

BANCOLOMBIA SA  
Form 6-K  
May 08, 2008

**UNITED STATES  
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 May, 2008.**

**Comission File Number 001-32535**

**Bancolombia S.A.**

(Translation of registrant's name into English)

Calle 50 No. 51-66

Medellín, 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 if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(2):

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-\_\_\_\_\_.

**CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER ENDED MARCH 31, 2008**

May 7, 2008. Medellín, Colombia Today, BANCOLOMBIA S.A. ( BANCOLOMBIA or the Bank ) (NYSE: CIB) announced its financial results for the first quarter of fiscal year 2008, ended March 31, 2008.<sup>1</sup>

| CONSOLIDATED BALANCE SHEET<br>AND INCOME STATEMENT | Quarter            |                   |                   | Growth           |                  |
|--|--------------------|-------------------|-------------------|------------------|------------------|
|  | Pro forma<br>1Q 07 | 4Q 07             | 1Q 08             | 1Q 08 /<br>4Q 07 | 1Q 08 / 1Q<br>07 |
| (Ps. millions)                                     |                    |                   |                   |                  |                  |
| <b>ASSETS</b>                                      |                    |                   |                   |                  |                  |
| Loans and financial leases, net                    | 30,256,035         | 36,245,473        | 36,607,315        | 1.00%            | 20.99%           |
| Investment securities, net                         | 6,537,483          | 5,774,251         | 5,899,352         | 2.17%            | -9.76%           |
| Other assets                                       | 8,282,094          | 10,131,925        | 9,228,530         | -8.92%           | 11.43%           |
| <b>Total assets</b>                                | <b>45,075,612</b>  | <b>52,151,649</b> | <b>51,735,197</b> | <b>-0.80%</b>    | <b>14.77%</b>    |
| <b>LIABILITIES AND<br/>SHAREHOLDERS EQUITY</b>     |                    |                   |                   |                  |                  |
| <b>Deposits</b>                                    | <b>29,513,334</b>  | <b>34,374,150</b> | <b>33,299,951</b> | <b>-3.13%</b>    | <b>12.83%</b>    |
| Non-interest bearing                               | 4,633,023          | 5,804,724         | 4,676,607         | -19.43%          | 0.94%            |
| Interest bearing                                   | 24,880,311         | 28,569,426        | 28,623,344        | 0.19%            | 15.04%           |
| <b>Other liabilities</b>                           | <b>11,472,591</b>  | <b>12,578,229</b> | <b>13,514,534</b> | <b>7.44%</b>     | <b>17.80%</b>    |
| <b>Total liabilities</b>                           | <b>40,985,925</b>  | <b>46,952,379</b> | <b>46,814,485</b> | <b>-0.29%</b>    | <b>14.22%</b>    |
| Shareholders equity                                | 4,089,687          | 5,199,270         | 4,920,712         | -5.36%           | 20.32%           |
| <b>Total liabilities and shareholders equity</b>   | <b>45,075,612</b>  | <b>52,151,649</b> | <b>51,735,197</b> | <b>-0.80%</b>    | <b>14.77%</b>    |
| Interest income                                    | 1,039,588          | 1,375,701         | 1,419,605         | 3.19%            | 36.55%           |
| Interest expense                                   | 423,273            | 588,349           | 623,160           | 5.92%            | 47.22%           |
| <b>Net interest income</b>                         | <b>616,315</b>     | <b>787,352</b>    | <b>796,445</b>    | <b>1.15%</b>     | <b>29.23%</b>    |
| Net provisions                                     | (70,395)           | (210,719)         | (173,234)         | -17.79%          | 146.09%          |
| Fees and income from service, net                  | 266,061            | 348,778           | 306,941           | -12.00%          | 15.36%           |
| Other operating income                             | 32,305             | 132,207           | 134,743           | 1.92%            | 317.10%          |
| Operating expense                                  | (547,843)          | (601,721)         | (600,639)         | -0.18%           | 9.64%            |
| Non-operating income, net                          | 2,903              | 3,821             | (53,429)          | -1498.30%        | -1940.48%        |
| Income tax expense                                 | (92,951)           | (137,222)         | (156,951)         | 14.38%           | 68.85%           |
| <b>Net income</b>                                  | <b>206,395</b>     | <b>322,496</b>    | <b>253,876</b>    | <b>-21.28%</b>   | <b>23.00%</b>    |

<sup>1</sup> This report corresponds to the consolidated financial statements of BANCOLOMBIA

and its affiliates of which it owns, directly or indirectly more than 50% of the voting capital stock. These financial statements have been prepared in accordance with generally accepted accounting principles in Colombia and the regulations of Superintendency of Finance in Colombia, collectively COL GAAP. BANCOLOMBIA maintains accounting records in Colombian pesos, referred to herein as Ps. . Certain monetary amounts, percentages and other figures included in this report have been subject to rounding adjustments. There have been no changes to the Bank's principal accounting policies in the quarter ended March 31, 2008. The statements of income for the quarter ended March 31, 2008 are not necessarily indicative of the results for any other future interim period. For

more information,  
please refer to the  
Bank's filings with  
the Securities and  
Exchange  
Commission,  
which are available  
on the  
Commission's  
website at  
[www.sec.gov](http://www.sec.gov).

This report contains pro forma figures for 1Q07. 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. These pro forma financial statements reflect certain assumptions, including (i) that the acquisition of Banagricola S.A. ( BANAGRICOLA ) was consummated on June 30, 2006, while it in fact occurred in May 2007, and (ii) that the Bank's capital structure at June 30, 2006 was the same as the one present at July 31, 2007. The unaudited pro forma financial statements do not include the realization of cost savings from operating efficiencies, revenue synergies or other restructuring costs resulting from or expected to result from the acquisition of BANAGRICOLA.

#### 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. Certain monetary amounts, percentages and other figures included in this report have been subject to rounding adjustments.

**Any reference to BANCOLOMBIA means the Bank together with its affiliates, unless otherwise specified.**

Representative Market Rate: April 1 2008 Ps. 1,834.96= US\$ 1 Average Representative Market Rate March 2008 Ps. 1,913.42= US\$ 1

**1. SUMMARY:**

During the quarter ended March 31, 2008 ( 1Q08 ) BANCOLOMBIA recorded net income of Ps. 253.9 billion, an increase of 23.0% as compared to the pro forma Ps. 206.4 billion for the quarter ended March 31, 2007 ( 1Q07 ).

This increase was mainly driven by:

Net interest income that amounted to Ps. 796.4 billion in 1Q08, resulting in an increase of 29.2% as compared to the pro forma figures for 1Q07.

Net fees and income from services that amounted to Ps. 306.9 billion in 1Q08, representing an increase of 15.4% as compared to the pro forma figures for 1Q07.

Other operating income that amounted to Ps. 134.7 billion in 1Q08, representing an increase of 317.1% as compared to the pro forma figures for 1Q07.

Total operating expenses that amounted to Ps. 584.1 billion in 1Q08. This represents an increase in total operating expenses of 0.4% as compared to the quarter ended December 31 2007 ( 4Q07 ) and 9.8% as compared to the pro forma figures for 1Q07.

The Bank's efficiency ratio that amounted to 48.5% for 1Q08. Efficiency is measured as the ratio between operating expenses and net operating income. The efficiency ratio for 1Q08 compares favorably to the 59.9% pro forma efficiency ratio for 1Q07.

The operating results for 1Q08 were partially off-set by:

Provisions for loan and accrued interest losses that amounted to Ps. 193.9 billion for 1Q08. This represents an increase of 99.7% when compared to the pro forma figures for 1Q07.

Income tax expense for 1Q08 that amounted to Ps 156.9 billion. This represents an increase of 14.4% as compared to 4Q07 and 68.8% as compared to the pro forma figures for 1Q07.

As of March 31, 2008, BANCOLOMBIA's net loans totaled Ps. 36,607 billion, increasing 21.0% as compared to the pro forma Ps. 30,256 billion as of March 31, 2007. The lower loan growth rate correlates with the higher interest rates implemented by Colombian Central Bank (the Central Bank ) as part of a more restrictive monetary policy intended to maintain sustainable long term growth for the Colombian economy.

BANCOLOMBIA's ratio of past due loans to total loans as of March 31, 2008 increased to 3.4% as compared to 2.9% in 4Q07 and to 2.9% in 1Q07. An increased number of delinquencies during 1Q08 affected this ratio.

| <b>KEY FINANCIAL HIGHLIGHTS</b>                             | <b>Pro forma</b> | <b>Quarter</b> |              |
|---|------------------|----------------|--------------|
|   | <b>1Q 07</b>     | <b>4Q 07</b>   | <b>1Q 08</b> |
| Net Income (Ps. millions)                                   | 206,395          | 322,496        | 253,876      |
| Basic and Diluted net income per ADS                        | 0.478            | 0.813          | 0.702        |
| Return on average total assets <sup>(1)</sup>               | 1.87%            | 2.57%          | 1.95%        |
| Return on average shareholders' equity <sup>(2)</sup>       | 19.65%           | 25.99%         | 19.67%       |
| P/BV ADS <sup>(3)</sup>                                     | 2.92             | 2.61           | 2.60         |
| P/BV Local <sup>(4)</sup> <sup>(5)</sup>                    | 2.89             | 2.56           | 2.36         |
| P/E <sup>(6)</sup>  | 14.37            | 10.39          | 11.86        |
| ADR price   | 27.69            | 34.20          | 35.46        |
| Weighted average of Preferred and Common Shares outstanding | 787,827,003      | 787,827,003    | 787,827,003  |

(1) Defined as annualized quarterly net income divided by monthly average assets.

(2) Defined as annualized quarterly net income divided by monthly average equity.

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

(4) Defined as share price divided by share book value.

(5) Share prices on the Colombian Stock Exchange

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

## **2. CONSOLIDATED BALANCE SHEET**

### **2.1. Assets**

BANCOLOMBIA's total assets amounted to Ps. 51,735 billion as of March 31, 2008, a decrease of 0.8% as compared to Ps. 52,152 billion as of December 31, 2007 and an increase of 14.8% as compared to the pro forma Ps. 45,076 billion as of March 31, 2007.

#### **2.1.1. Loan Portfolio**

Net loans and financial leases represented 70.8% of assets as of March 31, 2008, amounting to Ps. 36,607 billion. Loan growth was moderate in 1Q08, registering a 1.0% increase as compared to 4Q07 and 21.0% as compared to the pro forma figures for 1Q07, driven by the following factors:

As a consequence of the more restrictive monetary policy implemented by the Central Bank since the first quarter of 2006, higher interest rates have generally slowed the loan growth of Colombian financial institutions, including BANCOLOMBIA.

A strong appreciation of the Colombian peso against the U.S. dollar in 1Q08 (8.9% nominal appreciation) affected the loan growth because of a lower Colombian peso conversion of the U.S. dollar denominated loans; which comprise 26.3% of the Bank's gross loan portfolio as of March 31, 2008. Colombian peso denominated loans grew 3.0% as compared to 4Q07 and 29.0% as compared to pro forma figures for 1Q07. For the same periods, the U.S. dollar denominated loans grew 3.8% and 18.7% U.S dollar terms respectively, but overall growth was impacted by U.S. dollar depreciation.



| <b>LOAN PORTFOLIO</b><br>(Ps. millions)               | <b>Mar-07</b>      | <b>As of</b>       | <b>Mar-08</b>      | <b>Growth</b>        |                      |
|---|--------------------|--------------------|--------------------|----------------------|----------------------|
|   | <b>Pro forma</b>   | <b>Dec-07</b>      |                    | <b>Mar-08/Dec-07</b> | <b>Mar-08/Mar-07</b> |
| <b>CORPORATE</b>                                      |                    |                    |                    |                      |                      |
| Working capital loans                                 | 14,321,116         | 16,099,499         | 15,825,682         | -1.70%               | 10.51%               |
| Loans funded by domestic development banks            | 425,181            | 882,715            | 851,755            | -3.51%               | 100.33%              |
| Trade Financing                                       | 862,772            | 1,159,546          | 1,229,712          | 6.05%                | 42.53%               |
| Overdrafts  | 136,225            | 59,146             | 141,521            | 139.27%              | 3.89%                |
| Credit Cards  | 57,488             | 43,159             | 37,949             | -12.07%              | -33.99%              |
| <b>TOTAL CORPORATE</b>                                | <b>15,802,782</b>  | <b>18,244,065</b>  | <b>18,086,619</b>  | <b>-0.86%</b>        | <b>14.45%</b>        |
| <b>RETAIL AND SMEs</b>                                |                    |                    |                    |                      |                      |
| Working capital loans                                 | 2,458,697          | 3,729,344          | 3,691,082          | -1.03%               | 50.12%               |
| Personal loans  | 3,752,791          | 3,778,558          | 3,835,763          | 1.51%                | 2.21%                |
| Loans funded by domestic development banks            | 386,862            | 719,211            | 752,106            | 4.57%                | 94.41%               |
| Credit Cards  | 1,020,386          | 2,020,611          | 2,123,973          | 5.12%                | 108.15%              |
| Overdrafts  | 199,369            | 218,006            | 288,780            | 32.46%               | 44.85%               |
| Automobile loans                                      | 1,047,345          | 1,312,396          | 1,333,066          | 1.57%                | 27.28%               |
| Trade Financing                                       | 67,615             | 97,978             | 73,653             | -24.83%              | 8.93%                |
| <b>TOTAL RETAIL AND SMEs</b>                          | <b>8,933,065</b>   | <b>11,876,104</b>  | <b>12,098,423</b>  | <b>1.87%</b>         | <b>35.43%</b>        |
| <b>MORTGAGE</b>                                       | <b>2,752,105</b>   | <b>2,883,628</b>   | <b>3,066,537</b>   | <b>6.34%</b>         | <b>11.43%</b>        |
| <b>FINANCIAL LEASES</b>                               | <b>3,832,573</b>   | <b>4,698,827</b>   | <b>4,814,395</b>   | <b>2.46%</b>         | <b>25.62%</b>        |
| <b>Total loans and financial leases</b>               | <b>31,320,525</b>  | <b>37,702,624</b>  | <b>38,065,974</b>  | <b>0.96%</b>         | <b>21.54%</b>        |
| <b>Allowance for loan losses and financial leases</b> | <b>(1,064,490)</b> | <b>(1,457,151)</b> | <b>(1,458,659)</b> | <b>0.10%</b>         | <b>37.03%</b>        |
| <b>Total loans and financial leases, net</b>          | <b>30,256,035</b>  | <b>36,245,473</b>  | <b>36,607,315</b>  | <b>1.00%</b>         | <b>20.99%</b>        |

Corporate loans amounted to Ps. 18,087 billion as of March 31, 2008, decreasing 0.9% as compared to 4Q07 and increasing 14.4% as compared to pro forma Ps. 15,803 billion for 1Q07. Corporate loans represent 47.5% of BANCOLOMBIA's gross loan portfolio.

Retail and small and medium-sized enterprise (SME) loans amounted to Ps. 12,098 billion as of March 31, 2008. This represents an increase of 1.9% as compared to 4Q07 and 35.4% as compared to the pro forma figures for 1Q07. Retail and SME's loans represent 31.8% of BANCOLOMBIA's gross loan portfolio.

Financial leases amounted to Ps. 4,814 billion, increasing 2.5% as compared to 4Q07 and 25.6% as compared to pro forma figures for 1Q07. Financial leases represent 12.6% of the gross loan portfolio.

Mortgage loans, which represent 8.1% of the gross loan portfolio, were the most dynamic segment in 1Q08 amounting Ps. 3,066 billion. Despite that BANCOLOMBIA did not securitize any mortgage loans in 1Q08, securitizations of this type of loans were significant in 2007 when the Bank securitized 50% of the loans originated. Mortgage loans, including past securitizations, recorded an increase of 17.3% compared to the pro forma figures for 1Q07 and 5.4% as compared to 4Q07.

### **2.1.2. Investment Portfolio**

As of March 31, 2008, BANCOLOMBIA's net investment securities amounted to Ps. 5,899 billion and represented an increase of 2.2% when compared to the figures as of December 31, 2007, and a decrease of 9.8% when compared to the pro forma figures as of March 31, 2007.

As of March 31, 2008, investments in debt securities amounted to Ps. 5,688 billion and represented 96.4% of BANCOLOMBIA's net investment securities, maintaining a stable relative size comprising 11.0% of total assets. Debt securities increased 1.6% as compared to December 31, 2007, when debt securities amounted to Ps. 5,597 billion and represented 10.7% of total assets, and a decrease of 9.1% as compared to the Ps. 6,259 billion pro forma figure as of March 31, 2007 which represented 14.5% of total assets.

**Debt securities portfolio breakdown by type of issuer**

|                    | Government<br>(Colombia) | Government<br>(Others) | MBS<br>(TIPS) | Corporate<br>(Others) | Total       |
|--------------------|--------------------------|------------------------|---------------|-----------------------|-------------|
| Trading            | 20%                      | 0%                     | 2%            | 15%                   | 37%         |
| Available for sale | 11%                      | 5%                     | 11%           | 7%                    | 34%         |
| Held to Maturity   | 10%                      | 10%                    | 7%            | 3%                    | 29%         |
| <b>Total</b>       | <b>40%</b>               | <b>15%</b>             | <b>19%</b>    | <b>25%</b>            | <b>100%</b> |

\* Govrnt includes debt securities issued or backed by governments, Corp means debt securities issued by corporations and MBS means Colombian mortgage backed securities or TIPS.

**2.1.3. Asset Quality**

As of March 31, 2008, the Bank's past due loans accounted for 3.4% of total loans, increasing from the 2.9% recorded as of December 31, 2007 and from the 2.8% recorded in the pro forma figures for 1Q07.

The asset deterioration presented during the period was driven by:

Lower loan growth rates and the maturing of some of the Bank's recently originated loans.

Higher interest rates affecting the loan portfolio and the economy directly impact the level of delinquencies and contribute to the deterioration trend.

The level of coverage measured by the ratio of allowances to past due loans decreased to 115.2% from 134.9% in 4Q07. The ratio of allowances to loans classified as C, D and E (i.e. those of an inferior quality as measured by their number of days past due) at the end of 1Q08 increased to 131.4% from 127.4% in 4Q07.

As of March 31, 2008, allowances for loan losses represent 4.15% of gross loans and financial leases, while non performing loans represent 1.86% of gross loans and financial leases.

**LOANS AND FINANCIAL LEASES CLASSIFICATION**

| (Ps. millions)      | Mar-07            |             | Dec-07            |             | Mar-08            |             |
|---------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|
|                     | Pro forma         |             |                   |             |                   |             |
| A Normal            | 29,653,758        | 94.7%       | 35,397,502        | 93.9%       | 35,780,026        | 94.0%       |
| B Subnormal         | 818,101           | 2.6%        | 1,135,023         | 3.0%        | 1,152,247         | 3.0%        |
| C Deficient         | 323,033           | 1.0%        | 300,085           | 0.8%        | 301,742           | 0.8%        |
| D Doubtful recovery | 266,480           | 0.9%        | 604,034           | 1.6%        | 518,490           | 1.4%        |
| E Unrecoverable     | 259,153           | 0.8%        | 265,980           | 0.7%        | 313,469           | 0.8%        |
| <b>Total</b>        | <b>31,320,525</b> | <b>100%</b> | <b>37,702,624</b> | <b>100%</b> | <b>38,065,974</b> | <b>100%</b> |

loans and financial leases classified as C, D and E as a  
percentage of total loans and financial leases

2.7%

3.1%

3.0%

5

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| ASSET QUALITY<br>( Ps. millions)  | Pro forma<br>Mar-07 | As of     |           | Growth           |                  |
|---|---------------------|-----------|-----------|------------------|------------------|
|   |                     | Dec-07    | Mar-08    | 1Q 08 /<br>4Q 07 | 1Q 08 / 1Q<br>07 |
| Total performing past due loans<br>(1)  | 406,028             | 438,566   | 584,416   | 33.26%           | 43.93%           |
| Total non-performing past due<br>loans  | 484,475             | 666,367   | 708,370   | 6.30%            | 46.21%           |
| Total past due loans  | 890,503             | 1,104,933 | 1,292,786 | 17.00%           | 45.17%           |
| Allowance for loans and<br>accrued interest losses  | 1,080,312           | 1,490,454 | 1,489,572 | -0.06%           | 37.88%           |
| Past due loans to total loans   | 2.84%               | 2.93%     | 3.40%     |                  |                  |
| Non-performing loans as a<br>percentage of total loans  | 1.55%               | 1.77%     | 1.86%     |                  |                  |
| C , D and E loans as a<br>percentage of total loans   | 2.71%               | 3.10%     | 2.98%     |                  |                  |
| Allowances to past due loans <sup>(2)</sup>   | 121.31%             | 134.89%   | 115.22%   |                  |                  |
| Allowance for loan and accrued<br>interest losses as a percentage<br>of C , D and E <sup>(2)</sup> loans    | 127.30%             | 127.38%   | 131.39%   |                  |                  |
| Allowance for loan and accrued<br>interest losses as a percentage<br>of non-performing loans <sup>(2)</sup> | 222.99%             | 223.67%   | 210.28%   |                  |                  |
| Allowance for loan and accrued<br>interest losses as a percentage<br>of total loans                         | 3.45%               | 3.95%     | 3.91%     |                  |                  |
| Percentage of performing loans<br>to total loans  | 98.45%              | 98.23%    | 98.14%    |                  |                  |

(1) Performing past due loans are loans upon which the Bank continues to recognize income although interests have not been received for those periods. Once interest is unpaid on accrual loans, the loan is classified as non-performing. To check the periods where a

loan is past due or non-performing please read the foot note on page 136 of the Bank's 2006 20-F. Under Colombian Banking regulations, a loan is past due when it is at least 31 days past the actual due date.

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

## 2.2 Liabilities

As of March 31, 2008, BANCOLOMBIA had Ps 33,300 billion of total deposits which represents a decrease of 3.1% as compared to 4Q07 and an increase of 12.8% as compared to the pro forma figures for 1Q07.

Non-interest bearing deposits decreased 19.4% over 1Q08 due primarily to the seasonal effect caused by lower economic activity at the beginning of the fiscal year and increased 0.9% as compared to 1Q07. Interest bearing deposits increased 0.2% in 1Q08 and 15.0% as compared to the pro forma figures for 1Q07. As a result, deposit composition changed over the last 12 months non-interest bearing deposits reached 14% of total deposits by 1Q08 while interest bearing deposits increased their relative proportion to 86% of total deposits. These changes were driven by the implementation of marginal reserve requirements, which are higher for savings and checking accounts (27% marginal reserve requirement) than for time deposits (5% marginal reserve requirement), conditions that affect the funding preferences among Colombian banks.

|                       | <b>Mar-07</b>     | <b>Participation</b> | <b>Dec-07</b>     | <b>Participation</b> | <b>Mar-08</b>     | <b>Participation</b> |
|-----------------------|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
| Checking Accounts     | 5,795,816         | 19.6%                | 6,868,275         | 20.0%                | 5,619,395         | 16.9%                |
| Time Deposits         | 10,869,612        | 36.8%                | 14,304,727        | 41.6%                | 14,532,213        | 43.6%                |
| Savings deposits      | 12,376,325        | 41.9%                | 12,697,288        | 36.9%                | 12,739,551        | 38.3%                |
| Other                 | 471,581           | 1.6%                 | 503,860           | 1.5%                 | 408,792           | 1.2%                 |
| <b>Total Deposits</b> | <b>29,513,334</b> | <b>100%</b>          | <b>34,374,150</b> | <b>100%</b>          | <b>33,299,951</b> | <b>100%</b>          |

## 2.3 Shareholders Equity

BANCOLOMBIA's shareholders' equity amounted to Ps. 4,921 billion at the end of 1Q08, which represents a decrease of 5.4% as compared to 4Q07 and an increase of 20.3% as compared to the pro forma figures for 1Q07. The decrease is explained by the dividend payment of Ps. 447.5 billion approved at the general shareholders meeting held on March 10, 2008.

At the end of 1Q08, the Bank's consolidated ratio of technical capital to risk-weighted assets was 11.9%, a slight decrease from the 12.67% recorded in 4Q07, but still 291 basis points above the minimum established by Colombian regulators.

| <b>TECHNICAL CAPITAL RISK WEIGHTED ASSETS</b> | <b>Pro forma</b> |               |               |
|---|------------------|---------------|---------------|
|   | <b>Mar-07</b>    | <b>Dec-07</b> | <b>Mar-08</b> |
| Consolidated (Ps. millions)                   |                  |               |               |
| Basic capital (Tier I)                        | 3,975,804        | 4,729,101     | 4,386,709     |
| Additional capital (Tier II)                  | 488,576          | 1,179,216     | 1,088,900     |
| Technical capital <sup>(1)</sup>              | 4,464,380        | 5,908,317     | 5,475,609     |
| Risk weighted assets included market risk     | 39,344,974       | 46,628,036    | 45,978,130    |
| <b>CAPITAL ADEQUACY <sup>(2)</sup></b>        | <b>11.35%</b>    | <b>12.67%</b> | <b>11.91%</b> |

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

(2) Capital Adequacy is technical capital divided by risk weighted assets.

### 3. INCOME STATEMENT

BANCOLOMBIA's net income amounted to Ps. 253.9 billion for 1Q08, increasing 23.0% over pro forma 1Q07, driven by higher net interest income, fees and other operating income, lower operating expenses and partially off-set by higher provisions and taxes over the quarter.

Net income for 1Q08 decreased 21.3% as compared to the Ps. 322.5 billion for 4Q07 due to lower fees, higher tax expenses and higher non-operating expenses.

Return on average equity for 1Q08 was 19.7% which represents a slight increase from 19.6% in the pro forma figures for 1Q07.

#### 3.1. Net Interest Income

During 1Q08, interest on loans reached Ps. 1,133 billion, increasing 5.8% as compared to 4Q07. This represents an increase of 42.0% as compared to the Ps. 797.9 billion recorded in the pro forma figures for 1Q07.

Interest on investment securities decreased 24.7% in 1Q08 to Ps. 79,703 million. This decrease was due to a decrease in the price of Colombian bonds which was led by higher inflation and interest rates during 1Q08.

Overall, total interest income increased 3.2% in 1Q08 over 4Q07. However, total interest expense increased at a higher rate of 5.9%, driven by the higher percentage of interest bearing deposits combined with higher interest rates paid on deposits and other interest bearing liabilities. As a result, net interest income increased 1.1% as compared to 4Q07 and loans net interest margin for 1Q08 decreased slightly to 8% from 8.1% in 4Q07. Net interest margin decreased from 7.2% in 4Q07 to 7.0% in 1Q08, as the net interest margin was affected by decreased consumer demand for investment securities.

### 3.2. Provisions

Total net provisions for 1Q08 amounted to Ps. 173.2 billion, increasing 146.1% as compared to the pro forma figures for 1Q07 and decreasing 17.8% as compared to 4Q07. Specifically, provisions for loans and accrued interest losses increased 99.7% in 1Q08 as compared to pro forma 1Q07 driven by a larger loan portfolio, stricter regulatory requirements to regulation and a higher level of past due loans in 1Q08 as compared to the pro forma figures of 1Q07. On the other hand, recoveries on provisions for foreclosed assets and other assets decreased 67.9% over the same period, also contributing to the higher level of net provisions.

### 3.3. Fees and Income from Services

Net fees and income from services amounted to Ps. 306.9 billion during 1Q08, increasing 15.4% as compared to the pro forma figures as of 1Q07, driven by the performance of credit and debit cards annual fees, commissions from banking services, fiduciary activities and collections and payment fees, each registering an increase above 20%. Net fees and income from services decreased 12% over 4Q07, due to seasonal decline in economic activity in the first quarter as compared to the typically dynamic fourth quarter.

Credit and debit card annual fees represented the highest share of fees and commissions from services, amounting to Ps 78.5 billion, an increase of 38.8% as compared to the pro forma figures for 1Q07. On the other hand, commissions from banking services and other services decreased 39.4% as compared to 4Q07, again, due to the lower economic activity in the first quarter.

BANCOLOMBIA's accumulated unconsolidated credit card billing increased 32.0% when compared to the pro forma figures for 1Q07, resulting in a 25.5% market share of the Colombian credit card business. In addition, the Bank's number of outstanding credit cards increased 30.5%, resulting in a 17.3% market share of the Colombian total outstanding credit cards at the end of 1Q08.

#### ACCUMULATED CREDIT CARD BILLING

| (Ps. millions)               | Mar-07         | Mar-08           | Growth        | 2008<br>Market<br>Share |
|------------------------------|----------------|------------------|---------------|-------------------------|
| Bancolombia VISA             | 307,976        | 397,163          | 28.96%        | 8.11%                   |
| Bancolombia Mastercard       | 432,118        | 508,245          | 17.62%        | 10.38%                  |
| Bancolombia American Express | 208,065        | 345,805          | 66.20%        | 7.06%                   |
| <b>Total Bancolombia</b>     | <b>948,159</b> | <b>1,251,214</b> | <b>31.96%</b> | <b>25.55%</b>           |
| Colombian Credit Card Market | 4,370,977      | 4,897,204        | 12.04%        |                         |

Source: Credibanco y Redeban multicolor

#### CREDIT CARD MARKET SHARE

| (Outstanding credit cards)   | Mar-07         | Mar-08         | Growth        | 2008<br>Market<br>Share |
|------------------------------|----------------|----------------|---------------|-------------------------|
| Bancolombia VISA             | 240,093        | 308,118        | 28.33%        | 5.86%                   |
| Bancolombia Mastercard       | 297,601        | 338,239        | 13.66%        | 6.43%                   |
| Bancolombia American Express | 159,536        | 263,737        | 65.32%        | 5.02%                   |
| <b>Total Bancolombia</b>     | <b>697,230</b> | <b>910,094</b> | <b>30.53%</b> | <b>17.31%</b>           |
| Colombian Credit Card Market | 4,752,429      | 5,257,267      | 10.62%        |                         |

Source: Credibanco y Redeban multicolor

### 3.4. Other Operating Income



Total other operating income amounted to Ps. 134.7 billion for 1Q08, continuing the performance of 4Q07, increasing 1.9% compared to 4Q07. Total other operating income increased 317.1% as compared to the pro forma figures for 1Q07 driven by foreign currency forward contracts. Foreign currency forward contracts gains sufficiently offset the currency exchange loss presented in 1Q08 as a consequence of the Colombian peso and its impact on the valuation of the Bank's net U.S. dollar position.

### 3.5. Operating expenses

During 1Q08, operating expenses amounted to Ps. 584.1 billion, posting a slight increase of 0.3% as compared to 4Q07 and an increase of 9.8% as compared to the pro forma figures for 1Q07.

Personnel expenses (the sum of salaries and employee benefits, bonus plan payment and compensation) for 1Q08 decreased 4.1% as compared to 4Q07 and increased 8.6% as compared to the pro forma figures for 1Q07. This increase is due primarily to BANCOLOMBIA's employees salary increase effective from the beginning of the year. Administrative and other expenses increased 6.6% as compared to 4Q07 and 8.3% as compared to the pro forma figures for 1Q07.

BANCOLOMBIA's ratio of operating expenses to net operating income improved during 1Q08, reaching 48.5%, which compares favorably to the 59.9% recorded in the 1Q07 pro forma figures. The Bank's efficiency, measured as operating expenses over average total assets, was 4.6% for 1Q08, a decline as compared to 5.0% in the pro forma figures for 1Q07 and to 4.8% in 4Q07.

### 3.6. Non Operating Income / Expense

As a consequence of the decisions of the Tribunal Superior de Bogota which dismissed complaints filed by BANCOLOMBIA that sought the annulment of a January 30, 2004 arbitral award that ordered compensation to a class of minority shareholders of the former Banco de Colombia, and the annulment of a May 16, 2006 arbitral award that ordered compensation to the sellers of the former

Banco de Colombia, during 1Q08 the Bank recorded additional allowances that total Ps 52.42 billion, an amount, together with previous allowances, sufficient to cover the entire amount of both arbitral awards.

### 3.7. Income tax expense

Income tax expense for 1Q08 amounted to Ps 156.9 billion increasing 14.4% as compared to 4Q07 and 68.8% as compared to the pro forma figures for 1Q07. The effective tax rate rose in 1Q08 because the tax expense for 1Q08 includes the income tax realized from dividends received from the Bank's subsidiaries; these dividends, however, are not included in income for 1Q08 because they were recorded in the consolidated results for 2007.

| PRINCIPAL RATIOS  | Quarter                           |        |        |
|---|-----------------------------------|--------|--------|
|   | 1Q 07 <sup>(1)</sup><br>Pro forma | 4Q 07  | 1Q 08  |
| <b>PROFITABILITY</b>                                      |                                   |        |        |
| Net interest margin <sup>(2)</sup>                        | 6.34%                             | 7.17%  | 7.03%  |
| Return on average total assets <sup>(3)</sup>             | 1.87%                             | 2.57%  | 1.95%  |
| Return on average shareholders' equity <sup>(4)</sup>     | 19.65%                            | 25.99% | 19.67% |
| <b>EFFICIENCY</b>   |                                   |        |        |
| Operating expenses to net operating income                | 59.89%                            | 47.44% | 48.51% |
| Operating expenses to average total assets <sup>(5)</sup> | 4.96%                             | 4.80%  | 4.62%  |
| <b>CAPITAL ADEQUACY</b>                                   |                                   |        |        |
| Shareholders' equity to total assets                      | 9.07%                             | 9.14%  | 9.51%  |
| Technical capital to risk weighted assets                 | 11.35%                            | 12.67% | 11.91% |

(1)

Calculated taking into account an average between the figures as of December 2006 and as of March 2007.

- (2) Net interest income divided by monthly average interest-earning assets.
- (3) Net income by monthly average assets.
- (4) Net income by monthly average shareholders equity.
- (5) Operating expenses divided by monthly average assets.

| BALANCE SHEET<br>(Ps. Millions)             | Mar-07            | Dec-07            | Mar-08            | Growth         |                |
|---|-------------------|-------------------|-------------------|----------------|----------------|
|   |                   |                   |                   | Quarter        | Annual         |
| <b>ASSETS</b>                               |                   |                   |                   |                |                |
| Cash and due from banks                     | 2,720,683         | 3,618,619         | 3,320,974         | -8.23%         | 22.06%         |
| Overnight funds sold                        | 1,656,598         | 1,609,768         | 958,839           | -40.44%        | -42.12%        |
| <b>Total cash and equivalents</b>           | <b>4,377,281</b>  | <b>5,228,387</b>  | <b>4,279,813</b>  | <b>-18.14%</b> | <b>-2.23%</b>  |
| <b>Debt securities</b>                      | <b>6,258,931</b>  | <b>5,596,051</b>  | <b>5,687,079</b>  | <b>1.63%</b>   | <b>-9.14%</b>  |
| Trading                                     | 2,470,100         | 1,916,012         | 2,108,656         | 10.05%         | -14.63%        |
| Available for Sale                          | 1,659,142         | 1,954,593         | 1,917,520         | -1.90%         | 15.57%         |
| Held to Maturity                            | 2,129,689         | 1,725,446         | 1,660,903         | -3.74%         | -22.01%        |
| <b>Equity securities</b>                    | <b>354,969</b>    | <b>253,747</b>    | <b>283,679</b>    | <b>11.80%</b>  | <b>-20.08%</b> |
| Trading                                     | 184,153           | 93,125            | 121,505           | 30.48%         | -34.02%        |
| Available for Sale                          | 170,816           | 160,622           | 162,174           | 0.97%          | -5.06%         |
| Market value allowance                      | -76,417           | -75,547           | -71,406           | -5.48%         | -6.56%         |
| <b>Net investment securities</b>            | <b>6,537,483</b>  | <b>5,774,251</b>  | <b>5,899,352</b>  | <b>2.17%</b>   | <b>-9.76%</b>  |
| Commercial loans                            | 19,233,043        | 23,397,058        | 23,358,467        | -0.16%         | 21.45%         |
| Consumer loans                              | 5,358,972         | 6,593,211         | 6,702,199         | 1.65%          | 25.07%         |
| Small business loans                        | 143,832           | 129,900           | 124,376           | -4.25%         | -13.53%        |
| Mortgage loans                              | 2,752,105         | 2,883,628         | 3,066,537         | 6.34%          | 11.43%         |
| Finance lease                               | 3,832,573         | 4,698,827         | 4,814,395         | 2.46%          | 25.62%         |
| Allowance for loan losses                   | -1,064,490        | -1,457,151        | -1,458,659        | 0.10%          | 37.03%         |
| <b>Net total loans and financial leases</b> | <b>30,256,035</b> | <b>36,245,473</b> | <b>36,607,315</b> | <b>1.00%</b>   | <b>20.99%</b>  |
| Accrued interest receivable on loans        | 297,600           | 431,863           | 457,435           | 5.92%          | 53.71%         |
| Allowance for accrued interest losses       | -15,821           | -33,303           | -30,913           | -7.18%         | 95.39%         |
| <b>Net total interest accrued</b>           | <b>281,779</b>    | <b>398,560</b>    | <b>426,522</b>    | <b>7.02%</b>   | <b>51.37%</b>  |
| Customers' acceptances and derivatives      | 177,061           | 196,001           | 269,180           | 37.34%         | 52.03%         |
| Net accounts receivable                     | 639,671           | 716,106           | 699,104           | -2.37%         | 9.29%          |
| Net premises and equipment                  | 859,318           | 855,818           | 840,283           | -1.82%         | -2.22%         |
| Foreclosed assets, net                      | 41,935            | 32,294            | 27,102            | -16.08%        | -35.37%        |
| Prepaid expenses and deferred charges       | 79,971            | 137,901           | 139,958           | 1.49%          | 75.01%         |
| Goodwill                                    | 700,276           | 977,095           | 877,173           | -10.23%        | 25.26%         |
| Operating leases, net                       | 212,565           | 488,333           | 608,014           | 24.51%         | 186.04%        |
| Other                                       | 582,127           | 580,642           | 547,956           | -5.63%         | -5.87%         |
| Reappraisal of assets                       | 330,110           | 520,788           | 513,425           | -1.41%         | 55.53%         |
| <b>TOTAL ASSETS</b>                         | <b>45,075,612</b> | <b>52,151,649</b> | <b>51,735,197</b> | <b>-0.80%</b>  | <b>14.77%</b>  |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                   |                   |                   |                |                |
| <b>LIABILITIES</b>                          |                   |                   |                   |                |                |
| <b>DEPOSITS</b>                             |                   |                   |                   |                |                |
| <b>Non-interest bearing</b>                 | <b>4,633,023</b>  | <b>5,804,724</b>  | <b>4,676,607</b>  | <b>-19.43%</b> | <b>0.94%</b>   |
| Checking accounts                           | 4,161,442         | 5,300,864         | 4,267,815         | -19.49%        | 2.56%          |

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|  |                   |                   |                   |               |               |
|--|-------------------|-------------------|-------------------|---------------|---------------|
| Other  | 471,581           | 503,860           | 408,792           | -18.87%       | -13.31%       |
| <b>Interest bearing</b>                          | <b>24,880,311</b> | <b>28,569,426</b> | <b>28,623,344</b> | <b>0.19%</b>  | <b>15.04%</b> |
| Checking accounts                                | 1,634,374         | 1,567,411         | 1,351,580         | -13.77%       | -17.30%       |
| Time deposits                                    | 10,869,612        | 14,304,727        | 14,532,213        | 1.59%         | 33.70%        |
| Savings deposits                                 | 12,376,325        | 12,697,288        | 12,739,551        | 0.33%         | 2.93%         |
| <b>Total deposits</b>                            | <b>29,513,334</b> | <b>34,374,150</b> | <b>33,299,951</b> | <b>-3.13%</b> | <b>12.83%</b> |
| Overnight funds                                  | 719,476           | 2,005,490         | 2,455,473         | 22.44%        | 241.29%       |
| Bank acceptances outstanding                     | 54,912            | 55,208            | 61,698            | 11.76%        | 12.36%        |
| Interbank borrowings                             | 2,599,621         | 1,506,611         | 1,422,573         | -5.58%        | -45.28%       |
| Borrowings from domestic development banks       | 2,664,219         | 3,344,635         | 3,524,201         | 5.37%         | 32.28%        |
| Accounts payable                                 | 1,790,144         | 1,714,418         | 1,999,101         | 16.61%        | 11.67%        |
| Accrued interest payable                         | 238,826           | 286,627           | 324,977           | 13.38%        | 36.07%        |
| Other liabilities                                | 458,036           | 503,433           | 478,117           | -5.03%        | 4.38%         |
| Bonds  | 2,292,915         | 2,850,730         | 2,638,936         | -7.43%        | 15.09%        |
| Accrued expenses                                 | 425,934           | 218,860           | 521,335           | 138.20%       | 22.40%        |
| Minority interest in consolidated subsidiaries   | 228,508           | 92,217            | 88,123            | -4.44%        | -61.44%       |
| <b>TOTAL LIABILITIES</b>                         | <b>40,985,925</b> | <b>46,952,379</b> | <b>46,814,485</b> | <b>-0.29%</b> | <b>14.22%</b> |
| <b>SHAREHOLDERS EQUITY</b>                       |                   |                   |                   |               |               |
| Subscribed and paid in capital                   | 384,088           | 393,914           | 393,914           | 0.00%         | 2.56%         |
| Retained earnings                                | 3,135,405         | 4,082,419         | 3,837,185         | -6.01%        | 22.38%        |
| Appropriated                                     | 2,929,010         | 2,995,496         | 3,583,309         | 19.62%        | 22.34%        |
| Unappropriated                                   | 206,395           | 1,086,923         | 253,876           | -76.64%       | 23.00%        |
| Reappraisal and others                           | 579,857           | 752,589           | 738,706           | -1.84%        | 27.39%        |
| Gross unrealized gain or loss on debt securities | -9,663            | -29,652           | -49,093           | 65.56%        | 408.05%       |
| <b>TOTAL SHAREHOLDER S EQUITY</b>                | <b>4,089,687</b>  | <b>5,199,270</b>  | <b>4,920,712</b>  | <b>-5.36%</b> | <b>20.32%</b> |

## INCOME STATEMENT

| (Ps. Millions)   | 1Q 07            | 4Q 07            | 1Q 08            | Growth         |                |
|--|------------------|------------------|------------------|----------------|----------------|
|  |                  |                  |                  | 1Q 08/4Q 07    | 1Q 08/1Q 07    |
| <b>Interest income and expenses</b>  |                  |                  |                  |                |                |
| Interest on loans  | 797,940          | 1,071,515        | 1,133,438        | 5.78%          | 42.05%         |
| Interest on investment securities  | 99,655           | 105,916          | 79,703           | -24.75%        | -20.02%        |
| Overnight funds  | 21,546           | 29,316           | 28,803           | -1.75%         | 33.68%         |
| Leasing  | 120,447          | 168,954          | 177,661          | 5.15%          | 47.50%         |
| <b>Total interest income</b>   | <b>1,039,588</b> | <b>1,375,701</b> | <b>1,419,605</b> | <b>3.19%</b>   | <b>36.55%</b>  |
| Interest expense   |                  |                  |                  |                |                |
| Checking accounts  | 10,158           | 10,595           | 8,819            | -16.76%        | -13.18%        |
| Time deposits  | 161,643          | 250,289          | 276,826          | 10.60%         | 71.26%         |
| Savings deposits   | 94,945           | 129,902          | 138,881          | 6.91%          | 46.28%         |
| <b>Total interest on deposits</b>  | <b>266,746</b>   | <b>390,786</b>   | <b>424,526</b>   | <b>8.63%</b>   | <b>59.15%</b>  |
| Interbank borrowings   | 31,518           | 18,775           | 16,667           | -11.23%        | -47.12%        |
| Borrowings from domestic development banks                                       | 55,510           | 81,678           | 84,665           | 3.66%          | 52.52%         |
| Overnight funds  | 28,687           | 38,557           | 42,197           | 9.44%          | 47.09%         |
| Bonds  | 40,812           | 58,553           | 55,105           | -5.89%         | 35.02%         |
| <b>Total interest expense</b>  | <b>423,273</b>   | <b>588,349</b>   | <b>623,160</b>   | <b>5.92%</b>   | <b>47.22%</b>  |
| <b>Net interest income</b>   | <b>616,315</b>   | <b>787,352</b>   | <b>796,445</b>   | <b>1.15%</b>   | <b>29.23%</b>  |
| Provision for loan and accrued interest losses, net                              | (97,060)         | (257,857)        | (193,882)        | -24.81%        | 99.75%         |
| Recovery of charged-off loans  | 19,255           | 24,525           | 21,841           | -10.94%        | 13.43%         |
| Provision for foreclosed assets and other assets                                 | (22,011)         | (6,810)          | (10,616)         | 55.89%         | -51.77%        |
| Recovery of provisions for foreclosed assets and other assets                    | 29,421           | 29,423           | 9,423            | -67.97%        | -67.97%        |
| <b>Total net provisions</b>  | <b>(70,395)</b>  | <b>(210,719)</b> | <b>(173,234)</b> | <b>-17.79%</b> | <b>146.09%</b> |
| <b>Net interest income after provision for loans and accrued interest losses</b> | <b>545,920</b>   | <b>576,633</b>   | <b>623,211</b>   | <b>8.08%</b>   | <b>14.16%</b>  |
| Commissions from banking services and other services                             | 61,709           | 124,405          | 75,357           | -39.43%        | 22.12%         |
| Electronic services and ATM fees   | 18,899           | 22,630           | 21,392           | -5.47%         | 13.19%         |
| Branch network services  | 25,475           | 28,006           | 23,867           | -14.78%        | -6.31%         |
| Collections and payments fees  | 29,411           | 36,925           | 36,896           | -0.08%         | 25.45%         |
| Credit card merchant fees  | 10,698           | 11,085           | 8,078            | -27.13%        | -24.49%        |
| Credit and debit card annual fees  | 56,584           | 73,192           | 78,520           | 7.28%          | 38.77%         |
| Checking fees  | 16,447           | 17,792           | 16,350           | -8.10%         | -0.59%         |
| Warehouse services <sup>(2)</sup>  |                  |                  |                  | *              | *              |
| Fiduciary activities   | 16,039           | 19,244           | 19,804           | 2.91%          | 23.47%         |
| Pension plan administration  | 21,823           | 20,274           | 20,854           | 2.86%          | -4.44%         |
| Brokerage fees   | 14,253           | 20,005           | 14,126           | -29.39%        | -0.89%         |
| Check remittance   | 5,788            | 5,964            | 6,678            | 11.97%         | 15.38%         |
| International operations   | 10,562           | 12,454           | 10,093           | -18.96%        | -4.44%         |
| <b>Fees and other service income</b>   | <b>287,688</b>   | <b>391,976</b>   | <b>332,015</b>   | <b>-15.30%</b> | <b>15.41%</b>  |
| Fees and other service expenses  | (21,627)         | (43,198)         | (25,074)         | -41.96%        | 15.94%         |

|  |                |                  |                  |                  |                  |
|--|----------------|------------------|------------------|------------------|------------------|
| <b>Total fees and income from services, net</b>    | <b>266,061</b> | <b>348,778</b>   | <b>306,941</b>   | <b>-12.00%</b>   | <b>15.36%</b>    |
| <b>Other operating income</b>                      |                |                  |                  |                  |                  |
| Net foreign exchange gains                         | (17,774)       | 13,313           | (110,086)        | -926.91%         | 519.37%          |
| Forward contracts in foreign currency              | 29,577         | 72,224           | 166,002          | 129.84%          | 461.25%          |
| Gains on sales of investments on equity securities | (15,185)       | 190              | (96)             | -150.53%         | -99.37%          |
| Gains on sale of mortgage loan                     |                | 6,447            | 9,068            | 40.65%           | 0.00%            |
| Dividend income                                    | 14,711         | 362              | 20,488           | 5559.67%         | 39.27%           |
| Revenues from commercial subsidiaries              | 16,209         | 34,779           | 26,087           | -24.99%          | 60.94%           |
| Insurance income                                   | 357            | 6,520            | 4,812            | -26.20%          | 1247.90%         |
| Communication, postage, rent and others            | 4,410          | (1,628)          | 18,468           | 1234.40%         | 318.78%          |
| <b>Total other operating income</b>                | <b>32,305</b>  | <b>132,207</b>   | <b>134,743</b>   | <b>1.92%</b>     | <b>317.10%</b>   |
| <b>Total income</b>                                | <b>844,286</b> | <b>1,057,618</b> | <b>1,064,895</b> | <b>0.69%</b>     | <b>26.13%</b>    |
| <b>Operating expenses</b>                          |                |                  |                  |                  |                  |
| Salaries and employee benefits                     | 202,200        | 217,124          | 219,217          | 0.96%            | 8.42%            |
| Bonus plan payments                                | 17,253         | 31,917           | 18,452           | -42.19%          | 6.95%            |
| Compensation                                       | 6,134          | 6,224            | 7,233            | 16.21%           | 17.92%           |
| Administrative and other expenses                  | 267,155        | 271,555          | 289,475          | 6.60%            | 8.35%            |
| Deposit security, net                              | 12,294         | 12,282           | 14,324           | 16.63%           | 16.51%           |
| Donation expenses                                  | 1,146          | 12,980           | 973              | -92.50%          | -15.10%          |
| Depreciation                                       | 25,646         | 29,944           | 34,404           | 14.89%           | 34.15%           |
| <b>Total operating expenses</b>                    | <b>531,828</b> | <b>582,026</b>   | <b>584,078</b>   | <b>0.35%</b>     | <b>9.82%</b>     |
| <b>Net operating income</b>                        | <b>312,458</b> | <b>475,592</b>   | <b>480,817</b>   | <b>1.10%</b>     | <b>53.88%</b>    |
| Merger expenses                                    |                |                  |                  | *                | *                |
| Goodwill amortization <sup>(1)</sup>               | 16,015         | 19,695           | 16,561           | -15.91%          | 3.41%            |
| <b>Non-operating income (expense)</b>              |                |                  |                  |                  |                  |
| Other income                                       | 34,559         | 25,636           | 22,338           | -12.86%          | -35.36%          |
| Minority interest                                  | (7,575)        | 12,826           | (3,761)          | -129.32%         | -50.35%          |
| Other expense                                      | (24,081)       | (34,641)         | (72,006)         | 107.86%          | 199.02%          |
| <b>Total non-operating income</b>                  | <b>2,903</b>   | <b>3,821</b>     | <b>(53,429)</b>  | <b>-1498.30%</b> | <b>-1940.48%</b> |
| <b>Income before income taxes</b>                  | <b>299,346</b> | <b>459,718</b>   | <b>410,827</b>   | <b>-10.63%</b>   | <b>37.24%</b>    |
| Income tax expense                                 | (92,951)       | (137,222)        | (156,951)        | 14.38%           | 68.85%           |
| <b>Net income</b>                                  | <b>206,395</b> | <b>322,496</b>   | <b>253,876</b>   | <b>-21.28%</b>   | <b>23.00%</b>    |

**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 7, 2008

By: /s/ JAIME ALBERTO VELÁSQUEZ B.

Name: Jaime Alberto Velásquez B.

Title: Vice President of Finance