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BANCOLOMBIA SA
Form 6-K
May 03, 2006

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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 May 2006

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

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

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

Form 20-F X Form 40-F
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(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No X
----- -----

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

This Report on Form 6-K shall be incorporated by reference into the registrant's registration statement on Form F-3 (File No. 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: May 02, 2006

By /s/ JAIME ALBERTO VELASQUEZ B.

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

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(BANCOLOMBIA LOGO)

CIB
LISTED
NYSE

CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED MARCH 31, 2006

MAY 2, 2006. Medellin, Colombia - Today, BANCOLOMBIA S.A. (NYSE: CIB) announced its financial results for the first quarter of fiscal year 2006, ended March 31, 2006. (1)

CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

(Ps millions)	QUARTER		GROWTH 1Q 06/ 4Q 05
	4Q 05	1Q 06	
ASSETS			
Loans and financial leases, net	17,920,370	18,365,410	2.48%
Investment securities, net	8,459,703	8,315,148	-1.71%
Other assets	4,423,444	4,284,405	-3.14%
TOTAL ASSETS	30,803,517	30,964,963	0.52%
LIABILITIES AND SHAREHOLDERS' EQUITY			
DEPOSITS	18,384,982	18,343,438	-0.23%
Non-interest bearing	3,530,279	3,229,036	-8.53%
Interest bearing	14,854,703	15,114,402	1.75%
OTHER LIABILITIES	9,041,245	9,422,199	4.21%
TOTAL LIABILITIES	27,426,227	27,765,637	1.24%
Shareholders' equity	3,377,290	3,199,326	-5.27%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	30,803,517	30,964,963	0.52%
Interest income	793,968	747,905	-5.80%
Interest expense	286,994	289,761	0.96%
NET INTEREST INCOME	506,974	458,144	-9.63%
Net provisions	(22,406)	(50,678)	126.18%
Fees and income from service, net	212,777	206,119	-3.13%
Other operating income	7,883	84,938	977.48%
Operating expense	(375,591)	(418,911)	11.53%
Non-operating income, net	20,006	2,269	-88.66%
Income tax expense	(93,065)	(67,779)	-27.17%
NET INCOME	256,578	214,102	-16.55%

(1) This report corresponds to the consolidated financial statements of BANCOLOMBIA and its affiliates of which it owns, directly or indirectly, 50% or more of the voting capital stock. Any reference to BANCOLOMBIA must be understood as referring to the Bank together with its affiliates, unless otherwise specified. The unaudited pro forma combined condensed financial statements for the first quarter of 2005 and the relevant numbers developed from such financial statements presented below are derived from (a) the unaudited consolidated financial statements of Bancolombia as of March 31,

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2005 (b) the unaudited consolidated financial statements of Corporacion Financiera Nacional y Suramericana S.A. ("Corfinsura"), giving effect to the spin-off of the portion of Corfinsura's assets and liabilities that were not assumed by Bancolombia through the merger, as of March 31, 2005 and (c) the unaudited consolidated financial statements of Conavi Banco Comercial y de Ahorros S.A ("Conavi"), as of March 31, 2005, as if the merger had been completed as of those dates.

These financial statements have been prepared in accordance with generally accepted accounting principles in Colombia (COLGAAP), are stated in nominal terms and have not been audited. Even though for purposes of COLGAAP historical pro forma information is not required, these pro forma financial statements are presented for comparison purposes. BANCOLOMBIA maintains accounting records in Colombian pesos, referred to herein as "Ps."

The unaudited pro forma combined condensed financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of Bancolombia would have been, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position. The unaudited pro forma combined condensed financial statements do not include the realization of cost savings from operating efficiencies, revenue synergies or other restructuring costs currently expected to result from the merger. No assurance can be given that any such savings or other expected benefits of the merger will in fact take place, whether at the level of management's current expectations or at all.

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

Exchange rate: March 31, 2006 Ps 2,293.38 = US\$ 1 Average exchange rate March 2006 Ps 2,264.1

CONTACTS

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1

(BANCOLOMBIA LOGO)

1Q06

1. HIGHLIGHTS(2):

- Two important factors should be considered when reading the first

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quarter report. First, comparisons must be made between the same quarters of different years because of the seasonality of the financial business in Colombia. Second, the unconsolidated results for the month of March, released on April 12, 2006, include dividend income(3) from the Bank's subsidiaries, which are eliminated when consolidating the financial results. As a result, during the first quarter of 2006, consolidated net income was lower than unconsolidated net income.

- Net income amounted to Ps 214,102 million, increasing 20.6% on a pro forma basis compared to Ps 177,542 million for the first quarter of 2005, but decreasing 16.6% compared to Ps 256,578 million for the last quarter of 2005.
- As of March 31, 2006, BANCOLOMBIA's net loans totaled Ps 18,365 billion, increasing 2.5% compared to Ps 17,920 billion in the previous quarter. On a year-to-year basis, this represents an increase of 10.4% from Ps 16,631 billion pro forma at March 31, 2005. On the other hand, investment debt securities amounted to Ps 8,132 billion, decreasing 1.6% over the quarter, but increasing 11.8% over the year.
- During the first quarter of 2006, net interest income amounted to Ps 458,144 million, increasing 9.8% compared to the same period of 2005 on a pro forma basis, with interest income on loans increasing 7.2% while interest income on investments decreased 9.8%, due to an almost stable Colombian bond prices during March.
- Net fees and income from services totaled Ps 206,119 million during the quarter, increasing 20.1% compared to the pro forma figure for the same period in 2005, but decreasing 3.1% from the last quarter of 2005.
- BANCOLOMBIA's ratio of past due loans to total loans at March 31, 2006 was 3.1% and the ratio of allowances to past due loans was 125%.

STOCK INDICATORS

	AS OF			
	4Q 05	1Q 06	DEC-05	MAR-06
	-----	-----	-----	-----
Net Income (Ps millions)	256,578	214,102	946,881	214,102
USD Earnings per ADS	0.617	0.513	2.278	0.513
ROAA	3.50%	2.78%	3.23%	2.78%
ROAE	31.76%	25.11%	29.30%	25.11%
P/BV ADS (1) (4)	3.55	4.55		
P/BV Local (2) (5)	3.31	4.45		
P/E (3)	11.12	16.74		
Shares Outstanding	727,827,005	727,827,005		

(1) Defined as ADS price divided by ADS book value.

(2) Defined as common share price divided by share book value.

(3) Defined as market capitalization divided by annualized quarter results

(4) Share prices of ADS as of December 31, 2005 and March 31, 2006: US 28.83 and US 34.90 respectively.

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- (5) Common share prices on Colombian Stock Exchange as of December 31, 2005 and March 31, 2006: Ps 15,340 and Ps 19,560 respectively.

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- (2) This is the third time BANCOLOMBIA has released consolidated quarterly financial results since the merger that took place on July 30, 2005. This report contains pro forma figures for the first quarter of 2005 as if the spin off of Corfinsura and the merger with Conavi and Corfinsura (after the spin-off) had taken place on that date, for the purpose of comparison. All references to numbers for periods prior to the merger contained herein were derived from such pro forma consolidated financial statements.
- (3) The dividend income in Colombia is recorded when approved in the General Shareholders' Meeting. This generally takes place during the first quarter.

2

(BANCOLOMBIA LOGO)

1Q06

2. CONSOLIDATED BALANCE SHEET

2.1 ASSETS

BANCOLOMBIA's total assets were stable during the quarter amounting to Ps 30,965 billion as of March 31, 2006. This represents an increase of 9.8% over the year from Ps 28,205 billion on a pro forma basis as of March 31, 2005.

2.1.1 LOAN PORTFOLIO

Corporate loans were stable over the quarter, and over the year amounting to Ps 9,552 billion as of March 31, 2006. The retail and small and medium-sized enterprise ("SME") loan portfolio maintained positive growth rates. It totaled Ps 5,171 billion as of March 31, 2006, increasing 4.6% over the quarter and 24.5% over the year.

LOAN PORTFOLIO

(Ps millions)	31-MAR-05 PRO FORMA	AS OF		GRO 1Q 06/4Q 05
		31-DEC-05	31-MAR-06	
CORPORATE				
Working capital loans	7,574,924	7,754,880	8,414,643	8.51%
Loans funded by domestic development banks	1,435,165	948,659	433,435	-54.31%
Trade Financing	348,207	749,342	598,818	-20.09%
Overdrafts	77,870	62,043	74,824	20.60%
Credit Cards	34,927	43,084	30,233	-29.83%
TOTAL CORPORATE	9,471,093	9,558,008	9,551,953	-0.06%
RETAIL AND SMES				
Working capital loans	1,354,076	1,613,158	1,663,145	3.10%

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Personal loans	1,345,910	1,517,369	1,613,637	6.34%
Loans funded by domestic development banks	360,343	403,412	406,196	0.69%
Credit Cards	474,990	623,934	613,549	-1.66%
Overdrafts	130,758	101,957	141,874	39.15%
Automobile loans	426,931	631,972	675,834	6.94%
Trade Financing	60,668	52,449	57,084	8.84%
	-----	-----	-----	-----
TOTAL RETAIL AND SMES	4,153,676	4,944,251	5,171,319	4.59%
	-----	-----	-----	-----
MORTGAGE	1,425,722	1,463,437	1,530,291	4.57%
	-----	-----	-----	-----
FINANCIAL LEASES	2,255,227	2,660,556	2,850,547	7.14%
	-----	-----	-----	-----
TOTAL LOANS AND FINANCIAL LEASES	17,305,718	18,626,252	19,104,110	2.57%
ALLOWANCE FOR LOAN LOSSES AND FINANCIAL LEASES	(674,233)	(705,882)	(738,700)	4.65%
	-----	-----	-----	-----
TOTAL LOANS AND FINANCIAL LEASES, NET	16,631,485	17,920,370	18,365,410	2.48%
	=====	=====	=====	=====

Mortgage loans increased 7.3% over the year, amounting to Ps 1,530 billion as of March 31, 2006, registering a 4.6% increase over the quarter. On the other hand, financial leases increased 7.1% over the quarter and 26.4% over the year amounting to Ps 2,851 billion.

3

(BANCOLOMBIA LOGO)

1Q06

2.1.2 INVESTMENT PORTFOLIO

BANCOLOMBIA's investments in debt securities amounted to Ps 8,132 billion, decreasing 1.6% over the quarter. The composition of the investment portfolio in terms of the classification of bonds was very stable compared to the previous quarter. On a year-to-year basis, this represents an increase of 11.8%, from Ps 7,276 billion at March 31, 2005, on a pro forma basis.

2.1.3 ASSET QUALITY

As of March 31, 2006, the Bank's past due loans accounted for 3.1% of total loans. Charged-off loans for the quarter amounted to Ps 30,953 billion. Loans classified as C, D and E were 3.1% of total loans. Furthermore, the ratio of allowances to past due loans at the end of the quarter was 125.3%, very similar to the ratio of allowances to loans classified as C, D and E, which was 125.8%.

LOANS AND FINANCIAL LEASES CLASSIFICATION

(Ps millions)	AS OF 31-MAR-05		AS OF 31-DEC-05		AS OF 31-MAR-06
	PRO FORMA				
-----	-----	-----	-----	-----	-----
"A" Normal	16,121,232	93.1%	17,359,081	93.2%	17,880,922
"B" Subnormal	567,973	3.3%	638,131	3.4%	628,404

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"C" Deficient	203,120	1.2%	202,934	1.1%	208,751
"D" Doubtful recovery	235,731	1.4%	252,635	1.4%	219,086
"E" Unrecoverable	177,662	1.0%	173,471	0.9%	166,947
TOTAL	17,305,718	100%	18,626,252	100%	19,104,110
LOANS AND FINANCIAL LEASES CLASSIFIED AS C, D AND E AS A PERCENTAGE OF TOTAL LOANS AND FINANCIAL LEASES					
		3.6%		3.4%	3.1%

ASSET QUALITY

(Ps millions)	31-MAR-05 PRO FORMA	AS OF 31-DEC-05	31-MAR-06	GROWTH	
-----	-----	-----	-----	-----	-----
				1Q 06/4Q 05	1Q 06
Total performing past due loans	310,172	224,319	298,428	33.04%	-
Total non-performing past due loans (1)	248,286	227,117	298,567	31.46%	2
Total past due loans	558,458	451,436	596,995	32.24%	
Allowance for loans and accrued interest losses	688,788	714,537	748,226	4.71%	
Past due loans to total loans	3.23%	2.42%	3.12%		
Non-performing loans to total loans	1.43%	1.22%	1.56%		
C, D, and E loans to total loans	3.56%	3.38%	3.11%		
Allowances to past due loans (2)	123.34%	158.28%	125.33%		
Allowances to C, D, and E loans (2)	111.72%	113.59%	125.80%		
Allowances to non-performing loans (2)	277.42%	314.61%	250.61%		
Allowances to total loans	3.98%	3.84%	3.92%		
Performing loans to total loans	98.57%	98.78%	98.44%		

(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, 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.

4

(BANCOLOMBIA LOGO)

1Q06

2.2 LIABILITIES

Total deposits were stable over the quarter and increased 5.3% over the year, totaling Ps 18,343 billion as of March 31, 2006. The deposit mix improved over the year. Savings accounts increased 3.3%, whereas time deposits decreased 3.4% over the year, compared to pro forma 2005 figures. On a year-over-year basis, interest-bearing deposits increased 1.4% while non-interest bearing deposits increased 28.7%.

2.3 SHAREHOLDERS' EQUITY

BANCOLOMBIA's shareholders' equity totaled Ps 3,199 billion at the end of the first quarter of 2006. Shareholders' equity decreased 5.3% compared to

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the previous quarter, due to the distribution of profits. Nevertheless, this represents an increase of 21.3%, compared to the first quarter of 2005. Unrealized gains on investment debt securities totaled Ps 50.5 billion as of March 31, 2006.

As of March 31, 2006, the Bank's consolidated ratio of technical capital to risk-weighted assets was 12.7%.

TECHNICAL CAPITAL RISK WEIGHTED ASSETS

Consolidated (Ps millions)	31-MAR-05 PRO FORMA	AS OF 31-DEC-05	31-MAR-06
Basic capital (Tier I)	2,189,444	2,169,481	2,758,088
Additional capital (Tier II)	441,995	393,822	392,604
Technical capital (1)	2,631,439	2,563,303	3,150,692
Risk weighted assets included market risk	21,492,534	23,457,768	24,891,156
CAPITAL ADEQUACY (2)	12.24%	10.93%	12.66%

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

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

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

5

(BANCOLOMBIA LOGO)

1Q06

3. INCOME STATEMENT

BANCOLOMBIA's net income amounted to Ps 214,102 million for the quarter ended March 31, 2006, as compared to net income of Ps 256,578 million for the previous quarter and Ps 177,542 million for the same period of 2005 pro forma.

3.1 NET INTEREST INCOME

Interest on loans totaled Ps 519,316 million for the quarter, increasing 7.2% over the year, from the Ps 484,510 million on a pro forma basis during

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the same period of 2005, but decreased 2.7% compared to the previous quarter. On the other hand, interests on investment securities reached Ps 135,379 millions in the first quarter, decreasing 9.8% over the year, and 20.1% compared to the previous quarter, due partially from the result of the mark to market impact of Colombian bond prices. This negative impact is partially offset by the reduction in interest expenses which results in a yearly increase of 9.9% in net interest income, totaling Ps 458,144 million as of March 31, 2006.

The most widely used representative bond in the market was the COLOMBIA TES 20 which matures in July 2020. This bond was traded at a yield of 8.99% at the end of the fourth quarter 2005. As of March 31, 2006, its yield was 7.61% after reaching a historical minimum yield of 7.11% on March 1, 2006. Additionally, as of April 28, 2006, the average yield was again close to the one at the end of the year (8.87%).

(PERFORMANCE GRAPH)

6

(BANCOLOMBIA LOGO)

1Q06

3.2 PROVISIONS

During the first quarter of 2006, provisions for loan and interest losses amounted to Ps 64,205 million, increasing 46.4% and 90.9% as compared to the previous quarter and to pro forma results for the first quarter of 2005, respectively. Total net provisions amounted to Ps 50,678 million, increasing 126.2% and 83.5%, respectively. Approximately Ps 50,000 million from these provisions corresponds to adjustments made by the new provisioning regulation. Recoveries of previously charged-off loans and foreclosed assets remained strong amounting to Ps 26,163 million.

3.3 FEES AND INCOME FROM SERVICES

Contributions to income from the various sources of fee generation continued to demonstrate a positive trend. Net fees and income from services amounted to Ps 206,119 million, decreasing 3.1% over the quarter, but increasing 20.1% as compared to Ps 171,674 million pro forma results for the first quarter of 2005.

BANCOLOMBIA's accumulated unconsolidated credit card billing increased 22.3% during the year, resulting in a 21.5% market share of the Colombian credit card business. In addition, the Bank's number of outstanding credit cards increased 13.1%, resulting in a 15.7% market share.

ACCUMULATED CREDIT CARD BILLING

(Millons of pesos as of March 31, 2006)	March-05 Pro Forma	March-06	% Growth	2006 Market Share
-----	-----	-----	-----	-----
Bancolombia VISA	186,157	240,267	29.07%	6.94%
Bancolombia Mastercard	308,044	363,009	17.84%	10.49%
Bancolombia American Express	112,758	139,165	23.42%	4.02%

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TOTAL BANCOLOMBIA	606,959	742,442	22.32%	21.46%
	-----	-----	-----	
Colombian credit card market	2,621,675	3,459,600	31.96%	
	-----	-----	-----	

Source: Credibanco, American Express and Red Multicolor

CREDIT CARD MARKET SHARE

	March-05 Pro Forma	March-06	%	2006 Market Share
Outstanding credit cards as of March 31, 2006	-----	-----	-----	-----
Bancolombia VISA	163,726	195,719	19.54%	5.41%
Bancolombia Mastercard	248,456	261,335	5.18%	7.22%
Bancolombia American Express	89,218	110,242	23.56%	3.05%
TOTAL BANCOLOMBIA	501,400	567,296	13.14%	15.68%
	-----	-----	-----	
Colombian credit card market	2,897,413	3,618,893	24.90%	
	-----	-----	-----	

Source: Credibanco, American Express and Red Multicolor.

3.4 OTHER OPERATING INCOME

Other operating income totaled Ps 84,938 million during the first quarter of 2006, increasing over the quarter due to non-recurring events. First, the Bank sold through the Colombian stock exchange a part of the stake it held in Corfinversiones (now Compania de Suramericana de Inversiones S.A.) which was received from the spin-off of Corfinsura S.A.. Since Colombian regulations do not allow banks to have equity investments in non-financial companies, the Superintendency of Finance gave BANCOLOMBIA a term of two years to sell these holdings. Second, dividend payments mainly from Proteccion S.A., Concesiones CCFC and Titularizadora Colombiana, amounted to Ps 19,620 million.

7

(BANCOLOMBIA LOGO)

1Q06

Third, due to the sale of Abocol S.A., by our investment banking company Colcorp S.A. previously disclosed on January 2, 2006, the revenues from commercial subsidiaries are not comparable.

3.5 OPERATING EXPENSES

Total operating expenses increased 12.7% during the quarter to Ps 408,585 million, which represents a 4.2% increase on an accumulated year-over-year basis.

BANCOLOMBIA improved its efficiency ratios. When compared the first quarter

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of 2005 to the same period of 2006, operating expenses to net operating income went from 59.2% to 55.9% and operating expenses over average total assets went from 6.2% to 5.4%.

PRINCIPAL RATIOS

	1Q 05 PRO FORMA -----	QUARTER 4Q 05 -----	1Q 06 -----
PROFITABILITY			
Net interest margin (1)	7.13%	7.80%	6.73%
Return on average total assets (2)	2.71%	3.50%	2.78%
Return on average shareholders' equity (3)	28.00%	31.76%	25.11%
EFFICIENCY			
Operating expenses to net operating income (4)	59.24%	51.62%	55.91%
Operating expenses to average total assets (4)	6.15%	5.12%	5.44%
CAPITAL ADEQUACY			
Shareholders' equity to total assets	9.35%	10.96%	10.33%
Technical capital to risk weighted assets	12.24%	10.93%	12.66%

- (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)

1Q06

CONSOLIDATED BALANCE SHEET

	MAR-05 PRO FORMA -----	AS OF ----- DEC-05 -----	MAR-06 -----	GROWTH ----- LAST QUARTER -----	ANN -----
ASSETS					
Cash and due from banks	1,199,816	1,241,435	1,432,090	15.36%	19
Overnight funds sold	727,442	488,587	257,964	-47.20%	-64
TOTAL CASH AND EQUIVALENTS	1,927,258	1,730,022	1,690,054	-2.31%	-12
DEBT SECURITIES					
	7,275,699	8,264,885	8,131,968	-1.61%	11

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Trading	4,383,561	5,400,950	5,393,302	-0.14%	23
Available for Sale	2,006,927	1,842,556	1,749,010	-5.08%	-12
Held to Maturity	885,211	1,021,379	989,656	-3.11%	11
EQUITY SECURITIES	256,596	268,286	256,589	-4.36%	0
Trading	84,824	50,805	56,378	10.97%	-33
Available for Sale	171,772	217,481	200,211	-7.94%	16
Market value allowance	(70,348)	(73,468)	(73,409)	-0.08%	4
NET INVESTMENT SECURITIES	7,461,947	8,459,703	8,315,148	-1.71%	11
Commercial loans	11,540,694	11,949,501	12,062,241	0.94%	4
Consumer loans	1,992,627	2,437,727	2,547,051	4.48%	27
Small business loans	91,448	115,031	113,980	-0.91%	24
Mortgage loans	1,425,722	1,463,437	1,530,291	4.57%	7
Finance lease	2,255,227	2,660,556	2,850,547	7.14%	26
Allowance for loan losses	(674,233)	(705,882)	(738,700)	4.65%	9
NET TOTAL LOANS AND FINANCIAL LEASES	16,631,485	17,920,370	18,365,410	2.48%	10
Accrued interest receivable on loans	189,465	206,921	199,623	-3.53%	5
Allowance for accrued interest losses	(14,555)	(8,655)	(9,526)	10.06%	-34
NET TOTAL INTEREST ACCRUED	174,910	198,266	190,097	-4.12%	8
Customers' acceptances and derivatives	65,529	133,420	104,372	-21.77%	59
Net accounts receivable	286,620	590,313	395,484	-33.00%	37
Net premises and equipment	499,710	623,729	645,915	3.56%	29
Foreclosed assets, net	72,767	31,360	26,663	-14.98%	-63
Prepaid expenses and deferred charges	58,975	26,898	34,404	27.91%	-41
Goodwill	67,945	50,959	45,297	-11.11%	-33
Operating leases, net	141,144	143,974	157,761	9.58%	11
Other	430,916	563,588	648,030	14.98%	50
Reappraisal of assets	385,781	330,915	346,328	4.66%	-10
TOTAL ASSETS	28,204,987	30,803,517	30,964,963	0.52%	9
LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
DEPOSITS					
NON-INTEREST BEARING	2,509,700	3,530,279	3,229,036	-8.53%	28
Checking accounts	2,255,106	3,171,182	2,758,182	-13.02%	22
Other	254,594	359,097	470,854	31.12%	84
INTEREST BEARING	14,903,522	14,854,703	15,114,402	1.75%	1
Checking accounts	937,442	1,068,409	1,152,790	7.90%	22
Time deposits	6,977,348	6,259,800	6,739,068	7.66%	-3
Savings deposits	6,988,732	7,526,494	7,222,544	-4.04%	3
TOTAL DEPOSITS	17,413,222	18,384,982	18,343,438	-0.23%	5
Overnight funds	734,866	1,329,913	1,650,203	24.08%	124
Bank acceptances outstanding	54,391	63,126	40,990	-35.07%	-24
Interbank borrowings	1,281,945	1,705,468	1,810,035	6.13%	41
Borrowings from domestic development banks	2,391,042	2,222,083	2,407,828	8.36%	0
Accounts payable	1,131,652	1,250,084	1,021,597	-18.28%	-9
Accrued interest payable	184,660	182,292	205,177	12.55%	11
Other liabilities	284,442	459,968	465,855	1.28%	63
Bonds	1,773,197	1,648,312	1,477,542	-10.36%	-16
Accrued expenses	262,873	130,859	292,622	123.62%	11
Minority interest in consolidated subsidiaries	55,148	49,140	50,350	2.46%	-8
TOTAL LIABILITIES	25,567,438	27,426,227	27,765,637	1.24%	8
SHAREHOLDERS' EQUITY					
SUBSCRIBED AND PAID IN CAPITAL	364,330	363,914	363,914	0.00%	-0

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RETAINED EARNINGS	1,613,055	2,362,711	2,215,130	-6.25%	37
Appropriated	1,435,513	1,415,830	2,001,028	41.33%	39
Unappropriated	177,542	946,881	214,102	-77.39%	20
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REAPPRAISAL AND OTHERS	617,382	592,083	569,793	-3.76%	-7
GROSS UNREALIZED GAIN OR LOSS ON DEBT SECURITIES	42,782	58,582	50,489	-13.81%	18
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TOTAL SHAREHOLDER'S EQUITY	2,637,549	3,377,290	3,199,326	-5.27%	21
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9

(BANCOLOMBIA LOGO)

1Q06

CONSOLIDATED INCOME STATEMENT

(Ps Millions)	1Q 05 PRO FORMA	QUARTER 4Q 05	1Q 06	----- 1Q 06/4Q
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INTEREST INCOME AND EXPENSES				
Interest on loans	484,510	533,504	519,316	-2.6
Interest on investment securities	150,118	169,396	135,379	-20.0
Overnight funds	6,050	8,845	9,015	1.9
Leasing	67,084	82,223	84,195	2.4
TOTAL INTEREST INCOME	707,762	793,968	747,905	-5.8
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Interest expense				
Checking accounts	4,614	6,153	7,098	15.3
Time deposits	116,058	103,521	106,016	2.4
Savings deposits	57,943	62,606	55,277	-11.7
TOTAL INTEREST ON DEPOSITS	178,615	172,280	168,391	-2.2
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Interbank borrowings	10,768	21,103	28,085	33.0
Borrowings from domestic development banks	41,543	38,810	40,857	5.2
Overnight funds	14,568	18,673	20,835	11.5
Bonds	45,209	36,128	31,593	-12.5
TOTAL INTEREST EXPENSE	290,703	286,994	289,761	0.9
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NET INTEREST INCOME	417,059	506,974	458,144	-9.6
Provision for loan and accrued interest losses, net	(33,628)	(43,848)	(64,205)	46.4
Recovery of charged-off loans	11,882	15,226	16,747	9.9
Provision for foreclosed assets and other assets	(10,585)	(19,733)	(12,636)	-35.9
Recovery of provisions for foreclosed assets and other assets	4,714	25,949	9,416	-63.7
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TOTAL NET PROVISIONS	(27,617)	(22,406)	(50,678)	126.1
NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES	389,442	484,568	407,466	-15.9
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Commissions from banking services and other services	17,993	39,692	27,963	-29.5

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Electronic services and ATM fees	24,186	22,528	20,725	-8.0
Branch network services	11,008	13,341	12,833	-3.8
Collections and payments fees	13,127	14,987	15,164	1.1
Credit card merchant fees	425	2,689	2,235	-16.8
Credit and debit card annual fees	53,106	52,639	59,248	12.5
Checking fees	12,913	13,960	14,696	5.2
Warehouse services	14,749	20,449	17,981	-12.0
Fiduciary activities	14,107	14,803	15,595	5.3
Brokerage fees	14,083	15,478	23,383	51.0
Check remittance	2,426	2,856	2,852	-0.1
International operations	6,622	8,844	6,836	-22.7
FEES AND OTHER SERVICE INCOME	184,745	222,266	219,511	-1.2
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Fees and other service expenses	(13,071)	(9,489)	(13,392)	41.1
TOTAL FEES AND INCOME FROM SERVICES, NET	171,674	212,777	206,119	-3.1
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OTHER OPERATING INCOME				
Net foreign exchange gains	(18,481)	24,303	11,269	-53.6
Forward contracts in foreign currency	37,661	4,442	4,337	-2.3
Gains on sales of investments on equity securities	80	7,698	34,121	343.2
Dividend income	38,794	1,536	19,620	1177.3
Revenues from commercial subsidiaries	28,784	(31,853)	13,245	141.5
Communication, postage, rent and others	4,084	1,757	2,346	33.5
TOTAL OTHER OPERATING INCOME	90,922	7,883	84,938	977.4
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TOTAL INCOME	652,038	705,228	698,523	-0.9
OPERATING EXPENSES				
Salaries and employee benefits	148,722	155,125	163,778	5.5
Bonus plan payments	6,320	5,572	8,227	47.6
Compensation	2,242	1,157	716	-38.1
Administrative and other expenses	193,974	165,083	198,526	20.2
Deposit security, net	13,625	13,042	15,682	20.2
Donation expenses	108	82	58	-29.2
Depreciation	26,866	22,401	21,598	-3.5
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TOTAL OPERATING EXPENSES	391,857	362,462	408,585	12.7
NET OPERATING INCOME	260,181	342,766	289,938	-15.4
Merger expenses	5,123	7,467	4,664	-37.5
Goodwill amortization Banco de Colombia	5,662	5,662	5,662	0.0
NON-OPERATING INCOME (EXPENSE)				
Other income	13,914	59,448	20,461	-65.5
Minority interest	(1,821)	(1,978)	(2,761)	39.5
Other expense	(13,427)	(37,464)	(15,431)	-58.8
TOTAL NON-OPERATING INCOME	(1,334)	20,006	2,269	-88.6
INCOME BEFORE INCOME TAXES	248,062	349,643	281,881	-19.3
Income tax expense	(70,520)	(93,065)	(67,779)	-27.1
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NET INCOME	177,542	256,578	214,102	-16.5
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