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BANCOLOMBIA SA
Form 6-K
March 02, 2006

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 March 2006

BANCOLOMBIA S.A.

(Translation of Registrant's name into English)

Calle 50 No. 51-66
Medellin, Colombia

(Address of principal executive offices)

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

Form 20-F 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. 001-32535).

SIGNATURE

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

BANCOLOMBIA S.A.
(Registrant)

Date: March 02, 2006

By /s/ JAIME ALBERTO VELASQUEZ B.

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

(BANCOLOMBIA LOGO)

(CIB LISTED NYSE LOGO)

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2005

MARCH 2, 2006. Medellin, Colombia -- Today, BANCOLOMBIA S.A. (NYSE: CIB) announced the financial results for the quarter ended December 31, 2005.(1)

CONSOLIDATED BALANCE SHEET
AND INCOME STATEMENT
(Ps millions)

	QUARTER		GRO
	3Q 05	4Q 05	4Q 05/
-----	-----	-----	-----
ASSETS			
Loans and financial leases, net	17,245,858	17,920,370	
Investment securities, net	7,636,300	8,459,703	
Other assets	3,966,172	4,423,444	
	-----	-----	
TOTAL ASSETS	28,848,330	30,803,517	
	-----	-----	
LIABILITIES AND SHAREHOLDERS' EQUITY			
DEPOSITS			
Non-interest bearing	2,613,728	3,530,279	
Interest bearing	14,902,718	14,854,703	
OTHER LIABILITIES	8,101,685	9,041,245	
TOTAL LIABILITIES	25,618,131	27,426,227	
Shareholders' equity	3,230,199	3,377,290	
	-----	-----	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	28,848,330	30,803,517	
	-----	-----	
Interest income	885,126	793,968	
Interest expense	284,961	286,994	
NET INTEREST INCOME	600,165	506,974	
Net provisions	(58,115)	(22,406)	
Fees and income from service, net	207,961	212,777	
Other operating income	47,501	7,883	
Operating expense	(468,675)	(375,591)	
Non-operating income, net	(16,420)	20,006	
Income tax expense	(43,178)	(93,065)	
	-----	-----	
NET INCOME	269,239	256,578	
	-----	-----	

(1) This report corresponds to the consolidated financial statements of BANCOLOMBIA and its affiliates of which it owns, directly or indirectly, 50% or more of the voting capital stock. Any reference to BANCOLOMBIA must be understood as to the Bank together with its affiliates, unless otherwise specified. The unaudited pro forma combined condensed financial statements for the fourth quarter of 2004 and as of December 31, 2004 and the relevant numbers developed from such financial statements presented below are derived from (a) the unaudited consolidated financial statements of Bancolombia as of September 30, 2004 and as of December 31, 2004, (b) the unaudited consolidated financial statements of Corporacion Financiera Nacional y Suramericana S.A. ("Corfinsura"), giving effect to the spin-off of the portion of Corfinsura's assets and liabilities that were not assumed by Bancolombia through the merger, as of September 30, 2004 and, as of December 31, 2004 and (c) the unaudited consolidated financial statements of Conavi Banco Comercial y de Ahorros S.A ("Conavi"), as of September 30, 2004 and as of December 31, 2004, as if the merger had been completed as of those dates.

These financial statements have been prepared in accordance with generally accepted accounting principles in Colombia (COLGAAP), are stated in nominal terms and have not been audited. Even though for purposes of COLGAAP historical pro forma information is not required, these pro forma financial statements are presented for comparison purposes.

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

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

Exchange rate: December 31, 2005 Ps 2,284.22 = US\$ 1 Average exchange rate
December 2005 Ps 2,320.77 = US\$ 1

CONTACTS

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1. HIGHLIGHTS:

- o This is the second time BANCOLOMBIA has released consolidated results since the merger that took place on July 30, 2005. This report contains pro forma figures for the fourth quarter of 2004 and for the period ended December 31, 2004 as if the spin off of Corfinsura and the merger with Conavi and Corfinsura (after the spin-off) had taken place on those dates, for the purpose of comparison. All references to numbers for periods prior to the merger contained herein were derived from such pro forma consolidated financial statements.
- o Net income for the year totaled Ps 946.9 billion, increasing 18.2% as compared to Ps 801.1 billion pro forma for 2004. During the fourth quarter, net income amounted to Ps 256.6 billion, which represents a 1.9% increase compared to the same period of 2004 pro forma.
- o As of December 31, 2005, BANCOLOMBIA's net loans totaled Ps 17,920 billion, increasing 3.9% compared to Ps 17,246 billion in the previous quarter. On a year-to-year basis, this represents an increase of 14.8% from Ps 15,611 billion pro forma at December 31, 2004. On the other hand, investment debt securities amounted to Ps 8,265 billion, increasing 7.8% over the year compared to pro forma figures.
- o During 2005, net interest income amounted to Ps 2,049.8 billion, increasing 13.7% compared to 2004 pro forma. However, net interest income for the fourth quarter 2005 was stable compared to the same period of 2004. Similarly, the net interest margin was very stable resulting in a margin of 7.89% during 2005, compared 7.86% during 2004 pro forma.
- o Net fees and income from services for 2005 totaled Ps 768.3 billion, which represents an increase of 22.1% compared to the pro forma figure for 2004. During the fourth quarter of 2005, they amounted to Ps 212.8 billion, up 26.7% compared to the fourth quarter of 2004 pro forma.
- o BANCOLOMBIA's ratio of past due loans to total loans at December 31, 2005 was 2.4% and the ratio of allowances to past due loans was 158%.
- o As the Bank announced on January 2, 2006, its subsidiary Colcorp sold its position in Abonos Colombianos S.A. -- Abocol S.A, to V. International Ventures Inc. As a result of the transaction, there are non-recurrent changes in income and expenses throughout the fourth quarter results.
- o BANCOLOMBIA experienced non-recurrent provisions due to changes in the provisioning regulation.

STOCK INDICATORS	QUARTER		AS OF	
	3Q 05	4Q 05	SEP-05	DEC-05
Net Income (Ps millions)	269,239	256,578	690,303	946,881
USD Earnings per ADS	0.647	0.617	1.658	2.278
ROAA	3.73%	3.50%	3.19%	3.23%
ROAE	33.34%	31.76%	28.49%	29.30%
P/BV ADS (1)	2.83	3.55		
P/BV Local (2) (3)	2.80	3.31		
P/E (4)	8.43	11.12		
Shares Outstanding	727,827,005	727,827,005		

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- (1) Defined as ADS price divided by ADS book value.
- (2) Defined as Share price divided by share book value.
- (3) Share prices on the Colombian Stock Exchange
- (4) Defined as market capitalization divided by annualized quarter results

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4Q05

2. CONSOLIDATED BALANCE SHEET

2.1 ASSETS

BANCOLOMBIA's total assets increased 6.8% over the quarter to Ps 30,804 billion as of December 31, 2005 from Ps 28.848 billion as of September 30, 2005, registering a 12,5% increase over the year from pro forma Ps 27,379 billion as of December 31, 2004.

2.1.1 LOAN PORTFOLIO

Corporate loans were stable over the quarter, but increased 9.76% over the year to Ps 9,558 billion as of December 31, 2005 from Ps 8,708 billion pro forma as of December 31, 2004.

LOAN PORTFOLIO (Ps millions) -----	31-DEC-04 ----- PRO FORMA	AS OF 30-SEP-05 -----	31-DEC-05 -----	4Q -----
CORPORATE				
Working capital loans	6,827,168	7,958,571	7,754,880	
Loans funded by				
domestic development banks	1,178,611	1,042,505	948,659	
Trade Financing	593,294	423,198	749,342	
Overdrafts	71,001	87,557	62,043	
Credit Cards	37,984	44,396	43,084	
	-----	-----	-----	
TOTAL CORPORATE	8,708,058	9,556,227	9,558,008	
	-----	-----	-----	
RETAIL AND SMEs				
Working capital loans	1,295,950	1,442,580	1,613,158	
Personal loans	1,235,058	1,498,279	1,517,369	
Loans funded by				
domestic development banks	359,494	385,205	403,412	
Credit Cards	638,890	550,927	623,934	
Overdrafts	90,361	134,639	101,957	
Automobile loans	382,107	541,223	631,972	
Trade Financing	54,189	60,056	52,449	
	-----	-----	-----	
TOTAL RETAIL AND SMEs	4,056,049	4,612,909	4,944,251	
MORTGAGE	1,391,333	1,483,011	1,463,437	

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FINANCIAL LEASES	2,126,247	2,336,170	2,660,556
	-----	-----	-----
TOTAL LOANS AND FINANCIAL LEASES	16,281,687	17,988,317	18,626,252
ALLOWANCE FOR LOAN LOSSES AND FINANCIAL LEASES	(670,408)	(742,459)	(705,882)
	-----	-----	-----
TOTAL LOANS AND FINANCIAL LEASES, NET	15,611,279	17,245,858	17,920,370
	-----	-----	-----

The retail and small and medium-sized enterprise ("SME") loan portfolio maintained positive growth rates. It totaled Ps 4,944 billion as of December 31, 2005, increasing 7.2% over the quarter and 21.9% over the year.

Mortgage loans increased 5.2% over the year, amounting to Ps 1,463 billion, but decreased 1.3% quarter-to-quarter compared to the September 30, 2005 results. The quarterly decrease is mainly explained by a mortgage securitization of Ps 32 billion that took place on December 15, 2005. On the other hand, financial leases increased 13.9% over the quarter and 25.1% over the year amounting to Ps 2,661 billion.

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4Q05

2.1.2 INVESTMENT PORTFOLIO

BANCOLOMBIA's investments in debt securities amounted to Ps 8,265 billion, increasing 12.6% over the quarter. On a year-to-year basis, this represents an increase of 7.8%, from pro forma Ps 7,667 billion at December 31, 2004.

2.1.3 ASSET QUALITY

As of December 31, 2005, the Bank's past due loans accounted for 2.4% of total loans. Loans classified as C, D and E accounted for 3.4% of total loans. Furthermore, the ratio of allowances to past due loans at the end of the quarter was 158%, while the ratio of allowances to loans classified as C, D and E was 114%.

LOANS AND FINANCIAL LEASES CLASSIFICATION (Ps millions)

	AS OF 31-DEC-04		AS OF 30-SEP-05	
-----	-----	-----	-----	-----
"A" Normal	15,128,994	92.9%	16,853,001	93.7%
"B" Subnormal	531,801	3.3%	503,075	2.8%
"C" Deficient	205,870	1.3%	158,943	0.9%
"D" Doubtful recovery	234,643	1.4%	278,559	1.5%
"E" Unrecoverable	180,379	1.1%	194,739	1.1%
TOTAL	16,281,687	100%	17,988,317	100%
	-----	-----	-----	-----

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LOANS AND FINANCIAL LEASES CLASSIFIED AS C,
D AND E AS A PERCENTAGE OF TOTAL LOANS AND
FINANCIAL LEASES 3.8% 3.5%

ASSET QUALITY (Ps millions) -----	31-DEC-04 ----- PRO FORMA	AS OF 30-SEP-05 -----	31-DEC-0 -----
Total performing past due loans	289,268	301,878	224,
Total non-performing past due loans (1)	254,773	277,971	227,
Total past due loans	544,041	579,849	451,
Allowance for loans and accrued interest losses	684,826	755,290	714,
Past due loans to total loans	3.34%	3.22%	2
Non-performing loans to total loans	1.56%	1.55%	1
C, D, and E loans to total loans	3.81%	3.51%	3
Allowances to past due loans (2)	125.88%	130.26%	158
Allowances to C, D, and E loans (2)	110.30%	119.46%	113
Allowances to non-performing loans (2)	268.80%	271.72%	314
Allowances to total loans	4.21%	4.20%	3
Performing loans to total loans	98.44%	98.45%	98

(1) Non-performing loans comprise consumer loans that are past due 60 days or more, commercial loans that are past due 90 days or more, and mortgage loans that are past due 120 days or more.

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

2.2 LIABILITIES

Total deposits increased 5.0% over the quarter and 5.8% over the year, totaling Ps 18,385 billion as of December 31, 2005. The funding mix improved over the year. Savings deposits increased 15.7%, whereas time deposits decreased 7.2% over the year, compared to pro forma 2004 figures.

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2.3 SHAREHOLDERS' EQUITY

BANCOLOMBIA's shareholders' equity totaled Ps 3,377 billion at the end of 2005. Compared with September 31, 2005, this amount represents an increase of 4.6% over the quarter and 20.9% over the year. Unrealized gains on available for sale debt securities totaled Ps 58.6 billion as of December 30, 2005.

At the end of 2005, the Bank's consolidated ratio of technical capital to risk-weighted assets was 10.9%.

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TECHNICAL CAPITAL RISK WEIGHTED ASSETS Consolidated (Ps millions)	31-DEC-04	AS OF 30-SEP-05	31-DEC-05
-----	-----	-----	-----
	PRO FORMA		
Basic capital (Tier I)	2,156,490	2,123,055	2,169,481
Additional capital (Tier II)	441,138	464,592	393,822
Technical capital (1)	2,597,628	2,587,647	2,563,303
Risk weighted assets included market risk	20,661,560	22,371,981	23,457,768
	-----	-----	-----
CAPITAL ADEQUACY (2)	12.57%	11.57%	10.93
	-----	-----	-----

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

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

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

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

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(BANCOLOMBIA LOGO)

4Q05

3. INCOME STATEMENT

BANCOLOMBIA's net income amounted to Ps 256.6 billion during the fourth quarter and Ps 946.9 billion during the year ended December 31, 2005, as compared to Ps 251.8 billion and Ps 801.1 billion for the same periods of 2004 pro forma, respectively.

3.1 NET INTEREST INCOME

Interest on loans were stable over the quarter, totaling Ps 533.5 billion. On a year-to-year basis, this represents an increase of 7.9% from the pro forma Ps 494.4 billion at December 31, 2004. On the other hand, interests on investment securities reached Ps 824.7 billions in 2005, increasing 8.8% over the year from pro forma Ps 758.3 billion on a pro forma basis as of December 31, 2004. On a quarterly basis,

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interests on investments amounted to Ps 169.4 billion during the quarter, decreasing 38.0% compared to the previous quarter, due mainly to a not so strong performance of the Colombian bond prices. In sum, net interest income totaled Ps 2,049.8 billion during 2005, increasing 13.7% compared to the previous year pro forma results.

3.2 PROVISIONS

Provisions for loan and interest losses amounted to Ps 43.8 billion, decreasing 31.7% compared to the results of the previous quarter which, as explained in the previous quarterly release, included additional allowances made for the loans of the acquired companies, following BANCOLOMBIA's credit risk management policies. Ps 26.2 billion from these provisions correspond to adjustments made by the new provisioning regulation. On the other hand, recoveries of provisions for foreclosed assets increased strongly compared to the previous quarter amounting to Ps 26.0 billion.

3.3 FEES AND INCOME FROM SERVICES

The different sources of fee generation continued their positive trend. Net fees and income from services amounted to Ps 212.8 billion during the fourth quarter of 2005. This represents an increase of 26.7% as compared to Ps 167.9 billion pro forma results for the fourth quarter of 2004.

BANCOLOMBIA's accumulated unconsolidated credit card billing increased 17.0% during the year, resulting in a 22.3% market share of the Colombian credit card business. In addition, the Bank's number of outstanding credit cards increased 13.4%, resulting in a 16.1% market share.

ACCUMULATED CREDIT CARD BILLING (Millions of pesos as of December 31, 2005)	Dec-04	Dec-05	%
-----	-----	-----	-----
	Pro forma		Growth
Bancolombia VISA	718,740	879,462	22.36%
Bancolombia Mastercard	1,275,721	1,391,484	9.07%
Bancolombia American Express	389,357	517,309	32.86%
TOTAL BANCOLOMBIA	2,383,818	2,788,255	16.97%
	-----	-----	-----
Colombian credit card market	10,085,888	12,514,862	24.08%
	-----	-----	-----

Source: Credibanco, American Express y Red Multicolor

CREDIT CARD MARKET SHARE Outstanding credit cards as of December 31, 2005	Dec-04	Dec-05	%
-----	-----	-----	-----
	Pro forma		Growth
Bancolombia VISA	159,390	191,821	20.35%
Bancolombia Mastercard	246,186	258,518	5.01%
Bancolombia American Express	84,366	105,003	24.46%
TOTAL BANCOLOMBIA	489,942	555,342	13.35%
	-----	-----	-----

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Colombian credit card market	2,812,228	3,454,971	22.86%
	-----	-----	-----

Source: Credibanco, American Express y Red Multicolor.

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4Q05

3.4 OPERATING EXPENSES

Total operating expenses decreased 18.2% during the quarter to Ps 362.5 billion, which represents a 7.4% increase on an accumulated year-over-year basis. BANCOLOMBIA's operating expenses to net operating income efficiency ratio dropped to 51.6% and the operating expenses over average total assets dropped to 5.1%, during the fourth quarter of 2005.

PRINCIPAL RATIOS

	QUARTER		
	4Q 04	3Q 05	4Q 05

PROFITABILITY	PRO FORMA		
Net interest margin (1)	8.87%	9.59%	7.80%
Return on average total assets (2)	3.92%	3.73%	3.50%
Return on average shareholders' equity (3)	40.12%	33.34%	31.76%

EFFICIENCY			
Operating expenses to net operating income (4)	56.38%	54.78%	51.62%
Operating expenses to average total assets (4)	6.49%	6.50%	5.12%

CAPITAL ADEQUACY			
Shareholders' equity to total assets	10.20%	11.20%	10.96%
Technical capital to risk weighted assets	12.57%	11.57%	10.93%

(1) Defined as Net Interest Income divided by interest-earning assets.

(2) Net income divided by total assets.

(3) Net income divided by shareholders' equity.

(4) Operating income includes net interest income, total fees and income from services, and total other operating income.

3.5 NON-OPERATING INCOME

There were non-recurrent events such as the sale of real state from Corfinsura and Conavi, the recovery from 2004 income tax provision and the sale of stocks received as payment for fully provisioned charged-off loans, that explain the increase of non-operating income.

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4Q05

CONSOLIDATED BALANCE SHEET

AS OF

(Ps millions)

DEC-04

SEP-05

DEC-

PRO FORMA

ASSETS

Cash and due from banks 1,122,846 1,040,224 1,241

Overnight funds sold 507,540 410,735 488

TOTAL CASH AND EQUIVALENTS 1,630,386 1,450,959 1,730

DEBT SECURITIES

Trading 4,837,478 4,591,826 5,400

Available for Sale 1,943,685 1,879,456 1,842

Held to Maturity 885,908 871,696 1,021

EQUITY SECURITIES 301,944 356,995 268

Trading 130,462 170,980 50

Available for Sale 171,482 186,015 217

Market value allowance (70,566) (63,673) (73)

NET INVESTMENT SECURITIES 7,898,449 7,636,300 8,459

Commercial loans

10,775,256 11,769,986 11,949

Consumer loans 1,898,735 2,300,528 2,437

Small business loans 90,116 98,622 115

Mortgage loans 1,391,333 1,483,011 1,463

Finance lease 2,126,247 2,336,170 2,660

Allowance for loan losses (670,408) (742,459) (705)

NET TOTAL LOANS AND FINANCIAL LEASES 15,611,279 17,245,858 17,920

Accrued interest receivable on loans 202,064 197,061 206

Allowance for accrued interest losses (14,418) (12,831) (8)

NET TOTAL INTEREST ACCRUED 187,646 184,230 198

Customers' acceptances and derivatives 96,411 102,755 133

Net accounts receivable 317,241 289,699 590

Net premises and equipment 502,664 652,828 623

Foreclosed assets, net 81,302 39,180 31

Prepaid expenses and deferred charges 53,781 31,602 26

Goodwill 73,607 56,024 50

Operating leases, net 130,922 143,024 143

Other 404,764 591,032 563

Reappraisal of assets 390,402 424,839 330

TOTAL ASSETS 27,378,854 28,848,330 30,803

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

DEPOSITS

NON-INTEREST BEARING 2,885,725 2,613,728 3,530

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Checking accounts	2,581,220	2,246,240	3,171
Other	304,505	367,488	359
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INTEREST BEARING	14,488,323	14,902,718	14,854
Checking accounts	1,238,013	1,115,689	1,068
Time deposits	6,744,413	6,413,490	6,259
Savings deposits	6,505,897	7,373,539	7,526
<hr/>			
TOTAL DEPOSITS	17,374,048	17,516,446	18,384
Overnight funds	821,926	1,032,610	1,329
Bank acceptances outstanding	67,507	57,209	63
Interbank borrowings	747,183	1,543,154	1,705
Borrowings from domestic development banks	2,284,972	1,833,188	2,222
Accounts payable	907,987	916,552	1,250
Accrued interest payable	182,877	185,168	182
Other liabilities	301,355	292,033	459
Bonds	1,723,590	1,768,280	1,648
Accrued expenses	119,353	419,172	130
Minority interest in consolidated subsidiaries	55,384	54,319	49
<hr/>			
TOTAL LIABILITIES	24,586,182	25,618,131	27,426
<hr/>			
SHAREHOLDERS' EQUITY			
SUBSCRIBED AND PAID IN CAPITAL	364,643	363,580	363
RETAINED EARNINGS	1,810,491	2,118,885	2,362
Appropriated	1,009,385	1,428,582	1,415
Unappropriated	801,106	690,303	946
<hr/>			
REAPPRAISAL AND OTHERS	552,066	651,457	592
GROSS UNREALIZED GAIN OR LOSS ON DEBT SECURITIES	65,472	96,277	58
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TOTAL SHAREHOLDER'S EQUITY	2,792,672	3,230,199	3,377
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CONSOLIDATED INCOME STATEMENT	AS OF			QUARTER	
	DEC-04	DEC-05	DEC-05 / DEC-04	4Q 04	3Q 05
(Ps Millions)	----- PRO FORMA	----- PRO FORMA	----- PRO FORMA	----- PRO FORMA	----- PRO FORMA
INTEREST INCOME AND EXPENSES					
Interest on loans	1,835,772	2,050,274	11.68%	494,444	529,527
Interest on investment securities	758,287	824,709	8.76%	217,690	273,298
Overnight funds	20,031	33,629	67.88%	6,879	9,141
Leasing	245,800	291,472	18.58%	70,313	73,160
TOTAL INTEREST INCOME	2,859,890	3,200,084	11.90%	789,326	885,126
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Interest expense					
Checking accounts	13,505	20,311	50.40%	4,091	5,068

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Time deposits	412,387	449,367	8.97%	113,720	115,189
Savings deposits	220,215	241,889	9.84%	57,754	60,902
TOTAL INTEREST ON DEPOSITS	646,107	711,567	10.13%	175,565	181,159
Interbank borrowings	15,865	54,630	244.34%	5,739	12,834
Borrowings from domestic development banks	153,531	156,509	1.94%	37,148	39,176
Overnight funds	98,040	73,910	-24.61%	23,370	15,001
Bonds	143,210	153,658	7.30%	39,132	36,791
TOTAL INTEREST EXPENSE	1,056,753	1,150,274	8.85%	280,954	284,961
NET INTEREST INCOME	1,803,137	2,049,810	13.68%	508,372	600,165
Provision for loan and accrued interest losses, net	(126,321)	(159,214)	26.04%	(29,566)	(64,171)
Adjustment of provisions on loan and accrued interest losses by new regulations	--	(26,190)	--	--	--
Recovery of charged-off loans	57,613	61,829	7.32%	32,030	15,297
Provision for foreclosed assets and other assets	(83,409)	(63,969)	-23.31%	(30,533)	(15,562)
Recovery of provisions for foreclosed assets and other assets	51,595	56,504	9.51%	23,871	6,321
TOTAL NET PROVISIONS	(100,522)	(131,040)	30.36%	(4,198)	(58,115)
NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES	1,702,615	1,918,770	12.70%	504,174	542,050
Commissions from banking services and other services	77,949	101,355	30.03%	29,015	26,186
Electronic services and ATM fees	76,397	101,299	32.60%	21,603	24,743
Branch network services	42,836	48,984	14.35%	11,578	12,837
Collections and payments fees	48,544	56,670	16.74%	13,431	14,640
Credit card merchant fees	8,251	10,076	22.12%	225	2,647
Credit and debit card annual fees, net	192,029	205,606	7.07%	51,283	53,196
Checking fees	51,239	54,846	7.04%	13,284	14,104
Warehouse services	49,049	62,155	26.72%	13,068	14,182
Fiduciary activities, net	51,178	60,131	17.49%	12,530	16,501
Brokerage fees	43,014	68,231	58.63%	7,562	23,896
Check remittance	10,850	10,579	-2.50%	2,705	2,725
International operations	36,476	36,484	0.02%	12,163	13,013
FEES AND OTHER SERVICE INCOME	687,812	816,416	18.70%	188,447	218,670
Fees and other service expenses	(58,753)	(48,087)	-18.15%	(20,561)	(10,709)
TOTAL FEES AND INCOME FROM SERVICES, NET	629,059	768,329	22.14%	167,886	207,961
OTHER OPERATING INCOME					
Net foreign exchange gains	(116,008)	(53,361)	-54.00%	(43,647)	(16,189)
Forward contracts in foreign currency	207,222	141,055	-31.93%	66,016	31,447
Gains on sales of investments on equity securities	3,979	8,097	103.49%	3,563	302
Dividend income	42,967	42,731	-0.55%	1,498	1,831
Revenues from commercial subsidiaries	107,856	45,020	-58.26%	31,068	27,884
Communication, postage, rent and others	15,073	10,406	-30.96%	3,983	2,226
TOTAL OTHER OPERATING INCOME	261,089	193,948	-25.72%	62,481	47,501
TOTAL INCOME	2,592,763	2,881,047	11.12%	734,541	797,512

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OPERATING EXPENSES					
Salaries and employee benefits	545,129	615,121	12.84%	146,171	157,833
Bonus plan payments	33,107	26,826	-18.97%	12,965	12,551
Compensation	15,235	8,030	-47.29%	2,320	2,188
Administrative and other expenses	731,405	793,179	8.45%	198,102	235,245
Deposit security, net	44,626	55,050	23.36%	13,398	13,203
Donation expenses	11,595	615	-94.70%	11,043	130
Depreciation	96,778	87,633	-9.45%	26,646	22,049
TOTAL OPERATING EXPENSES	1,477,875	1,586,454	7.35%	410,645	443,199

NET OPERATING INCOME	1,114,888	1,294,593	16.12%	323,896	354,313
Merger expenses	1,799	45,703	2440.47%	223	19,814
Goodwill amortization Banco de Colombia	22,648	22,648	0.00%	5,662	5,662
NON-OPERATING INCOME (EXPENSE)					
Other income	75,674	109,770	45.06%	22,428	12,331
Minority interest	(6,204)	(6,496)	4.71%	(1,761)	(1,430)
Other expense	(99,749)	(105,120)	5.38%	(23,386)	(27,321)
TOTAL NON-OPERATING INCOME	(30,279)	(1,846)	-93.90%	(2,719)	(16,420)
INCOME BEFORE INCOME TAXES	1,060,162	1,224,396	15.49%	315,292	312,417
Income tax expense	(259,056)	(277,515)	7.13%	(63,451)	(43,178)

NET INCOME	801,106	946,881	18.20%	251,841	269,239
