

BANCOLOMBIA SA
Form 6-K
January 30, 2009

**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 January, 2009.

Comission File Number 001-32535

Bancolombia S.A.

(Translation of registrant's name into English)

Cra. 48 # 26-85

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-_____.

**BANCOLOMBIA S.A. ANNOUNCES UNCONSOLIDATED RESULTS
FOR THE MONTH OF DECEMBER 2008¹**

Medellín, Colombia, January 30, 2009

Bancolombia S.A. (Bancolombia) reported unconsolidated net income of Ps. 62.3 billion in December 2008. Net income for Bancolombia on an unconsolidated basis totaled Ps.1,043.7 billion for the year ended December 31, 2008, increasing 29.8% as compared to the same period of 2007.

Net interest income, including investment securities, totaled Ps. 259.5 billion in December 2008. For the year ended December 31, 2008, net interest income totaled Ps. 2,599.2 billion, increasing 35.4% as compared to the same period last year.

Net fees and income from services in December 2008 totaled Ps. 85.1 billion. For the year ended December 31, 2008, net fees and income from services totaled Ps. 799.9 billion, which represents an increase of 18.0% as compared to the same period of 2007.

Other operating income totaled Ps.7.7 billion in December 2008. For the year ended December 31, 2008, other operating income totaled Ps. 553.9 billion increasing 63.6% as compared to the same period last year. Bancolombia notes that a considerable part of this revenue comes from dividend income received from subsidiaries, which is eliminated in the consolidated results as it is an intercompany transaction. As a result, this dividend income is only recorded in Bancolombia s unconsolidated results. In addition, other operating income for the month of December was affected by rule changes concerning the valuation of derivatives to be followed by the entities under the supervision of the Superintendencia Financiera de Colombia (Colombian Superintendency of Finance). See additional information below.

Net provisions totaled Ps. 127.9 billion in December 2008. Net provisions totaled Ps. 751.1 billion for the year ended December 31, 2008, which represents an increase of 136.2% as compared to the same period of 2007. Bancolombia s (unconsolidated) level of past due loans (i.e. loans overdue for more than 30 days) as a percentage of total loans amounted to 3.53% as of December 31, 2008, and the ratio of allowances to past due loans increased to 143.1% as of the same date.

Operating expenses totaled Ps. 211.9 billion in December 2008. For the year ended December 31, 2008, operating expenses totaled Ps. 1,800.3 billion, increasing 16.3% as compared to the same period of 2007.

Total assets (unconsolidated) amounted to Ps. 39.4 trillion, loans amounted to Ps. 27.9 trillion, deposits totaled Ps. 25.3 trillion and Bancolombia s total shareholders equity amounted to Ps. 5.9 trillion.

Market Share

According to ASOBANCARIA (Colombia s national banking association),Bancolombia s market share of the Colombian financial system as of December 2008, was as follows: 19.1% of total deposits, 21.8% of total net loans, 21.0% of total savings accounts, 22.1% of total checking accounts and 14.8% of total time deposits.

¹ This report corresponds to the unconsolidated financial statements of Bancolombia. The numbers contained herein are subject to

review by the
relevant
Colombian
authorities. This
information has
been prepared in
accordance with
generally
accepted
accounting
principles in
Colombia and is
stated in
nominal terms.

RULE CHANGES CONCERNING VALUATION METHODOLOGIES FOR DERIVATIVE INSTRUMENTS

In 2008, the Colombian Superintendency of Finance issued external circulars 025, 030, 044 and 063 (the 2008 External Circulars) establishing new guidelines for the valuation of derivatives and structured products to be followed by entities under its supervision. External circular 025 amended chapter XVIII of the Circular Básica Contable y Financiera

In accordance with the 2008 External Circulars, Bancolombia modified the methodology by which it values its portfolio of derivatives and structured products. As a result of this change, Bancolombia's balance sheet and financial results have been impacted as follows:

A reduction in the carrying value of derivatives totaling Ps. 145 billion (approximately US \$60.8 million²) was recorded for the 2008 fiscal year, resulting in a reduction on income. After this reduction, income from derivative financial instruments for the year ended December 31, 2008 totaled Ps. 139.1 billion (approximately US \$58.3 million).

An additional reduction of Ps. \$135 billion (approximately US\$56.6 million) in the carrying value of derivatives will be recorded in 2009, resulting in a reduction on income that will be amortized daily, in equal installments, during the first six months of 2009.

The complete text of the 2008 External Circulars, can be downloaded from the web site of the Colombian Superintendency of Finance (<http://www.superfinanciera.gov.co/>), in the "Establecimientos de credito" Normativa section.

² Exchange Rate
for January 30,
2009: \$1 = Ps.
2,386.58.

| BANCOLOMBIA S.A. BALANCE SHEET (Ps Millions) | As of | | | Growth | | Annual % |
|--|-------------------|-------------------|-------------------|---------------------------------|---------------|---------------------------|
| | Dec-07 | Nov-08 | Dec-08 | Dec08/Nov08 \$ | % | |
| ASSETS | | | | | | |
| Cash and due from banks | 2,181,250 | 2,788,113 | 2,529,017 | -259,096 | -9.29% | 15.94% |
| Overnight funds sold | 1,300,330 | 367,914 | 1,134,172 | 766,258 | 208.27% | -12.78% |
| Total cash and equivalents | 3,481,580 | 3,156,027 | 3,663,189 | 507,162 | 16.07% | 5.22% |
| Debt securities | 3,852,076 | 4,029,382 | 4,426,643 | 397,261 | 9.86% | 14.92% |
| Trading | 1,551,223 | 1,461,075 | 1,707,142 | 246,067 | 16.84% | 10.05% |
| Available for Sale | 1,274,563 | 1,150,214 | 1,157,908 | 7,694 | 0.67% | -9.15% |
| Held to Maturity | 1,026,290 | 1,418,093 | 1,561,593 | 143,500 | 10.12% | 52.16% |
| Equity securities | 983,796 | 1,115,404 | 1,398,326 | 282,922 | 25.36% | 42.14% |
| Trading | 8,335 | 26,078 | 284,523 | 258,445 | 991.05% | 3313.59% |
| Available for Sale | 975,461 | 1,089,326 | 1,113,803 | 24,477 | 2.25% | 14.18% |
| Market value allowance | -29,802 | -18,512 | -18,541 | -29 | 0.16% | -37.79% |
| Net investment securities | 4,806,070 | 5,126,274 | 5,806,428 | 680,154 | 13.27% | 20.81% |
| Commercial loans | 17,411,943 | 21,377,101 | 21,592,420 | 215,319 | 1.01% | 24.01% |
| Consumer loans | 3,654,977 | 3,897,701 | 3,863,350 | -34,351 | -0.88% | 5.70% |
| Small business loans | 111,382 | 127,210 | 126,372 | -838 | -0.66% | 13.46% |
| Mortgage loans | 1,923,883 | 2,407,017 | 2,327,127 | -79,890 | -3.32% | 20.96% |
| Allowance for loans and financial leases losses | -933,933 | -1,267,497 | -1,405,229 | -137,732 | 10.87% | 50.46% |
| Net total loans and financial leases | 22,168,252 | 26,541,532 | 26,504,040 | -37,492 | -0.14% | 19.56% |
| Accrued interest receivable on loans | 305,561 | 407,621 | 408,226 | 605 | 0.15% | 33.60% |
| Allowance for accrued interest losses | -23,144 | -26,715 | -30,464 | -3,749 | 14.03% | 31.63% |
| Net total interest accrued | 282,417 | 380,906 | 377,762 | -3,144 | -0.83% | 33.76% |
| Customers acceptances and derivatives | 196,565 | 364,511 | 285,069 | -79,442 | -21.79% | 45.03% |
| Net accounts receivable | 403,158 | 527,873 | 446,815 | -81,058 | -15.36% | 10.83% |
| Net premises and equipment | 484,625 | 635,021 | 671,587 | 36,566 | 5.76% | 38.58% |
| Foreclosed assets | 7,656 | 4,302 | 4,143 | -159 | -3.70% | -45.89% |
| Prepaid expenses and deferred charges | 52,271 | 75,264 | 68,813 | -6,451 | -8.57% | 31.65% |
| Goodwill | 12,509 | 2,258 | 1,841 | -417 | -18.47% | -85.28% |
| Other | 167,811 | 371,596 | 227,879 | -143,717 | -38.68% | 35.80% |
| Reappraisal of assets | 1,132,917 | 1,308,413 | 1,357,553 | 49,140 | 3.76% | 19.83% |
| Total assets | 33,195,831 | 38,493,977 | 39,415,119 | 921,142 | 2.39% | 18.74% |
| LIABILITIES AND SHAREHOLDERS | | | | | | |

EQUITY**LIABILITIES****DEPOSITS**

| | | | | | | |
|---|-------------------|-------------------|-------------------|------------------|---------------|---------------|
| Non-interest bearing | 5,296,429 | 4,483,568 | 5,320,992 | 837,424 | 18.68% | 0.46% |
| Checking accounts | 4,816,714 | 4,092,641 | 4,930,757 | 838,116 | 20.48% | 2.37% |
| Other | 479,715 | 390,927 | 390,235 | -692 | -0.18% | -18.65% |
| Interest bearing | 15,832,665 | 19,556,974 | 19,978,873 | 421,899 | 2.16% | 26.19% |
| Checking accounts | 515,370 | 575,216 | 707,816 | 132,600 | 23.05% | 37.34% |
| Time deposits | 4,590,843 | 6,664,102 | 6,852,631 | 188,529 | 2.83% | 49.27% |
| Savings deposits | 10,726,452 | 12,317,656 | 12,418,426 | 100,770 | 0.82% | 15.77% |
| Total deposits | 21,129,094 | 24,040,542 | 25,299,865 | 1,259,323 | 5.24% | 19.74% |
| Overnight funds | 1,164,019 | 598,530 | 1,077,180 | 478,650 | 79.97% | -7.46% |
| Bank acceptances outstanding | 53,724 | 89,008 | 55,864 | -33,144 | -37.24% | 3.98% |
| Interbank borrowings | 733,986 | 1,002,218 | 1,043,014 | 40,796 | 4.07% | 42.10% |
| Borrowings from domestic development banks | 1,551,102 | 1,831,651 | 1,829,255 | -2,396 | -0.13% | 17.93% |
| Accounts payable | 1,287,010 | 1,648,116 | 1,327,300 | -320,816 | -19.47% | 3.13% |
| Accrued interest payable | 146,134 | 205,790 | 211,678 | 5,888 | 2.86% | 44.85% |
| Other liabilities | 326,911 | 348,165 | 406,111 | 57,946 | 16.64% | 24.23% |
| Bonds | 1,625,704 | 2,200,881 | 2,148,993 | -51,888 | -2.36% | 32.19% |
| Accrued expenses | 111,749 | 753,700 | 113,711 | -639,989 | -84.91% | 1.76% |
| Total liabilities | 28,129,433 | 32,718,601 | 33,512,971 | 794,370 | 2.43% | 19.14% |

SHAREHOLDER S**EQUITY**

| | | | | | | |
|---|-------------------|-------------------|-------------------|----------------|----------------|----------------|
| Subscribed and paid in capital | 393,914 | 393,914 | 393,914 | | 0.00% | 0.00% |
| Retained earnings | 3,110,017 | 3,643,887 | 3,706,200 | 62,313 | 1.71% | 19.17% |
| Appropriated | 2,305,756 | 2,662,531 | 2,662,531 | | 0.00% | 15.47% |
| Unappropriated | 804,261 | 981,356 | 1,043,669 | 62,313 | 6.35% | 29.77% |
| Reappraisal and others | 1,592,129 | 1,767,800 | 1,816,942 | 49,142 | 2.78% | 14.12% |
| Gross unrealized gain or loss on debt securities | (29,662) | (30,225) | (14,908) | 15,317 | -50.68% | -49.74% |
| Total shareholder s equity | 5,066,398 | 5,775,376 | 5,902,148 | 126,772 | 2.20% | 16.50% |
| Total liabilities and shareholder s equity | 33,195,831 | 38,493,977 | 39,415,119 | 921,142 | 2.39% | 18.74% |

| BANCOLOMBIA S.A. INCOME STATEMENT (Ps Millions) | Accumulated | | Growth | Month | | Growth |
|--|--------------------|------------------|---------------------------|------------------|------------------|--------------------------|
| | Dec-07 | Dec-08 | Annual % | Nov-08 | Dec-08 | Month % |
| Interest income and expenses | | | | | | |
| Interest on loans | 2,703,612 | 3,767,241 | 39.34% | 345,257 | 374,819 | 8.56% |
| Interest on investment securities | 250,624 | 309,518 | 23.50% | 36,422 | 29,984 | -17.68% |
| Overnight funds | 58,100 | 55,953 | -3.70% | 5,540 | 5,472 | -1.23% |
| Total interest income | 3,012,336 | 4,132,712 | 37.19% | 387,219 | 410,275 | 5.95% |
| Interest expense | | | | | | |
| Checking accounts | 16,880 | 17,563 | 4.05% | 1,895 | 2,454 | 29.50% |
| Time deposits | 304,948 | 558,592 | 83.18% | 54,725 | 52,736 | -3.63% |
| Savings deposits | 457,703 | 572,737 | 25.13% | 54,998 | 57,652 | 4.83% |
| Total interest on deposits | 779,531 | 1,148,892 | 47.38% | 111,618 | 112,842 | 1.10% |
| Interbank borrowings | 62,103 | 33,009 | -46.85% | 5,904 | 3,257 | -44.83% |
| Borrowings from domestic development banks | 70,439 | 111,437 | 58.20% | 10,220 | 10,902 | 6.67% |
| Overnight funds | 88,831 | 74,780 | -15.82% | 2,778 | 5,269 | 89.67% |
| Bonds | 92,459 | 165,384 | 78.87% | 18,383 | 18,521 | 0.75% |
| Total interest expense | 1,093,363 | 1,533,502 | 40.26% | 148,903 | 150,791 | 1.27% |
| Net interest income | 1,918,973 | 2,599,210 | 35.45% | 238,316 | 259,484 | 8.88% |
| Provision for loan and accrued interest losses, net | (424,362) | (851,765) | 100.72% | (137,978) | (141,182) | 2.32% |
| Recovery of charged-off loans | 63,490 | 62,376 | -1.75% | 5,052 | 6,885 | 36.28% |
| Provision for foreclosed assets and other assets | (27,556) | (15,512) | -43.71% | (282) | (1,642) | 482.27% |
| Recovery of provisions for foreclosed assets and other assets | 70,462 | 53,834 | -23.60% | 1,115 | 8,045 | 621.52% |
| Total net provisions | (317,966) | (751,067) | 136.21% | (132,093) | (127,894) | -3.18% |
| Net interest income after provision for loans and accrued interest losses | 1,601,007 | 1,848,143 | 15.44% | 106,223 | 131,590 | 23.88% |
| Commissions from banking services and other services | 102,074 | 117,938 | 15.54% | 6,750 | 15,464 | 129.10% |
| Electronic services and ATM fees, net | 73,972 | 78,796 | 6.52% | 6,279 | 7,727 | 23.06% |
| Branch network services, net | 98,811 | 97,863 | -0.96% | 7,672 | 9,798 | 27.71% |
| Collections and payments fees, net | 112,617 | 139,023 | 23.45% | 11,129 | 13,241 | 18.98% |
| Credit card merchant fees, net | 19,572 | 14,547 | -25.67% | 1,411 | 4,097 | 190.36% |
| Credit and debit card fees, net | 257,131 | 326,083 | 26.82% | 26,200 | 31,215 | 19.14% |

Edgar Filing: BANCOLOMBIA SA - Form 6-K

| | | | | | | |
|--|------------------|------------------|----------------|----------------|----------------|----------------|
| Checking fees, net | 66,885 | 67,463 | 0.86% | 5,076 | 6,265 | 23.42% |
| Check remittance, net | 10,316 | 12,041 | 16.72% | 820 | 1,102 | 34.39% |
| International operations, net | 33,091 | 37,430 | 13.11% | 3,299 | 3,519 | 6.67% |
| Total fees and other service income | 774,469 | 891,184 | 15.07% | 68,636 | 92,428 | 34.66% |
| Other fees and service expenses | (96,452) | (91,230) | -5.41% | (6,905) | (7,279) | 5.42% |
| Total fees and income from services, net | 678,017 | 799,954 | 17.98% | 61,731 | 85,149 | 37.94% |
| Other operating income | | | | | | |
| Net foreign exchange gains | 38,296 | 96,701 | 152.51% | (3,331) | 7,650 | 329.66% |
| Derivative Financial Instruments | 139,700 | 139,102 | -0.43% | 81,646 | (49,737) | -160.92% |
| Gains(Loss) on sales of investments on equity securities | (13,254) | 80,828 | 709.84% | | 45,145 | * |
| Securitization income | 50,377 | 41,080 | -18.46% | 2,164 | 4,568 | 111.09% |
| Dividend income | 122,127 | 194,851 | 59.55% | 36 | | * |
| Communication, rent payments and others | 1,398 | 1,349 | -3.51% | 99 | 119 | 20.20% |
| Total other operating income | 338,644 | 553,911 | 63.57% | 80,614 | 7,745 | -90.39% |
| Total income | 2,617,668 | 3,202,008 | 22.32% | 248,568 | 224,484 | -9.69% |
| Operating expenses | | | | | | |
| Salaries and employee benefits | 608,013 | 688,279 | 13.20% | 55,387 | 93,163 | 68.20% |
| Bonus plan payments | 54,614 | 82,198 | 50.51% | 5,963 | (14,789) | -348.01% |
| Compensation | 22,244 | 21,649 | -2.67% | 1,115 | 1,202 | 7.80% |
| Administrative and other expenses | 734,259 | 870,006 | 18.49% | 69,361 | 100,640 | 45.10% |
| Deposit security, net | 40,673 | 40,279 | -0.97% | 2,493 | 2,493 | 0.00% |
| Donation expenses | 11,129 | 24,178 | 117.25% | 47 | 20,931 | 44434.04% |
| Depreciation | 76,861 | 73,725 | -4.08% | 6,020 | 8,279 | 37.52% |
| Total operating expenses | 1,547,793 | 1,800,314 | 16.31% | 140,386 | 211,919 | 50.95% |
| Net operating income | 1,069,876 | 1,401,694 | 31.01% | 108,182 | 12,565 | -88.39% |
| Merger expenses | | | 0.00% | | | 0.00% |
| Goodwill amortization | 27,655 | 10,668 | -61.42% | 417 | 417 | 0.00% |
| Non-operating income (expense) | | | | | | |
| Other income | 62,080 | 105,530 | 69.99% | 2,707 | 48,055 | 1675.21% |
| Other expense | (64,789) | (107,510) | 65.94% | (9,775) | 3,346 | 134.23% |
| Total non-operating income | (2,710) | (1,980) | -26.93% | (7,068) | 51,401 | 827.24% |
| Income before income taxes | 1,039,511 | 1,389,046 | 33.62% | 100,697 | 63,549 | -36.89% |
| Income tax expense | (235,250) | (345,377) | 46.81% | (13,805) | (1,236) | -91.05% |
| Net income | 804,261 | 1,043,669 | 29.77% | 86,892 | 62,313 | -28.29% |

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: January 30, 2009

By: /s/ JAIME ALBERTO VELÁSQUEZ B.

Name: Jaime Alberto Velásquez B.

Title: Vice President of Finance