

Edgar Filing: BANCOLOMBIA SA - Form 6-K

BANCOLOMBIA SA  
Form 6-K  
March 02, 2007

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 1933

For the month of March 2007

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)

Date: March 1, 2007

By /s/ JAIME ALBERTO VELASQUEZ B.  
-----  
Name: Jaime Alberto Velasquez B.

# Edgar Filing: BANCOLOMBIA SA - Form 6-K

Title: Vice President of Finance

(BANCOLOMBIA LOGO)

CIB  
LISTED  
NYSE

## CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2006

MARCH 1, 2007. Medellin, Colombia - Today, BANCOLOMBIA S.A. ("BANCOLOMBIA" or the "Bank") (NYSE: CIB) announced its financial results for the fourth quarter of fiscal year 2006, ended December 31, 2006. (1)

### CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

|   | QUARTER           |                   | GROWTH          |
|---|-------------------|-------------------|-----------------|
| (Ps millions)                                     | 3Q 06             | 4Q 06             | 4Q 06/<br>3Q 06 |
| <b>ASSETS</b>                                     |                   |                   |                 |
| Loans and financial leases, net                   | 23,009,881        | 23,811,391        | 3.48%           |
| Investment securities, net                        | 5,319,196         | 5,677,761         | 6.74%           |
| Other assets                                      | 4,785,233         | 4,999,544         | 4.48%           |
|   | -----             | -----             | -----           |
| <b>TOTAL ASSETS</b>                               | <b>33,114,310</b> | <b>34,488,696</b> | <b>4.15%</b>    |
|   | =====             | =====             | =====           |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |                   |                   |                 |
| <b>DEPOSITS</b>                                   |                   |                   |                 |
| Non-interest bearing                              | 20,829,673        | 23,216,467        | 11.46%          |
| Interest bearing                                  | 3,309,870         | 4,580,649         | 38.39%          |
| OTHER LIABILITIES                                 | 17,519,803        | 18,635,818        | 6.37%           |
| TOTAL LIABILITIES                                 | 8,853,878         | 7,625,617         | -13.87%         |
| Shareholders' equity                              | 29,683,551        | 30,842,084        | 3.90%           |
|   | 3,430,759         | 3,646,612         | 6.29%           |
|   | -----             | -----             | -----           |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> | <b>33,114,310</b> | <b>34,488,696</b> | <b>4.15%</b>    |
|   | =====             | =====             | =====           |
| Interest income                                   | 888,288           | 893,050           | 0.54%           |
| Interest expense                                  | 323,489           | 331,220           | 2.39%           |
| NET INTEREST INCOME                               | 564,799           | 561,830           | -0.53%          |
| Net provisions                                    | (85,803)          | (6,147)           | -92.84%         |
| Fees and income from service, net                 | 219,206           | 232,001           | 5.84%           |
| Other operating income                            | 14,336            | 84,482            | 489.30%         |
| Operating expense                                 | (469,535)         | (555,953)         | 18.41%          |
| Non-operating income, net                         | (21,628)          | 2,838             | 113.12%         |
| Income tax expense                                | (39,889)          | (34,158)          | -14.37%         |
|   | -----             | -----             | -----           |
| <b>NET INCOME</b>                                 | <b>181,486</b>    | <b>284,893</b>    | <b>56.98%</b>   |
|   | =====             | =====             | =====           |

-----  
(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

## Edgar Filing: BANCOLOMBIA SA - Form 6-K

in Colombia (COLGAAP), are stated in nominal terms and have not been audited. BANCOLOMBIA maintains accounting records in Colombian pesos, referred to herein as "Ps."

### 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

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

Exchange rate: December 31, 2006 Ps 2,238.79 = US\$1 Average exchange rate December 2006 Ps

### CONTACTS

|                    |                    |                    |
|--------------------|--------------------|--------------------|
| SERGIO RESTREPO    | JAIME A. VELASQUEZ | MAURICIO BOTERO    |
| EXECUTIVE VP       | FINANCIAL VP       | IR MANAGER         |
| TEL.: (574)5108668 | TEL.: (574)5108666 | TEL.: (574)5108866 |

1

(BANCOLOMBIA LOGO)

CIB  
LISTED  
NYSE

4Q06

### 1. HIGHLIGHTS:

- Net income for the year ended December 31, 2006 totaled Ps 749.5 billion, decreasing 20.8% as compared to Ps 946.9 billion for the year ended December 31, 2005. For the fourth quarter of 2006, net income amounted to Ps 284.9 billion, which represents an 11.0% increase as compared to the fourth quarter of 2005.
- As of December 31, 2006, BANCOLOMBIA's net loans totaled Ps 23,811 billion, increasing 3.5% as compared to Ps 23,010 billion in the previous quarter. On a year-to-year basis, this represents an increase of 32.9% from Ps 17,920 billion as of December 31, 2005. On the other hand, investment debt securities amounted to Ps 5,531 billion, increasing 7.6% as compared to the previous quarter and decreasing 33.1% over the year.
- For the year ended December 31, 2006, net interest income amounted to Ps 1,767.5 billion, decreasing 13.8% as compared to the year ended

## Edgar Filing: BANCOLOMBIA SA - Form 6-K

December 31, 2005 due to the decline of bond prices that took place during the second quarter. However, net interest income for the fourth quarter of 2006 increased 10.8% as compared to the fourth quarter of 2005.

- Net fees and income from services totaled Ps 867.7 billion for the year ended December 31, 2006, which represents an increase of 12.9% as compared to the year ended December 31, 2005. During the fourth quarter of 2006, net fees and income from services amounted to Ps 232.0 billion, a 9.0% increase as compared to the fourth quarter of 2005.
- BANCOLOMBIA's ratio of past due loans to total loans as of December 31, 2006 was 2.3%, and the ratio of allowances to past due loans was 148.6%.

### STOCK INDICATORS

|                          | QUARTER     |             |             | AS OF   |         |
|--------------------------|-------------|-------------|-------------|---------|---------|
|                          | 4Q 05       | 3Q 06       | 4Q 06       | DEC-05  | DEC-06  |
| Net Income (Ps millions) | 256,578     | 181,486     | 284,893     | 946,881 | 749,529 |
| USD Earnings per ADS     | 0.617       | 0.417       | 0.699       | 2.278   | 1.840   |
| ROAA                     | 3.50%       | 2.20%       | 3.35%       | 3.23%   | 2.30%   |
| ROAE                     | 31.76%      | 21.54%      | 32.04%      | 29.30%  | 22.09%  |
| P/BV ADS (1)             | 3.55        | 3.63        | 3.48        |         |         |
| P/BV Local (2) (3)       | 3.31        | 3.35        | 3.47        |         |         |
| P/E (4)                  | 11.12       | 16.24       | 11.11       |         |         |
| Shares Outstanding       | 727,827,005 | 727,827,005 | 727,827,005 |         |         |

(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

2

CIB  
LISTED  
NYSE

(BANCOLOMBIA LOGO)

4Q06

### 2. CONSOLIDATED BALANCE SHEET

#### 2.1. ASSETS

BANCOLOMBIA's total assets amounted to Ps 34,489 billion as of December 31, 2006, an increase of 4.1% as compared to Ps 33,114 billion as of September 30, 2006. This represents an 11.9% increase as compared to Ps 30,804 billion as of December 31, 2005.

## Edgar Filing: BANCOLOMBIA SA - Form 6-K

### 2.1.1. LOAN PORTFOLIO

The loan portfolio presented very positive figures amounting to Ps 23,811 billion as of December 31, 2006, increasing 3.5% as compared to the previous quarter and 32.9% as compared to the fourth quarter of 2005.

Corporate loans amounted to Ps 12,758 billion as of December 31, 2006, increasing 3.8% as compared to the previous quarter. This represents an increase of 33.7% as compared to Ps 9,539 billion at December 31, 2005.

The retail and small and medium-sized enterprise ("SME") loans amounted to Ps 6,949 billion as of December 31, 2006. They increased 11.5% as compared to the previous quarter and 40.0% over the year, from Ps 4,963 billion as of December 31, 2005.

Financial leases maintained their positive trend amounting to Ps 3,553 billion, increasing 6.5% as compared to the previous quarter and 33.6% over the year.

During the fourth quarter of 2006, BANCOLOMBIA securitized approximately Ps 900 billion of mortgage loans. In normalized figures, mortgage loans increased 15% as compared to the previous quarter and 56% over the year.

### LOAN PORTFOLIO

| (Ps millions)   | AS OF             |                   |                   | GROWTH         |              |
|---|-------------------|-------------------|-------------------|----------------|--------------|
|   | 31-DEC-05         | 30-SEP-06         | 31-DEC-06         | 4Q 06/3Q 06    | 4Q 06/4Q 05  |
| <b>CORPORATE</b>                                      |                   |                   |                   |                |              |
| Working capital loans                                 | 7,702,420         | 11,173,199        | 11,534,148        | 3.23%          | 40.0%        |
| Loans funded by                                       |                   |                   |                   |                |              |
| domestic development banks                            | 948,659           | 382,448           | 321,263           | -16.00%        | -6.0%        |
| Trade Financing                                       | 783,894           | 574,632           | 777,417           | 35.29%         | -1.0%        |
| Overdrafts  | 62,041            | 102,168           | 74,218            | -27.36%        | 1.0%         |
| Credit Cards  | 42,293            | 54,641            | 50,803            | -7.02%         | 2.0%         |
| <b>TOTAL CORPORATE</b>                                | <b>9,539,307</b>  | <b>12,287,088</b> | <b>12,757,849</b> | <b>3.83%</b>   | <b>33.7%</b> |
| <b>RETAIL AND SMES</b>                                |                   |                   |                   |                |              |
| Working capital loans                                 | 1,612,650         | 2,021,631         | 2,331,999         | 15.35%         | 40.0%        |
| Personal loans  | 1,556,429         | 1,991,947         | 2,281,177         | 14.52%         | 40.0%        |
| Loans funded by                                       |                   |                   |                   |                |              |
| domestic development banks                            | 403,414           | 383,444           | 386,283           | 0.74%          | -1.0%        |
| Credit Cards  | 582,533           | 766,744           | 796,175           | 3.84%          | 3.0%         |
| Overdrafts  | 101,957           | 143,390           | 119,882           | -16.39%        | 1.0%         |
| Automobile loans                                      | 629,326           | 849,855           | 963,072           | 13.32%         | 5.0%         |
| Trade Financing                                       | 76,643            | 74,488            | 70,406            | -5.48%         | -1.0%        |
| <b>TOTAL RETAIL AND SMES</b>                          | <b>4,962,952</b>  | <b>6,231,499</b>  | <b>6,948,994</b>  | <b>11.51%</b>  | <b>40.0%</b> |
| <b>MORTGAGE</b>                                       | <b>1,463,437</b>  | <b>1,980,240</b>  | <b>1,385,445</b>  | <b>-30.04%</b> | <b>-1.0%</b> |
| <b>FINANCIAL LEASES</b>                               | <b>2,660,556</b>  | <b>3,335,723</b>  | <b>3,553,286</b>  | <b>6.52%</b>   | <b>33.6%</b> |
| <b>TOTAL LOANS AND FINANCIAL LEASES</b>               | <b>18,626,252</b> | <b>23,834,550</b> | <b>24,645,574</b> | <b>3.40%</b>   | <b>32.9%</b> |
| <b>ALLOWANCE FOR LOAN LOSSES AND FINANCIAL LEASES</b> | <b>(705,882)</b>  | <b>(824,669)</b>  | <b>(834,183)</b>  | <b>1.15%</b>   | <b>1.0%</b>  |
| <b>TOTAL LOANS AND FINANCIAL LEASES, NET</b>          | <b>17,920,370</b> | <b>23,009,881</b> | <b>23,811,391</b> | <b>3.48%</b>   | <b>32.9%</b> |

(BANCOLOMBIA LOGO)

CIB  
LISTED  
NYSE

4Q06

2.1.2. INVESTMENT PORTFOLIO

BANCOLOMBIA's investments in debt securities amounted to Ps 5,531 billion (16% of total assets), increasing 7.6% over the quarter. This increase was mainly due to the purchase of approximately Ps 710 billion in mortgage-backed securities "TIPs". On a year-to-year basis, debt investments decreased 33.1% from Ps 8,265 billion (27% of total assets) at December 31, 2005.

2.1.3. ASSET QUALITY

As of December 31, 2006, the Bank's past due loans accounted for 2.3% of total loans. Loans classified as C, D and E comprised 2.5% of total loans. In addition, the ratio of allowances to past due loans at the end of the quarter was 148.6%, while the ratio of allowances to loans classified as C, D and E at the end of the quarter was 135.1%.

LOANS AND FINANCIAL LEASES CLASSIFICATION

| (Ps millions)   | AS OF 31-DEC-05 |       | AS OF 30-SEP-06 |       | AS OF 31-  |
|---|-----------------|-------|-----------------|-------|------------|
|   |                 |       |                 |       |            |
| "A" Normal  | 17,359,081      | 93.2% | 22,482,115      | 94.4% | 23,310,545 |
| "B" Subnormal   | 638,131         | 3.4%  | 748,580         | 3.1%  | 708,774    |
| "C" Deficient   | 202,934         | 1.1%  | 194,418         | 0.8%  | 209,386    |
| "D" Doubtful recovery   | 252,635         | 1.4%  | 254,530         | 1.1%  | 242,763    |
| "E" Unrecoverable   | 173,471         | 0.9%  | 154,907         | 0.6%  | 174,106    |
| TOTAL   | 18,626,252      | 100%  | 23,834,550      | 100%  | 24,645,574 |
| LOANS AND FINANCIAL LEASES CLASSIFIED AS C, D AND E AS A PERCENTAGE OF TOTAL LOANS AND FINANCIAL LEASES |                 | 3.4%  |                 | 2.5%  | 2.5%       |

ASSET QUALITY

| (Ps millions)                           | AS OF     |           |           | GROWTH      |       |
|---|-----------|-----------|-----------|-------------|-------|
|   | 31-DEC-05 | 30-SEP-06 | 31-DEC-06 | 4Q 06/3Q 06 | 4Q 06 |
| Total performing past due loans         | 175,572   | 256,995   | 234,847   | -8.62%      | 3     |
| Total non-performing past due loans (1) | 275,864   | 321,038   | 334,488   | 4.19%       | 2     |

## Edgar Filing: BANCOLOMBIA SA - Form 6-K

|   |         |         |         |        |   |
|---|---------|---------|---------|--------|---|
| Total past due loans                            | 451,436 | 578,033 | 569,335 | -1.50% | 2 |
| Allowance for loans and accrued interest losses | 714,537 | 834,934 | 845,827 | 1.30%  | 1 |
| Past due loans to total loans                   | 2.42%   | 2.43%   | 2.31%   |        |   |
| Non-performing loans to total loans             | 1.48%   | 1.35%   | 1.36%   |        |   |
| C, D, and E loans to total loans                | 3.38%   | 2.53%   | 2.54%   |        |   |
| Allowances to past due loans (2)                | 158.28% | 144.44% | 148.56% |        |   |
| Allowances to C, D, and E loans (2)             | 113.59% | 138.27% | 135.06% |        |   |
| Allowances to non-performing loans (2)          | 259.02% | 260.07% | 252.87% |        |   |
| Allowances to total loans                       | 3.84%   | 3.50%   | 3.43%   |        |   |
| Performing loans to total loans                 | 98.52%  | 98.65%  | 98.64%  |        |   |

(1) Non-performing loans comprised of consumer loans that are past due 60 days or more, commercial loans that are past due 90 days or more, small business loans that are past due 30 days or more and mortgage loans that are past due 60 days or more.

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

### 2.2. LIABILITIES

Total deposits increased 11.5% as compared to the previous quarter and 26.3% over the year, amounting to Ps 23,216 billion as of December 31, 2006. The funding mix improved over the year. Savings deposits increased 33.0% and checking accounts increased 26.6%, whereas time deposits increased 17.86%, compared to figures at the end of 2005.

4

(BANCOLOMBIA LOGO)

CIB  
LISTED  
NYSE

4Q06

### 2.3. SHAREHOLDERS' EQUITY

BANCOLOMBIA's shareholders' equity amounted to Ps 3,647 billion at the end of the fourth quarter of 2006, which represents an increase of 6.3% as compared to the previous quarter and 8.0% as compared to the fourth quarter of 2005. Unrealized gains on available-for-sale debt securities amounted to Ps 10.7 billion as of December 31, 2006.

At the end of the fourth quarter of 2006, the Bank's consolidated ratio of technical capital to risk-weighted assets was 11.05%, a slight decrease as compared to 11.2% from the previous quarter.

#### TECHNICAL CAPITAL RISK WEIGHTED ASSETS

| Consolidated (Ps millions)                | 30-DEC-05<br>----- | 30-SEP-06<br>----- | 30-DEC-06<br>----- |
|---|--------------------|--------------------|--------------------|
| Basic capital (Tier I)                    | 2,169,481          | 2,883,305          | 2,986,091          |
| Additional capital (Tier II)              | 393,822            | 430,877            | 428,221            |
| Technical capital (1)                     | 2,563,303          | 3,314,182          | 3,414,312          |
| Risk weighted assets included market risk | 23,457,768         | 29,582,049         | 30,885,195         |

## Edgar Filing: BANCOLOMBIA SA - Form 6-K

CAPITAL ADEQUACY (2) 10.93% 11.20% 11.05%

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

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

5

(BANCOLOMBIA LOGO)

CIB  
LISTED  
NYSE

4Q06

### 3. INCOME STATEMENT

BANCOLOMBIA's net income amounted to Ps 284,893 million for the fourth quarter of 2006 and Ps 749,529 million for the year ended December 31, 2006, as compared to Ps 256,578 million for the fourth quarter of 2005 and Ps 946,881 million for the year ended December 31, 2005, respectively.

#### 3.1. NET INTEREST INCOME

Interest on loans amounted to Ps 647,302 million, increasing 7.5% as compared to the previous quarter. On a year-to-year basis, this represents an increase of 21.3% as compared to the Ps 533,504 million at December 31, 2005. On the other hand, interests on investment securities reached Ps 122,448 million for the fourth quarter of 2006, decreasing 29.5% as compared to the previous quarter and 27.7% as compared to the fourth quarter of 2005. This decrease was mainly due to the poor performance of the Colombian bond prices over the quarter, and the rapid volume decrease of the investment portfolio. In sum, net interest income totaled Ps 1,768 billion at the year ended December 31, 2006, decreasing 13.8% as compared to the previous year.

The most representative bond in the market is the COLOMBIA TES 20, which matures in July 2020. As illustrated below, this bond started 2006 trading at 9.0%, then after reaching the lowest yield of 7.1%, it increased to a yield of 11.7% in June 28, 2006 and by December 31, 2006 it was trading at 8.8%.

[PERFORMANCE GRAPH]

TES JULY 24 / 2020

|         | Yield |
|---------|-------|
|         | ----- |
| Mar 01  | 7.11% |
| Jun 28  | 11.7% |
| Sept 30 | 9.56% |
| Dec 31  | 8.80% |

6

Edgar Filing: BANCOLOMBIA SA - Form 6-K

(BANCOLOMBIA LOGO)

CIB  
LISTED  
NYSE

4Q06

3.2. PROVISIONS

For the year ended December 31, 2006, provisions for loan and interest losses amounted to Ps 266,107 million, increasing 43.5% as compared to the year 2005. Approximately Ps 105,000 million from these provisions correspond to adjustments made by the new provisioning regulation.

During the fourth quarter of 2006, provisions for loans and interest losses amounted to Ps 30,630 million, decreasing 70.6% as compared to the previous quarter. This decrease was mainly due to the recoveries of the quarter which amounted to more than Ps 50,000 million. These recoveries took place while the coverage ratio increased to 148.6% as disclosed in section 2.1.3.

Additionally, recoveries of provisions for foreclosed assets increased strongly as compared to the previous quarter amounting to Ps 24,222 million, due mainly to the recovery effect of approximately Ps 18,000 million after the Bank made donations of assets as announced in December 28, 2006.

3.3. FEES AND INCOME FROM SERVICES

Net fees and income from services amounted to Ps 867,661 million during the year, increasing 12.9% as compared to 2005. During the fourth quarter, net fees and income from services amounted to Ps 232,001 million, increasing 5.8% as compared to the previous quarter and 9.0% as compared to Ps 212,777 million for the fourth quarter of 2005.

BANCOLOMBIA's accumulated unconsolidated credit card billing increased 17.5% during 2006, resulting in a 20.6% market share of the Colombian credit card business. In addition, the Bank's number of outstanding credit cards increased 20.9%, resulting in a 14.8% market share.

ACCUMULATED CREDIT CARD BILLING

| Millions of pesos as of December 31, 2006 | Dec-05     | Dec-06     | %<br>Growth | 2006<br>Market<br>Share |
|---|------------|------------|-------------|-------------------------|
|   | -----      | -----      | -----       | -----                   |
| Bancolombia VISA                          | 879,463    | 1,062,085  | 20.77%      | 6.68%                   |
| Bancolombia Mastercard                    | 1,391,485  | 1,565,211  | 12.48%      | 9.84%                   |
| Bancolombia American Express              | 517,310    | 649,902    | 25.63%      | 4.09%                   |
|   | -----      | -----      | -----       |                         |
| TOTAL BANCOLOMBIA                         | 2,788,258  | 3,277,198  | 17.54%      | 20.60%                  |
|   | =====      | =====      | =====       |                         |
| Colombian credit card market              | 12,514,862 | 15,905,538 | 27.09%      |                         |

Source: Credibanco, American Express and Red Multicolor

CREDIT CARD MARKET SHARE

Edgar Filing: BANCOLOMBIA SA - Form 6-K

| Outstanding credit cards as of December 31, 2006 | Dec-05    | Dec-06    | % Growth | 2006 Market Share |
|--|-----------|-----------|----------|-------------------|
|  | -----     | -----     | -----    | -----             |
| Bancolombia VISA                                 | 191,821   | 234,066   | 22.02%   | 5.15%             |
| Bancolombia Mastercard                           | 258,518   | 288,068   | 11.43%   | 6.34%             |
| Bancolombia American Express                     | 105,003   | 149,388   | 42.27%   | 3.29%             |
|  | -----     | -----     | -----    |                   |
| TOTAL BANCOLOMBIA                                | 555,342   | 671,522   | 20.92%   | 14.78%            |
|  | =====     | =====     | =====    |                   |
| Colombian credit card market                     | 3,454,971 | 4,542,816 | 31.49%   |                   |

Source: Credibanco, American Express and Red Multicolor

7

(BANCOLOMBIA LOGO)

CIB  
LISTED  
NYSE

4Q06

### 3.4. OPERATING EXPENSES

Operating expenses increased 14.0% in the year ended December 31, 2006 as compared to the previous year. Excluding the effect of the non-recurrent donations, operating expenses increased 12.8% during 2006, as compared to the year ended December 31, 2005.

BANCOLOMBIA's operating expenses to net operating income efficiency ratio was 63.3% during the quarter and 64.4% during the year 2006.

The Bank's efficiency measured as operating expenses over average total assets was 6.54% during the fourth quarter and 5.74% for the year 2006.

### PRINCIPAL RATIOS

| PROFITABILITY                                  | QUARTER |        |        | AS OF  |        |
|--|---------|--------|--------|--------|--------|
|  | 4Q 05   | 3Q 06  | 4Q 06  | DEC-05 | DEC-06 |
|  | -----   | -----  | -----  | -----  | -----  |
| Net interest margin (1)                        | 7.80%   | 7.58%  | 7.29%  | 7.89%  | 6.00%  |
| Return on average total assets (2)             | 3.50%   | 2.20%  | 3.35%  | 3.23%  | 2.30%  |
| Return on average shareholders equity (3)      | 31.76%  | 21.54% | 32.04% | 29.30% | 22.09% |
| <b>EFFICIENCY</b>                              |         |        |        |        |        |
| Operating expenses to net operating income (4) | 51.62%  | 58.81% | 63.30% | 54.94% | 64.37% |
| Operating expenses to average total assets (4) | 5.12%   | 5.68%  | 6.54%  | 5.64%  | 5.74%  |

### CAPITAL ADEQUACY

## Edgar Filing: BANCOLOMBIA SA - Form 6-K

|   |        |        |        |
|---|--------|--------|--------|
| Shareholders' equity to total assets      | 10.96% | 10.36% | 10.57% |
| Technical capital to risk weighted assets | 10.93% | 11.20% | 11.05% |

- (1) Defined as Net Interest Income divided by monthly average interest-earning assets.
- (2) Net income divided by monthly average assets.
- (3) Net income divided by monthly average shareholders' equity.
- (4) Operating income includes net interest income, total net fees and income from services, and total other operating income. Operating expenses include merger expenses and good will amortization.

8

(BANCOLOMBIA LOGO)

CIB  
LISTED  
NYSE

4Q06

### CONSOLIDATED BALANCE SHEET

| (Ps millions)                               | AS OF             |                   |                   | GROW            |
|---|-------------------|-------------------|-------------------|-----------------|
|   | DEC-05            | SEP-06            | DEC-06            | LAST<br>QUARTER |
| <b>ASSETS</b>                               |                   |                   |                   |                 |
| Cash and due from banks                     | 1.241.435         | 1.603.443         | 1.548.752         | -3,41%          |
| Overnight funds sold                        | 488.587           | 340.346           | 457.614           | 34,46%          |
| <b>TOTAL CASH AND EQUIVALENTS</b>           | <b>1.730.022</b>  | <b>1.943.789</b>  | <b>2.006.366</b>  | <b>3,22%</b>    |
| <b>DEBT SECURITIES</b>                      |                   |                   |                   |                 |
| Trading                                     | 8.264.885         | 5.141.219         | 5.530.559         | 7,57%           |
| Available for Sale                          | 5.400.950         | 2.567.227         | 2.605.852         | 1,50%           |
| Held to Maturity                            | 1.842.556         | 1.793.975         | 1.810.584         | 0,93%           |
| <b>EQUITY SECURITIES</b>                    | <b>1.021.379</b>  | <b>780.017</b>    | <b>1.114.123</b>  | <b>42,83%</b>   |
| Trading                                     | 268.286           | 248.696           | 224.787           | -9,61%          |
| Available for Sale                          | 50.805            | 54.005            | 61.640            | 14,14%          |
| Market value allowance                      | 217.481           | 194.691           | 163.147           | -16,20%         |
| <b>NET INVESTMENT SECURITIES</b>            | <b>(73.468)</b>   | <b>(70.719)</b>   | <b>(77.585)</b>   | <b>9,71%</b>    |
| <b>NET INVESTMENT SECURITIES</b>            | <b>8.459.703</b>  | <b>5.319.196</b>  | <b>5.677.761</b>  | <b>6,74%</b>    |
| <b>Commercial loans</b>                     |                   |                   |                   |                 |
| Commercial loans                            | 11.949.501        | 15.204.992        | 16.028.505        | 5,42%           |
| Consumer loans                              | 2.437.727         | 3.219.063         | 3.587.260         | 11,44%          |
| Small business loans                        | 115.031           | 94.532            | 91.078            | -3,65%          |
| Mortgage loans                              | 1.463.437         | 1.980.240         | 1.385.445         | -30,04%         |
| Finance lease                               | 2.660.556         | 3.335.723         | 3.553.286         | 6,52%           |
| Allowance for loan losses                   | (705.882)         | (824.669)         | (834.183)         | 1,15%           |
| <b>NET TOTAL LOANS AND FINANCIAL LEASES</b> | <b>17.920.370</b> | <b>23.009.881</b> | <b>23.811.391</b> | <b>3,48%</b>    |
| <b>Accrued interest receivable on loans</b> |                   |                   |                   |                 |
| Accrued interest receivable on loans        | 206.921           | 248.006           | 266.934           | 7,63%           |
| Allowance for accrued interest losses       | (8.655)           | (10.265)          | (11.644)          | 13,43%          |
| <b>NET TOTAL INTEREST ACCRUED</b>           | <b>198.266</b>    | <b>237.741</b>    | <b>255.290</b>    | <b>7,38%</b>    |

Edgar Filing: BANCOLOMBIA SA - Form 6-K

|  |            |            |            |         |
|--|------------|------------|------------|---------|
| Customers' acceptances and derivatives           | 133.420    | 127.704    | 166.395    | 30,30%  |
| Net accounts receivable                          | 590.313    | 404.822    | 562.598    | 38,97%  |
| Net premises and equipment                       | 623.729    | 690.489    | 712.722    | 3,22%   |
| Foreclosed assets, net                           | 31.360     | 24.338     | 18.611     | -23,53% |
| Prepaid expenses and deferred charges            | 26.898     | 54.475     | 46.462     | -14,71% |
| Goodwill   | 50.959     | 47.077     | 40.164     | -14,68% |
| Operating leases, net                            | 143.974    | 159.050    | 167.307    | 5,19%   |
| Other  | 563.588    | 714.787    | 675.265    | -5,53%  |
| Reappraisal of assets                            | 330.915    | 380.961    | 348.364    | -8,56%  |
|  | -----      | -----      | -----      | -----   |
| TOTAL ASSETS                                     | 30.803.517 | 33.114.310 | 34.488.696 | 4,15%   |
|  | =====      | =====      | =====      | =====   |
| LIABILITIES AND SHAREHOLDERS' EQUITY             |            |            |            |         |
| LIABILITIES                                      |            |            |            |         |
| DEPOSITS   |            |            |            |         |
| NON-INTEREST BEARING                             |            |            |            |         |
| Checking accounts                                | 3.530.279  | 3.309.870  | 4.580.649  | 38,39%  |
| Other  | 3.171.182  | 2.994.107  | 4.121.506  | 37,65%  |
|  | 359.097    | 315.763    | 459.143    | 45,41%  |
|  | -----      | -----      | -----      | -----   |
| INTEREST BEARING                                 |            |            |            |         |
| Checking accounts                                | 14.854.703 | 17.519.803 | 18.635.818 | 6,37%   |
| Time deposits                                    | 1.068.409  | 1.229.213  | 1.244.348  | 1,23%   |
| Savings deposits                                 | 6.259.800  | 7.530.088  | 7.377.586  | -2,03%  |
|  | 7.526.494  | 8.760.502  | 10.013.884 | 14,31%  |
|  | -----      | -----      | -----      | -----   |
| TOTAL DEPOSITS                                   | 18.384.982 | 20.829.673 | 23.216.467 | 11,46%  |
| Overnight funds                                  | 1.329.913  | 1.672.061  | 1.007.045  | -39,77% |
| Bank acceptances outstanding                     | 63.126     | 78.987     | 64.030     | -18,94% |
| Interbank borrowings                             | 1.705.468  | 1.257.125  | 1.066.845  | -15,14% |
| Borrowings from domestic development banks       | 2.222.083  | 2.387.699  | 2.449.581  | 2,59%   |
| Accounts payable                                 | 1.250.084  | 919.267    | 988.723    | 7,56%   |
| Accrued interest payable                         | 182.292    | 220.120    | 190.121    | -13,63% |
| Other liabilities                                | 459.968    | 374.707    | 387.697    | 3,47%   |
| Bonds  | 1.648.312  | 1.475.909  | 1.302.702  | -11,74% |
| Accrued expenses                                 | 130.859    | 417.107    | 119.984    | -71,23% |
| Minority interest in consolidated subsidiaries   | 49.140     | 50.896     | 48.889     | -3,94%  |
|  | -----      | -----      | -----      | -----   |
| TOTAL LIABILITIES                                | 27.426.227 | 29.683.551 | 30.842.084 | 3,90%   |
|  | =====      | =====      | =====      | =====   |
| SHAREHOLDERS' EQUITY                             |            |            |            |         |
| SUBSCRIBED AND PAID IN CAPITAL                   |            |            |            |         |
| RETAINED EARNINGS                                | 363.914    | 363.914    | 363.914    | 0,00%   |
| Appropriated                                     | 2.362.711  | 2.466.967  | 2.711.927  | 9,93%   |
| Unappropriated                                   | 1.415.830  | 2.002.331  | 1.962.398  | -1,99%  |
|  | 946.881    | 464.636    | 749.529    | 61,32%  |
|  | -----      | -----      | -----      | -----   |
| REAPPRAISAL AND OTHERS                           | 592.083    | 596.537    | 560.111    | -6,11%  |
| GROSS UNREALIZED GAIN OR LOSS ON DEBT SECURITIES |            |            |            |         |
|  | 58.582     | 3.341      | 10.660     | 219,07% |
|  | -----      | -----      | -----      | -----   |
| TOTAL SHAREHOLDER'S EQUITY                       | 3.377.290  | 3.430.759  | 3.646.612  | 6,29%   |
|  | =====      | =====      | =====      | =====   |

9

(BANCOLOMBIA LOGO)

CIB  
LISTED  
NYSE

4Q06

Edgar Filing: BANCOLOMBIA SA - Form 6-K

CONSOLIDATED INCOME STATEMENT

| (Ps Millions)  | AS OF            |                  | DEC-06/<br>DEC-05 |                 | QUARTER         |              |
|--|------------------|------------------|-------------------|-----------------|-----------------|--------------|
|  | DEC-05           | DEC-06           | 4Q 05             | 3Q 06           | 4Q 05           | 3Q 06        |
| <b>INTEREST INCOME AND EXPENSES</b>  |                  |                  |                   |                 |                 |              |
| Interest on loans  | 2.050.274        | 2.312.525        | 12,79%            | 533.504         | 602.301         | 647.3        |
| Interest on investment securities  | 824.709          | 273.197          | -66,87%           | 169.396         | 173.771         | 122.4        |
| Overnight funds  | 33.629           | 43.863           | 30,43%            | 8.845           | 13.444          | 12.7         |
| Leasing  | 291.472          | 384.147          | 31,80%            | 82.223          | 98.772          | 110.5        |
| <b>TOTAL INTEREST INCOME</b>   | <b>3.200.084</b> | <b>3.013.732</b> | <b>-5,82%</b>     | <b>793.968</b>  | <b>888.288</b>  | <b>893.0</b> |
| <b>Interest expense</b>  |                  |                  |                   |                 |                 |              |
| Checking accounts  | 20.311           | 32.676           | 60,88%            | 6.153           | 8.805           | 8.6          |
| Time deposits  | 449.367          | 459.513          | 2,26%             | 103.521         | 117.626         | 123.3        |
| Savings deposits   | 241.889          | 264.381          | 9,30%             | 62.606          | 72.154          | 80.1         |
| <b>TOTAL INTEREST ON DEPOSITS</b>  | <b>711.567</b>   | <b>756.570</b>   | <b>6,32%</b>      | <b>172.280</b>  | <b>198.585</b>  | <b>212.0</b> |
| Interbank borrowings   | 54.630           | 94.872           | 73,66%            | 21.103          | 23.964          | 15.2         |
| Borrowings from domestic development banks                                       | 156.509          | 180.507          | 15,33%            | 38.810          | 46.664          | 50.6         |
| Overnight funds  | 73.910           | 100.876          | 36,48%            | 18.673          | 27.851          | 25.9         |
| Bonds  | 153.658          | 113.404          | -26,20%           | 36.128          | 26.425          | 27.3         |
| <b>TOTAL INTEREST EXPENSE</b>  | <b>1.150.274</b> | <b>1.246.229</b> | <b>8,34%</b>      | <b>286.994</b>  | <b>323.489</b>  | <b>331.2</b> |
| <b>NET INTEREST INCOME</b>   | <b>2.049.810</b> | <b>1.767.503</b> | <b>-13,77%</b>    | <b>506.974</b>  | <b>564.799</b>  | <b>561.8</b> |
| Provision for loan and accrued interest losses, net                              | (185.404)        | (266.107)        | 43,53%            | (43.848)        | (104.044)       | (30.6)       |
| Recovery of charged-off loans  | 61.829           | 70.746           | 14,42%            | 15.226          | 18.160          | 20.5         |
| Provision for foreclosed assets and other assets                                 | (63.969)         | (44.353)         | -30,66%           | (19.733)        | (3.970)         | (20.2)       |
| Recovery of provisions for foreclosed assets and other assets                    | 56.504           | 89.532           | 58,45%            | 25.949          | 4.051           | 24.2         |
| <b>TOTAL NET PROVISIONS</b>  | <b>(131.040)</b> | <b>(150.182)</b> | <b>14,61%</b>     | <b>(22.406)</b> | <b>(85.803)</b> | <b>(6.1)</b> |
| <b>NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES</b> | <b>1.918.770</b> | <b>1.617.321</b> | <b>-15,71%</b>    | <b>484.568</b>  | <b>478.996</b>  | <b>555.6</b> |
| <b>Commissions from banking services and other services</b>                      |                  |                  |                   |                 |                 |              |
| Electronic services and ATM fees   | 101.299          | 85.049           | -16,04%           | 22.528          | 22.289          | 20.2         |
| Branch network services  | 48.984           | 62.403           | 27,39%            | 13.341          | 14.145          | 22.1         |
| Collections and payments fees  | 56.670           | 74.708           | 31,83%            | 14.987          | 17.722          | 23.1         |
| Credit card merchant fees  | 10.076           | 8.150            | -19,11%           | 2.689           | 1.680           | 2.1          |
| Credit and debit card annual fees  | 205.606          | 238.898          | 16,19%            | 52.639          | 61.933          | 58.7         |
| Checking fees  | 54.846           | 60.083           | 9,55%             | 13.960          | 15.370          | 15.7         |
| Warehouse services   | 62.155           | 72.494           | 16,63%            | 20.449          | 18.719          | 19.7         |
| Fiduciary activities   | 60.131           | 62.114           | 3,30%             | 14.803          | 14.829          | 18.4         |
| Brokerage fees   | 68.231           | 67.034           | -1,75%            | 15.478          | 15.463          | 15.4         |
| Check remittance   | 10.579           | 11.040           | 4,36%             | 2.856           | 2.748           | 2.7          |
| International operations   | 36.484           | 34.281           | -6,04%            | 8.844           | 9.374           | 9.2          |
| <b>FEES AND OTHER SERVICE INCOME</b>   | <b>816.416</b>   | <b>938.527</b>   | <b>14,96%</b>     | <b>222.266</b>  | <b>238.517</b>  | <b>256.3</b> |
| Fees and other service expenses  | (48.087)         | (70.866)         | 47,37%            | (9.489)         | (19.311)        | (24.3)       |
| <b>TOTAL FEES AND INCOME FROM SERVICES, NET</b>                                  | <b>768.329</b>   | <b>867.661</b>   | <b>12,93%</b>     | <b>212.777</b>  | <b>219.206</b>  | <b>232.0</b> |

Edgar Filing: BANCOLOMBIA SA - Form 6-K

|  |           |           |          |          |          |       |
|--|-----------|-----------|----------|----------|----------|-------|
| OTHER OPERATING INCOME                             |           |           |          |          |          |       |
| Net foreign exchange gains                         | (53.361)  | 58.008    | 208,71%  | 24.303   | (39.049) | (46.4 |
| Forward contracts in foreign currency              | 141.055   | 45.073    | -68,05%  | 4.442    | 32.742   | 75.8  |
| Gains on sales of investments on equity securities | 8.097     | 75.697    | 834,88%  | 7.698    | 5.933    | 26.7  |
| Gains on sale of mortgage loan                     | --        | 14.371    | *        | --       | --       | 14.3  |
| Dividend income                                    | 42.731    | 21.199    | -50,39%  | 1.536    | 1.596    | (1    |
| Revenues from commercial subsidiaries              | 45.020    | 40.323    | -10,43%  | (31.853) | 9.272    | 9.1   |
| Communication, postage, rent and others            | 10.406    | 16.762    | 61,08%   | 1.757    | 3.842    | 4.9   |
| TOTAL OTHER OPERATING INCOME                       | 193.948   | 271.433   | 39,95%   | 7.883    | 14.336   | 84.4  |
| -----  |           |           |          |          |          |       |
| TOTAL INCOME                                       | 2.881.047 | 2.756.415 | -4,33%   | 705.228  | 712.538  | 872.1 |
| OPERATING EXPENSES                                 |           |           |          |          |          |       |
| Salaries and employee benefits                     | 615.121   | 690.117   | 12,19%   | 155.125  | 169.504  | 184.9 |
| Bonus plan payments                                | 26.826    | 35.771    | 33,34%   | 5.572    | 8.882    | 18.6  |
| Compensation                                       | 8.030     | 6.375     | -20,61%  | 1.157    | 1.624    | 3.1   |
| Administrative and other expenses                  | 793.179   | 882.182   | 11,22%   | 165.083  | 221.737  | 262.4 |
| Deposit security, net                              | 55.050    | 67.813    | 23,18%   | 13.042   | 20.085   | 18.3  |
| Donation expenses                                  | 615       | 22.596    | 3574,15% | 82       | 114      | 22.3  |
| Depreciation                                       | 87.633    | 104.553   | 19,31%   | 22.401   | 26.851   | 29.6  |
| TOTAL OPERATING EXPENSES                           | 1.586.454 | 1.809.407 | 14,05%   | 362.462  | 448.797  | 539.5 |
| -----  |           |           |          |          |          |       |
| NET OPERATING INCOME                               | 1.294.593 | 947.008   | -26,85%  | 342.766  | 263.741  | 332.6 |
| Merger expenses                                    | 45.703    | 35.779    | -21,71%  | 7.467    | 13.825   | 9.4   |
| Goodwill amortization (1)                          | 22.648    | 25.814    | 13,98%   | 5.662    | 6.913    | 6.9   |
| NON-OPERATING INCOME (EXPENSE)                     |           |           |          |          |          |       |
| Other income                                       | 109.770   | 194.589   | 77,27%   | 59.448   | 16.375   | 36.4  |
| Minority interest                                  | (6.496)   | (6.352)   | -2,22%   | (1.978)  | (1.434)  | (6    |
| Other expense                                      | (105.120) | (149.243) | 41,97%   | (37.464) | (36.569) | (33.0 |
| TOTAL NON-OPERATING INCOME                         | (1.846)   | 38.994    | 2212,35% | 20.006   | (21.628) | 2.8   |
| INCOME BEFORE INCOME TAXES                         | 1.224.396 | 924.409   | -24,50%  | 349.643  | 221.375  | 319.0 |
| Income tax expense                                 | (277.515) | (174.880) | -36,98%  | (93.065) | (39.889) | (34.1 |
| -----  |           |           |          |          |          |       |
| NET INCOME   | 946.881   | 749.529   | -20,84%  | 256.578  | 181.486  | 284.8 |
| =====  |           |           |          |          |          |       |

(1) Includes Banco de Colombia and Comercia S.A.