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BANCOLOMBIA SA
Form 6-K
August 04, 2003

CONFORMED COPY

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 6-K

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

For the month of August 2003

BANCOLOMBIA S.A.

(Translation of Registrant's name into English)

Calle 50 No. 51-66
Medellin, Colombia

(Address of principal executive offices)

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

Form 20-F X

Form 40-F -----

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

Yes -----

No X

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

This Report on Form 6-K shall be incorporated by reference into the registrant's registration statement on Form F-3 (File No. 333-12658).

SIGNATURE

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

BANCOLOMBIA S.A.
(Registrant)

Date: August 4, 2003

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

[BANCOLOMBIA LOGO]

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2003

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

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET (Ps millions)

	QUARTER		
	1Q 03	2Q 03	GROWTH 2Q03/
ASSETS			
Loans, net	5,957,858	6,454,094	8.3
Investment Securities, net	4,378,120	4,152,619	-5.1
Other assets	2,556,518	3,190,868	24.8
TOTAL ASSETS	12,892,496	13,797,581	7.0
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits	9,184,624	9,594,710	4.4
Other liabilities	2,423,317	2,722,686	12.3
TOTAL LIABILITIES	11,607,941	12,317,396	6.1
Shareholders' equity	1,284,555	1,480,185	15.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,892,496	13,797,581	7.0
Income Statement			
Interest income	336,608	393,039	16.7
Interest expense	107,926	114,087	5.7
NET INTEREST INCOME	228,682	278,952	21.9
Net provisions	(59,400)	(61,425)	3.4
Other operating income	117,913	123,092	4.3
Other operating expense	(193,194)	(195,297)	1.0
Non-operating income, net	824	(5,863)	-811.5
Income tax expense	(12,972)	(16,680)	28.5
NET INCOME	81,853	122,779	50.0

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(1) The financial information contained herein includes the consolidated results of all BANCOLOMBIA's subsidiaries in which it holds, directly or indirectly, 50% or more of the outstanding voting shares. For this reason, the financial information contained herein is not comparable to BANCOLOMBIA's consolidated results (with its financial subsidiaries) previously released. The information contained in this release has been prepared in accordance with Colombian GAAP, expressed in nominal pesos, and has not been audited. All growth rates mentioned herein are not adjusted for inflation. Unless otherwise specified, in this press release "BANCOLOMBIA" or "the Bank" refers to the financial results of BANCOLOMBIA S.A and its consolidated subsidiaries.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This release contains statements that may be considered forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. All forward-looking statements, whether made in this release or in future filings or press releases or orally, address matters that involve risks and uncertainties; consequently, there are or will be factors, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptances of new products or services by our targeted customers, changes in business strategy and various others factors, that could cause actual results to differ materially from those indicated in such statements. We do not intend, and do not assume any obligation, to update these forward-looking statements.

Exchange rate:	June 30, 2003	TRM COP 2,826.95/USD	Average exchange rate June
	March 31, 2003	TRM COP 2,959.01/USD	Average exchange rate Marco

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1. HIGHLIGHTS:

- BANCOLOMBIA's net income amounted to Ps 122.8 billion, or US\$ 0.301 per ADS, during the quarter ended June 30, 2003, as compared to a net income of Ps 81.9 million, or US\$ 0.192 per ADS, for the quarter ended March 31, 2003.
- Net interest margin increased quarter over quarter to 9.9% from 8.3%. This increase was the result of higher income from interest on loans and on investment securities. Net interest income increased almost 22% quarter over quarter.
- BANCOLOMBIA's total net provisions increased slightly from Ps (59.4) billion to Ps (61.4) billion quarter over quarter, as a result of higher provisions for foreclosed assets and other assets.
- During the quarter ended June 30, 2003, the Bank's gross loans increased 7.2% quarter over quarter from Ps 6,317.9 billion to Ps 6,771.4 billion.
- BANCOLOMBIA's shareholders' equity increased 15.2% during the quarter ended June 30, 2003.

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- BANCOLOMBIA's ratio of past due loans to total loans for the quarter ended June 30, 2003 decreased to 1.8% compared to 2.7% for the quarter ended March 31, 2003 and allowances for past due loans for the quarter ended June 30, 2003 increased to 264.9% compared to 226.8%, for the previous quarter.
- The annualized ROAE (Return on average shareholders' equity) and ROAA (Return on average total assets) for the second quarter of 2003 were 36.6% and 3.8%, respectively.

2. CONSOLIDATED BALANCE SHEET

2.1 ASSETS

BANCOLOMBIA's total assets increased 7% over the quarter to Ps 13,798 billion as of June 30, 2003 from Ps 12,892 billion as of March 31, 2003. The increase in total assets was primarily due to higher volume of overnight funds sold and a larger loan portfolio.

2.1.1 LOAN PORTFOLIO

BANCOLOMBIA's gross loans totaled Ps 6,771 billion as of June 30, 2003, an increase of 7.2% from Ps 6,318 billion as of March 31, 2003. Total corporate loans increased 7.5% during the second quarter of 2003 from Ps 4,274 billion as of March 31, 2003, to Ps 4,594 billion as of June 30, 2003. This increase resulted from working capital loans and trade financing which grew 7.7% and 14%, respectively. Total retail loans increased 6.5% during the same period from Ps 2,005 billion as of March 31, 2003 to Ps 2,137 billion as of June 30, 2003, with working capital loans, personal loans, and credit cards, increasing the most.

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In addition, net lease increased 8.4% from Ps 405 billion to Ps 439 billion quarter over quarter.

LOAN PORTFOLIO (Ps millions)	30-JUN-02 -----	AS OF 31-MAR-03 -----	30-JUN-03 -----	2003 -----
CORPORATE				
Working capital loans	2,864,589	3,702,986	3,987,546	
Loans funded by				
domestic development banks	291,281	382,035	384,138	
Trade Financing	124,384	138,357	157,682	1
Overdrafts	32,848	43,750	58,123	3
Credit Cards	3,649	6,632	6,813	
	-----	-----	-----	-----
TOTAL CORPORATE	3,316,751	4,273,760	4,594,302	=====
	=====	=====	=====	=====
RETAIL				

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Working capital loans	920,758	722,657	775,193
Personal loans	463,985	586,251	621,117
Loans funded by			
domestic development banks	208,980	294,363	307,304
Credit Cards	227,531	267,578	288,823
Overdrafts	127,138	98,241	106,965
Automobile loans	16,494	24,884	25,898
Trade Financing	45,886	11,431	11,346
	-----	-----	-----
TOTAL RETAIL	2,010,772	2,005,405	2,136,646
	=====	=====	=====
MORTGAGE	34,302	38,769	40,499
	=====	=====	=====
TOTAL LOANS	5,361,825	6,317,934	6,771,447
ALLOWANCE FOR LOAN LOSSES	(302,958)	(360,076)	(317,353)
	-----	-----	-----
TOTAL LOANS, NET	5,058,867	5,957,858	6,454,094
	=====	=====	=====

2.1.2 ASSET QUALITY

As of June 30, 2003 the Bank's past due loans as a percentage of total loans were 1.8% as compared to 2.7% as of March 31, 2003. During the second quarter, BANCOLOMBIA had loan charge offs of Ps 89,591 million.

LOAN CLASSIFICATION (Ps millions)	AS OF 30-JUN-02		AS OF 31-MAR-03	
	-----	-----	-----	-----
"A" Normal	4,341,491	81.0%	5,292,633	83.8%
"B" Subnormal	491,043	9.2%	330,417	5.2%
"C" Deficient	127,278	2.4%	229,841	3.7%
"D" Doubtful recovery	281,485	5.2%	254,910	4.0%
"E" Unrecoverable	120,528	2.2%	210,133	3.3%
TOTAL	5,361,825	100%	6,317,934	100%
	-----	----	-----	----
LOANS CLASSIFIED AS C, D AND E AS A PERCENTAGE OF TOTAL LOANS	9.9%		11.0%	
	====		====	

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ASSET QUALITY (Ps millions)	30-JUN-02	AS OF 31-MAR-03	30-JUN-03
	-----	-----	-----
Total performing past due loans	75,734	41,071	48,713
Total non-performing past due loans (1)	197,063	127,688	73,315
Total past due loans	272,797	168,759	122,028
Allowance for loans and accrued interest losses	326,001	382,757	323,260

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Past due loans to total loans	5.09%	2.67%	1.80%
Non-performing loans to total loans	3.68%	2.02%	1.08%
C, D, and E loans to total loans	9.87%	11.00%	6.47%
Allowances to past due loans (2)	119.50%	226.81%	264.91%
Allowances to C, D, and E loans (2)	61.59%	55.08%	73.81%
Allowances to non-performing loans (2)	165.43%	299.76%	440.92%
Allowances to total loans	6.08%	6.06%	4.77%
Performing loans to total loans	96.32%	97.98%	98.92%

(1) Before January 1, 2002, non-performing loans included commercial and consumer loans that were past due 90 days or more, and mortgage loans that were past due 120 days or more. Since January 1, 2002, non-performing loans comprise consumer loans that are past due 60 days or more, commercial loans that are past due 90 days or more, and mortgage loans that are past due 120 days or more.

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

2.2 LIABILITIES

Total deposits increased 4.5% over the quarter, from Ps 9,185 billion as of March 31, 2003, to Ps 9,595 billion as of June 30, 2003. During the second quarter of 2003, BANCOLOMBIA's interest-bearing deposits increased 5.8% driven by higher checking accounts and time deposits in BANCOLOMBIA Panama.

2.3 SHAREHOLDERS' EQUITY

BANCOLOMBIA's shareholders' equity totaled Ps 1,480 billion during the second quarter. As of June 30, 2003, the Bank's consolidated ratio of technical capital to risk-weighted assets was 12.5%. Unrealized gains on investment debt securities totaled Ps 128 billion as of June 30, 2003, up 17% from Ps 109.4 billion as of March 31, 2003.

TECHNICAL EQUITY RISK WEIGHTED ASSETS Consolidated (Ps millions)	30-JUN-02	AS OF 31-MAR-03	30-JUN-03
	-----	-----	-----
Basic capital	762,832	850,820	969,178
Additional capital	225,995	247,857	275,264
Technical capital (1)	988,827	1,098,677	1,244,442
Risk weighted assets	8,966,749	9,178,035	9,928,616
	-----	-----	-----
CAPITAL ADEQUACY (2)	11.03%	11.97%	12.53%
	=====	=====	=====

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

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

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3. INCOME STATEMENT

BANCOLOMBIA's net income amounted to Ps 122.8 billion during the quarter ended June 30, 2003, as compared to net income of Ps 81.9 billion for the quarter ended March 31, 2003. This increase during the second quarter of 2003 was mainly due to an increase in net interest income and other operating income.

3.1 NET INTEREST INCOME

Net interest income increased 22% to Ps 279 billion for the quarter ended June 30, 2003, compared to Ps 228.7 billion for the quarter ended March 31, 2003. Total interest income increased 16.8% over the quarter as a result of higher interest on loans and on investment securities, which increased 12.7% and 22.4%, respectively. Interest on loans totaled Ps 211 billion during the second quarter of 2003 due to higher volume of the loan portfolio. Additionally, the increase in interest on investment securities was driven by gains on sales of investment portfolio and higher valuation.

3.2 PROVISIONS

Total net provisions for the second quarter of 2003 amounted to Ps 61.4 billion, which includes provisions for foreclosed assets and other assets for Ps 33 billion.

3.3 FEES AND INCOME FROM SERVICES

Total fees and income from services totaled Ps 81.2 billion during the second quarter of 2003, higher than the Ps 80.4 billion for the quarter ended March 31, 2003, with checking fees, commissions and fees from fiduciary activities and warehouses services increasing the most. The Bank has begun accounting for expenses related to the "Virtual Branch" and the "Telephone Branch" as fees and other services expenses; they were formerly classified as administrative and other expenses.

BANCOLOMBIA's accumulated unconsolidated credit card billing increased 30% over the twelve-months ended June 30, 2003, resulting in a 17% market share of the Colombian credit card business (Source: Credibanco, American Express and Red Multicolor) .

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ACCUMULATED CREDIT CARD BILLING (As of June 30, in Ps million)	2002	2003	%	2003
	-----	-----	Growth	Mkt. Share
			-----	-----
Bancolombia Mastercard	332,871	363,633	9.2%	9.8%
Bancolombia VISA	155,716	176,322	13.2%	4.7%
Bancolombia American Express	--	94,443	--	2.5%
Total Bancolombia	488,587	634,398	29.8%	17.0%
	-----	-----	----	-----
Colombian credit card industry	3,050,605	3,723,348	22.1%	100.0%
	-----	-----	----	-----

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Source: Credibanco, American Express and Red Multicolor

CREDIT CARD MARKET SHARE			%	2003
Number of credit cards as of June 30,	2002	2003	Growth	Mkt. Share
	-----	-----	-----	-----
Bancolombia Mastercard	158,329	156,763	-1.0%	6.7%
Bancolombia VISA	94,335	102,598	8.8%	4.4%
Bancolombia American Express	--	42,682	--	1.8%
Total Bancolombia	252,664	302,043	19.5%	13.0%
	-----	-----	-----	-----
Colombian credit card industry	2,097,537	2,330,949	11.1%	100.0%
	-----	-----	-----	-----

Source: Credibanco, American Express and Red Multicolor.

3.4 OPERATING EXPENSES

Operating expenses increased 1.1% quarter over quarter totaling Ps 189.6 billion during the quarter ended June 30, 2003. Administrative and other expenses decreased as a result of the reclassification of certain expenses related to fees and other services mentioned in section 3.3, above.

Salaries and employee benefits increased as a result of the payment and the provision of the "Economic Value Added (EVA)" bonus system for the current 6-month period. BANCOLOMBIA's efficiency ratio reached 48.6% for the quarter ended June 30, 2003, improving from 55.7% for the quarter ended March 31, 2003.

3.5 OTHER OPERATING INCOME

During the quarter, total other operating income increased 11.6% as a result of higher income from BANCOLOMBIA's foreign exchange business (spot and forward contracts) which amounted to Ps 17,465 million during the quarter ended June 30, 2003, an increase of higher 75.3% when compared to Ps 9,963 million during the quarter ended March 31, 2003.

In addition, revenues from commercial subsidiaries increased 45.6% from Ps 14,700 million to Ps 21,403 million quarter over quarter. This growth can be mostly attributed to positive results at Valores Simesa and Abocol.

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4. SUBSIDIARIES

Since our previous quarterly earnings release, BANCOLOMBIA's quarterly financial information includes the consolidated results of all of BANCOLOMBIA's subsidiaries in which it holds, directly or indirectly, 50% or more of the outstanding voting shares.

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ENTITY -----	LOCATION -----	BUSINESS -----	PARTICIPATION -----
Almacenes Generales de Deposito Mercantil S.A. ALMACENAR	Colombia	Warehousing	98.25%
Fiducolombia S.A.	Colombia	Trust	96.16%
Bancolombia Panama S.A.	Panama	Banking	100%
Bancolombia Cayman S.A.	Cayman Islands	Banking	100%
Leasing Colombia S.A.	Colombia	Leasing	99.98%
Colcorp S.A. Corporacion Financiera	Colombia	Finance	100%
Comisionista de Colombia S.A.	Colombia	Securities Brokerage	99.99%
Abocol S.A.	Colombia	Chemical	92.30%
Valores Simesa S.A	Colombia	Various commercial investments	71.75%
Inmobiliaria Bancol S.A.	Colombia	Real estate broker	98.95%
Fundicom S.A.	Colombia	Metals engineering	79.86%
Todo UNO Colombia	Colombia	e-commerce	53.92%
Unicargo de Colombia S.A.	Colombia	Freight service	98.35%
C.T.I. Cargo S.A.	Colombia	Freight service	93.32%
Sistema de Inversiones y Negocios S.A.	Panama	Commercial entity	100%
Sinesa Holding Company	British Virgin Is	Holding	100%
Future Net Inc.	Panama	e-commerce	60.02%
Compania Metalurgica Colombiana S.A COMECOL (1)	Colombia	Metals engineering	39.65%
Sociedad Portuaria Mamonal S.A	Colombia	Customs office	92.68%
Abocol Costa Rica S.A	Costa Rica	Chemical products commercial	92.41%
Fertilanos Ltda.	Colombia	Chemical Products commercial	55.38%

(1) Controlled through other subsidiaries

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BANCOLOMBIA PANAMA AND ITS SUBSIDIARIES

The following table is expressed in US dollars.

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

	QUARTER	
	1Q 03	2Q 03
Loans, net	285,523,452	447,024,394
Investment securities, net	492,197,901	449,454,713
Overnight funds sold	165,217,423	273,593,548
Leases, net	47,455,437	46,991,662
Other assets	14,975,664	23,036,134

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TOTAL ASSETS	1,005,369,877	1,240,100,451
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits	880,564,141	1,091,549,246
Other liabilities	15,984,225	13,305,732
TOTAL LIABILITIES	896,548,366	1,104,854,978
Shareholders' equity	108,821,511	135,245,473
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,005,369,877	1,240,100,451
Interest income	23,046,910	21,778,032
Interest expense	(5,608,946)	(5,547,066)
NET INTEREST INCOME	17,437,964	16,230,966
Net provisions	(7,391,020)	(4,973,281)
Other operating income	(1,542,934)	1,245,421
Other operating expense	(847,877)	(816,593)
NET INCOME	7,656,133	11,686,513

BANCOLOMBIA Panama had a very dynamic quarter with total deposits increasing 24% from US\$881 million as of March 31, 2003, to US\$1,092 million as of June 30, 2003. This increase was driven by checking accounts and time deposits, which grew 26.8% and 24.2%, respectively. At the same time, BANCOLOMBIA Panama's total assets increased 23.4% over the quarter to US\$1,240 million as of June 30, 2003 from US\$1,005 million as of March 31, 2003. This increase was the result of higher loan portfolio and overnight funds, which increased 56.6% and 65.6%, respectively. The increase in overnight funds was a result of the dynamic in short-term deposits and lower volume in investment securities.

BANCOLOMBIA Panama's shareholders' equity increased 24.3% over the quarter from US\$109 million as of March 31, 2003, to US\$135 billion as of June 30, 2003. Unrealized gains on investment securities totaled US\$33 million as of June 30, 2003, up 3.9% from US\$31.8 as of March 31, 2003.

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BANCOLOMBIA Panama reported net income of US\$ 11.7 million during the quarter ended June 30, 2003 as compared to a net income of US\$ 7.7 million for the quarter ended March 31, 2003, mainly due to lower provisions.

5. CREDIT RISK REPORT

To generate competitive edges through integrated risk management, for over a year, BANCOLOMBIA has been redefining the focus of its Credit Risk Management System (SARC), not only by aligning it to the recommendations made by the Basilea Committee and the recent requirements of the Superintendency of Banking (SB), but also focused on taking advantage of it as a management tool.

Said process implied the reconstruction of historical data, the creation

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of information data repositories, and the development of careful test processes and Audits. Additionally, a statistical method was developed to calculate expected losses, including performance models, which allows the Bank today to have an expected loss for different segments and sub-segments (which is not only in the test process to meet the requirements of Phase III of the SARC of the SB but is also beginning to be used by the Bank's commercial processes).

The expected loss method is used, among others, for pricing, aiding the development of a price scheme based on risk. The Bank is also using the expected loss method to analyze business cases and to determine the future profitability of commercial incentives. Likewise, it is one of the pillars on which the added-value measurement system developed by the Bank is built upon.

Finally, the Bank's high management may used the expected loss method to define limits in order to optimize loan portfolio management. Moreover, a follow-up method has been developed to enable monitoring the aforementioned and generate early alerts

6. RATINGS, ACKNOWLEDGMENTS AND EVENTS

- Leasing Colombia was rated by the risk-rating firm BRC Investor Services S.A., AA+ for long term debt and BRC1 for short-term obligations.
- BANCOLOMBIA was acknowledged in June 2003 as the best bank for Internet services in Colombia by the magazine Global Finance for the second consecutive year.
- In late May, Comisionista de Colombia, began managing the Interrenta Vista Fund and Interrenta 30 Fund for 1,200 clients.
- BRC Investor Services S.A., upgraded the rating of the "FIDUCUENTA" fund (FIDUCOLOMBIA fund) from AA+ to AAA. Additionally, the risk-rating firm, ratified the AAA rate for FIDUCOLOMBIA funds: "FIDUDIVISAS" and "FIDUNACION".

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PRINCIPAL RATIOS

	QUARTERS		
	2Q 02	1Q 03	2Q 03
	-----	-----	-----
PROFITABILITY			
Net interest margin (1)	7.44%	8.33%	9.92%
Return on average total assets (2)	1.37%	2.57%	3.77%
Return on average shareholders' equity (3)	14.84%	25.60%	36.63%
EFFICIENCY			
Operating expenses to net operating income (4)	65.06%	55.74%	48.58%
Operating expenses to average total assets (4)	6.67%	6.07%	6.00%

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CAPITAL ADEQUACY

Shareholders' equity to total assets	9.26%	9.96%	10.73%
Technical capital to risk weighted assets	11.03%	11.97%	12.53%

- (1) Defined as Net Interest Income divided by monthly average interest-earning assets.
- (2) Net income divided by monthly average total assets.
- (3) Net income divided by monthly average shareholders' equity.
- (4) Operating income includes net interest income, total fees and income from services, and total other operating income. The efficiency ratios contained herein are not comparable to those previously released by BANCOLOMBIA because merger expenses have been included as operating expenses.

STOCK INDICATORS

	QUARTERS		
	2Q 02	1Q 03	2Q 03
Net Income (Ps millions)	36,361	81,853	122,779
USD Earnings per ADS	0.107	0.192	0.301
ROAA	1.37%	2.57%	3.77%
ROAE	14.84%	25.60%	36.63%
P/BV ADS (1)	0.81	0.91	1.36
P/BV Local (2) (3)	0.99	1.03	1.36
Shares Outstanding	576,695,395	576,695,395	576,695,395

- (1) Defined as ADS price divided by ADS book value.
- (2) Defined as Share price divided by share book value.
- (3) Share prices on the Colombian Stock Exchange

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CONSOLIDATED BALANCE SHEET

(Ps millions)	AS OF		
	30-JUN-02	31-MAR-03	30-JUN-03
ASSETS			
Cash and due from banks	407,146	514,897	691,300
Overnight funds sold	181,103	455,176	833,600
TOTAL CASH AND EQUIVALENTS	588,249	970,073	1,524,900

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DEBT SECURITIES	3,621,622	4,160,656	4,002,5
Trading	3,619,635	1,594,013	1,413,9
Available for Sale	--	1,928,535	1,835,4
Held to Maturity	1,987	638,108	753,1
EQUITY SECURITIES	251,948	300,247	243,2
Trading	251,948	80,605	18,5
Available for Sale	--	219,642	224,7
Market value allowance	(45,634)	(82,783)	(93,2)
NET INVESTMENT SECURITIES	3,827,936	4,378,120	4,152,6
Gross Loans	5,361,825	6,317,934	6,771,4
Allowance for loan losses	(302,958)	(360,076)	(317,3)
NET TOTAL LOANS	5,058,867	5,957,858	6,454,0
Accrued interest receivable on loans	98,634	93,702	93,9
Allowance for accrued interest losses	(23,043)	(22,681)	(5,9)
NET TOTAL INTEREST ACCRUED	75,591	71,021	88,0
Customers' acceptances and derivatives	6,105	14,641	75,2
Net accounts receivable	86,498	128,832	127,3
Net premises and equipment	265,142	326,007	317,0
Foreclosed assets	53,388	43,710	39,0
Prepaid expenses and deferred charges	52,495	53,045	36,6
Good will	130,228	113,242	107,5
Net lease	280,374	404,820	438,9
Other	204,054	176,539	166,9
Reappraisal of assets	248,129	254,588	268,9
TOTAL ASSETS	10,877,056	12,892,496	13,797,5
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
DEPOSITS			
NON-INTEREST BEARING	1,440,617	1,767,314	1,751,0
Checking accounts	1,364,139	1,603,879	1,605,3
Other	76,478	163,435	145,7
INTEREST BEARING	6,512,662	7,417,310	7,843,6
Checking accounts	591,768	896,113	1,131,3
Time deposits	3,803,800	3,963,257	4,225,1
Savings deposits	2,117,094	2,557,940	2,487,0
TOTAL DEPOSITS	7,953,279	9,184,624	9,594,7
Overnight funds	310,090	588,942	965,1
Bank acceptances outstanding	24,008	33,034	31,7
Interbank borrowings	394,396	300,010	179,5
Borrowings from domestic development banks	487,309	608,256	634,2
Accounts payable	387,013	521,454	541,5
Other liabilities	114,290	155,212	131,1
Bonds	5,077	62,742	62,7
Accrued expenses	132,937	107,547	131,8
Minority interest in consolidated subsidiaries	61,375	46,120	44,5
TOTAL LIABILITIES	9,869,774	11,607,941	12,317,3
Shareholders' equity	1,007,282	1,284,555	1,480,1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,877,056	12,892,496	13,797,5

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[BANCOLOMBIA LOGO]

CONSOLIDATED INCOME STATEMENT (Ps Millions)	AS OF		QUARTER		
	JUN-02	JUN-03	2Q 02	1Q 03	2Q
INTEREST INCOME AND EXPENSES					
Interest on loans	373,161	398,258	181,734	187,260	210,
Interest on investment securities	169,622	297,534	95,942	133,800	163,
Overnight funds sold	5,206	8,708	2,086	3,547	5,
Leasing	19,268	25,147	9,756	12,001	13,
TOTAL INTEREST INCOME	567,257	729,647	289,518	336,608	393,
Interest expense					
Checking accounts	6,189	6,020	3,044	2,946	3,
Time deposits	146,119	112,594	70,599	55,094	57,
Savings deposits	54,461	57,199	27,556	27,293	29,
TOTAL INTEREST ON DEPOSITS	206,769	175,813	101,199	85,333	90,
Interbank borrowings	4,904	2,375	1,665	1,684	
Borrowings from domestic development banks	23,644	27,485	12,984	13,333	14,
Overnight funds	14,054	16,340	5,598	7,576	8,
TOTAL INTEREST EXPENSE	249,371	222,013	121,446	107,926	114,
NET INTEREST INCOME	317,886	507,634	168,072	228,682	278,
Provision for loan and accrued interest losses	(145,153)	(89,232)	(73,115)	(43,967)	(45,
Recovery of provisions for past due loans and accrued interest losses	72,291	3,734	46,186	1,507	2,
Recovery of charged-off loans	11,620	16,411	8,271	4,389	12,
Provision for foreclosed assets and other assets	(38,194)	(55,062)	(31,250)	(22,059)	(33,
Recovery of provisions for foreclosed assets and other assets	19,639	3,324	6,565	730	2,
TOTAL NET PROVISIONS	(79,797)	(120,825)	(43,343)	(59,400)	(61,
NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES	238,089	386,809	124,729	169,282	217,
Commissions from banking services	51,033	61,041	27,023	31,086	29,
Credit card merchant fees	19,841	25,683	10,101	12,010	13,
Credit and debit card annual fees	23,867	28,200	12,085	13,347	14,
Checking fees	20,204	24,726	10,415	11,043	13,
Warehouse services	19,914	21,077	10,385	9,648	11,
Commissions-fees from fiduciary activities	17,324	18,328	9,498	8,076	10,
Check remittance	10,138	10,459	4,973	5,338	5,
International operations	9,773	12,408	4,921	6,149	6,

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TOTAL FEES AND OTHER SERVICE INCOME	172,094	201,922	89,401	96,697	105,
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Fees and other service expenses	(25,518)	(40,280)	(13,357)	(16,285)	(23,
TOTAL FEES AND INCOME FROM SERVICES	146,576	161,642	76,044	80,412	81,
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OTHER OPERATING INCOME					
Net foreign exchange gains	33,519	(27,402)	35,479	8,550	(35,
Dividend income	5,745	10,789	1,569	9,532	1,
Forward contracts in foreign currency	(7,480)	54,830	(22,996)	1,413	53,
Revenues from commercial subsidiaries	21,763	36,103	11,531	14,700	21,
Communication, postage and others	4,108	5,043	2,085	3,306	1,
TOTAL OTHER OPERATING INCOME	57,655	79,363	27,668	37,501	41,
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TOTAL INCOME	442,320	627,814	228,441	287,195	340,
OPERATING EXPENSES					
Salaries and employee benefits	142,426	162,113	71,932	77,546	84,
Compensation	11,958	14,062	6,104	7,339	6,
Administrative and other expenses	157,646	182,854	80,822	94,051	88,
Donation expenses	396	25	24	11	
Depreciation	16,570	18,113	8,401	8,585	9,
TOTAL OPERATING EXPENSES	328,996	377,167	167,283	187,532	189,
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NET OPERATING INCOME	113,324	250,647	61,158	99,663	150,
Merger expenses	19,447	11,324	9,550	5,662	5,
NON-OPERATING INCOME (EXPENSE)					
Other income	19,591	17,256	10,489	7,606	9,
Minority interest	(1,846)	(733)	(1,067)	(1,439)	
Recovery of deposit security	2,421	1,912	--	--	1,
Other expense	(21,866)	(23,474)	(13,977)	(5,343)	(18,
TOTAL NON-OPERATING INCOME	(1,700)	(5,039)	(4,555)	824	(5,
INCOME BEFORE INCOME TAXES	92,177	234,284	47,053	94,825	139,
Income tax expense	(20,656)	(29,652)	(10,692)	(12,972)	(16,
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NET INCOME	71,521	204,632	36,361	81,853	122,
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[BANCOLOMBIA LETTERHEAD]