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BANCOLOMBIA SA
Form 6-K
March 03, 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 1933

For the month of February 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

Form 40-F

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

Yes _____

No

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

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

SIGNATURE

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

BANCOLOMBIA S.A.
(Registrant)

Date: February 28, 2003

By /s/ JAIME ALBERTO VELASQUEZ B.

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

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[BANCOLOMBIA LOGO]

BANCOLOMBIA ANNOUNCES CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2002

FEBRUARY 28, 2003, MEDELLIN, COLOMBIA - Bancolombia S.A. (NYSE: CIB) announced today the financial results for the quarter ended December 31, 2002.(1)

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET

(Ps millions)

| | QUARTER | |
|---|-------------------|-------------------|
| | 3Q 02 | 4Q 02 |
| ASSETS | | |
| Loans, net | 5,709,724 | 5,880,950 |
| Investment Securities, net | 4,207,750 | 4,403,045 |
| Other assets | 1,921,552 | 2,155,353 |
| TOTAL ASSETS | 11,839,026 | 12,439,348 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Deposits | 8,288,730 | 8,793,257 |
| Other liabilities | 2,560,529 | 2,372,730 |
| TOTAL LIABILITIES | 10,849,259 | 11,165,987 |
| Shareholders' equity | 989,767 | 1,273,361 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 11,839,026 | 12,439,348 |
| Interest income | 248,324 | 321,168 |
| Interest expense | 108,145 | 106,325 |
| NET INTEREST INCOME | 140,179 | 214,843 |
| Net provisions | (23,479) | (24,338) |
| Other operating income | 98,063 | 86,237 |
| Other operating expense | (174,453) | (183,879) |
| Non-operating income, net | 24,023 | 6,573 |
| Income tax expense | (8,712) | (8,507) |
| NET INCOME | 55,621 | 90,929 |

(1) The financial information contained herein includes only the consolidated results of Bancolombia's financial subsidiaries (Bancolombia Panama-Cayman, Colcorp, Leasing Colombia, Almacenar, and Fiducolombia). Such information can therefore not be compared to and should not be used in any way to interpret any information contained in Bancolombia's annual reports on Form 20-F which contain the consolidated financial results of the Bank and all its subsidiaries. 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. In this press release "Bancolombia" or "the Bank" refers to the financial results of Bancolombia S.A and its consolidated financial subsidiaries listed above.

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,

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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: December 31, 2002 TRM COP 2,864.79/USD
 September 30, 2002 TRM COP 2,828.08/USD

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[BANCOLOMBIA LOGO]

I. HIGHLIGHTS:

- Bancolombia's net income amounted to Ps 90.9 billion, or US\$ 0.22 per ADS, during the quarter ended December 31, 2002, as compared to a net income of Ps 55.6 billion, or US\$ 0.14 per ADS, for the quarter ended September 30, 2002. This increase during the quarter was mainly due to consistent development of core businesses.
- Net income for the year ended December 31, 2002, totaled Ps 221.7 billion, US\$ 0.55 per ADS, as compared to Ps 146.6 billion, US\$ 0.44 per ADS, ended December 31, 2001.
- Net interest income increased 53.3% quarter over quarter. This increase was the result of higher income from investment portfolio, mainly due to an improvement in the prices of Colombian bonds and internal debt. As a result, net interest margin increased to 9.4% for the quarter ended December 31, 2002, from 6.3% for the quarter ended September 30, 2002.
- Bancolombia's total fees and commissions from services amounted to Ps 81,711 million during the fourth quarter of 2002, increasing 7.04% compared to the previous quarter with fees and commissions from credit cards, commissions from fiduciary activities and banking services contributing most significantly.
- Bancolombia's total operating expenses increased 7.0% to Ps 178.2 billion from Ps 166.5 billion quarter over quarter. The increase during the quarter resulted from donations, and salary increases as a result of the collective bargaining agreement.
- Bancolombia's ratio of past due loans to total loans for the quarter ended December 31, 2002 decreased to 2.5% compared to 4.3% for the quarter ended September 30, 2002 and allowances for past due loans for the quarter ended December 31, 2002 increased to 223.98% compared to 136.14%, for the previous quarter.
- During the quarter ended December 31, 2002, the Bank's gross loans increased 2.76% quarter over quarter.
- The annualized ROAE (Return on average shareholders' equity) and ROAA (Return on average total assets) for the fourth quarter of 2002 were

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36.2% and 3.3%, respectively, while for the year ended December 31, 2002, they were 22% and 2%, respectively.

BANKING SECTOR

The Colombian Banking Sector's results improved during the year 2002. The Sector's aggregate results posted net income of Ps 912.8 billion as of December 31, 2002, compared to Ps 618 billion as of September 30, 2002 and Ps 648.6 billion as of December 31, 2001. (Source: Colombian Banking Superintendency)

Gross loans in the Colombian Banking Sector increased 1.7% over the quarter and 6.1% over the year. (Source: Bancolombia calculations based on data from Colombian Banking Superintendency)

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The Sector's past due loan ratio improved to 9.47% as of December 31, 2002 from 10.16% as of September 30, 2002 and 10.3% as of December 31, 2001. (Source: Colombian Banking Superintendency)

Allowances for past due loans increased to 82.8% as of December 31, 2002 from 77.8% as of September 30, 2002 and 73.4% as of December 31, 2001. (Source: Colombian Banking Superintendency)

II. CONSOLIDATED BALANCE SHEET

ASSETS

Bancolombia's total assets increased 5.1% over the quarter to Ps 12,439 billion as of December 31, 2002 from Ps 11,839 billion as of September 30, 2002. The increase in total assets was primarily due to volume in investment securities and leasing which increased 4.6% and 22.9%, respectively, over the quarter.

LOAN PORTFOLIO

Bancolombia's gross loans totaled Ps 6,213 billion as of December 31, 2002, an increase of 2.76% from Ps 6,046 billion as of September 30, 2002. Total corporate loans increased 11.34% during the fourth quarter of 2002 from Ps 3,828 billion as of September 30, 2002, to Ps 4,263 billion as of December 31, 2002. Total retail loans decreased 12.36% during the fourth quarter of 2002 from Ps 2,182 billion as of September 30, 2002 to Ps 1,912 billion as of December 31, 2002. Bancolombia's loan portfolio information as of December 31, 2002 can, however, not be compared to the information as of September 30, 2002 and December 31, 2001, due to changes the Bank made in its classification of clients within the portfolio loan segments: As a result of its strategy of providing more advice and services to clients, the Bank has reclassified a number of its loans, with the majority from "retail" to "corporate".

Bancolombia S.A.'s (unconsolidated) total loan market share in the Colombian Financial system was 12.6% as of December 31, 2002. (Source: Bancolombia calculations based on data from Asociacion Bancaria y de Entidades Financieras de Colombia)

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| LOAN PORTFOLIO (Ps Millions) | 31-DEC-01 | AS OF 30-SEP-02 | 31-DEC-02 | 4 |
|---|------------------|--------------------|------------------|---|
| CORPORATE | | | | |
| Trade Financing | 99,674 | 137,271 | 166,620 | |
| Loans funded by domestic development banks | 292,609 | 363,609 | 376,378 | |
| Working capital loans | 3,096,578 | 3,293,222 | 3,665,698 | |
| Credit Cards | 3,893 | 5,017 | 5,230 | |
| Overdrafts | 15,970 | 29,877 | 49,318 | |
| TOTAL CORPORATE | 3,508,724 | 3,828,996 | 4,263,244 | |
| RETAIL | | | | |
| Credit Cards | 231,965 | 229,249 | 254,876 | |
| Personal loans | 459,343 | 500,991 | 561,558 | |
| Automobile loans | 15,752 | 17,310 | 24,476 | |
| Overdrafts | 73,372 | 134,383 | 68,490 | |
| Loans funded by domestic development banks | 138,415 | 261,736 | 276,157 | |
| Trade Financing | 38,837 | 58,445 | 28,112 | |
| Working capital loans | 881,327 | 979,794 | 698,478 | |
| TOTAL RETAIL | 1,839,011 | 2,181,908 | 1,912,147 | |
| MORTGAGE | 34,340 | 35,584 | 37,883 | |
| TOTAL LOANS | 5,382,075 | 6,046,488 | 6,213,274 | |
| ALLOWANCE FOR LOAN LOSSES | (271,729) | (336,764) | (332,324) | |
| TOTAL LOANS, NET | 5,110,346 | 5,709,724 | 5,880,950 | |

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[BANCOLOMBIA LOGO]

ASSET QUALITY

As of December 31, 2002 the Bank's past due loans as a percentage of total loans were 2.5% as compared to 4.3% as of September 30, 2002. During the fourth quarter, Bancolombia had loan charge offs of Ps 52,969 million. The level of allowances of the Bank's past due loans increased to 223.98% for the fourth quarter of 2002, from 136.14% for the previous quarter.

| LOAN CLASSIFICATION (Ps millions) | AS OF 31-DEC-01 | | AS OF 30-SEP -02 | |
|--------------------------------------|-----------------|-------|------------------|-------|
| "A" Normal | 4,259,090 | 79.1% | 4,938,927 | 81.7% |
| "B" Subnormal | 604,155 | 11.2% | 567,813 | 9.4% |
| "C" Deficient | 103,761 | 2.0% | 88,901 | 1.5% |
| "D" Doubtful recovery | 259,810 | 4.8% | 263,001 | 4.3% |
| "E" Unrecoverable | 155,259 | 2.9% | 187,846 | 3.1% |

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| | | | | |
|---|-----------|------|-----------|-----|
| TOTAL | 5,382,075 | 100% | 6,046,488 | 100 |
| LOANS CLASSIFIED AS C,D AND E AS A PERCENTAGE OF TOTAL LOANS | | 9.6% | 8.9% | |

| ASSET QUALITY (Ps millions) | 31-DEC-01 | AS OF 30-SEP-02 | 31-D |
|---|-----------|--------------------|------|
| Total performing past due loans | 61,878 | 37,552 | 40 |
| Total nonperforming past due loans (1) | 185,421 | 222,065 | 115 |
| Total past due loans | 247,299 | 259,617 | 155 |
| Allowance for loans and accrued interest losses | 298,740 | 353,430 | 347 |
| Past due loans to total loans | 4.59% | 4.29% | |
| Non performing loans to total loans | 3.45% | 3.67% | |
| C, D, and E loans to total loans | 9.64% | 8.93% | |
| Allowances to past due loans (2) | 120.80% | 136.14% | 22 |
| Allowances to C, D and E loans (2) | 57.58% | 65.48% | 5 |
| Allowances to non performing loans (2) | 161.11% | 159.16% | 30 |
| Allowances to total loans | 5.55% | 5.85% | |
| Performing loans to total loans | 96.55% | 96.33% | 9 |

(1) Before January 1, 2002, non-performing loans were 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 are 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.

LIABILITIES

Total deposits increased 6.1% over the quarter, from Ps 8,289 billion as of September 30, 2002, to Ps 8,793 billion as of December 31, 2002. During the fourth quarter of 2002, Bancolombia's non-interest-bearing deposits increased 29.39%, while interest-bearing deposits increased by 0.7%. The increase in non-interest-bearing deposits is principally a result of Bancolombia's strategy to improve its funding structure. In addition, liquidity is subject to seasonal changes and customarily reaches its highest level at the end of the year.

Bancolombia S.A.'s (unconsolidated) accumulated deposit market shares in the Colombian Financial System as of December 31, 2002 were as follows: Total checking accounts 18%, Savings accounts 10.4% and time deposits 10.8%.

(Source: Bancolombia calculations based on data from Asociacion Bancaria y de Entidades Financieras de Colombia)

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SHAREHOLDERS' EQUITY

Bancolombia's shareholders' equity increased 28.65% over the quarter from Ps 990 billion as of September 30, 2002, to Ps 1,273 billion as of December 31, 2002, mainly due to an increase in net income and unrealized gain on securities available for sale. As of December 31, 2002, Bancolombia's consolidated and Bancolombia S.A.'s unconsolidated ratio of technical capital to risk-weighted assets were 11.13% and 10.95% respectively.

| TECHNICAL EQUITY RISK WEIGHTED ASSETS Unconsolidated (Ps millions) | 31-DEC-01 | AS OF 30-SEP-02 | 31-DEC-02 |
|---|---------------|--------------------|---------------|
| Basic capital | 509,293 | 570,894 | 601,452 |
| Additional capital | 226,508 | 199,843 | 221,877 |
| Technical capital (1) | 735,801 | 770,737 | 823,330 |
| Risk weighted assets | 6,692,538 | 7,223,403 | 7,397,088 |
| CAPITAL ADEQUACY (2) | 10.99% | 10.67% | 11.13% |

| TECHNICAL EQUITY RISK WEIGHTED ASSETS Consolidated (Ps millions) | 31-DEC-01 | AS OF 30-SEP-02 | 31-DEC-02 |
|---|---------------|--------------------|---------------|
| Basic capital | 587,497 | 647,799 | 698,040 |
| Additional capital | 178,636 | 163,736 | 251,970 |
| Technical capital (1) | 766,133 | 811,535 | 950,010 |
| Risk weighted assets | 7,391,905 | 8,477,938 | 8,675,860 |
| CAPITAL ADEQUACY (2) | 10.36% | 9.57% | 10.95% |

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

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

III. INCOME STATEMENT

Bancolombia's net income amounted to Ps 90.9 billion during the quarter ended December 31, 2002, as compared to net income of Ps 55.6 billion for the quarter ended September 30, 2002. This increase during the fourth quarter of 2002 was mainly due to an increase in net interest income resulting from higher income from investment portfolio, fees and income from services.

NET INTEREST INCOME

Net interest income increased 53.3% over the quarter to Ps 215 billion for the quarter ended December 31, 2002, compared to Ps 140 billion for the quarter ended September 30, 2002. Total interest expenses decreased 1.68% over the quarter, to Ps 106 billion for the quarter ended December 30, 2002, compared to Ps 108 billion for the previous quarter, due to a 8.0% decrease in time deposits.

PROVISIONS

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Total net provisions for the fourth quarter of 2002 amounted to Ps (24,338) million, up 3.7% when compared to Ps (23,479) million for the previous quarter, mainly due to a slight increase in provisions for loan and accrued interest losses.

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FEES AND INCOME FROM SERVICES

Total fees and income from services increased 7.04% from Ps 76.3 billion for the quarter ended September 30, 2002, to Ps 81.7 billion for the quarter ended December 31, 2002, with commissions from banking services and commissions and fees from credit cards contributing significantly.

Bancolombia's accumulated credit card billing increased 16.5% over the year, resulting in a 15.8% market share for Bancolombia. (Source: Credibanco, American Express and Red Multicolor)

ACCUMULATED CREDIT CARD BILLING

(As of December 31, in Ps million)

| | 2001 | 2002 |
|--------------------------------|-----------|-----------|
| Bancolombia Mastercard | 637,413 | 717,437 |
| Bancolombia VISA | 283,368 | 341,758 |
| Bancolombia American Express | | 13,910 |
| Total Bancolombia | 920,781 | 1,059,195 |
| Colombian credit card industry | 5,659,844 | 6,769,735 |

Source: Credibanco, American Express and Red Multicolor

CREDIT CARD MARKET SHARE

Number of credit cards as of December 31,

| | 2001 | 2002 |
|--------------------------------|-----------|-----------|
| Bancolombia Mastercard | 155,395 | 158,969 |
| Bancolombia VISA | 109,169 | 100,069 |
| Bancolombia American Express | | 25,093 |
| Total Bancolombia | 264,564 | 259,038 |
| Colombian credit card industry | 2,078,638 | 2,263,305 |

Source: Credibanco, American Express and Red Multicolor.

AMERICAN EXPRESS

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In November 2002, Bancolombia began issuing American Express credit cards. As of December 31, 2002 Bancolombia had issued 25,093 American Express credit cards, thereby achieving a market share of 1.1% of the Colombian market for American Express credit cards. Total credit card billing on American Express cards as of December 31, 2002, was Ps 13,910 million.

OPERATING EXPENSES

Operating expenses increased 7.0% over the quarter from Ps 166.5 billion during the quarter ended September 30, 2002, to Ps 178.2 billion during the quarter ended December 31, 2002, mainly due to donations which accounted for an increase of 5.4%. The Bank donated Ps 9.0 billion, principally in favor of higher-education institutions, of which Ps 5.5 billion were tax deductible. Salary and employee benefits increased 5.0% as a result of the collective bargaining agreement effective November 1, 2001 which provides for a salary increase of 7.47% (Colombian Consumer price index +1.1).

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During the year ended December 31, 2002 Bancolombia's efficiency ratio reached 62.7% improving from 65.9% for the year ended December 31, 2001.

IV. SUBSIDIARIES

SUBSIDIARIES' BREAKDOWN

| As of December 31, 2002 (Ps millions) | BANCOLOMBIA | BANCOLOMBIA PANAMA | COLCORP | LEASING COLOMBIA | AL |
|---------------------------------------|-------------|-----------------------|---------|---------------------|----|
| Total assets | 9,592,132 | 2,703,042 | 312,699 | 308,046 | |
| Total shareholders' equity | 1,133,203 | 282,203 | 203,954 | 20,853 | |
| Net income (loss) | 150,923 | 53,295 | 7,252 | 4,334 | |

BANCOLOMBIA PANAMA AND ITS SUBSIDIARIES

The following table is expressed in US dollars.

BANCOLOMBIA PANAMA INCOME STATEMENT AND BALANCE SHEET

| (US\$) | QUARTER | | GROWTH |
|----------------------------|-------------|-------------|-----------|
| | 3Q 02 | 4Q 02 | 4Q02/3Q02 |
| ASSETS | | | |
| Loans, net | 288,799,006 | 312,213,710 | 8.11% |
| Investment securities, net | 530,032,509 | 528,157,321 | -0.35% |

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| | | | |
|--|-------------|-------------|---------|
| Other assets | 94,465,363 | 119,894,564 | 26.92% |
| TOTAL ASSETS | 913,296,878 | 960,265,595 | 5.14% |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Deposits | 801,383,598 | 844,551,883 | 5.39% |
| Other liabilities | 76,223,677 | 15,459,997 | -79.72 |
| TOTAL LIABILITIES | 877,607,275 | 860,011,880 | -2.00% |
| Shareholders' equity | 35,689,603 | 100,253,715 | 180.90% |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 913,296,878 | 960,265,595 | 5.14% |
| | | | |
| Interest income | 15,102,436 | 15,712,417 | 4.04% |
| Interest expense | (6,180,388) | (6,642,696) | 7.48% |
| NET INTEREST INCOME | 8,922,048 | 9,069,721 | 1.66% |
| Net provisions | 1,944,878 | 2,954,306 | 51.90% |
| Other operating income | 611,599 | 1,362,400 | 122.76% |
| Other operating expense | (633,691) | (788,635) | 24.45% |
| NET INCOME | 10,844,834 | 12,597,792 | 16.16% |

Bancolombia Panama's total assets as of December 31, 2002 increased 5.14% over the quarter from US\$913 million as of September 30, 2002, to US\$960 million as of December 31, 2002. This increase was the result of higher loan volume which increased 8.11%, from US\$289 million as of September 30, 2002 to US\$312 million as of December 31, 2002. Bancolombia Panama's total liabilities decreased 2.0% over the quarter, from US\$878 million as of September 30, 2002, to US\$860 million as of December 31, 2002.

Bancolombia Panama's shareholders' equity increased 180.9% over the quarter from Ps 35.6 billion as of September 30, 2002, to Ps 100.2 billion as of December 31, 2002, mainly due to an increase in unrealized gains on securities available for sale.

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Bancolombia Panama reported net income of US\$ 12.6 million during the quarter ended December 31, 2002 as compared to a net income of US\$ 10.8 million for the quarter ended September 30, 2002. This increase was a result of recovery of provisions and higher other operating income.

V. GENERAL SHAREHOLDERS MEETING

The general shareholders' meeting of Bancolombia held in Medellin on February 27, 2003, approved the proposal made by the board of directors to distribute profits. The Bank will pay a dividend of Ps 33/share per quarter on the first working day of each quarter of the year (April 1, 2003; July 1, 2003; October 1, 2003, and January 2, 2004).

PRINCIPAL RATIOS

| | QUARTERS | | | |
|-------|----------|------|------|------|
| | 4Q01 | 3Q02 | 4Q02 | 3Q01 |
| ----- | | | | |

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PROFITABILITY

| | | | |
|--|-------|--------|--------|
| Net interest margin (1) | 7.40% | 6.26% | 9.38% |
| Return on average total assets (2) | 0.89% | 2.05% | 3.32% |
| Return on average shareholders' equity (3) | 7.89% | 20.04% | 36.17% |

EFFICIENCY

| | | | |
|--|--------|--------|--------|
| Operating expenses to net operating income (4) | 70.00% | 69.90% | 59.19% |
| Operating expenses to average total assets (4) | 6.52% | 6.13% | 6.50% |

CAPITAL ADEQUACY

| | | | |
|---|--------|--------|--------|
| Shareholders' equity to total assets | 9.70% | 8.36% | 10.24% |
| Technical capital to risk weighted assets (5) | 10.99% | 10.78% | 11.13% |

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. Excluding merger expenses. Operating income includes net interest income, total fees and income from services, and total other operating income.
5. Calculated on an unconsolidated basis.

| STOCK INDICATORS | QUARTERS | | | |
|--------------------------|-------------|-------------|-------------|-----------|
| | 4Q 01 | 3Q 02 | 4Q 02 | 31-DEC-0 |
| Net Income (Ps millions) | 21,699 | 55,621 | 90,929 | 146,5 |
| USD Earnings per ADS | 0.0652 | 0.140 | 0.224 | 0.4 |
| ROAA | 0.89% | 2.05% | 3.32% | 1. |
| ROAE | 7.89% | 20.04% | 36.17% | 16. |
| P/BV ADS (1) | 0.53 | 0.55 | 0.75 | 0. |
| P/BV Local (2) (3) | 0.60 | 0.99 | 0.78 | 0. |
| Shares Outstanding | 576,695,395 | 576,695,395 | 576,695,395 | 576,695,3 |

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

(2) Defined as Share prices divided by share book value.

(3) Share prices on the Colombian Stock Exchange

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| CONSOLIDATED BALANCE SHEET (Ps millions) | 31-DEC-01 | AS OF 30-SEP-02 | 31-DEC-02 |
|--|-------------------|--------------------|-------------------|
| ASSETS | | | |
| Cash and due from banks | 535,849 | 578,570 | 642,606 |
| Overnight funds | 176,666 | 96,667 | 207,683 |
| TOTAL CASH AND EQUIVALENTS | 712,515 | 675,237 | 850,289 |
| DEBT SECURITIES | | | |
| Trading | 2,792,779 | 1,715,973 | 1,588,815 |
| Available for Sale | - | 1,525,533 | 1,887,514 |
| Held to Maturity | 1,987 | 590,775 | 607,645 |
| EQUITY SECURITIES | | | |
| Trading | 269,371 | 142,541 | 83,487 |
| Available for Sale | - | 296,907 | 306,358 |
| Market value allowance | (29,786) | (63,979) | (70,774) |
| NET INVESTMENT SECURITIES | 3,034,350 | 4,207,750 | 4,403,045 |
| Gross Loans | | | |
| Gross Loans | 5,382,075 | 6,046,488 | 6,213,274 |
| Allowance for loan losses | (271,729) | (336,764) | (332,324) |
| NET TOTAL LOANS | 5,110,346 | 5,709,724 | 5,880,950 |
| Accrued interest receivable on loans | | | |
| Accrued interest receivable on loans | 104,727 | 100,523 | 98,556 |
| Allowance for accrued interest losses | (27,011) | (16,666) | (15,074) |
| NET TOTAL INTEREST ACCRUED | 77,716 | 83,857 | 83,482 |
| Customers' acceptances | | | |
| Customers' acceptances | 39,907 | 1,225 | (15,662) |
| Net accounts receivable | 72,356 | 90,588 | 112,122 |
| Net premises and equipment | 260,680 | 254,329 | 265,918 |
| Foreclosed assets | 57,001 | 50,582 | 46,002 |
| Prepaid expenses and deferred charges | 63,570 | 60,690 | 49,727 |
| Good will | 141,552 | 124,566 | 118,904 |
| Net lease | 245,815 | 310,825 | 382,242 |
| Other | 112,421 | 71,799 | 65,072 |
| Reappraisal of assets | 248,251 | 197,854 | 197,257 |
| TOTAL ASSETS | 10,176,480 | 11,839,026 | 12,439,348 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| LIABILITIES | | | |
| DEPOSITS | | | |
| NON-INTEREST BEARING | | | |
| NON-INTEREST BEARING | 1,777,650 | 1,567,048 | 2,027,618 |
| Checking accounts | 1,710,960 | 1,464,528 | 1,933,045 |
| Other | 66,690 | 102,520 | 94,573 |
| INTEREST BEARING | | | |
| INTEREST BEARING | 5,807,807 | 6,721,682 | 6,765,639 |
| Checking accounts | 608,602 | 703,880 | 758,563 |
| Time deposits | 3,429,336 | 3,515,817 | 3,606,848 |
| Savings deposits | 1,769,869 | 2,501,985 | 2,400,228 |
| TOTAL DEPOSITS | 7,585,457 | 8,288,730 | 8,793,257 |
| Overnight funds | 202,994 | 713,567 | 603,296 |
| Bank acceptances outstanding | 31,066 | 31,686 | 31,050 |
| Interbank borrowings | 399,595 | 594,810 | 403,962 |
| Borrowings from domestic development banks | 388,196 | 500,189 | 688,687 |
| Accounts payable | 337,011 | 478,940 | 398,038 |
| Other liabilities | 123,914 | 142,944 | 161,639 |
| Bonds | 8,523 | 2,221 | 27,782 |
| Accrued expenses | 89,472 | 82,955 | 44,487 |
| Minority interest in consolidated subsidiaries | 22,842 | 13,217 | 13,789 |

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| | | | |
|--|------------|------------|------------|
| TOTAL LIABILITIES | 9,189,070 | 10,849,259 | 11,165,987 |
| Shareholders' equity | 987,410 | 989,767 | 1,273,361 |
| ----- | | | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 10,176,480 | 11,839,026 | 12,439,348 |

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[BANCOLOMBIA LOGO]

| CONSOLIDATED INCOME STATEMENT (Ps Millions) | AS OF | | |
|---|-----------|-----------|-----------|
| | 31-DEC-01 | 31-DEC-02 | 4Q 01 |
| ----- | | | |
| INTEREST INCOME AND EXPENSES | | | |
| Interest on loans | 814,728 | 718,435 | 202,809 |
| Interest on investment securities | 243,528 | 370,383 | 58,436 |
| Overnight funds | 26,970 | 9,012 | 6,534 |
| Leasing | 35,437 | 39,603 | 9,286 |
| TOTAL INTEREST INCOME | 1,120,663 | 1,137,433 | 277,065 |
| ----- | | | |
| Interest expense | | | |
| Time deposits | 326,413 | 273,397 | 82,330 |
| Savings deposits | 113,239 | 107,107 | 27,200 |
| TOTAL INTEREST ON DEPOSITS | 439,652 | 380,504 | 109,530 |
| ----- | | | |
| Interbank borrowings | 26,976 | 9,404 | 1,530 |
| Borrowings from domestic development banks | 35,676 | 44,634 | 9,917 |
| Overnight funds | 28,249 | 27,481 | 10,750 |
| TOTAL INTEREST EXPENSE | 530,553 | 462,023 | 131,727 |
| ----- | | | |
| NET INTEREST INCOME | 590,110 | 675,410 | 145,338 |
| Provision for loan and accrued interest losses | (348,303) | (206,623) | (114,379) |
| Provision for foreclosed assets and other assets | (63,788) | (71,531) | (17,166) |
| Recovery of provisions for foreclosed assets and other assets | - | 32,886 | - |
| Recovery of provisions for past due loans and accrued interest losses | 254,751 | 91,798 | 84,097 |
| Recovery of charged-off loans | 20,411 | 25,609 | 4,248 |
| ----- | | | |
| TOTAL NET PROVISIONS | (136,929) | (127,861) | (43,202) |
| NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES | 453,181 | 547,549 | 102,136 |
| ----- | | | |
| Commissions from banking services | 83,157 | 104,080 | 22,656 |
| Credit card merchant fees | 39,662 | 44,117 | 10,975 |
| Credit and debit card annual fees | 39,960 | 48,991 | 10,550 |
| Checking fees | 37,674 | 40,972 | 9,507 |
| Warehouse services | 32,668 | 38,879 | 8,547 |
| Commissions-fees from fiduciary activities | 27,101 | 35,290 | 7,517 |
| Check remittance | 23,493 | 20,473 | 6,014 |
| International operations | 20,171 | 22,402 | 5,294 |
| TOTAL FEES AND OTHER SERVICE INCOME | 303,886 | 355,204 | 81,060 |
| ----- | | | |

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| | | | |
|--|----------|----------|----------|
| Fees and other service expenses | (51,303) | (55,581) | (13,449) |
| TOTAL FEES AND INCOME FROM SERVICES | 252,583 | 299,623 | 67,611 |
| ----- | | | |
| OTHER OPERATING INCOME | | | |
| Net foreign exchange gains | 22,473 | 91,164 | (394) |
| Dividend income | 8,050 | 28,089 | 301 |
| Forward contracts in foreign currency | 17,063 | (62,612) | 11,912 |
| Communication, postage and others | 8,751 | 8,543 | 2,425 |
| TOTAL OTHER OPERATING INCOME | 56,337 | 65,184 | 14,244 |
| ----- | | | |
| TOTAL INCOME | 762,101 | 912,356 | 183,991 |
| OPERATING EXPENSES | | | |
| Salaries and employee benefits | 246,005 | 277,267 | 62,523 |
| Compensation | 23,176 | 24,242 | 6,822 |
| Administrative and other expenses | 287,070 | 308,719 | 77,889 |
| Donation expenses | 4,280 | 9,411 | 3,969 |
| Depreciation | 31,898 | 32,129 | 7,827 |
| TOTAL OPERATING EXPENSES | 592,429 | 651,768 | 159,030 |
| ----- | | | |
| NET OPERATING INCOME | 169,672 | 260,588 | 24,961 |
| Merger expenses | 42,208 | 33,028 | 10,101 |
| NON-OPERATING INCOME (EXPENSE) | | | |
| Other income | 70,950 | 34,036 | 21,942 |
| Minority interest | (1,243) | 15,139 | (369) |
| Reimbursement by loan portfolio purchasing | 5,357 | - | 5,357 |
| Recovery of deposit security | - | 2,421 | - |
| Other expense | (30,505) | (23,213) | (20,530) |
| TOTAL NON-OPERATING INCOME | 44,559 | 28,383 | 6,400 |
| INCOME BEFORE INCOME TAXES | 172,023 | 255,943 | 21,260 |
| Income tax expense | (25,431) | (34,244) | 439 |
| ----- | | | |
| NET INCOME | 146,592 | 221,699 | 21,699 |

CONSOLIDATED INCOME STATEMENT

(Ps Millions)

GROWTH

4Q 02/3Q 02 4Q 02/4Q 01

INTEREST INCOME AND EXPENSES

| | | |
|-----------------------------------|---------|---------|
| Interest on loans | -4.85% | -17.01% |
| Interest on investment securities | 127.81% | 139.04% |
| Overnight funds | 199.73% | -66.15% |
| Leasing | 16.90% | 17.92% |
| TOTAL INTEREST INCOME | 29.33% | 15.92% |

Interest expense

| | | |
|----------------------------|--------|---------|
| Time deposits | -8.01% | -29.53% |
| Savings deposits | 5.39% | -0.68% |
| TOTAL INTEREST ON DEPOSITS | -4.14% | -22.37% |

Interbank borrowings

| | | |
|--|---------|---------|
| Borrowings from domestic development banks | -71.61% | -34.97% |
| Overnight funds | 9.04% | 21.71% |
| TOTAL INTEREST EXPENSE | 68.95% | -23.46% |
| | -1.68 | -19.28% |

NET INTEREST INCOME

| | | |
|---|---------|---------|
| Provision for loan and accrued interest losses | 53.26% | 47.82% |
| Provision for foreclosed assets and other assets | 23.39% | -70.28% |
| Recovery of provisions for foreclosed assets and other assets | -26.89% | -18.76% |
| | 81.41% | 0.00% |

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| | | |
|---|-----------|-----------|
| Recovery of provisions for past due loans and accrued interest losses | -1.47 | -88.49% |
| Recovery of charged-off loans | -37.56% | 26.58% |
| ----- | | |
| TOTAL NET PROVISIONS | 3.66% | -43.66% |
| NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES | 63.24% | 86.52% |
| ----- | | |
| Commissions from banking services | 7.94% | 30.57% |
| Credit card merchant fees | 16.79% | 19.16% |
| Credit and debit card annual fees | 0.11% | 19.14% |
| Checking fees | 0.60% | 9.55% |
| Warehouse services | 0.19% | 15.47% |
| Commissions-fees from fiduciary activities | 17.53% | 29.16% |
| Check remittance | 7.32% | -11.04% |
| International operations | 4.80% | 22.06% |
| TOTAL FEES AND OTHER SERVICE INCOME | 6.89% | 19.71% |
| ----- | | |
| Fees and other service expenses | 6.13% | 13.94% |
| TOTAL FEES AND INCOME FROM SERVICES | 7.04% | 20.85% |
| ----- | | |
| OTHER OPERATING INCOME | | |
| Net foreign exchange gains | -48.96% | -5270.81% |
| Dividend income | -71.50% | 1128.57% |
| Forward contracts in foreign currency | -34,26% | -283.57% |
| Communication, postage and others | 10.78% | -4.25% |
| TOTAL OTHER OPERATING INCOME | -79.17% | -68.23% |
| ----- | | |
| TOTAL INCOME | 28.86% | 50.41% |
| OPERATING EXPENSES | | |
| Salaries and employee benefits | 5.02% | 16.22% |
| Compensation | -9.18% | -13.60% |
| Administrative and other expenses | -1.08% | 5.05% |
| Donation expenses | 74933.33% | 126.86% |
| Depreciation | 8.70% | 12.81% |
| TOTAL OPERATING EXPENSES | 7.02% | 12.07% |
| ----- | | |
| NET OPERATING INCOME | 104.29% | 294.72% |
| Merger expenses | -28.50% | -43.95% |
| NON-OPERATING INCOME (EXPENSE) | | |
| Other income | -22.87% | -54.59% |
| Minority interest | -100.49% | -78.32% |
| Reimbursement by loan portfolio purchasing | 0.00% | -100.00% |
| Recovery of deposit security | 0.00% | 100.00% |
| Other expense | -37.10% | -83.87% |
| TOTAL NON-OPERATING INCOME | -72.64% | 2.71% |
| INCOME BEFORE INCOME TAXES | 54.56% | 367.72% |
| Income tax expense | -2.35% | -2037.81% |
| ----- | | |
| NET INCOME | 63.48% | 319.05% |
| ----- | | |

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