

BANCOLOMBIA SA  
Form 6-K  
November 10, 2014

**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 November, 2014

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

Edgar Filing: BANCOLOMBIA SA - Form 6-K

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

### 3Q14

**BANCOLOMBIA S.A. (NYSE: CIB; BVC: BCOLOMBIA, PFBCOLOM) REPORTS CONSOLIDATED NET INCOME OF COP 416 BILLION FOR THE THIRD QUARTER OF 2014 (COP 432 PER SHARE - USD 0.85 PER ADR). NET INCOME REPRESENTS AN INCREASE OF 28% COMPARED TO THE SAME QUARTER OF LAST YEAR. THE CUMULATIVE NET INCOME AS OF SEPTEMBER 2014 WAS 1,391 BILLION AND INCREASED 36% COMPARED WITH THE CUMMULATIVE NET INCOME AS OF SEPTEMBER 2013**

**The bank showed a sustained growth in the loan portfolio during 3Q14.** Bancolombia's loan portfolio grew 3.3% during the quarter and 23.8% during the last twelve months. The annual growth was explained, 16.4% by the contribution of Banistmo (formerly HSBC Panama) and 7.4% by the organic growth of the existing operation prior to this acquisition.

**The balance sheet remains strong.** Loan loss reserves represented 4.6% of total gross loans and 148% of 30-day past due loans at the end of 3Q14 or 268% of 90-day past due loans. The capital adequacy ratio ended the quarter at 13.9% with a Tier 1 of 8.5%. These ratios indicate that Bancolombia has enough reserves and capital to maintain its operation and develop its business plan.

**Past due loans as a percentage of total loans remained stable in 3Q14.** Past due loans as a percentage of total gross loans were 3.1% on a 30-day basis and 1.7% on a 90-day basis. Net provision charges for past due loans and foreclosed assets totaled COP 384 billion, which represents 1.61% of gross loans when annualized.

**Fees increased 4.3% during the quarter and 23% during the last 12 months.** Net income from fees grew mainly driven by a greater number of credit and debit cards and by the distribution of insurance products through the bank's network.

**Total cumulative operating income increased faster than the cumulative operating expenses, and efficiency continues its trend of improvement.** During the first 9 months of the year, operating income increased 24.9% and operating expenses increased 9.3%, indicating an improvement in the efficiency ratio. Operating expenses represented 3.9% of total assets, down from 4.2% one year ago.

**The bank maintained its liquidity position and the funding cost remained at low levels.** The annualized average weighted cost of deposits was 2.3% in 3Q14, compared with the 2.2% of 2Q14 and lower than the 2.7% for 3Q13. Deposits increased 2.9% during the quarter and 19.7% compared to 3Q13, and the ratio of net loans to deposits ended at 102%. This annual growth in deposits was explained, 16.3% by the contribution of Banistmo and 3.4% by the organic growth of the existing operation prior to this acquisition.

November 10, 2014. Medellín, Colombia – Today, BANCOLOMBIA S.A. (“Bancolombia” or “the Bank”) announced its earnings results for the third quarter of 2014.

For the quarter ended on September 30, 2014 (“3Q14”), Bancolombia reported consolidated net income of COP 416 billion, or COP 432 per share - USD 0.85 per ADR. Net income represents a decrease of 11% as compared to the results for the quarter ended on June 30, 2014 (“2Q14”) and an increase of 28% as compared to the results for the quarter ended on September 30, 2013 (“3Q13”).

Bancolombia ended 3Q14 with COP 135,508 billion in assets, 4.9% greater than those at the end of 2Q14 and 19.2% greater than those at the end of 3Q13. At the same time, liabilities totaled COP 119,542 billion, increasing 5% as compared to the figure presented in 2Q14 and 17.6% as compared to 3Q13<sup>1</sup>.

<sup>1</sup>This report corresponds to the consolidated financial statements of BANCOLOMBIA S.A. and its affiliates (“BANCOLOMBIA” or “The Bank”) 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 Superintendencia Financiera de Colombia, collectively COL GAAP. BANCOLOMBIA maintains accounting records in Colombian pesos, referred to herein as “Ps.” or “COP”. 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 September 30, 2014. The statements of income for the quarter ended September 30, 2014 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).

**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 October 1, 2014 \$2,022 = US\$ 1

## 3Q14

BANCOLOMBIA: Summary of consolidated financial quarterly results<sup>2</sup>CONSOLIDATED BALANCE SHEET  
AND INCOME STATEMENT

| (COP millions)                              | Quarter      |              |              | Growth    |           |         |   |
|---|--------------|--------------|--------------|-----------|-----------|---------|---|
|   | 3Q13         | 2Q14         | 3Q14         | 3Q14/2Q14 | 3Q14/3Q13 |         |   |
| <b>ASSETS</b>                               |              |              |              |           |           |         |   |
| Loans and financial leases, net             | 74,727,617   | 89,538,026   | 92,507,172   | 3.32      | %         | 23.79   | % |
| Investment securities, net                  | 14,523,348   | 11,836,684   | 13,185,442   | 11.39     | %         | -9.21   | % |
| Other assets                                | 24,417,371   | 27,804,029   | 29,815,456   | 7.23      | %         | 22.11   | % |
| Total assets                                | 113,668,336  | 129,178,739  | 135,508,070  | 4.90      | %         | 19.21   | % |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |              |              |              |           |           |         |   |
| Deposits                                    | 72,013,506   | 83,766,009   | 86,218,658   | 2.93      | %         | 19.73   | % |
| Non-interest bearing                        | 9,217,936    | 12,805,473   | 13,089,813   | 2.22      | %         | 42.00   | % |
| Interest bearing                            | 62,795,570   | 70,960,536   | 73,128,845   | 3.06      | %         | 16.46   | % |
| Other liabilities                           | 29,655,143   | 30,053,995   | 33,323,166   | 10.88     | %         | 12.37   | % |
| Total liabilities                           | 101,668,649  | 113,820,004  | 119,541,824  | 5.03      | %         | 17.58   | % |
| Shareholders' equity                        | 11,999,687   | 15,358,735   | 15,966,246   | 3.96      | %         | 33.06   | % |
| Total liabilities and shareholders' equity  | 113,668,336  | 129,178,739  | 135,508,070  | 4.90      | %         | 19.21   | % |
| Interest income                             | 1,979,128    | 2,230,096    | 2,298,607    | 3.07      | %         | 16.14   | % |
| Interest expense                            | 758,928      | 750,062      | 814,948      | 8.65      | %         | 7.38    | % |
| Net interest income                         | 1,220,200    | 1,480,034    | 1,483,659    | 0.24      | %         | 21.59   | % |
| Net provisions                              | (289,233 )   | (335,210 )   | (384,219 )   | 14.62     | %         | 32.84   | % |
| Fees and income from service, net           | 460,540      | 541,679      | 564,911      | 4.29      | %         | 22.66   | % |
| Other operating income                      | 217,172      | 259,965      | 279,302      | 7.44      | %         | 28.61   | % |
| Total operating expense                     | (1,143,502 ) | (1,250,997 ) | (1,240,468 ) | -0.84     | %         | 8.48    | % |
| Goodwill amortization                       | (12,745 )    | (50,831 )    | (51,519 )    | 1.35      | %         | 304.23  | % |
| Non-operating income, net                   | (4,687 )     | 3,809        | (75,439 )    | -2080.55  | %         | 1509.54 | % |
| Income tax expense                          | (123,820 )   | (181,165 )   | (160,711 )   | -11.29    | %         | 29.79   | % |
| Net income                                  | 323,925      | 467,284      | 415,516      | -11.08    | %         | 28.28   | % |

## PRINCIPAL RATIOS

|   | Quarter |         |         | As of   |         |
|---|---------|---------|---------|---------|---------|
|   | 3Q13    | 2Q14    | 3Q14    | Sep-13  | Sep-14  |
| <b>PROFITABILITY</b>                                  |         |         |         |         |         |
| Net interest margin <sup>(1)</sup>                    | 5.27    | % 5.64  | % 5.58  | % 5.55  | % 5.59  |
| Return on average total assets <sup>(2)</sup>         | 1.16    | % 1.44  | % 1.26  | % 1.30  | % 1.42  |
| Return on average shareholders' equity <sup>(3)</sup> | 10.95   | % 12.34 | % 10.62 | % 11.66 | % 12.70 |
| <b>EFFICIENCY</b>                                     |         |         |         |         |         |
| Operating expenses to net operating income            | 60.92   | % 57.06 | % 55.50 | % 60.24 | % 55.61 |
| Operating expenses to average total assets            | 4.15    | % 4.02  | % 3.92  | % 4.29  | % 3.89  |
| <b>CAPITAL ADEQUACY</b>                               |         |         |         |         |         |

Edgar Filing: BANCOLOMBIA SA - Form 6-K

|   |             |             |             |   |
|---|-------------|-------------|-------------|---|
| Shareholders' equity to total assets      | 10.56       | % 11.89     | % 11.78     | % |
| Technical capital to risk weighted assets | 15.30       | % 13.48     | % 13.94     | % |
| <b>KEY FINANCIAL HIGHLIGHTS</b>           |             |             |             |   |
| Net income per ADS (USD)                  | 0.80        | 1.03        | 0.85        |   |
| Net income per share \$COP                | 380.27      | 485.83      | 432.01      |   |
| P/BV ADS <sup>(4)</sup>                   | 1.95        | 1.70        | 1.73        |   |
| P/BV Local <sup>(5) (6)</sup>             | 1.91        | 1.66        | 1.67        |   |
| P/E <sup>(7)</sup>                        | 17.83       | 13.81       | 16.29       |   |
| ADR price <sup>(8)</sup>                  | 57.54       | 57.80       | 56.72       |   |
| Common share price <sup>(8)</sup>         | 26,900      | 26,540      | 27,680      |   |
| Shares outstanding <sup>(9)</sup>         | 851,827,000 | 961,827,000 | 961,827,000 |   |
| USD exchange rate (quarter end)           | 1,908.29    | 1,881.19    | 2,022.00    |   |

(1) Defined as net interest income divided by monthly average interest-earning assets. (2) Net income divided by monthly average assets. (3) Net income divided by monthly average shareholders' equity. (4) Defined as ADS price divided by ADS book value. (5) Defined as share price divided by share book value. (6) Share prices on the Colombian Stock Exchange; (7) Defined as market capitalization divided by annualized quarter results. (8) Prices at the end of the respective quarter. (9) Common and preferred.

**3Q14****1. BALANCE SHEET****1.1. Assets**

As of September 30, 2014, Bancolombia's assets totaled COP 135,508 billion, which represents an increase of 4.9% compared to 2Q14 and of 19.2% compared to 3Q13. The annual growth was explained, 14.8% by the contribution of Banistmo and, 4.4% by the organic growth of the existing operation prior to this acquisition.

The increase in assets in the quarter was explained by the 7.5% depreciation of the COP versus the USD. The annual growth of assets was mainly explained by the consolidation of Banistmo's assets in 4Q13 and the organic growth of loans and finance leases, which represented 68.3% of the assets at the end of 3Q14.

**1.2. Loan Portfolio**

The following table shows the composition of Bancolombia's investments and loans by type and currency:

| (COP Million)<br>(1 USD = 2022 COP) | Amounts in COP |           |           | Amounts in USD converted to COP |           |           | Amounts in USD (thousands) |           |           |
|-------------------------------------|----------------|-----------|-----------|---------------------------------|-----------|-----------|----------------------------|-----------|-----------|
|                                     | 3Q14/2Q14      | 3Q14/3Q13 | 3Q14/3Q13 | 3Q14/2Q14                       | 3Q14/3Q13 | 3Q14/3Q13 | 3Q14/2Q14                  | 3Q14/3Q13 | 3Q14/3Q13 |
| Net investment securities           | 9,565,684      | 22.75 %   | -2.00 %   | 3,619,758                       | -10.49 %  | -24.00 %  | 1,790,187                  | -16.73 %  | -27.57 %  |
| Gross Loans                         | 66,061,473     | 0.75 %    | 8.73 %    | 30,911,005                      | 9.52 %    | 75.06 %   | 15,287,342                 | 1.89 %    | 66.82 %   |
| Commercial loans                    | 36,676,968     | 0.03 %    | 7.71 %    | 20,497,237                      | 9.58 %    | 51.71 %   | 10,137,110                 | 1.95 %    | 44.57 %   |
| Consumer loans                      | 12,284,157     | -0.01 %   | 4.39 %    | 4,879,428                       | 9.13 %    | 107.86 %  | 2,413,169                  | 1.53 %    | 98.07 %   |
| Small business loans                | 465,353        | 5.36 %    | 27.22 %   | 129,690                         | 5.27 %    | 368.67 %  | 64,139                     | -2.06 %   | 346.61 %  |
| Mortgage loans                      | 7,232,152      | 2.84 %    | 15.63 %   | 4,190,416                       | 10.20 %   | 399.53 %  | 2,072,411                  | 2.52 %    | 376.02 %  |
| Finance lease                       | 9,402,843      | 2.85 %    | 13.03 %   | 1,214,234                       | 8.29 %    | 30.24 %   | 600,511                    | 0.75 %    | 24.11 %   |
| Allowance for loan losses           | (3,727,545)    | 3.64 %    | 11.15 %   | (737,761)                       | 12.08 %   | 119.82 %  | (364,867)                  | 4.27 %    | 109.48 %  |
| Net total loans and fin. leases     | 62,333,928     | 0.58 %    | 8.58 %    | 30,173,244                      | 9.46 %    | 74.20 %   | 14,922,475                 | 1.84 %    | 66.00 %   |
| Operating leases, net               | 3,304,732      | 6.40 %    | 20.85 %   | 99,408                          | -0.36 %   | 8.45 %    | 49,163                     | -7.30 %   | 3.34 %    |
| Total assets                        | 84,958,549     | -5.96 %   | 1.88 %    | 50,549,521                      | 30.17 %   | 66.94 %   | 24,999,763                 | 21.10 %   | 59.08 %   |
| Total deposits                      | 58,986,517     | -0.71 %   | 1.19 %    | 27,232,141                      | 11.80 %   | 98.44 %   | 13,467,923                 | 4.02 %    | 89.10 %   |
| Total liabilities                   | 70,461,924     | -7.62 %   | -2.33 %   | 49,079,900                      | 30.73 %   | 66.23 %   | 24,272,948                 | 21.63 %   | 58.41 %   |

The most relevant aspects regarding the evolution of the loan portfolio during 3Q14 were:

- The growth of commercial, mortgage loans and financial leases in Colombia during 3Q14 indicate a moderate credit demand.

- Net loans in USD correspond to loans originated in Colombia (USD 3,911 million, 26%), El Salvador (USD 2,753 million, 18%), Panamá (USD 7,806 million, 52%), and other countries (USD 453 million, 3%). USD denominated loans represented 32% of total loans as of 3Q14.

- COP depreciated 7.5% versus USD during 3Q14 and 6.0% in the last 12 months.

- Mortgage loans denominated in COP presented a dynamic performance, growing 15.6% year on year. The dynamism of mortgage lending in Colombia is explained by the lower long-term interest rates, as well as by the Colombian government's interest rate subsidy programs. On the other hand, the mortgage balance denominated in USD from our operation in El Salvador and Panama represented 37% of the mortgage loans at the end of 3Q14.

- Financial leases, of which 89% are denominated in COP, increased 3.4% during the quarter and 14.8% as compared to 3Q13. Operating leases, net of depreciation, increased 6.2% during 3Q14 and 20.5% in the last 12 months. These two products are mainly used by enterprises in order to finance equipment, commercial real estate and commercial vehicles.



**3Q14**

When analyzing the loan portfolio according to the customer categories established by Bancolombia in order to manage its commercial strategy (see table below), it becomes clear that commercial loans led the growth during 3Q14, as they increased 3.4% with respect to 2Q14. The growth is explained by the credit demand for business investment. This is the segment that contributes the most to the nominal growth of the total loan book. Consumer and SMEs loans increased by 2.6% when compared with 2Q14, which indicates a sustained credit demand compared with the growth in previous quarters.

Total reserves (allowances in the balance sheet) for loan losses increased by 4.9% during 3Q14 and totaled COP 4,465 billion, or 4.6% of gross loans at the end of the quarter. For further explanation regarding coverage of the loan portfolio and credit quality trends, see section “2.4. Asset Quality, Provision Charges and Balance Sheet Strength”.

The following table summarizes Bancolombia’s total loan portfolio:

| LOAN PORTFOLIO<br>(COP million)               | As of             |                   |                   | Growth        |                | % of<br>Total<br>loans | % of<br>Category |  |  |  |  |
|---|-------------------|-------------------|-------------------|---------------|----------------|------------------------|------------------|--|--|--|--|
|   | Sep-13            | Jun-14            | Sep-14            | 3Q14/2Q14     | 3Q14/3Q13      |                        |                  |  |  |  |  |
| <b>CORPORATE</b>                              |                   |                   |                   |               |                |                        |                  |  |  |  |  |
| Working capital loans                         | 34,072,869        | 36,092,150        | 36,701,603        | 1.69 %        | 7.72 %         | 37.85 %                | 81.40 %          |  |  |  |  |
| Funded by domestic<br>development banks       | 417,679           | 533,495           | 669,552           | 25.50 %       | 60.30 %        | 0.69 %                 | 1.48 %           |  |  |  |  |
| Trade Financing                               | 2,076,044         | 6,735,616         | 7,510,348         | 11.50 %       | 261.76 %       | 7.74 %                 | 16.66 %          |  |  |  |  |
| Overdrafts                                    | 239,602           | 208,525           | 158,869           | -23.81 %      | -33.69 %       | 0.16 %                 | 0.35 %           |  |  |  |  |
| Credit Cards                                  | 42,252            | 47,239            | 50,156            | 6.17 %        | 18.71 %        | 0.05 %                 | 0.11 %           |  |  |  |  |
| <b>TOTAL CORPORATE</b>                        | <b>36,848,446</b> | <b>43,617,025</b> | <b>45,090,528</b> | <b>3.38 %</b> | <b>22.37 %</b> | <b>46.50 %</b>         | <b>100.00 %</b>  |  |  |  |  |
| <b>RETAIL AND SMEs</b>                        |                   |                   |                   |               |                |                        |                  |  |  |  |  |
| Working capital loans                         | 9,534,830         | 10,415,341        | 11,095,140        | 6.53 %        | 16.36 %        | 11.44 %                | 37.18 %          |  |  |  |  |
| Personal loans                                | 7,850,183         | 9,470,435         | 9,818,860         | 3.68 %        | 25.08 %        | 10.13 %                | 32.90 %          |  |  |  |  |
| Loans funded by domestic<br>development banks | 1,086,850         | 1,238,278         | 839,804           | -32.18 %      | -22.73 %       | 0.87 %                 | 2.81 %           |  |  |  |  |
| Credit Cards                                  | 4,041,083         | 4,765,605         | 4,849,751         | 1.77 %        | 20.01 %        | 5.00 %                 | 16.25 %          |  |  |  |  |
| Overdrafts                                    | 315,850           | 330,561           | 330,077           | -0.15 %       | 4.50 %         | 0.34 %                 | 1.11 %           |  |  |  |  |
| Automobile loans                              | 2,284,997         | 2,621,399         | 2,653,184         | 1.21 %        | 16.11 %        | 2.74 %                 | 8.89 %           |  |  |  |  |
| Trade Financing                               | 110,153           | 235,204           | 255,488           | 8.62 %        | 131.94 %       | 0.26 %                 | 0.86 %           |  |  |  |  |
| <b>TOTAL RETAIL AND<br/>SMEs</b>              | <b>25,223,946</b> | <b>29,076,823</b> | <b>29,842,304</b> | <b>2.63 %</b> | <b>18.31 %</b> | <b>30.77 %</b>         | <b>100.00 %</b>  |  |  |  |  |
| <b>MORTGAGE</b>                               | <b>7,093,610</b>  | <b>10,835,105</b> | <b>11,422,568</b> | <b>5.42 %</b> | <b>61.03 %</b> | <b>11.78 %</b>         | <b>100.00 %</b>  |  |  |  |  |
| <b>FINANCIAL LEASES</b>                       | <b>9,250,968</b>  | <b>10,263,998</b> | <b>10,617,078</b> | <b>3.44 %</b> | <b>14.77 %</b> | <b>10.95 %</b>         | <b>100.00 %</b>  |  |  |  |  |
|   | <b>78,416,970</b> | <b>93,792,951</b> | <b>96,972,478</b> | <b>3.39 %</b> | <b>23.66 %</b> | <b>100.00 %</b>        | <b>100.00 %</b>  |  |  |  |  |

|                                       |              |              |              |      |   |       |   |
|---------------------------------------|--------------|--------------|--------------|------|---|-------|---|
| Total loans and financial leases      |              |              |              |      |   |       |   |
| Allowance for loan losses             | (3,689,353 ) | (4,254,925 ) | (4,465,306 ) | 4.94 | % | 21.03 | % |
| Total loans and financial leases, net | 74,727,617   | 89,538,026   | 92,507,172   | 3.32 | % | 23.79 | % |

### 1.3. Investment Portfolio

As of September 30, 2014, Bancolombia's net investment portfolio totaled COP 13,185 billion, 11.4% higher than that reported in 2Q14 and 9.2% lower when compared to that reported in 3Q13. This annual decrease is the result of the bank's strategy to reduce its securities portfolio, which consisted primarily of debt securities, which represented 86.1% of Bancolombia's total investments and 8.4% of assets at the end of 3Q14. Investments denominated in USD totaled USD 1,790 million and represented 27% of the investment portfolio.

Additionally, the Bank had COP 720 billion in net mortgage backed securities, which represented 5.5% of the investment portfolio and give a tax benefit to the bank.

At the end of 3Q14, the investments in debt securities had a duration of 20.7 months and a yield to maturity of 4.97%.

**3Q14****1.4. Goodwill**

As of 3Q14, Bancolombia's goodwill totaled COP 3,604 billion, increasing 5.9% compared to the amount reported in 2Q14 and 528.3% compared to 3Q13. This annual variation is explained by the acquisition of Banistmo which generated goodwill of approximately 1.500 million USD, and the quarterly increase is explained by the depreciation of the peso against the dollar during the quarter. Under Colombian GAAP, goodwill is amortized within a maximum period of 20 years.

**1.5. Funding**

As of September 30, 2014, Bancolombia's liabilities totaled COP 119,542 billion, increasing 5.0% compared to 2Q14 and 17.6% compared to 3Q13. The annual growth was explained, 14.2% by the contribution of Banistmo and 3.4% by the organic growth of the existing operation prior to this acquisition.

Deposits totaled COP 86,219 billion (or 72.1% of liabilities) at the end of 3Q14, increasing 2.9% during the quarter and 19.7% over the last 12 months. The net loans to deposits ratio (including borrowings from domestic development banks) was 102% at the end of 3Q14, increasing compared to the 101% reported in 2Q14, and the 98% reported in 3Q13.

Bancolombia's funding strategy during the quarter was to reduce the most expensive deposits and liabilities while maintaining the liquidity position. This strategy allowed the bank to keep at low levels the cost on deposits during the quarter. The ultimate goal is to defend the net interest margin.

| Funding mix       | <b>3Q13</b> |       | <b>2Q14</b> |       | <b>3Q14</b> |       |
|-------------------|-------------|-------|-------------|-------|-------------|-------|
| COP Million       |             |       |             |       |             |       |
| Checking accounts | 11,664,539  | 12 %  | 15,547,510  | 15 %  | 15,689,961  | 14 %  |
| Saving accounts   | 29,406,525  | 30 %  | 33,686,393  | 31 %  | 34,319,854  | 30 %  |
| Time deposits     | 30,227,429  | 31 %  | 33,537,537  | 30 %  | 35,322,572  | 31 %  |
| Other deposits    | 715,013     | 1 %   | 994,569     | 1 %   | 886,271     | 1 %   |
| Long term debt    | 12,331,172  | 13 %  | 11,826,291  | 11 %  | 12,555,127  | 11 %  |
| Loans with banks  | 12,509,301  | 13 %  | 11,583,660  | 12 %  | 14,527,812  | 13 %  |
| Total Funds       | 96,853,979  | 100 % | 107,175,960 | 100 % | 113,301,597 | 100 % |

At the end of 3Q14, Bancolombia had outstanding bonds for USD 3,464 million in international markets and for COP 5,552 billion in local markets. The maturities of these bonds range from 2 to 20 years.

**3Q14****1.6. Shareholders' Equity and Regulatory Capital**

Shareholders' equity at the end of 3Q14 was COP 15,966 billion, increasing 33.1% or COP 3,967 billion, with respect to the COP 12,000 billion reported at the end of 3Q13 as a result of the proceeds of the issuance of 110 million shares in March 2014, which totaled COP 2,656 billion, and the appropriation of 2013 earnings.

Bancolombia's capital adequacy ratio was 13.94%, 46 basis points above the 13.48% for 2Q14 and 136 basis points below the 15.30% at the end of 3Q13. The annual decrease in this ratio was due to the incorporation of Banistmo's risk weighted assets and the goodwill deduction generated in this acquisition.

Bancolombia's capital adequacy ratio was 494 basis points above the minimum 9% required by Colombia's regulator, while the basic capital ratio (Tier 1) to risk weighted assets was 8.47%, 397 basis points above the regulatory minimum of 4.5%. The tangible capital ratio, defined as shareholders' equity minus goodwill and intangible assets divided by tangible assets, was 9.0% at the end of 3Q14.

**TECHNICAL CAPITAL RISK WEIGHTED ASSETS**

| Consolidated (COP millions)               | 3Q13       | %       | 2Q14        | %      | 3Q14        | %      |
|---|------------|---------|-------------|--------|-------------|--------|
| Basic capital (Tier I)                    | 9,522,134  | 10.12 % | 9,807,038   | 8.96 % | 9,689,180   | 8.47 % |
| Additional capital (Tier II)              | 4,873,451  | 5.18 %  | 4,946,263   | 4.52 % | 6,253,430   | 5.47 % |
| Technical capital <sup>(1)</sup>          | 14,395,585 |         | 14,753,301  |        | 15,942,611  |        |
| Risk weighted assets included market risk | 94,070,332 |         | 109,416,678 |        | 114,368,669 |        |
| <b>CAPITAL ADEQUACY <sup>(2)</sup></b>    | 15.30      | %       | 13.48       | %      | 13.94       | %      |

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

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

**3Q14****2. INCOME STATEMENT**

Net income totaled COP 416 billion in 3Q14, or COP 432 per share - USD 0.85 per ADR. This net income represents a decrease of 11.1% compared to 2Q14 and an increase of 28.3% compared to 3Q13. Bancolombia's annualized ROE was 12.7% for 3Q14.

**2.1. Net Interest Income**

Net interest income totaled COP 1,484 billion in 3Q14, 0.2% higher than that reported in 2Q14, and 21.6% higher than the figure for 3Q13. The performance of this line was driven by higher loan volumes.

During 3Q14, the investment portfolio generated COP 79 billion, product of the good performance of the Colombian government debt securities.

**Net Interest Margin**

The annualized net interest margin remained stable in 3Q14 at 5.6%.

The annualized net interest margin for investments was 0.0%, lower than the 0.2% of 2Q14 and the annualized net interest margin of the loan portfolio, financial leases, overnight funds and interbank loans was 6.2%, lower than the 6.3% of 2Q14. The lower NIMs were explained by the increase in the funding cost due to the premium paid in the advanced redemption of the USD denominated 2016 senior notes.

| Annualized Interest Margin | 3Q12  | 4Q12  | 1Q13  | 2Q13   | 3Q13   | 4Q13  | 1Q14  | 2Q14  | 3Q14  |
|----------------------------|-------|-------|-------|--------|--------|-------|-------|-------|-------|
| Loans' Interest margin     | 7.1 % | 6.9 % | 6.6 % | 6.4 %  | 6.2 %  | 6.0 % | 6.1 % | 6.3 % | 6.2 % |
| Debt investments' margin   | 4.0 % | 2.9 % | 8.0 % | -5.1 % | -0.4 % | 0.1 % | 1.8 % | 0.2 % | 0.0 % |
| Net interest margin        | 6.6 % | 6.3 % | 6.8 % | 4.7 %  | 5.3 %  | 5.3 % | 5.5 % | 5.6 % | 5.6 % |

Edgar Filing: BANCOLOMBIA SA - Form 6-K

The funding cost increased during 3Q14 in line with the increase in the central bank interest rate; however, it remains low due to the liquidity and the management of the liabilities structure, which reduced the most expensive funding sources. Savings and checking accounts slightly decreased their share during the quarter, and the annualized average weighted cost of deposits was 2.3% in 3Q14, increasing compared to the 2.2% for 2Q14 and decreasing compared to the 2.7% for 3Q13.

| Average weighted<br>funding cost | 3Q13   | 2Q14   | 3Q14   |
|----------------------------------|--------|--------|--------|
| Checking accounts                | 0.24 % | 0.17 % | 0.18 % |
| Time deposits                    | 4.42 % | 4.08 % | 4.22 % |
| Saving accounts                  | 2.03 % | 1.38 % | 1.45 % |
| Total deposits                   | 2.69 % | 2.20 % | 2.32 % |
| Long term debt                   | 6.12 % | 6.22 % | 6.35 % |
| Loans with banks                 | 3.27 % | 3.27 % | 3.91 % |
| Total funding cost               | 3.21 % | 2.78 % | 2.96 % |

**3Q14****2.2. Fees and Income from Services**

During 3Q14, net fees and income from services totaled COP 565 billion, increasing 4.3% with respect to 2Q14 and 22.7% with respect to 3Q13. Fees from credit and debit cards increased 0.1% compared to 2Q14 due to a slight increase in the volume of transactions. Fees from banking services increased 7.3% compared to 2Q14 and 48.5% compared to 3Q13; this line includes fees from insurance distribution throughout the distribution networks in Colombia and in El Salvador. Fees from asset management and trust services increased 2.1% in 3Q14 compared with the previous quarter.

The following table summarizes Bancolombia's participation in the credit card business in Colombia:

| ACCUMULATED CREDIT CARD BILLING<br>(COP millions) | Aug-13     | Aug-14     | % Growth |   | 2014<br>Market Share |   |
|---|------------|------------|----------|---|----------------------|---|
| Bancolombia VISA                                  | 1,830,276  | 1,990,554  | 8.76     | % | 7.44                 | % |
| Bancolombia Mastercard                            | 2,240,251  | 2,465,070  | 10.04    | % | 9.21                 | % |
| Bancolombia American Express                      | 2,603,837  | 2,674,598  | 2.72     | % | 10.00                | % |
| Total Bancolombia                                 | 6,674,364  | 7,130,222  | 6.83     | % | 26.65                | % |
| Colombian Credit Card Market                      | 24,362,156 | 26,753,295 | 9.81     | % |                      |   |

| CREDIT CARD MARKET SHARE<br>(Outstanding credit cards) | Aug-13    | Aug-14    | % Growth |   | 2014<br>Market Share |   |
|--|-----------|-----------|----------|---|----------------------|---|
| Bancolombia VISA                                       | 446,145   | 477,296   | 6.98     | % | 4.92                 | % |
| Bancolombia Mastercard                                 | 555,321   | 622,223   | 12.05    | % | 6.42                 | % |
| Bancolombia American Express                           | 670,632   | 698,338   | 4.13     | % | 7.20                 | % |
| Total Bancolombia                                      | 1,672,098 | 1,797,857 | 7.52     | % | 18.54                | % |
| Colombian Credit Card Market                           | 8,829,434 | 9,694,995 | 9.80     | % |                      |   |

Source: Superintendencia Financiera de Colombia

**2.3. Other Operating Income**

Total other operating income was COP 279 billion in 3Q14, 7.4% higher than that of 2Q14, and 28.6% higher than in 3Q13. Income from foreign exchange gains and derivatives denominated in foreign currencies increased in the quarter due to the net effect of the active and passive positions the bank had in foreign currency.



During 3Q14 the bank received COP 5.1 billion in dividends from companies in which Bancolombia and its subsidiaries have interests, especially from Concesiones CCFC LTDA. (COP 3.2 billion) and Reintegra S.A. (COP 1.9 billion).

Revenues aggregated in the communication, rent and others line totaled COP 150 billion in 3Q14, which is 3.6% higher as compared to 2Q14 and 21.6% higher as compared to those in 3Q13. This line includes revenues from commercial discounts and operating leases payments, which have increased as this product grows.

#### 2.4. Asset Quality, Provision Charges and Balance Sheet Strength

Past due loans (those that are overdue for more than 30 days) totaled COP 3.018 billion at the end of 3Q14 and represented 3.1% of total gross loans for 3Q14, remaining stable compared to the 3.1% reported in 2Q14 and increasing compared to the 2.7% reported in 3Q13. Charge-offs totaled COP 256 billion in 3Q14.

The coverage, measured by the ratio of allowances for loans losses (principal) to PDLs (overdue 30 days), was 148% at the end of 3Q14, remaining stable with respect to the 148% of 2Q14 and decreasing with respect to the 175% of 3Q13. Likewise, the coverage measured by the ratio of allowances for loans losses to loans classified as C, D and E, was 114% at the end of 3Q14, decreasing with respect to the 116% reported in 2Q14 and the 120% reported in 3Q13.

**3Q14**

The deterioration of the loan portfolio (new past due loans including charge-offs) was COP 404 billion in 3Q14, which represented 0.4% of the loan portfolio at the beginning of the quarter, increasing with respect to the COP 173 billion in 2Q14.

Provision charges (net of recoveries) totaled COP 384 billion in 3Q14. Provisions as a percentage of the average gross loans were 1.61% for 3Q14.

Bancolombia maintains a strong balance sheet supported on an adequate level of loan loss reserves. Allowances for loan losses totaled COP 4,465 billion, or 4.60% of total loans at the end of 3Q14. This proportion increased with respect to the 4.54% presented at the end of 2Q14, and decreased with respect to the 4.70% for 3Q13.

The following tables present key metrics related to asset quality:

| ASSET QUALITY<br>( COP millions)   | As of     |           |           | Growth    |           |   |
|--|-----------|-----------|-----------|-----------|-----------|---|
|  | Sep-13    | Jun-14    | Sep-14    | 3Q14/2Q14 | 3Q14/3Q13 |   |
| Total performing past due loans <sup>(1)</sup>                                     | 692,137   | 1,087,239 | 1,091,904 | 0.43 %    | 57.76     | % |
| Total non-performing past due loans  | 1,411,940 | 1,783,152 | 1,925,794 | 8.00 %    | 36.39     | % |
| Total past due loans   | 2,104,077 | 2,870,391 | 3,017,698 | 5.13 %    | 43.42     | % |
| Allowance for loans interest losses  | 3,689,353 | 4,254,925 | 4,465,306 | 4.94 %    | 21.03     | % |
| Past due loans to total loans  | 2.68      | % 3.06    | % 3.11    | %         |           |   |
| Non-performing loans as a percentage of total loans                                | 1.80      | % 1.90    | % 1.99    | %         |           |   |
| “C”, “D” and “E” loans as a percentage of total loans                              | 3.91      | % 3.92    | % 4.03    | %         |           |   |
| Allowances to past due loans <sup>(2)</sup>  | 175.34    | % 148.24  | % 147.97  | %         |           |   |
| Allowance for loan losses as a percentage of “C”, “D” and “E” loans <sup>(3)</sup> | 120.33    | % 115.68  | % 114.22  | %         |           |   |
| Allowance for loan losses as a percentage of non-performing loans <sup>(2)</sup>   | 261.30    | % 238.62  | % 231.87  | %         |           |   |
| Allowance for loan losses as a percentage of total loans                           | 4.70      | % 4.54    | % 4.60    | %         |           |   |
| Percentage of performing loans to total loans                                      | 98.20     | % 98.10   | % 98.01   | %         |           |   |

(1) "Performing" past due loans are loans upon which Bancolombia continues to recognize income although interest in respect of such loans has not been received. Mortgage loans cease to accumulate interest on the statement of operations when they are more than 60 days past due. For all other loans and financial leasing operations of any type, interest is no longer accumulated after they are more than 30 days past due.

- (2) Under Colombian Bank regulations, a loan is past due when it is at least 31 days past the actual due date.

| <b>PDL Per Category (30 days)</b> | <b>% Of loan Portfolio</b> |   | <b>3Q13</b> |   | <b>2Q14</b> |   | <b>3Q14</b> |
|-----------------------------------|----------------------------|---|-------------|---|-------------|---|-------------|
| Commercial loans                  | 58.96                      | % | 1.55        | % | 1.79        | % | 1.96        |
| Consumer loans                    | 17.70                      | % | 4.80        | % | 5.11        | % | 4.92        |
| Microcredit                       | 0.61                       | % | 10.30       | % | 9.15        | % | 8.52        |
| Mortgage loans                    | 11.78                      | % | 6.13        | % | 6.81        | % | 6.12        |
| Finance lease                     | 10.95                      | % | 2.31        | % | 2.26        | % | 2.87        |
| <b>PDL TOTAL</b>                  | <b>100.00</b>              | % | <b>2.68</b> | % | <b>3.06</b> | % | <b>3.11</b> |

| <b>PDL Per Category (90 days)</b> | <b>% Of loan Portfolio</b> |   | <b>3Q13</b> |   | <b>2Q14</b> |   | <b>3Q14</b> |
|-----------------------------------|----------------------------|---|-------------|---|-------------|---|-------------|
| Commercial loans                  | 58.96                      | % | 1.09        | % | 1.20        | % | 1.37        |
| Consumer loans                    | 17.70                      | % | 2.42        | % | 2.42        | % | 2.44        |
| Microcredit                       | 0.61                       | % | 7.27        | % | 5.86        | % | 5.82        |
| Mortgage loans                    | 11.78                      | % | 2.81        | % | 2.43        | % | 2.39        |
| Finance lease                     | 10.95                      | % | 1.33        | % | 1.30        | % | 1.43        |
| <b>TOTAL LOAN PORTFOLIO</b>       | <b>100.00</b>              | % | <b>1.54</b> | % | <b>1.60</b> | % | <b>1.72</b> |

**3Q14**

| LOANS AND FINANCIAL LEASES CLASSIFICATION   | 3Q13       |          | 2Q14       |          | 3Q14       |          |
|---|------------|----------|------------|----------|------------|----------|
| (COP millions)  |            |          |            |          |            |          |
| Normal  | 73,087,284 | 93.20 %  | 86,908,547 | 92.66 %  | 89,670,299 | 92.47 %  |
| Subnormal   | 2,263,565  | 2.89 %   | 3,206,314  | 3.42 %   | 3,392,671  | 3.50 %   |
| Deficient   | 1,292,074  | 1.65 %   | 1,520,878  | 1.62 %   | 1,551,640  | 1.59 %   |
| Doubtful recovery   | 1,045,062  | 1.33 %   | 1,267,447  | 1.35 %   | 1,392,325  | 1.44 %   |
| Unrecoverable   | 728,985    | 0.93 %   | 889,765    | 0.95 %   | 965,543    | 1.00 %   |
| Total   | 78,416,970 | 100.00 % | 93,792,951 | 100.00 % | 96,972,478 | 100.00 % |
| Loans and financial leases classified as C, D and E as a percentage of total loans and financial leases | 62249473   | 1 %      | 72188142   | 1 %      | 75933288   | 100.01 % |
|   | 3.91 %     |          | 3.92 %     |          | 4.03 %     |          |

**2.5. Operating Expenses**

During 3Q14, operating expenses totaled COP 1,240 billion, decreasing 0.8% with respect to 2Q14 and increasing 8.5% with respect to 3Q13.

Personnel expenses (salaries, bonus plan payments and compensation) totaled COP 451 billion in 3Q14, decreasing 2.4% as compared to 2Q14 and increasing 12.0% as compared to 3Q13. This increase is explained by higher salaries expenses due to the higher number of employees as well as by the 2014 wage increases. In addition, in 3Q14 are reflected 3 months of Banistmo's expenses that did not exist a year ago prior to the acquisition of the bank.

During 3Q14, administrative expenses totaled COP 618 billion, increasing 0.4% as compared to 2Q14 and 7.0% as compared to 3Q13.

Depreciation expenses totaled COP 139 billion in 3Q14, increasing 4.5% as compared to 2Q14 and 24.9% as compared to 3Q13. The increase in this type of expense is explained by the growth of operating leases from Leasing Bancolombia whose assets given on lease are depreciated.

At the end of 3Q14, Bancolombia had 29,773 employees, 1,071 branches and 4,404 ATMs.

**3Q14**

**3. BANCOLOMBIA Company Description (NYSE: CIB)**

GRUPO BANCOLOMBIA is a full service financial conglomerate incorporated in Colombia that offers a wide range of banking products and services to a diversified individual and corporate customer base of more than 9 million customers. GRUPO BANCOLOMBIA delivers its products and services via its regional network comprised of: Colombia's largest non-government owned banking network, El Salvador's leading financial conglomerate (Banagricola S.A.), off-shore and local (Banistmo S.A.) banking subsidiaries in Panama, Cayman and Puerto Rico. Together, BANCOLOMBIA and its subsidiaries provide stock brokerage, investment banking, leasing, factoring, consumer finance, fiduciary and trust services, asset management, among others.

**Contact Information**

**Bancolombia's Investor Relations**

**Phone:** (574) 4041837 / (574) 4041838

**E-mail:** investorrelations@bancolombia.com.co

Alejandro Mejia (IR Manager) / Simon Botero (Analyst)

**Website:** <http://www.grupobancolombia.com/investorRelations/>

## 3Q14

## BALANCE SHEET

| (COP million)   | Sep-13     | Jun-14     | Sep-14     | Last<br>Quarter | Annual   | % of<br>Assets | % of<br>Liabilities |
|---|------------|------------|------------|-----------------|----------|----------------|---------------------|
| <b>ASSETS</b>   |            |            |            |                 |          |                |                     |
| Cash and due from banks   | 8,439,492  | 8,437,163  | 10,000,245 | 18.53           | % 18.49  | % 7.38         | %                   |
| Overnight funds and<br>interbank loans                          | 4,267,357  | 2,665,916  | 2,776,563  | 4.15            | % -34.93 | % 2.05         | %                   |
| Total cash and<br>equivalents                                   | 12,706,849 | 11,103,079 | 12,776,808 | 15.07           | % 0.55   | % 9.43         | %                   |
| Debt securities   | 13,288,857 | 10,122,306 | 11,362,062 | 12.25           | % -14.50 | % 8.38         | %                   |
| Trading   | 8,114,463  | 4,575,682  | 6,753,862  | 47.60           | % -16.77 | % 4.98         | %                   |
| Available for Sale  | 1,555,171  | 1,859,427  | 1,742,253  | -6.30           | % 12.03  | % 1.29         | %                   |
| Held to Maturity  | 3,619,223  | 3,687,197  | 2,865,947  | -22.27          | % -20.81 | % 2.11         | %                   |
| Equity securities   | 1,241,511  | 1,723,340  | 1,832,948  | 6.36            | % 47.64  | % 1.35         | %                   |
| Trading   | 412,532    | 380,473    | 412,407    | 8.39            | % -0.03  | % 0.30         | %                   |
| Available for Sale  | 828,979    | 1,342,867  | 1,420,541  | 5.78            | % 71.36  | % 1.05         | %                   |
| Allowance for<br>impairment                                     | -7,020     | -8,962     | -9,568     | 6.76            | % 36.30  | % -0.01        | %                   |
| Net investment securities                                       | 14,523,348 | 11,836,684 | 13,185,442 | 11.39           | % -9.21  | % 9.73         | %                   |
| Commercial loans  | 47,563,831 | 55,372,254 | 57,174,205 | 3.25            | % 20.21  | % 42.19        | %                   |
| Consumer loans  | 14,115,106 | 16,756,732 | 17,163,585 | 2.43            | % 21.60  | % 12.67        | %                   |
| Small business loans  | 393,456    | 564,862    | 595,043    | 5.34            | % 51.23  | % 0.44         | %                   |
| Mortgage loans  | 7,093,609  | 10,835,105 | 11,422,568 | 5.42            | % 61.03  | % 8.43         | %                   |
| Financial leases  | 9,250,968  | 10,263,998 | 10,617,077 | 3.44            | % 14.77  | % 7.84         | %                   |
| Allowance for loan and<br>financial lease losses                | -3,689,353 | -4,254,925 | -4,465,306 | 4.94            | % 21.03  | % -3.30        | %                   |
| Net total loans and<br>financial leases                         | 74,727,617 | 89,538,026 | 92,507,172 | 3.32            | % 23.79  | % 68.27        | %                   |
| Accrued interest<br>receivable on loans and<br>financial leases | 622,991    | 700,926    | 703,538    | 0.37            | % 12.93  | % 0.52         | %                   |
| Allowance for accrued<br>interest losses                        | -61,803    | -67,905    | -67,674    | -0.34           | % 9.50   | % -0.05        | %                   |
| Net total interest accrued                                      | 561,188    | 633,021    | 635,864    | 0.45            | % 13.31  | % 0.47         | %                   |
| Customers' acceptances<br>and derivatives                       | 598,237    | 639,887    | 686,176    | 7.23            | % 14.70  | % 0.51         | %                   |
| Accounts receivable, net  | 1,538,437  | 1,844,917  | 1,635,779  | -11.34          | % 6.33   | % 1.21         | %                   |
| Premises and equipment,<br>net                                  | 1,569,253  | 2,131,447  | 2,199,503  | 3.19            | % 40.16  | % 1.62         | %                   |
| Foreclosed assets, net  | 97,581     | 79,581     | 88,232     | 10.87           | % -9.58  | % 0.07         | %                   |
| Prepaid expenses and<br>deferred charges, net                   | 547,638    | 573,348    | 557,255    | -2.81           | % 1.76   | % 0.41         | %                   |
| Goodwill  | 573,608    | 3,404,483  | 3,603,940  | 5.86            | % 528.29 | % 2.66         | %                   |
|   | 2,826,134  | 3,205,819  | 3,404,140  | 6.19            | % 20.45  | % 2.51         | %                   |

Edgar Filing: BANCOLOMBIA SA - Form 6-K

|  |             |             |             |        |   |        |   |        |   |        |
|--|-------------|-------------|-------------|--------|---|--------|---|--------|---|--------|
| Premises and equipment under operating leases, net   |             |             |             |        |   |        |   |        |   |        |
| Other assets   | 2,419,752   | 2,691,243   | 2,684,675   | -0.24  | % | 10.95  | % | 1.98   | % |        |
| Reappraisal of assets                                | 978,694     | 1,497,204   | 1,543,084   | 3.06   | % | 57.67  | % | 1.14   | % |        |
| Total assets   | 113,668,336 | 129,178,739 | 135,508,070 | 4.90   | % | 19.21  | % | 100.00 | % |        |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>          |             |             |             |        |   |        |   |        |   |        |
| <b>LIABILITIES</b>                                   |             |             |             |        |   |        |   |        |   |        |
| <b>DEPOSITS</b>                                      |             |             |             |        |   |        |   |        |   |        |
| Non-interest bearing                                 | 9,217,936   | 12,805,473  | 13,089,813  | 2.22   | % | 42.00  | % | 9.62   | % | 10.91  |
| Checking accounts                                    | 8,502,923   | 11,810,904  | 12,203,542  | 3.32   | % | 43.52  | % | 8.97   | % | 10.17  |
| Other  | 715,013     | 994,569     | 886,271     | -10.89 | % | 23.95  | % | 0.65   | % | 0.74   |
| Interest bearing                                     | 62,795,570  | 70,960,536  | 73,128,845  | 3.06   | % | 16.46  | % | 54.00  | % | 61.22  |
| Checking accounts                                    | 3,161,616   | 3,736,606   | 3,486,419   | -6.70  | % | 10.27  | % | 2.61   | % | 2.96   |
| Time deposits  | 30,227,429  | 33,537,537  | 35,322,572  | 5.32   | % | 16.86  | % | 26.07  | % | 29.55  |
| Savings deposits                                     | 29,406,525  | 33,686,393  | 34,319,854  | 1.88   | % | 16.71  | % | 25.33  | % | 28.71  |
| Total deposits                                       | 72,013,506  | 83,766,009  | 86,218,658  | 2.93   | % | 19.73  | % | 63.63  | % | 72.12  |
| Overnight funds and interbank borrowings             | 2,185,843   | 571,022     | 2,998,783   | 425.16 | % | 37.19  | % | 2.21   | % | 2.51   |
| Bank acceptances outstanding and derivatives         | 455,051     | 477,339     | 581,514     | 21.82  | % | 27.79  | % | 0.43   | % | 0.49   |
| Other interbank borrowings                           | 6,338,644   | 6,499,453   | 7,390,486   | 13.71  | % | 16.59  | % | 5.45   | % | 6.18   |
| Borrowings from development and other domestic banks | 3,984,814   | 4,513,185   | 4,138,543   | -8.30  | % | 3.86   | % | 3.05   | % | 3.46   |
| Accounts payable                                     | 1,882,304   | 2,994,374   | 2,312,864   | -22.76 | % | 22.87  | % | 1.71   | % | 1.93   |
| Accrued interest payable                             | 561,695     | 562,039     | 548,119     | -2.48  | % | -2.42  | % | 0.40   | % | 0.46   |
| Other liabilities                                    | 780,879     | 1,220,059   | 1,176,962   | -3.53  | % | 50.72  | % | 0.87   | % | 0.98   |
| Long-term debt                                       | 12,331,172  | 11,826,291  | 12,555,127  | 6.16   | % | 1.82   | % | 9.27   | % | 10.50  |
| Accrued expenses                                     | 1,057,542   | 919,340     | 1,146,392   | 24.70  | % | 8.40   | % | 0.85   | % | 0.96   |
| Minority interest                                    | 77,199      | 470,893     | 474,376     | 0.74   | % | 514.48 | % | 0.35   | % | 0.40   |
| Total liabilities                                    | 101,668,649 | 113,820,004 | 119,541,824 | 5.03   | % | 17.58  | % | 88.22  | % | 100.00 |
| <b>SHAREHOLDERS' EQUITY</b>                          |             |             |             |        |   |        |   |        |   |        |
| Subscribed and paid in capital                       | 425,914     | 464,495     | 480,869     | 3.53   | % | 12.90  | % | 0.35   | % |        |
| Retained earnings                                    | 10,748,889  | 14,009,129  | 14,554,267  | 3.89   | % | 35.40  | % | 10.74  | % |        |
| Appropriated   | 9,820,186   | 13,033,494  | 13,163,116  | 0.99   | % | 34.04  | % | 9.71   | % |        |
| Unappropriated                                       | 928,703     | 975,635     | 1,391,151   | 42.59  | % | 49.80  | % | 1.03   | % |        |
| Reappraisal of assets                                | 829,433     | 895,980     | 935,174     | 4.37   | % | 12.75  | % | 0.69   | % |        |
| Gross unrealized net gain on investments             | -4,549      | -10,869     | -4,064      | -62.61 | % | -10.66 | % | 0.00   | % |        |
| Total shareholder's equity                           | 11,999,687  | 15,358,735  | 15,966,246  | 3.96   | % | 33.06  | % | 11.78  | % |        |

## 3Q14

| INCOME STATEMENT (COP million)  | As of       |             | Growth        |   |           |           | Growth    |        |           |        |   |
|---|-------------|-------------|---------------|---|-----------|-----------|-----------|--------|-----------|--------|---|
|   | Sep-13      | Sep-14      | Sep-14/Sep-13 | % | 2Q14      | 3Q14      | 3Q14/2Q14 | %      | 3Q14/3Q13 | %      |   |
| Interest income and expenses  |             |             |               |   |           |           |           |        |           |        |   |
| Interest on loans   | 4,909,261   | 5,739,200   | 16.91         | % | 1,661,695 | 1,908,098 | 1,972,374 | 3.37   | %         | 18.70  | % |
| Interest on investment securities   | 390,132     | 320,822     | -17.77        | % | 95,030    | 86,584    | 78,760    | -9.04  | %         | -17.12 | % |
| Overnight funds and interbank loans   | 17,930      | 31,214      | 74.09         | % | 6,375     | 7,536     | 12,565    | 66.73  | %         | 97.10  | % |
| Financial leases  | 661,678     | 690,217     | 4.31          | % | 216,028   | 227,878   | 234,908   | 3.08   | %         | 8.74   | % |
| Total interest income   | 5,979,001   | 6,781,453   | 13.42         | % | 1,979,128 | 2,230,096 | 2,298,607 | 3.07   | %         | 16.14  | % |
| Interest expense  |             |             |               |   |           |           |           |        |           |        |   |
| Checking accounts   | 22,284      | 22,082      | -0.91         | % | 7,377     | 7,201     | 7,256     | 0.76   | %         | -1.64  | % |
| Time deposits   | 973,405     | 1,053,737   | 8.25          | % | 319,342   | 336,180   | 363,413   | 8.10   | %         | 13.80  | % |
| Savings deposits  | 500,533     | 364,796     | -27.12        | % | 151,586   | 115,424   | 123,147   | 6.69   | %         | -18.76 | % |
| Total interest on deposits  | 1,496,222   | 1,440,615   | -3.72         | % | 478,305   | 458,805   | 493,816   | 7.63   | %         | 3.24   | % |
| Interbank borrowings  | 46,501      | 95,026      | 104.35        | % | 22,887    | 30,930    | 28,835    | -6.77  | %         | 25.99  | % |
| Borrowings from development and other domestic banks                        | 164,756     | 182,059     | 10.50         | % | 55,717    | 59,791    | 57,582    | -3.69  | %         | 3.35   | % |
| Overnight funds   | 41,991      | 73,107      | 74.10         | % | 9,965     | 12,018    | 41,211    | 242.91 | %         | 313.56 | % |
| Long-term debt  | 569,519     | 572,392     | 0.50          | % | 192,054   | 188,518   | 193,504   | 2.64   | %         | 0.75   | % |
| Total interest expense  | 2,318,989   | 2,363,199   | 1.91          | % | 758,928   | 750,062   | 814,948   | 8.65   | %         | 7.38   | % |
| Net interest income   | 3,660,012   | 4,418,254   | 20.72         | % | 1,220,200 | 1,480,034 | 1,483,659 | 0.24   | %         | 21.59  | % |
| Provisions for loans and accrued interest losses and other receivables, net | (1,066,217) | (1,155,698) | 8.39          | % | (326,879) | (389,500) | (429,151) | 10.18  | %         | 31.29  | % |
| Recovery of charged-off loans   | 161,984     | 158,451     | -2.18         | % | 52,279    | 58,373    | 55,142    | -5.54  | %         | 5.48   | % |
|   | (115,455)   | (99,421)    | -13.89        | % | (32,281)  | (28,919)  | (29,616)  | 2.41   | %         | -8.26  | % |



Edgar Filing: BANCOLOMBIA SA - Form 6-K

|   |            |             |           |            |            |            |            |           |  |  |  |
|---|------------|-------------|-----------|------------|------------|------------|------------|-----------|--|--|--|
| Provision for foreclosed assets and other assets                          |            |             |           |            |            |            |            |           |  |  |  |
| Recovery of provisions for foreclosed assets and other assets             | 62,007     | 69,716      | 12.43 %   | 17,648     | 24,836     | 19,406     | -21.86 %   | 9.96 %    |  |  |  |
| Total net provisions  | (957,681 ) | (1,026,952) | 7.23 %    | (289,233 ) | (335,210 ) | (384,219 ) | 14.62 %    | 32.84 %   |  |  |  |
| Net interest income after provision for loans and accrued interest losses | 2,702,331  | 3,391,302   | 25.50 %   | 930,967    | 1,144,824  | 1,099,440  | -3.96 %    | 18.10 %   |  |  |  |
| Commissions from banking services   | 364,933    | 519,770     | 42.43 %   | 123,366    | 170,788    | 183,259    | 7.30 %     | 48.55 %   |  |  |  |
| Electronic services and ATM fees  | 57,945     | 74,349      | 28.31 %   | 19,243     | 22,520     | 26,192     | 16.31 %    | 36.11 %   |  |  |  |
| Branch network services   | 96,846     | 109,040     | 12.59 %   | 34,696     | 35,552     | 38,506     | 8.31 %     | 10.98 %   |  |  |  |
| Collections and payments fees   | 206,004    | 246,825     | 19.82 %   | 71,232     | 83,501     | 87,449     | 4.73 %     | 22.77 %   |  |  |  |
| Credit card merchant fees   | 5,598      | 8,935       | 59.61 %   | 2,490      | (373 )     | 6,358      | 1804.56 %  | 155.34 %  |  |  |  |
| Credit and debit card fees  | 505,328    | 583,150     | 15.40 %   | 170,889    | 193,675    | 193,928    | 0.13 %     | 13.48 %   |  |  |  |
| Checking fees   | 52,608     | 50,908      | -3.23 %   | 17,577     | 17,178     | 15,813     | -7.95 %    | -10.04 %  |  |  |  |
| Trust activities  | 158,948    | 154,911     | -2.54 %   | 46,730     | 50,933     | 52,005     | 2.10 %     | 11.29 %   |  |  |  |
| Brokerage fees  | 49,737     | 43,068      | -13.41 %  | 11,651     | 15,243     | 16,045     | 5.26 %     | 37.71 %   |  |  |  |
| Check remittances   | 16,027     | 32,614      | 103.49 %  | 5,618      | 12,753     | 11,029     | -13.52 %   | 96.32 %   |  |  |  |
| International wire transfers  | 45,668     | 61,658      | 35.01 %   | 19,901     | 19,826     | 21,253     | 7.20 %     | 6.79 %    |  |  |  |
| Fees and other service income   | 1,559,642  | 1,885,228   | 20.88 %   | 523,393    | 621,597    | 651,837    | 4.86 %     | 24.54 %   |  |  |  |
| Fees and other service expenses   | (168,304 ) | (236,316 )  | 40.41 %   | (62,853 )  | (79,918 )  | (86,926 )  | 8.77 %     | 38.30 %   |  |  |  |
| Total fees and income from services, net                                  | 1,391,338  | 1,648,912   | 18.51 %   | 460,540    | 541,679    | 564,911    | 4.29 %     | 22.66 %   |  |  |  |
| Other operating income  |            |             |           |            |            |            |            |           |  |  |  |
| Foreign exchange gain (loss), net   | 31,706     | 198,146     | 524.95 %  | 25,989     | 38,027     | 127,374    | 234.96 %   | 390.11 %  |  |  |  |
|   | 19,707     | (35,076 )   | -277.99 % | 23,802     | 4,400      | (53,433 )  | -1314.39 % | -324.49 % |  |  |  |

Edgar Filing: BANCOLOMBIA SA - Form 6-K

|  |           |           |          |           |           |           |          |          |  |  |  |
|--|-----------|-----------|----------|-----------|-----------|-----------|----------|----------|--|--|--|
| Gains on forward contracts in foreign currency     |           |           |          |           |           |           |          |          |  |  |  |
| Gains on sales of investments in equity securities | (1,136 )  | (1,234 )  | 8.63 %   | (3,205 )  | (183 )    | (475 )    | 159.56 % | -85.18 % |  |  |  |
| Gains on sales of mortgage loans                   | 25,835    | 14,447    | -44.08 % | 5,703     | 4,542     | 4,800     | 5.68 %   | -15.83 % |  |  |  |
| Dividend income                                    | 54,605    | 69,457    | 27.20 %  | 7,303     | 18,428    | 5,149     | -72.06 % | -29.49 % |  |  |  |
| Income from non-financial subsidiaries             | 107,288   | 113,591   | 5.87 %   | 34,349    | 41,423    | 38,745    | -6.47 %  | 12.80 %  |  |  |  |
| Insurance income                                   | -         | 7,268     |          | -         | 8,703     | 7,255     | -16.64 % |          |  |  |  |
| Communication, postage, rent and others            | 344,330   | 433,319   | 25.84 %  | 123,231   | 144,625   | 149,887   | 3.64 %   | 21.63 %  |  |  |  |
| Total other operating income                       | 582,335   | 799,918   | 37.36 %  | 217,172   | 259,965   | 279,302   | 7.44 %   | 28.61 %  |  |  |  |
| Total income                                       | 4,676,004 | 5,840,132 | 24.90 %  | 1,608,679 | 1,946,468 | 1,943,653 | -0.14 %  | 20.82 %  |  |  |  |
| Operating expenses                                 |           |           |          |           |           |           |          |          |  |  |  |
| Salaries and employee benefits                     | 1,100,174 | 1,199,982 | 9.07 %   | 370,876   | 398,487   | 397,268   | -0.31 %  | 7.12 %   |  |  |  |
| Bonus plan payments                                | 137,820   | 143,422   | 4.06 %   | 22,877    | 51,166    | 41,194    | -19.49 % | 80.07 %  |  |  |  |
| Indemnities benefits                               | 25,570    | 37,487    | 46.61 %  | 9,250     | 12,908    | 13,029    | 0.94 %   | 40.85 %  |  |  |  |
| Administrative and other expenses                  | 1,668,163 | 1,768,392 | 6.01 %   | 577,173   | 615,543   | 617,830   | 0.37 %   | 7.04 %   |  |  |  |
| Insurance on deposits, net                         | 101,354   | 104,214   | 2.82 %   | 48,446    | 38,495    | 24,149    | -37.27 % | -50.15 % |  |  |  |
| Donation expenses                                  | 9,980     | 10,916    | 9.38 %   | 3,807     | 1,664     | 8,291     | 398.26 % | 117.78 % |  |  |  |
| Depreciation                                       | 309,970   | 398,822   | 28.66 %  | 111,073   | 132,734   | 138,707   | 4.50 %   | 24.88 %  |  |  |  |
| Total operating expenses                           | 3,353,031 | 3,663,235 | 9.25 %   | 1,143,502 | 1,250,997 | 1,240,468 | -0.84 %  | 8.48 %   |  |  |  |
| Net operating income                               | 1,322,973 | 2,176,897 | 64.55 %  | 465,177   | 695,471   | 703,185   | 1.11 %   | 51.17 %  |  |  |  |
| Goodwill amortization (1)                          | 40,545    | 155,725   | 284.08 % | 12,745    | 50,831    | 51,519    | 1.35 %   | 304.23 % |  |  |  |
| Non-operating income (expense)                     |           |           |          |           |           |           |          |          |  |  |  |

Edgar Filing: BANCOLOMBIA SA - Form 6-K

|                            |            |            |          |            |            |            |           |          |
|----------------------------|------------|------------|----------|------------|------------|------------|-----------|----------|
| Other income               | 133,843    | 129,720    | -3.08 %  | 48,712     | 47,302     | 43,445     | -8.15 %   | -10.81 % |
| Minority interest          | (7,383 )   | 1,342      | 118.18 % | (4,901 )   | 1,162      | 1,846      | 58.86 %   | 137.67 % |
| Other expense              | (109,458 ) | (125,175 ) | 14.36 %  | (48,498 )  | (44,655 )  | (31,655 )  | -29.11 %  | -34.73 % |
| Previous periods (*)       | -          | (89,075 )  |          | -          | -          | (89,075 )  |           | 0.00 %   |
| Total non-operating income | 17,002     | (83,188 )  | -589.28% | (4,687 )   | 3,809      | (75,439 )  | -2080.55% | 1509.54% |
| Income before income taxes | 1,299,430  | 1,937,984  | 49.14 %  | 447,745    | 648,449    | 576,227    | -11.14 %  | 28.70 %  |
| Income tax expense         | (273,043 ) | (546,833 ) | 100.27 % | (123,820 ) | (181,165 ) | (160,711 ) | -11.29 %  | 29.79 %  |
| Net income                 | 1,026,387  | 1,391,151  | 35.54 %  | 323,925    | 467,284    | 415,516    | -11.08 %  | 28.28 %  |

(\*) Correction of non-material mistakes for the periods 2012 and 2013, for a total amount of COP 89.075 million, resulting from the double recording of certain securities provided as guarantee by the Bank's proprietary trading desk. This operational risk was caused by a design flaw in a software created for the purpose of managing the Bank's securities portfolio. The flaw was duly corrected by the Bank.

**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: November 10, 2014 By: /s/ JAIME ALBERTO VELÁSQUEZ B.

Name: Jaime Alberto Velásquez B.

Title: Vice President of Strategy and Finance