST BEARING | 1,563,070 | 1,751,090 | 1,844,7 |
| Checking accounts | 1,460,549 | 1,605,330 | 1,689,3 |
| Other | 102,521 | 145,760 | 155,3 |
| <hr/> | | | |
| INTEREST BEARING | 6,719,114 | 7,843,620 | 7,616,8 |
| Checking accounts | 703,880 | 1,131,381 | 1,005,9 |
| Time deposits | 3,513,249 | 4,225,196 | 4,163,3 |
| Savings deposits | 2,501,985 | 2,487,043 | 2,447,6 |
| <hr/> | | | |
| TOTAL DEPOSITS | 8,282,184 | 9,594,710 | 9,461,5 |
| Overnight funds | 713,568 | 965,196 | 932,1 |
| Bank acceptances outstanding | 31,686 | 31,767 | 28,3 |
| Interbank borrowings | 594,810 | 179,579 | 380,1 |
| Borrowings from domestic development banks | 537,882 | 634,238 | 686,4 |
| Accounts payable | 502,282 | 541,581 | 503,8 |
| Other liabilities | 152,934 | 131,105 | 133,5 |
| Bonds | 37,221 | 62,742 | 64,7 |
| Accrued expenses | 99,663 | 131,899 | 168,7 |
| Minority interest in consolidated subsidiaries .. | 48,116 | 44,579 | 40,4 |
| <hr/> | | | |
| TOTAL LIABILITIES | 11,000,346 | 12,317,396 | 12,400,0 |
| <hr/> | | | |
| Shareholders' equity | 975,007 | 1,480,185 | 1,550,2 |
| <hr/> | | | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 11,975,353 | 13,797,581 | 13,950,2 |
| <hr/> | | | |

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[BANCOLOMBIA LETTERHEAD]

| CONSOLIDATED INCOME STATEMENT ----- (Ps Millions) ----- | AS OF | | | QUARTER |
|--|----------|-----------|----------|----------|
| | SEP-02 | SEP-03 | 3Q 02 | 2Q 03 |
| <hr/> | | | | |
| INTEREST INCOME AND EXPENSES | | | | |
| Interest on loans | 550,078 | 611,862 | 176,917 | 210,998 |
| Interest on investment securities | 232,640 | 415,632 | 63,018 | 163,734 |
| Overnight funds sold and other interest | 5,384 | 14,433 | 178 | 5,161 |
| Leasing | 28,653 | 40,071 | 9,385 | 13,146 |
| TOTAL INTEREST INCOME | 816,755 | 1,081,998 | 249,498 | 393,039 |
| <hr/> | | | | |
| Interest expense | | | | |
| Checking accounts | 9,482 | 8,507 | 3,293 | 3,074 |
| Time deposits | 205,896 | 171,767 | 59,777 | 57,500 |
| Savings deposits | 80,092 | 85,410 | 25,631 | 29,906 |
| TOTAL INTEREST ON DEPOSITS | 295,470 | 265,684 | 88,701 | 90,480 |
| <hr/> | | | | |
| Interbank borrowings | 8,409 | 3,550 | 3,505 | 691 |
| Borrowings from domestic development banks | 35,204 | 42,301 | 11,560 | 14,152 |
| Overnight funds and other interest | 18,896 | 29,097 | 4,842 | 8,764 |
| TOTAL INTEREST EXPENSE | 357,979 | 340,632 | 108,608 | 114,087 |
| <hr/> | | | | |
| NET INTEREST INCOME | 458,776 | 741,366 | 140,890 | 278,952 |
| Provision for loan and accrued interest losses, net | (90,417) | (122,282) | (17,555) | (43,038) |
| Recovery of charged-off loans | 20,232 | 23,148 | 8,612 | 12,022 |

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| | | | | |
|--|-----------|-----------|----------|----------|
| Provision for foreclosed assets and other assets .. | (57,290) | (72,443) | (19,096) | (33,003) |
| Recovery of provisions for foreclosed assets and other assets | 24,346 | 5,059 | 4,707 | 2,594 |
| | ----- | ----- | ----- | ----- |
| TOTAL NET PROVISIONS | (103,129) | (166,518) | (23,332) | (61,425) |
| NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES | 355,647 | 574,848 | 117,558 | 217,527 |
| | ----- | ----- | ----- | ----- |
| Commissions from banking services | 81,503 | 101,889 | 30,470 | 29,955 |
| Credit card merchant fees | 31,039 | 41,219 | 11,198 | 13,673 |
| Credit and debit card annual fees | 36,422 | 43,126 | 12,555 | 14,853 |
| Checking fees | 30,557 | 37,629 | 10,353 | 13,683 |
| Warehouse services | 28,963 | 31,909 | 9,049 | 11,429 |
| Commissions-fees from fiduciary activities | 25,581 | 27,971 | 8,257 | 10,252 |
| Check remittance | 15,123 | 15,667 | 4,985 | 5,121 |
| International operations | 15,939 | 19,668 | 6,166 | 6,259 |
| TOTAL FEES AND OTHER SERVICE INCOME | 265,127 | 319,078 | 93,033 | 105,225 |
| | ----- | ----- | ----- | ----- |
| Fees and other service expenses | (40,614) | (63,535) | (15,096) | (23,995) |
| TOTAL FEES AND INCOME FROM SERVICES | 224,513 | 255,543 | 77,937 | 81,230 |
| | ----- | ----- | ----- | ----- |
| OTHER OPERATING INCOME | | | | |
| Net foreign exchange gains | 72,731 | 11,808 | 39,212 | (35,952) |
| Dividend income | 15,769 | 30,255 | 10,024 | 1,257 |
| Forward contracts in foreign currency | (40,745) | 22,014 | (33,265) | 53,417 |
| Revenues from commercial subsidiaries | 32,989 | 53,059 | 11,226 | 21,403 |
| Communication, postage and others | 5,729 | 5,217 | 1,621 | 1,737 |
| TOTAL OTHER OPERATING INCOME | 86,473 | 122,353 | 28,818 | 41,862 |
| | ----- | ----- | ----- | ----- |
| TOTAL INCOME | 666,633 | 952,744 | 224,313 | 340,619 |
| OPERATING EXPENSES | | | | |
| Salaries and employee benefits | 215,083 | 244,623 | 72,657 | 84,567 |
| Compensation | 18,495 | 19,213 | 6,537 | 6,723 |
| Administrative and other expenses | 244,639 | 279,832 | 86,993 | 88,803 |
| Donation expenses | 408 | 462 | 12 | 14 |
| Depreciation | 25,406 | 28,345 | 8,836 | 9,528 |
| TOTAL OPERATING EXPENSES | 504,031 | 572,475 | 175,035 | 189,635 |
| | ----- | ----- | ----- | ----- |
| NET OPERATING INCOME | 162,602 | 380,269 | 49,278 | 150,984 |
| Merger expenses | 27,366 | 16,986 | 7,919 | 5,662 |
| NON-OPERATING INCOME (EXPENSE) | | | | |
| Other income | 25,342 | 27,454 | 5,751 | 9,650 |
| Minority interest | 14,755 | 538 | 16,601 | 706 |
| Recovery of deposit security | 2,421 | 1,912 | -- | 1,912 |
| Other expense | (27,689) | (26,624) | (5,823) | (18,131) |
| TOTAL NON-OPERATING INCOME | 14,829 | 3,280 | 16,529 | (5,863) |
| INCOME BEFORE INCOME TAXES | 150,065 | 366,563 | 57,888 | 139,459 |
| Income tax expense | (30,284) | (43,527) | (9,628) | (16,680) |
| | ----- | ----- | ----- | ----- |
| NET INCOME | 119,781 | 323,036 | 48,260 | 122,779 |
| | ===== | ===== | ===== | ===== |