

BANCOLOMBIA SA  
Form 6-K  
November 08, 2007

**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, 2007.**

**Comission File Number 001-32535**

**Bancolombia S.A.**

(Translation of registrant's name into English)

Calle 50 No. 51-66

Medellín, Colombia

(Address of principal executive offices)

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

Form 20-F

Form 40-F

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

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

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

Yes

No

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

**CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2007**

November 7, 2007. Medellín, Colombia Today, BANCOLOMBIA S.A. ( BANCOLOMBIA or the Bank ) (NYSE: CIB) announced its financial results for the third quarter of fiscal year 2007, ended September 30, 2007<sup>1</sup>.

<b>CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT</b>	Proforma	Quarter Proforma	3Q 07	Growth	
(Ps millions)	3Q 06	2Q 07	3Q 07	3Q 07 / 2Q 07	3Q 07 / 3Q 06
<b>ASSETS</b>					
Loans and financial leases, net	28,467,140	31,110,145	34,188,333	9.89%	20.10%
Investment securities, net	6,861,448	5,517,317	5,331,636	-3.37%	-22.30%
Other assets	6,933,817	8,383,636	9,163,991	9.31%	32.16%
<b>Total assets</b>	<b>42,262,405</b>	<b>45,011,098</b>	<b>48,683,960</b>	<b>8.16%</b>	<b>15.19%</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>					
<b>Deposits</b>	<b>26,285,109</b>	<b>29,540,131</b>	<b>30,641,803</b>	<b>3.73%</b>	<b>16.57%</b>
Non-interest bearing	4,048,438	4,499,236	4,647,520	3.30%	14.80%
Interest bearing	22,236,671	25,040,895	25,994,283	3.81%	16.90%
<b>Other liabilities</b>	<b>11,923,889</b>	<b>11,902,250</b>	<b>13,274,738</b>	<b>11.53%</b>	<b>11.33%</b>
<b>Total liabilities</b>	<b>38,208,998</b>	<b>41,442,381</b>	<b>43,916,541</b>	<b>5.97%</b>	<b>14.94%</b>
Shareholders equity	4,053,407	3,568,717	4,767,419	33.59%	17.62%
<b>Total liabilities and shareholders equity</b>	<b>42,262,405</b>	<b>45,011,098</b>	<b>48,683,960</b>	<b>8.16%</b>	<b>15.19%</b>
Interest income	1,036,919	1,152,435	1,242,684	7.83%	19.84%
Interest expense	389,524	463,861	526,607	13.53%	35.19%
<b>Net interest income</b>	<b>647,395</b>	<b>688,574</b>	<b>716,077</b>	<b>3.99%</b>	<b>10.61%</b>
Net provisions	(106,478)	(123,212)	(192,709)	56.40%	80.98%
Fees and income from service, net	273,584	271,361	283,549	4.49%	3.64%
Other operating income	1,819	47,291	95,682	102.33%	5160.14%
Operating expense	(541,494)	(571,322)	(550,826)	-3.59%	1.72%
Non-operating income, net	(33,617)	11,310	13,967	23.49%	141.55%
Income tax expense	(52,689)	(82,703)	(49,007)	-40.74%	-6.99%
<b>Net income</b>	<b>188,520</b>	<b>241,299</b>	<b>316,733</b>	<b>31.26%</b>	<b>68.01%</b>

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

and its affiliates of which it owns, directly or indirectly more than 50% of the voting capital stock. These financial statements have been prepared in accordance with generally accepted accounting principles in Colombia and the regulations of Superintendency of Finance in Colombia, collectively COL GAAP, and are stated in nominal terms and have not been audited. BANCOLOMBIA maintains accounting records in Colombian pesos, referred to herein as Ps. There have been no changes to the Bank's principal accounting policies in the 3Q2007. The statements of income for the 3Q2007 are not necessarily indicative of the results that may be expected for the entire year or any other future interim period. For more information, please refer to the Company'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 other 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.

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 acquisition of Banagrícola. No assurance can be given that any such savings or other expected benefits of the acquisition 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 referring to the Bank together with its affiliates, unless otherwise specified.**

Representative Market Exchange Rate: September 30, 2007 Ps 2,023.19 = US\$ 1 Average exchange rate  
September 2007 Ps 2,097.84 = US\$ 1

**Contacts**

**Sergio Restrepo**  
Executive VP  
Tel.: (574) 5108668

**Jaime A. Velásquez**  
Financial VP  
Tel.: (574) 5108666

**Juan Esteban Toro**  
IR Manager  
Tel.: (574) 5108866

3Q07

**1. HIGHLIGHTS:**

This is the second time BANCOLOMBIA has released consolidated results since the acquisition of BANAGRÍCOLA S.A. ( BANAGRICOLA ) that took place during the second quarter of 2007. This report contains pro forma figures for the second quarter of the present year and pro forma figures for the third quarter of 2006 as if the acquisition had taken place on June 30, 2006. All references to numbers for periods prior to second quarter of 2007 were derived from such pro forma consolidated financial statements and are used herein for the purpose of comparison. Some assumptions were needed in order to complete the pro forma figures, the purchase transaction was simulated applying the same multiples, used on the acquisition, to the numbers that BANAGRICOLA had at that time and an issuance of subordinated bonds and preferred shares were simulated keeping a similar participation on the bank's funding as they did in June 30 2007. BANCOLOMBIA's management strongly recommends taking this into account before analyzing this financial report.

Net income for the quarter ended September 30, 2007, totaled Ps 316.7 billion, representing an increase of 31.3% when compared to Ps 241.3 billion pro forma for the second quarter of 2007. As of September 30, 2007, the net income for the first nine months of this year totaled Ps 764.4 billion, an increase of 44% when compared with the pro forma figure for the same period last year.

As of September 30, 2007, BANCOLOMBIA's net loans and financial leases totaled Ps 34,188 billion, representing an increase of 9.9% when compared to Ps 31,110 billion for the second quarter of 2007 and an increase of 20.1% on a year-to-year basis from Ps 28,467 billion pro forma as of September 30, 2006.

Net interest income as of September 30, 2007, totaled Ps 2,021 billion representing a 38.0% increase as compared to the pro forma figures for the first nine months of 2006.

Allowances for Loan losses reached Ps 1,257 billion, increasing 12.5% over the quarter and 25.5% over the year on a pro forma basis. Net Provisions for the first nine months of this year increased significantly when compared with the pro forma figure for the same period of 2006 increasing 83.7%. This increase will be further analysed later on this report.

Asset quality measures continue to be on comfortable levels. As of September 30, 2007, BANCOLOMBIA's ratio of past due loans to total loans was 2.77%, and the ratio of allowances to past due loans was 131.14%. On the other hand, C,D and E loans as a percentage of total loans was 2.64% as of September 30, 2007.

Annualized return on average shareholders equity as of September 30, 2007 is 24.4% and Efficiency measured as the ratio between operating expenses and net operating income was 55.4% for the same period.

3Q07

## 2. CONSOLIDATED BALANCE SHEET

### 2.1. Assets

BANCOLOMBIA's total assets reached Ps 48,684 billion as of September 30, 2007, up 15.2% when compared to Ps 42,262 billion pro forma as of September 2006. This growth is mainly due to the Ps 5,721 billion increase in net loans and financial leases estimated from the pro forma mentioned above.

#### 2.1.1. Loan Portfolio

Total loans and financial leases represented 70.2% of assets as of September 30, 2007, amounting Ps 34,188 billion, a 9.89% increase when compared to June 30, 2007 and a 20.1% increase when compared to the pro forma figures as of September 30, 2006. Dynamic Loan portfolio growth continues among all segments as a result of the good performance of Colombian economy, the Bank's primary market.

Corporate loans were the most dynamic segment over the quarter, reaching Ps 17,871 billion as of September 30, 2007, representing a 12.9% increase as compared to Ps 15,835 billion as of June 30, 2007 and a 16.9% increase as compared to Ps 15,288 billion pro forma as of September 30, 2006.

Retail and small and medium-sized enterprise (SME) loans amounted to Ps 10,224 billion as of September 30, 2007, representing an 8.2% increase as compared to Ps 9,447 billion as of June 30, 2007 and a 32.5% increase as compared to Ps 7,714 billion pro forma as of September 30, 2006.

Financial leases amounted to Ps 4,333 billion as of September 30, 2007, representing an increase of 8.6% as compared to June 30, 2007, and an increase of 29.8% as compared to the pro forma figures as of September 30, 2006.

Mortgage loans, amounted to Ps 3,017 billion as of September 30, 2007. The increase in mortgage loans including past securitizations was 7.0% and 23.8% when compared to June 30, 2007 and the pro forma figures as of September 30, 2006 respectively. BANCOLOMBIA securitized Ps 289 billion mortgage loans on July 4, 2007. It is important to highlight that the bank purchases some of the securities product of these securitizations, which account for debt investment securities on the investment portfolio. This does not represent an increase on the risk appetite of the Bank as these securities are backed by mortgage loans originated by BANCOLOMBIA, therefore, meeting the Bank's credit risk standards.

3Q07

<b>LOAN PORTFOLIO</b> (Ps millions)	<b>30-Sep-06</b> <b>Proforma</b>	<b>As of</b> <b>30-Jun-07</b>	<b>30-Sep-07</b>	<b>Growth</b>	
				<b>Sep-07/Jun-07</b>	<b>Sep-07/Sep-06</b>
<b>CORPORATE</b>					
Working capital loans	13,806,340	14,058,294	15,719,266	11.81%	13.86%
Loans funded by domestic development banks	493,854	608,272	852,098	40.09%	72.54%
Trade Financing	817,328	945,679	1,002,428	6.00%	22.65%
Overdrafts	110,658	145,706	140,692	-3.44%	27.14%
Credit Cards	59,504	76,867	156,576	103.70%	163.14%
<b>TOTAL CORPORATE</b>	<b>15,287,684</b>	<b>15,834,818</b>	<b>17,871,060</b>	<b>12.86%</b>	<b>16.90%</b>
<b>RETAIL AND SMEs</b>					
Working capital loans	2,039,747	2,680,255	2,874,562	7.25%	40.93%
Personal loans	3,255,735	3,780,146	3,554,436	-5.97%	9.17%
Loans funded by domestic development banks	383,801	439,583	553,915	26.01%	44.32%
Credit Cards	926,065	1,126,592	1,701,169	51.00%	83.70%
Overdrafts	166,404	218,921	234,653	7.19%	41.01%
Automobile loans	861,847	1,121,268	1,214,440	8.31%	40.91%
Trade Financing	80,239	80,230	90,820	13.20%	13.19%
<b>TOTAL RETAIL AND SMEs</b>	<b>7,713,838</b>	<b>9,446,995</b>	<b>10,223,995</b>	<b>8.22%</b>	<b>32.54%</b>
<b>MORTGAGE</b>	<b>3,129,387</b>	<b>2,955,711</b>	<b>3,017,151</b>	<b>2.08%</b>	<b>-3.59%</b>
<b>FINANCIAL LEASES</b>	<b>3,337,680</b>	<b>3,989,953</b>	<b>4,332,769</b>	<b>8.59%</b>	<b>29.81%</b>
<b>Total loans and financial leases</b>	<b>29,468,589</b>	<b>32,227,477</b>	<b>35,444,975</b>	<b>9.98%</b>	<b>20.28%</b>
<b>Allowance for loan losses and financial leases</b>	<b>(1,001,449)</b>	<b>(1,117,332)</b>	<b>(1,256,642)</b>	<b>12.47%</b>	<b>25.48%</b>
<b>Total loans and financial leases, net</b>	<b>28,467,140</b>	<b>31,110,145</b>	<b>34,188,333</b>	<b>9.89%</b>	<b>20.10%</b>

### 2.1.2. Investment Portfolio

As of September 30, 2007, BANCOLOMBIA's net investment securities amounted to Ps 5,332 billion, representing a decrease of 3.4% when compared to June 30, 2007, and a decrease of 22.3% when compared to the pro forma figures as of September 30, 2006. As of September 30, 2007, investments in debt securities represented 97.0% of BANCOLOMBIA's net investment securities.

BANCOLOMBIA's investments in debt securities amounted to Ps 5,174 billion (10.6% of total assets) by the end of the third quarter, decreasing 3.5% when compared to June 30, 2007 when such investments amounted to



Edgar Filing: BANCOLOMBIA SA - Form 6-K

Ps 5,363 billion (11.9% of total assets) and 22.5% as compared to the pro-forma figures as of September 30, 2006, when such investments amounted to Ps 6,676 billion (15.8% of total assets). As explained in previous quarters the low exposure in debt securities is a result of the growth in the loan.

The next table discloses the composition of the portfolio by type of issuer where TIPS is the name given in Colombia to the mortgage backed securities, which are originated by BANCOLOMBIA according to its credit policies.

<b>Debt Securities</b>	<b>Government (Colombia)</b>	<b>Government (Others)</b>	<b>MBS (TIPS)</b>	<b>Corporate (Others)</b>
Trading	14%	4%	8%	5%
Available for sale	16%	0%	3%	15%
Held to Maturity	10%	12%	7%	7%
<b>Total</b>	<b>40%</b>	<b>16%</b>	<b>18%</b>	<b>27%</b>

3Q07

## 2.1.3. Asset Quality

As of September 30, 2007, the Bank's past due loans accounted for 2.77% of total loans. Loans classified as C, D and E comprised 2.64% of total loans. In addition, the ratio of allowances to past due loans at the end of the quarter was 131.14%, while the ratio of allowances to loans classified as C, D and E at the end of the quarter was 137.44%.

LOANS AND FINANCIAL LEASES CLASSIFICATION (Ps millions)	As of 30-Sep-06 Proforma		As of 30-Jun-07		As of 30-Sep-07	
A Normal	27,852,177	94.4%	30,307,013	94.1%	33,732,877	95.1%
B Subnormal	843,051	2.9%	1,101,821	3.4%	776,157	2.2%
C Deficient	283,384	1.0%	260,297	0.8%	248,459	0.7%
D Doubtful recovery	284,414	1.0%	295,430	0.9%	456,216	1.3%
E Unrecoverable	205,563	0.7%	262,916	0.8%	231,266	0.7%
<b>Total</b>	<b>29,468,589</b>	<b>100%</b>	<b>32,227,477</b>	<b>100%</b>	<b>35,444,975</b>	<b>100%</b>

Loans and financial leases classified as C, D and E as a percentage of total loans and financial leases	2.6%	2.5%	2.6%
---	------	------	------

ASSET QUALITY (Ps millions)	As of			Growth	
	Proforma 30-Sep-06	30-Jun-07	30-Sep-07	3Q 07 / 2Q 07	3Q 07 / 3Q 06
Total performing past due loans <sup>(1)</sup>	452,232	387,295	435,868	12.54%	-3.62%
Total non-performing past due loans	321,038	486,762	544,985	11.96%	69.76%
Total past due loans	773,270	874,057	980,853	12.22%	26.84%
Allowance for loans and accrued interest losses	1,014,792	1,133,380	1,286,330	13.50%	26.76%
Past due loans to total loans	2.62%	2.71%	2.77%		
Non-performing loans as a percentage of total loans	1.09%	1.51%	1.54%		
C, D and E loans as a percentage of total loans	2.62%	2.54%	2.64%		
Allowances to past due loans <sup>(2)</sup>	131.23%	129.67%	131.14%		
Allowance for loan and accrued interest losses as a percentage of C, D and E loans	131.22%	138.45%	137.44%		
Allowance for loan and accrued interest losses as a percentage of non-performing loans <sup>(2)</sup>	316.10%	232.84%	236.03%		
Allowance for loan and accrued interest losses as a percentage of	3.44%	3.52%	3.63%		

total loans

Percentage of performing loans to  
total loans

98.91%                      98.49%                      98.46%

(1) Performing past due loans are loans upon which the Bank continues to recognize income although interest has not been received for the periods indicated. Once interest is unpaid on accrual loans for a longer period than is specified above, the loan is classified as non-performing. Under Colombian Banking regulations, a loan is past due when it is at least 31 days past the actual due date.

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

## 2.2. Liabilities

As of September 30, 2007, BANCOLOMBIA's total deposits amounted to Ps 30,642 billion, representing an increase of 3.7% as compared to June 30, 2007, and an increase of 16.6% as compared to the pro forma figures as of September 30, 2006. The composition of the deposits did not change much on this quarter. However time deposits increased their share over total deposits to 42.3%. and savings deposits, observed a slight decrease representing 38.3% of total deposits. Checking accounts and other represented 17.9% and 1.6% respectively of the total deposits.

3Q07

	sep-06	Part .	jun-07	Part .	sep-07	Part .
Checking accounts	5.175.363	19,7%	5.206.905	17,6%	5.472.186	17,9%
Time deposits	10.190.834	38,8%	12.045.703	40,8%	12.952.902	42,3%
Savings deposits	10.563.713	40,2%	11.938.893	40,4%	11.737.909	38,3%
Other	355.199	1,4%	348.630	1,2%	478.806	1,6%
<b>Total Deposits</b>	<b>26.285.109</b>	<b>100%</b>	<b>29.540.131</b>	<b>100%</b>	<b>30.641.803</b>	<b>100%</b>

As of September 30, 2007, checking accounts and time deposits increased 23.4% and 7.5%, respectively as compared to June 30, 2007, whereas savings deposits decreased 1.7% on the same period. When compared to the pro forma figures as of September 30, 2006, savings deposits and time deposits increased 11.1% and 27.1% respectively, whereas checking accounts decreased 12.0% on the same period. The dynamic observed is highly influenced by the marginal reserve requirement imposed by the Colombian central bank on the first quarter of this year, which requires a marginal reserve of 27% on checking and savings accounts and 5% on marginal time deposits, producing a logical preference for time deposits over other kind of deposits.

### 2.3. Shareholders Equity

As of September 30, 2007 BANCOLOMBIA's shareholders' equity amounted to Ps 4,767 billion, representing an increase of 33.6% when compared to June 30, 2007. The increase is mainly explained by the stock issuance that took place on July. As a result of the issuance of 59,999,998 preferred shares the Bank increased its capital on an aggregate amount of Ps 927.6 billion.

Unrealized losses on available-for-sale debt securities amounted to Ps 33.8 billion as of September 30, 2007. This result is due to the price decrease of Colombian government and corporate bonds.

Also as of September 30, 2007, the Bank's consolidated ratio of technical capital to risk-weighted assets was 13.28%, a major increase from the 11.85% as of June 30, 2007, and an even bigger increase from the 11.24% pro forma as of September 30, 2006. This increase was due particularly to the capital increase that took place during the month of July.

<b>TECHNICAL CAPITAL RISK WEIGHTED ASSETS</b>	<b>Proforma</b>		
Consolidated (Ps millions)	<b>Sep-06</b>	<b>Jun-07</b>	<b>Sep-07</b>
Basic capital (Tier I)	3,692,370	3,382,308	4,526,042
Additional capital (Tier II)	495,858	1,297,599	1,124,654
Technical capital <sup>(1)</sup>	4,188,228	4,679,907	5,650,696
Risk weighted assets included market risk	37,268,789	39,507,368	42,549,517
<b>CAPITAL ADEQUACY <sup>(2)</sup></b>	<b>11.24%</b>	<b>11.85%</b>	<b>13.28%</b>

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

additional  
capital

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

**3Q07**

### **3. INCOME STATEMENT**

Despite higher provision charges BANCOLOMBIA's net income presented solid results for the third quarter of the present year amounting Ps 316.7 billion on the period ended September 30, 2007, this figure represents an increase of 31.3% when compared to Ps 241.3 billion for the previous quarter and 68.0% when compared to Ps 188.5 billion pro forma for the third quarter of 2006.

#### **3.1. Net Interest Income**

Intere