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BANCOLOMBIA SA
Form 6-K
August 10, 2004

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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 2004

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. 333-12658).

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: August 9, 2004

By /s/ JAIME ALBERTO VELASQUEZ B.

Name: Jaime Alberto Velasquez B.
Title: Vice President of Finance

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CIB
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CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2004

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AUGUST 9, 2004. Medellin, Colombia - BANCOLOMBIA S.A. (NYSE: CIB) announced today the financial results for the quarter ended June 30, 2004.(1)

CONSOLIDATED INCOME STATEMENT
AND BALANCE SHEET
(PS MILLIONS)

| | QUARTER | | GROWTH |
|---|-------------------|-------------------|----------------|
| | 1Q 04 | 2Q 04 | 2Q 04/1Q 04 |
| | ----- | ----- | ----- |
| ASSETS | | | |
| Loans and financial leases, net | 7.949.252 | 8.453.562 | 6,34% |
| Investment securities, net | 5.081.644 | 5.238.888 | 3,09% |
| Other assets | 2.410.642 | 2.414.914 | 0,18% |
| | ----- | ----- | ----- |
| TOTAL ASSETS | 15.441.538 | 16.107.364 | 4,31% |
| | ----- | ----- | ----- |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Deposits | 10.304.446 | 10.583.982 | 2,71% |
| Other liabilities | 3.445.294 | 3.798.687 | 10,26% |
| TOTAL LIABILITIES | 13.749.740 | 14.382.669 | 4,60% |
| Shareholders' equity | 1.691.798 | 1.724.695 | 1,94% |
| | ----- | ----- | ----- |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 15.441.538 | 16.107.364 | 4,31% |
| | ----- | ----- | ----- |
| Interest income | 451.128 | 375.883 | -16,68% |
| Interest expense | 131.245 | 139.004 | 5,91% |
| NET INTEREST INCOME | 319.883 | 236.879 | -25,95% |
| Net provisions | (34.804) | (3.760) | -89,20% |
| Other operating income | 151.976 | 142.184 | -6,44% |
| Other operating expense | (227.536) | (226.540) | -0,44% |
| Non-operating income, net | (9.368) | 4.747 | 150,67% |
| Income tax expense | (76.103) | (36.927) | -51,48% |
| | ----- | ----- | ----- |
| NET INCOME | 124.048 | 116.583 | -6,02% |
| | ----- | ----- | ----- |

(1) This report corresponds to the consolidated financial statements of

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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 (with 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 AND ITS AFFILIATES, UNLESS OTHERWISE SPECIFIED.

Exchange rate: June 30, 2004 Ps 2,694.09 = 1 US\$ Average exchange rate June 2004 Ps 2,701.5

CONTACTS

| | | |
|---------------------|---------------------|----------------------------------|
| Jaime A. Velasquez | Mauricio Botero | Fax: (574) 2317208 |
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2Q04

1. HIGHLIGHTS:

- BANCOLOMBIA's Income before income taxes amounted to Ps 153.5 billion, decreasing 23.3% as compared to Ps 200.2 billion from the previous quarter, but increasing 10.1% as compared to Ps 139.5 billion from the second quarter of 2003. These figures show the impact of the tax credit's reduction.
- Net income amounted to Ps 116.6 billion, or US\$ 0.300 per ADS, during the quarter ended June 30, 2004, as compared to a net income of Ps 124.0 billion, or US\$ 0.321 per ADS, for the previous quarter and Ps 122.8 billion, or US\$ 0.301 per ADS, during the quarter ended June 30, 2003.
- During the second quarter of 2004, interest on loans amounted to Ps 276.6 billion, which represents an increase of 7.3% over the quarter from Ps 257.9 billion and 31.1% as compared to the second quarter of 2003 when they amounted to Ps 211.0 billion.
- BANCOLOMBIA's gross loans amounted to 8,893.0 billion, increasing 6.2% as compared to Ps 8,373.2 billion from the previous quarter. In year over year basis, this represents an increase of 23.4%, from Ps 7,206.8 billion.
- In spite of the positive growth of interest on loans, net interest margin decreased to 7.4% during the second quarter of 2004. This was due to the Colombian bond price decline when domestic rates incorporated expectations of possible rate increases by the U.S. Federal Reserve.
- Total net fees and income from services maintain strong growth rates, amounting to Ps 107.3 billion, increasing 8.6% from the previous quarter and 32.1% as compared to the second quarter of 2003.
- BANCOLOMBIA's ratio of past due loans to total loans for the quarter ended June 30, 2004 was 1.8%, and allowances to past due loans was 276%.

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| STOCK INDICATORS | 2Q 03 | QUARTERS 1Q 04 | 2Q 04 |
|--------------------------|-------------|-------------------|-------------|
| | ----- | ----- | ----- |
| Net Income (Ps millions) | 122.779 | 124.048 | 116.583 |
| USD Earnings per ADS | 0,301 | 0,321 | 0,300 |
| ROAA | 3,77% | 3,52% | 3,17% |
| ROAE | 36,63% | 31,88% | 28,57% |
| P/BV ADS (1) | 1,36 | 1,73 | 1,50 |
| P/BV Local (2) (3) | 1,36 | 1,84 | 1,54 |
| P/E (4) | 4,11 | 6,16 | 5,65 |
| 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 4.3% over the quarter to Ps 16,107 billion as of June 30, 2004, from Ps 15,442 billion as of March 31 of this year, and 16.7% from Ps 13,798 billion as of June 30, 2003. The increase in total assets was primarily due to a larger loan portfolio.

2.1.1 LOAN PORTFOLIO

Total corporate loans increased 3.1% quarter over quarter from Ps 4,894 billion to Ps 5,047 billion. They also increased as compared to the same period in fiscal year 2003, moving up 9.9%. Corporate working capital

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loans increased 3.3% over the quarter and 10.4% as compared to the second quarter in year 2003.

| LOAN PORTFOLIO (PS MILLIONS) | 30-JUN-03 ----- | AS OF 31-MAR-04 ----- | 30-JUN-04 ----- |
|--|--------------------|-----------------------------|--------------------|
| CORPORATE | | | |
| Working capital loans | 3.987.546 | 4.263.643 | 4.402.620 |
| Loans funded by | | | |
| domestic development banks | 384.138 | 410.068 | 380.353 |
| Trade Financing | 157.682 | 151.378 | 190.854 |
| Overdrafts | 58.123 | 48.481 | 53.223 |
| Credit Cards | 6.813 | 20.891 | 19.985 |
| | ----- | ----- | ----- |
| TOTAL CORPORATE | 4.594.302 | 4.894.461 | 5.047.035 |
| | ----- | ----- | ----- |
| RETAIL AND SMES | | | |
| Working capital loans | 775.193 | 951.858 | 1.088.583 |
| Personal loans | 621.117 | 846.659 | 918.456 |
| Loans funded by | | | |
| domestic development banks | 307.304 | 340.278 | 345.007 |
| Credit Cards | 288.823 | 323.239 | 336.063 |
| Overdrafts | 106.965 | 110.288 | 118.696 |
| Automobile loans | 25.898 | 255.289 | 293.799 |
| Trade Financing | 11.346 | 17.976 | 26.283 |
| TOTAL RETAIL AND SMES | 2.136.646 | 2.845.587 | 3.126.887 |
| MORTGAGE | 40.499 | 49.740 | 48.560 |
| FINANCIAL LEASES (1) | 435.335 | 583.438 | 670.546 |
| | ----- | ----- | ----- |
| TOTAL LOANS AND FINANCIAL LEASES | 7.206.782 | 8.373.226 | 8.893.028 |
| | ----- | ----- | ----- |
| ALLOWANCE FOR LOAN LOSSES AND FINANCIAL LEASES (1) | (322.549) | (423.974) | (439.466) |
| | ----- | ----- | ----- |
| TOTAL LOANS AND FINANCIAL LEASES, NET | 6.884.233 | 7.949.252 | 8.453.562 |
| | ----- | ----- | ----- |

(1) This items includes information of financial lease contracts for effects of comparison with subsequent periods.

The retail and SMEs (small and medium-sized enterprises) loan portfolio maintains robust growth rates. It amounted to Ps 3,127 billion, increasing 9.9% over the quarter and 46.4% over the year. Even though all types of retail and SMEs loans showed positive trends, the most significant changes during the quarter were seen in working capital loans, which benefit primarily SMEs, and in personal loans, showing annual increases of 40.4% and 47.9%, respectively.

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Financial leases for both, corporate and SMEs clients, increased 14.9% over the quarter and 54.0% over the year. These positive figures are explained by the recovery of corporate investment budgets, confidence in business policies and a more beneficial tax legislation.

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2.1.2 ASSET QUALITY

As of June 30, 2004 the Bank's past due loans as a percentage of total loans remained at the low level of 1.8%. Loans classified as C, D and E reached 4.6% of total loans, continuing their decline. Furthermore, allowances to past due loans for the quarter were 276%.

LOAN CLASSIFICATION (PS MILLIONS)

| | AS OF 30-JUN-03 | | AS OF 31-MAR-04 | | |
|-----------------------|------------------|-------------|------------------|-------------|--------------|
| | | | | | |
| "A" Normal | 6.155.490 | 85,4% | 7.547.168 | 90,1% | 8.097 |
| "B" Subnormal | 588.662 | 8,2% | 404.427 | 4,8% | 391 |
| "C" Deficient | 85.911 | 1,2% | 118.601 | 1,4% | 99 |
| "D" Doubtful recovery | 281.763 | 3,9% | 199.400 | 2,4% | 207 |
| "E" Unrecoverable | 94.956 | 1,3% | 103.630 | 1,3% | 97 |
| TOTAL | 7.206.782 | 100% | 8.373.226 | 100% | 8.893 |

LOANS CLASSIFIED AS C, D AND E

AS A PERCENTAGE OF TOTAL LOANS 6,4% 5,0%

ASSET QUALITY (PS MILLIONS)

| | 30-JUN-03 | AS OF 31-MAR-04 | 30-JUN-03 |
|---|-----------|--------------------|-----------|
| Total performing past due loans (3) | 68.067 | 52.484 | 65.182 |
| Total non-performing past due loans (1) (3) | 92.268 | 95.066 | 96.018 |
| Total past due loans (3) | 160.335 | 147.550 | 161.200 |
| Allowance for loans and accrued interest losses | 328.456 | 430.048 | 444.952 |
| Past due loans to total loans | 2,22% | 1,76% | 1,81 |
| Non-performing loans to total loans | 1,28% | 1,14% | 1,08 |
| C, D, and E loans to total loans | 6,42% | 5,04% | 4,55 |
| Allowances to past due loans (2) | 204,86% | 291,46% | 276,02 |
| Allowances to C, D, and E loans (2) | 71,00% | 102,00% | 109,94 |
| Allowances to non-performing loans (2) | 355,98% | 452,37% | 463,40 |
| Allowances to total loans | 4,56% | 5,14% | 5,00 |
| Performing loans to total loans | 98,72% | 98,86% | 98,92 |

(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.

(3) This items includes information of financial lease contracts for effects of comparison with subsequent periods.

2.2 LIABILITIES

The Bank has improved its funding mix, not only with the Bank's bond issuance of Ps 400 billion during the first quarter of the current year, but with the increase of non-interest bearing deposits. Total deposits increased 2.7% over the quarter and 10.3% over the year, to the amount of Ps 10,584 billion as of June 30, 2004. During the last twelve-month

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period, interest bearing deposits increased 8.0%, while non-interest bearing deposits increased at a much higher rate of 20.5%.

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Bonds increased to Ps 522.9 billion due to Leasing Colombia's issuance of bonds of Ps 51 billion on June 8, 2004.

| DEPOSIT MIX COMPOSITION | 30-JUN-03 | AS OF 31-MAR-04 | 30-JUN-04 |
|-------------------------|-----------|--------------------|-----------|
| | ----- | ----- | ----- |
| NON-INTEREST BEARING | 18,25% | 20,32% | 19,94% |
| Checking accounts | 16,73% | 17,69% | 18,19% |
| Other | 1,52% | 2,62% | 1,75% |
| | ----- | ----- | ----- |
| INTEREST BEARING | 81,75% | 79,68% | 80,06% |
| Checking accounts | 11,79% | 10,44% | 11,54% |
| Time deposits | 44,04% | 41,55% | 38,91% |
| Savings deposits | 25,92% | 27,70% | 29,61% |
| | ----- | ----- | ----- |
| TOTAL DEPOSITS | 100,00% | 100,00% | 100,00% |
| | ----- | ----- | ----- |

2.3 SHAREHOLDERS' EQUITY

BANCOLOMBIA's shareholders' equity totaled Ps 1,725 billion at the end of the second quarter of 2004. It increased 1.9% and 16.5%, as compared to the previous quarter and the second quarter of 2003, respectively. Unrealized gains on investment debt securities totaled Ps 43.7 billion as of June 30, 2004.

At the end of the second quarter, the Bank's consolidated ratio of technical capital to risk weighted assets remained stable at 12.53% on year over year basis.

| TECHNICAL CAPITAL CONSOLIDATED (PS MILLIONS) | 30-JUN-03 | AS OF 31-MAR-04 | 30-JUN-04 |
|---|-----------|--------------------|------------|
| | ----- | ----- | ----- |
| Basic capital (Tier I) | 969.178 | 1.179.601 | 1.264.690 |
| Additional capital (Tier II) | 275.264 | 282.589 | 238.358 |
| Technical capital (1) | 1.244.442 | 1.462.190 | 1.503.048 |
| Risk weighted assets | 9.928.616 | 11.553.069 | 11.991.482 |
| CAPITAL ADEQUACY (2) | 12,53% | 12,66% | 12,53% |

(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 116.6 billion during the quarter ended June 30, 2004, as compared to net income of Ps 124.0 billion for the previous quarter and Ps 122.8 billion for the same period last year.

3.1 NET INTEREST INCOME

Net interest income decreased to Ps 236.9 billion for the quarter ended June 30, 2004, as compared to Ps 319.9 billion for the previous quarter and Ps 279.0 billion for the second quarter of 2003. Even though interest on loans increased to the amount of Ps 276.6 billion, interest on investment securities only reached Ps 72.9 billion due to the mark to market impact on Colombian bond price declines which took place at the beginning of the second quarter when domestic rates incorporated the expectations of possible rate increases by the U.S. Federal Reserve.

3.2 PROVISIONS

Provisions for loan and interest losses amounted to Ps 23.7 billion, increasing 14.2% as compared to the previous quarter, while total net provisions amounted to Ps 3.8 billion, decreasing 89.2% as compared to the first quarter of 2004. This decrease is mainly explained by the recoveries related to previously charged-off loans.

3.3 FEES AND INCOME FROM SERVICES

Fee income generation continues to be one of the Bank's main objectives. Total net fees and other service income increased to Ps 107.3 billion during the second quarter of 2004, this represents an increase of 8.6% as compared to Ps 98.8 billion for the previous quarter and a 32.1% increase as compared to Ps 81.2 billion for the second quarter of 2003.

The commissions from banking services, such as: electronic banking, cash management and cash collection, continued to show a very positive trend with a strong increase of 10.3% quarterly and 63.5% in a year over year basis. Similarly, credit card merchant services and fees from fiduciary activities increased 36.7% and 27.5%, respectively.

| CREDIT CARD MARKET SHARE | | | | % | 2 |
|---------------------------------------|-----------|-----------|--------|---|-------|
| NUMBER OF CREDIT CARDS AS OF JUNE 30, | 2003 | 2004 | GROWTH | | MKT. |
| | ----- | ----- | ----- | | ----- |
| Bancolombia VISA | 102.598 | 114.830 | 11,9% | | 4 |
| Bancolombia Mastercard | 156.763 | 165.225 | 5,4% | | 6 |
| Bancolombia American Express | 42.682 | 68.493 | 60,5% | | 2 |
| TOTAL BANCOLOMBIA | 302.043 | 348.548 | 15,4% | | 13 |
| | ----- | ----- | ----- | | ----- |
| Colombian credit card industry | 2.321.768 | 2.566.675 | 10,5% | | |
| | ----- | ----- | ----- | | |

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Source: Credibanco, American Express and Red Multicolor.

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| ACCUMULATED CREDIT CARD BILLING (AS OF JUNE 30, IN PS MILLION) | 2003 | 2004 | % | 20 |
|---|-----------|-----------|--------|-------|
| | ----- | ----- | GROWTH | MKT. |
| | | | ----- | ----- |
| Bancolombia VISA | 176.322 | 238.222 | 35,1% | 5 |
| Bancolombia Mastercard | 365.783 | 421.343 | 15,2% | 9 |
| Bancolombia American Express | 94.443 | 172.958 | 83,1% | 3 |
| TOTAL BANCOLOMBIA | 636.548 | 832.523 | 30,8% | 18 |
| | ----- | ----- | ----- | ----- |
| Colombian credit card industry | 3.724.039 | 4.581.745 | 23,0% | |
| | ----- | ----- | ----- | |

Source: Credibanco, American Express and Red Multicolor

During the first half of the year, BANCOLOMBIA's reached first place in credit card billing increasing 30.8% as compared to the same period of 2003, resulting in an 18.2% market share of the Colombian credit card business. In addition, the Bank's number of outstanding credit cards increased 15.4%, resulting in a 13.6% market share. The Bank's American Express credit card showed an excellent performance, increasing its billing to Ps 173 billion and the number of outstanding credit cards to more than 68,000 cards, as of June 30, 2004 reaching a market share of 3.8% and 2.7%, respectively.

| DEBIT CARD MARKET SHARE NUMBER OF DEBIT CARDS AS OF JUNE 30, | 2003 | 2004 | % | 2 |
|---|-----------|------------|--------|-------|
| | ----- | ----- | GROWTH | MKT. |
| | | | ----- | ----- |
| Bancolombia Maestro | 889.322 | 1.191.433 | 34,0% | 11 |
| Bancolombia Masterdebit | 147.261 | 152.709 | 3,7% | 1 |
| TOTAL BANCOLOMBIA | 1.036.583 | 1.344.142 | 29,7% | 13 |
| | ----- | ----- | ----- | ----- |
| Colombian credit card industry | 8.959.743 | 10.087.513 | 12,6% | |
| | ----- | ----- | ----- | |

Source: Redeban

As of June 30, 2004 BANCOLOMBIA's outstanding debit cards increased 29.7% in a year over year basis, increasing its market share from 11.6% to 13.3%. Likewise, accumulated debit card billing increased 45.9%, increasing its market share from 14.2% to 16.6%.

| ACCUMULATED DEBIT CARD BILLING (AS OF JUNE 30, IN PS MILLIONS) | 2003 | 2004 | % | 20 |
|---|------|------|--------|------|
| | | | GROWTH | MKT. |

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| | | | | |
|-------------------------------|--------|--------|-------|-------|
| | ----- | ----- | ----- | ----- |
| Bancolombia Maestro | 1.648 | 2.546 | 54,5% | 12 |
| Bancolombia Masterdebit | 692 | 867 | 25,3% | 4 |
| TOTAL BANCOLOMBIA | 2.340 | 3.413 | 45,9% | 16 |
| | ----- | ----- | ----- | ----- |
| Colombian debit card industry | 16.506 | 20.564 | 24,6% | |
| | ----- | ----- | ----- | |

Source: Redeban

3.4 OPERATING EXPENSES

Total operating expenses were stable quarter over quarter amounting to Ps 220.9 billion. Nevertheless, due to the decrease in net interest income explained in section 3.1, BANCOLOMBIA's efficiency ratio reached 59.8%.

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| MAIN RATIOS | | QUARTERS |
|--|--------|----------|
| PROFITABILITY | 2Q 03 | 1Q 04 |
| | ----- | ----- |
| Net interest margin (1) | 9,92% | 10,38% |
| Return on average total assets (2) | 3,77% | 3,52% |
| Return on average shareholders' equity (3) | 36,63% | 31,88% |
| EFFICIENCY | | |
| Operating expenses to net operating income (4) | 48,58% | 48,09% |
| Operating expenses to average total assets (4) | 6,00% | 6,45% |
| CAPITAL ADEQUACY | | |
| Shareholders' equity to total assets | 10,73% | 10,96% |
| Technical capital to risk weighted assets | 12,53% | 12,66% |

(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.

3.5 OTHER OPERATING INCOME

Other operating income totaled Ps 34.9 billion during the second quarter

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of 2004, a 34.4% decrease from Ps 53.2 billion during the previous quarter. The decrease resulted from lower dividend income, as the dividend income in Colombia is recorded when announced which regularly takes place during the first quarter.

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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 | | GR 2Q 0 |
|---|----------------------|----------------------|------------|
| | 1Q 04 | 2Q 04 | ----- |
| | ----- | ----- | ----- |
| ASSETS | | | |
| Loans and financial leases, net | 529.520.180 | 521.118.663 | |
| Investment securities, net | 501.426.570 | 508.776.132 | |
| Overnight funds sold | 131.350.618 | 109.401.486 | |
| Other assets | 47.695.944 | 41.388.857 | |
| | ----- | ----- | |
| TOTAL ASSETS | 1.209.993.312 | 1.180.685.138 | |
| | ----- | ----- | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Deposits | 1.039.175.184 | 1.022.790.639 | |
| Other liabilities | 8.971.956 | 5.733.688 | |
| TOTAL LIABILITIES | 1.048.147.140 | 1.028.524.327 | |
| Shareholders' equity | 161.846.172 | 152.160.811 | |
| | ----- | ----- | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 1.209.993.312 | 1.180.685.138 | |
| | ----- | ----- | |
| Interest income | 20.834.651 | 16.528.605 | |
| Interest expense | (4.409.984) | (4.263.276) | |
| NET INTEREST INCOME | 16.424.667 | 12.265.329 | |
| Net provisions | (6.873.368) | (99.229) | |
| Other operating income | 1.140.750 | 297.755 | |
| Other operating expense | (638.385) | (533.777) | |
| | ----- | ----- | |
| NET INCOME | 10.053.664 | 11.930.078 | |
| | ----- | ----- | |

BANCOLOMBIA Panama's total assets decreased 2.4% over the quarter to US\$1,181 million as of June 30, 2004, as compared to US\$1,210 million as of March 31, 2004. On the other hand, shareholders' equity decreased 6.0% over the quarter from US\$162 million as of March 31, 2004, to US\$152 million as of June 30, 2004. Unrealized gains on investment securities totaled US\$4.0 million as of June 30, 2004.

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BANCOLOMBIA Panama reported net income of US\$11.9 million during the quarter, up 18.7% as compared to net income of US\$10.1 million for the first quarter of the year, mainly due to the recovery of provisions on investments.

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[BANCOLOMBIA LOGO]

2Q04

5. CORPORATE GOVERNANCE

The Board of Directors of BANCOLOMBIA S.A. approved a new Corporate Governance Code which updates and conforms the Bank's policies and practices to international standards in matters of corporate governance, including the OECD's "White Paper on Corporate Governance for Latin America", NYSE standards for foreign issuers as well as the Andean Corporate Governance Code proposed by CAF.

The new Corporate Governance Code supersedes the previous code approved by the Board of Directors of BANCOLOMBIA S.A. in August 2001 and supplements the Bank's bylaws and other organizational documents.

The text of the Code is available at BANCOLOMBIA's website:
www.bancolombia.com.

We are currently updating BANCOLOMBIA's website and expect to make the information available in accordance with the Code's provisions on the subject of disclosure soon.

In the event of any conflict between the Spanish and the English version of the Code, for all purposes the Spanish version of the Code will prevail.

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[BANCOLOMBIA LOGO]

2Q04

6. RECOGNITIONS

[EUROMONEY BOOK LOGO]

Euromoney magazine selected BANCOLOMBIA as the Best Bank in Colombia in its June edition, "BANCOLOMBIA is the biggest and most transparent bank in Colombia...(The Bank) is a single entity with a first-rate reputation, which makes its workings and market position easier to understand".

- BANCOLOMBIA was ranked as the number one bank in Colombia by the British magazine The Banker in its July's edition.
- In June, Global Finance magazine selected BANCOLOMBIA as the Best Bank in Colombia in Trade Finance and Foreign Exchange.
- The market research firm YANHAAS in its last evaluation of advertisement impact, rated BANCOLOMBIA's brand as the leader among financial

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institutions, as well as the number one bank in customer intention of purchase.

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[BANCOLOMBIA LOGO]

2Q04

| CONSOLIDATED BALANCE SHEET (PS MILLIONS) | 30-JUN-03 | AS OF 31-MAR-04 | 30-JUN |
|---|------------|--------------------|--------|
| | ----- | ----- | ----- |
| ASSETS | | | |
| Cash and due from banks | 691.319 | 716.943 | 639 |
| Overnight funds sold | 833.654 | 379.588 | 423 |
| TOTAL CASH AND EQUIVALENTS | 1.524.973 | 1.096.531 | 1.063 |
| | ----- | ----- | ----- |
| DEBT SECURITIES | | | |
| Trading | 1.413.992 | 2.055.356 | 2.111 |
| Available for Sale | 1.835.468 | 2.133.985 | 2.268 |
| Held to Maturity | 753.105 | 723.580 | 659 |
| EQUITY SECURITIES | | | |
| Trading | 18.507 | 15.255 | 43 |
| Available for Sale | 224.752 | 245.351 | 240 |
| Market value allowance | (93.205) | (91.883) | (83) |
| NET INVESTMENT SECURITIES | 4.152.619 | 5.081.644 | 5.238 |
| | ----- | ----- | ----- |
| Gross loans and financial leases | 7.206.782 | 8.373.226 | 8.893 |
| Allowance for loan losses | (322.549) | (423.974) | (439) |
| NET TOTAL LOANS | 6.884.233 | 7.949.252 | 8.453 |
| | ----- | ----- | ----- |
| Accrued interest receivable on loans | 93.979 | 91.724 | 104 |
| Allowance for accrued interest losses | (5.907) | (6.074) | (5) |
| NET TOTAL INTEREST ACCRUED | 88.072 | 85.650 | 99 |
| | ----- | ----- | ----- |
| Customers' acceptances and derivatives | 75.240 | 61.730 | 67 |
| Net accounts receivable | 127.376 | 147.233 | 162 |
| Net premises and equipment | 317.073 | 354.412 | 371 |
| Foreclosed assets | 39.064 | 24.212 | 30 |
| Prepaid expenses and deferred charges | 36.690 | 26.002 | 18 |
| Good will | 107.580 | 94.062 | 87 |
| Operating leases, net | 8.820 | 10.544 | 9 |
| Other | 166.903 | 251.676 | 237 |
| Reappraisal of assets | 268.938 | 258.590 | 266 |
| | ----- | ----- | ----- |
| TOTAL ASSETS | 13.797.581 | 15.441.538 | 16.107 |
| | ----- | ----- | ----- |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| LIABILITIES | | | |
| DEPOSITS | | | |
| NON-INTEREST BEARING | | | |
| Checking accounts | 1.605.330 | 1.823.222 | 1.924 |
| Other | 145.760 | 270.445 | 185 |
| | ----- | ----- | ----- |
| INTEREST BEARING | 7.843.620 | 8.210.779 | 8.473 |

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| | | | |
|--|------------|------------|--------|
| Checking accounts | 1.131.381 | 1.075.653 | 1.221 |
| Time deposits | 4.225.196 | 4.281.006 | 4.118 |
| Savings deposits | 2.487.043 | 2.854.120 | 3.133 |
| | ----- | ----- | ----- |
| TOTAL DEPOSITS | 9.594.710 | 10.304.446 | 10.583 |
| Overnight funds | 965.196 | 714.712 | 1.097 |
| Bank acceptances outstanding | 31.767 | 37.139 | 48 |
| Interbank borrowings | 179.579 | 379.845 | 253 |
| Borrowings from domestic development banks | 634.238 | 768.977 | 762 |
| Accounts payable | 541.581 | 660.061 | 660 |
| Other liabilities | 131.105 | 170.518 | 158 |
| Bonds | 62.742 | 475.520 | 522 |
| Accrued expenses | 131.899 | 198.642 | 253 |
| Minority interest in consolidated subsidiaries | 44.579 | 39.880 | 40 |
| | ----- | ----- | ----- |
| TOTAL LIABILITIES | 12.317.396 | 13.749.740 | 14.382 |
| | ----- | ----- | ----- |
| Shareholders' equity | 1.480.185 | 1.691.798 | 1.724 |
| | ----- | ----- | ----- |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 13.797.581 | 15.441.538 | 16.107 |
| | ----- | ----- | ----- |

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[BANCOLOMBIA LOGO]

2Q04

| CONSOLIDATED INCOME STATEMENT (PS MILLIONS) | AS OF | | GROWTH JUN-04/JUN-03 |
|---|----------|----------|-------------------------|
| | JUN-03 | JUN-04 | |
| | ----- | ----- | ----- |
| INTEREST INCOME AND EXPENSES | | | |
| Interest on loans | 398.258 | 534.442 | 34,1 |
| Interest on investment securities | 297.534 | 242.742 | -18,4 |
| Overnight funds | 8.708 | 7.753 | -10,9 |
| Leasing | 25.147 | 42.074 | 67,3 |
| TOTAL INTEREST INCOME | 729.647 | 827.011 | 13,3 |
| | ----- | ----- | ----- |
| Interest expense | | | |
| Checking accounts | 6.020 | 6.238 | 3,6 |
| Time deposits | 112.594 | 125.267 | 11,2 |
| Savings deposits | 57.199 | 67.743 | 18,4 |
| TOTAL INTEREST ON DEPOSITS | 175.813 | 199.248 | 13,3 |
| | ----- | ----- | ----- |
| Interbank borrowings | 2.375 | 2.402 | 1,1 |
| Borrowings from domestic development banks | 27.485 | 35.646 | 29,6 |
| Overnight funds | 14.968 | 15.666 | 4,6 |
| Bonds | 1.372 | 17.287 | 1159,9 |
| TOTAL INTEREST EXPENSE | 222.013 | 270.249 | 21,7 |
| | ----- | ----- | ----- |
| NET INTEREST INCOME | 507.634 | 556.762 | 9,6 |
| Provision for loan and accrued interest losses, net | (85.498) | (44.399) | -48,0 |
| Recovery of charged-off loans | 16.411 | 14.069 | -14,2 |
| Provision for foreclosed assets and other assets | (55.062) | (18.893) | -65,6 |
| Recovery of provisions for foreclosed assets and other assets | 3.324 | 10.659 | 220,6 |
| | ----- | ----- | ----- |

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| | | | |
|--|-----------|-----------|-------|
| TOTAL NET PROVISIONS | (120.825) | (38.564) | -68,0 |
| NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES | 386.809 | 518.198 | 33,9 |
| Commissions from banking services | 61.041 | 93.396 | 53,0 |
| Credit card merchant fees | 25.683 | 36.309 | 41,3 |
| Credit and debit card annual fees | 28.200 | 33.229 | 17,8 |
| Checking fees | 24.726 | 24.100 | -2,5 |
| Warehouse services | 21.077 | 23.102 | 9,6 |
| Fiduciary activities | 18.328 | 25.826 | 40,9 |
| Check remittance | 10.459 | 5.561 | -46,8 |
| International operations | 12.408 | 9.690 | -21,9 |
| FEES AND OTHER SERVICE INCOME | 201.922 | 251.213 | 24,4 |
| Fees and other service expenses | (40.280) | (45.078) | 11,9 |
| TOTAL FEES AND INCOME FROM SERVICES, NET | 161.642 | 206.135 | 27,5 |
| OTHER OPERATING INCOME | | | |
| Net foreign exchange gains | (27.402) | (47.896) | 74,7 |
| Forward contracts in foreign currency | 54.830 | 75.698 | 38,0 |
| Dividend income | 10.789 | 15.909 | 47,4 |
| Revenues from commercial subsidiaries | 36.103 | 38.929 | 7,8 |
| Communication, postage and others | 5.043 | 5.385 | 6,7 |
| TOTAL OTHER OPERATING INCOME | 79.363 | 88.025 | 10,9 |
| TOTAL INCOME | 627.814 | 812.358 | 29,3 |
| OPERATING EXPENSES | | | |
| Salaries and employee benefits | 150.150 | 174.709 | 16,3 |
| Bonus plan payments | 11.963 | 14.374 | 20,1 |
| Compensation | 14.062 | 9.543 | -32,1 |
| Administrative and other expenses | 182.854 | 222.699 | 21,7 |
| Donation expenses | 25 | 93 | 272,0 |
| Depreciation | 18.113 | 21.334 | 17,7 |
| TOTAL OPERATING EXPENSES | 377.167 | 442.752 | 17,3 |
| NET OPERATING INCOME | 250.647 | 369.606 | 47,4 |
| Merger expenses | 11.324 | 11.324 | 0,0 |
| NON-OPERATING INCOME (EXPENSE) | | | |
| Other income | 17.256 | 22.912 | 32,7 |
| Minority interest | (733) | (1.592) | 117,1 |
| Recovery of deposit security | 1.912 | 5.917 | 209,4 |
| Other expense | (23.474) | (31.858) | 35,7 |
| TOTAL NON-OPERATING INCOME | (5.039) | (4.621) | -8,3 |
| INCOME BEFORE INCOME TAXES | 234.284 | 353.661 | 50,9 |
| Income tax expense | (29.652) | (113.030) | 281,1 |
| NET INCOME | 204.632 | 240.631 | 17,5 |

| CONSOLIDATED INCOME STATEMENT (PS MILLIONS) | QUARTER | | GROWTH |
|--|---------|-------------|---------|
| | 2Q 04 | 2Q 04/1Q 04 | |
| INTEREST INCOME AND EXPENSES | | | |
| Interest on loans | 276.572 | | 7,25% |
| Interest on investment securities | 72.877 | | -57,10% |
| Overnight funds | 4.139 | | 14,53% |
| Leasing | 22.295 | | 12,72% |
| TOTAL INTEREST INCOME | 375.883 | | -16,68% |
| Interest expense | | | |

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| | | |
|--|----------|---------|
| Checking accounts | 3.075 | -2,78% |
| Time deposits | 62.815 | 0,58% |
| Savings deposits | 37.679 | 25,33% |
| TOTAL INTEREST ON DEPOSITS | 103.569 | 8,25% |
| | ----- | ----- |
| Interbank borrowings | 900 | -40,08% |
| Borrowings from domestic development banks | 17.870 | 0,53% |
| Overnight funds | 5.644 | -43,68% |
| Bonds | 11.021 | 75,89% |
| TOTAL INTEREST EXPENSE | 139.004 | 5,91% |
| | ----- | ----- |
| NET INTEREST INCOME | 236.879 | -25,95% |
| Provision for loan and accrued interest losses, net | (23.668) | 14,17% |
| Recovery of charged-off loans | 7.836 | 25,72% |
| Provision for foreclosed assets and other assets | 2.527 | 111,80% |
| Recovery of provisions for foreclosed assets and other assets | 9.545 | 756,82% |
| | ----- | ----- |
| TOTAL NET PROVISIONS | (3.760) | -89,20% |
| NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES | 233.119 | -18,23% |
| | ----- | ----- |
| Commissions from banking services | 48.979 | 10,27% |
| Credit card merchant fees | 18.695 | 6,14% |
| Credit and debit card annual fees | 16.982 | 4,52% |
| Checking fees | 12.081 | 0,52% |
| Warehouse services | 11.789 | 4,21% |
| Fiduciary activities | 13.072 | 2,49% |
| Check remittance | 2.728 | -3,71% |
| International operations | 4.520 | -12,57% |
| FEES AND OTHER SERVICE INCOME | 128.846 | 5,29% |
| | ----- | ----- |
| Fees and other service expenses | (21.529) | -8,58% |
| TOTAL FEES AND INCOME FROM SERVICES, NET | 107.317 | 8,60% |
| | ----- | ----- |
| OTHER OPERATING INCOME | | |
| Net foreign exchange gains | 10.830 | 118,44% |
| Forward contracts in foreign currency | 3.255 | -95,51% |
| Dividend income | 991 | -93,36% |
| Revenues from commercial subsidiaries | 16.848 | -23,70% |
| Communication, postage and others | 2.943 | 20,52% |
| TOTAL OTHER OPERATING INCOME | 34.867 | -34,41% |
| | ----- | ----- |
| TOTAL INCOME | 375.303 | -14,13% |
| OPERATING EXPENSES | | |
| Salaries and employee benefits | 88.328 | 2,25% |
| Bonus plan payments | 5.109 | -44,86% |
| Compensation | 4.678 | -3,84% |
| Administrative and other expenses | 111.672 | 0,58% |
| Donation expenses | 45 | -6,25% |
| Depreciation | 11.046 | 7,37% |
| TOTAL OPERATING EXPENSES | 220.878 | -0,45% |
| | ----- | ----- |
| NET OPERATING INCOME | 154.425 | -28,23% |
| Merger expenses | 5.662 | 0,00% |
| NON-OPERATING INCOME (EXPENSE) | | |
| Other income | 7.754 | -48,85% |
| Minority interest | (1.404) | 646,81% |
| Recovery of deposit security | 5.917 | 100,00% |
| Other expense | (7.520) | -69,10% |
| TOTAL NON-OPERATING INCOME | 4.747 | 150,67% |
| INCOME BEFORE INCOME TAXES | 153.510 | -23,30% |
| Income tax expense | (36.927) | -51,48% |

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NET INCOME

116.583

-6,02%
