

Edgar Filing: BANCOLOMBIA SA - Form 6-K

BANCOLOMBIA SA
Form 6-K
August 10, 2004

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 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

Edgar Filing: BANCOLOMBIA SA - Form 6-K

[BANCOLOMBIA LOGO]

CIB
LISTED
NYSE

CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2004

Table of Contents

1. HIGHLIGHTS
2. CONSOLIDATED BALANCE SHEET
3. INCOME STATEMENT
4. SUBSIDIARIES
5. CORPORATE GOVERNANCE
6. RECOGNITIONS

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

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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
Financial VP	IR Manager	www.bancolombia.com
Tel.: (574) 5108666	Tel.: (574) 5108866	investorrelations@bancolombia.co

1

[BANCOLOMBIA LOGO]

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%.

Edgar Filing: BANCOLOMBIA SA - Form 6-K

STOCK INDICATORS	QUARTERS		
	2Q 03	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.

2

[BANCOLOMBIA LOGO]

2Q04

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

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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.

3

[BANCOLOMBIA LOGO]

2Q04

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.

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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

4

[BANCOLOMBIA LOGO]

2Q04

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

[BANCOLOMBIA LOGO]

2Q04

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%		
	-----	-----	-----		

Edgar Filing: BANCOLOMBIA SA - Form 6-K

Source: Credibanco, American Express and Red Multicolor.

6

[BANCOLOMBIA LOGO]

2Q04

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.

Edgar Filing: BANCOLOMBIA SA - Form 6-K

	-----	-----	-----	-----
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%.

7

[BANCOLOMBIA LOGO]

2Q04

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

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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.

8

[BANCOLOMBIA LOGO]

2Q04

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
	1Q 04	2Q 04	2Q 0
	-----	-----	-----
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.

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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.

9

[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.

10

[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

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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

11

[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			
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			
Allowance for accrued interest losses	(5.907)	(6.074)	(5)
NET TOTAL INTEREST ACCRUED	88.072	85.650	99
Customers' acceptances and derivatives			
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

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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
	-----	-----	-----

12

[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
	-----	-----	-----

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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			

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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%

Edgar Filing: BANCOLOMBIA SA - Form 6-K

NET INCOME

116.583

-6,02%
