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BANCOLOMBIA SA
Form 6-K
March 03, 2003

CONFORMED COPY

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1933

For the month of February 2003

BANCOLOMBIA S.A.

(Translation of Registrant's name into English)

Calle 50 No. 51-66
Medellin, Colombia

(Address of principal executive offices)

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

Form 20-F

Form 40-F

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

Yes _____

No

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

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

SIGNATURE

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

BANCOLOMBIA S.A.
(Registrant)

Date: February 28, 2003

By /s/ JAIME ALBERTO VELASQUEZ B.

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

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[BANCOLOMBIA LOGO]

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

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

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET

(Ps millions)

QUARTER
3Q 02 4Q 02

ASSETS

Loans, net	5,709,724	5,880,950
Investment Securities, net	4,207,750	4,403,045
Other assets	1,921,552	2,155,353
TOTAL ASSETS	11,839,026	12,439,348

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits	8,288,730	8,793,257
Other liabilities	2,560,529	2,372,730
TOTAL LIABILITIES	10,849,259	11,165,987
Shareholders' equity	989,767	1,273,361
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,839,026	12,439,348

Interest income	248,324	321,168
Interest expense	108,145	106,325
NET INTEREST INCOME	140,179	214,843
Net provisions	(23,479)	(24,338)
Other operating income	98,063	86,237
Other operating expense	(174,453)	(183,879)
Non-operating income, net	24,023	6,573
Income tax expense	(8,712)	(8,507)
NET INCOME	55,621	90,929

(1) The financial information contained herein includes only the consolidated results of Bancolombia's financial subsidiaries (Bancolombia Panama-Cayman, Colcorp, Leasing Colombia, Almacenar, and Fiducolombia). Such information can therefore not be compared to and should not be used in any way to interpret any information contained in Bancolombia's annual reports on Form 20-F which contain the consolidated financial results of the Bank and all its subsidiaries. The information contained in this release has been prepared in accordance with Colombian GAAP, expressed in nominal pesos, and has not been audited. All growth rates mentioned herein are not adjusted for inflation. In this press release "Bancolombia" or "the Bank" refers to the financial results of Bancolombia S.A and its consolidated financial subsidiaries listed above.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This release contains statements that may be considered forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. All forward-looking statements, whether made in this release or in future filings or press releases or orally, address matters that involve risks and uncertainties; consequently,

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there are or will be factors, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptances of new products or services by our targeted customers, changes in business strategy and various others factors, that could cause actual results to differ materially from those indicated in such statements. We do not intend, and do not assume any obligation, to update these forward-looking statements.

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

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I. HIGHLIGHTS:

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

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

BANKING SECTOR

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

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

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

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

II. CONSOLIDATED BALANCE SHEET

ASSETS

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

LOAN PORTFOLIO

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

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

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

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

(1) Before January 1, 2002, non-performing loans were commercial and consumer loans that were past due 90 days or more, and mortgage loans that were past due 120 days or more. Since January 1, 2002, non-performing loans are consumer loans that are past due 60 days or more, commercial loans that are past due 90 days or more, and mortgage loans that are past due 120 days or more.

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

LIABILITIES

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

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

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

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SHAREHOLDERS' EQUITY

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

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

TECHNICAL EQUITY RISK WEIGHTED ASSETS Consolidated (Ps millions)	31-DEC-01	AS OF 30-SEP-02	31-DEC-02
Basic capital	587,497	647,799	698,041
Additional capital	178,636	163,736	251,977
Technical capital (1)	766,133	811,535	950,018
Risk weighted assets	7,391,905	8,477,938	8,675,866
CAPITAL ADEQUACY (2)	10.36%	9.57%	10.95%

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

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

III. INCOME STATEMENT

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

NET INTEREST INCOME

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

PROVISIONS

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

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FEES AND INCOME FROM SERVICES

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

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

ACCUMULATED CREDIT CARD BILLING

(As of December 31, in Ps million)

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

Source: Credibanco, American Express and Red Multicolor

CREDIT CARD MARKET SHARE

Number of credit cards as of December 31,

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

Source: Credibanco, American Express and Red Multicolor.

AMERICAN EXPRESS

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

OPERATING EXPENSES

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

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

IV. SUBSIDIARIES

SUBSIDIARIES' BREAKDOWN

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

BANCOLOMBIA PANAMA AND ITS SUBSIDIARIES

The following table is expressed in US dollars.

BANCOLOMBIA PANAMA INCOME STATEMENT AND BALANCE SHEET

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

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

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

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

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

V. GENERAL SHAREHOLDERS MEETING

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

PRINCIPAL RATIOS

	4Q01	3Q02	4Q02	3Q03

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PROFITABILITY

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

EFFICIENCY

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

CAPITAL ADEQUACY

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

1. Defined as Net Interest Income divided by monthly average interest-earning assets.
2. Net income divided by monthly average total assets.
3. Net income divided by monthly average shareholders' equity.
4. Excluding merger expenses. Operating income includes net interest income, total fees and income from services, and total other operating income.
5. Calculated on an unconsolidated basis.

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

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

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

(3) Share prices on the Colombian Stock Exchange

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

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TOTAL LIABILITIES	9,189,070	10,849,259	11,165,987
Shareholders' equity	987,410	989,767	1,273,361

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,176,480	11,839,026	12,439,348

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CONSOLIDATED INCOME STATEMENT (Ps Millions)	AS OF		
	31-DEC-01	31-DEC-02	4Q 01

INTEREST INCOME AND EXPENSES			
Interest on loans	814,728	718,435	202,809
Interest on investment securities	243,528	370,383	58,436
Overnight funds	26,970	9,012	6,534
Leasing	35,437	39,603	9,286
TOTAL INTEREST INCOME	1,120,663	1,137,433	277,065

Interest expense			
Time deposits	326,413	273,397	82,330
Savings deposits	113,239	107,107	27,200
TOTAL INTEREST ON DEPOSITS	439,652	380,504	109,530

Interbank borrowings	26,976	9,404	1,530
Borrowings from domestic development banks	35,676	44,634	9,917
Overnight funds	28,249	27,481	10,750
TOTAL INTEREST EXPENSE	530,553	462,023	131,727

NET INTEREST INCOME	590,110	675,410	145,338
Provision for loan and accrued interest losses	(348,303)	(206,623)	(114,379)
Provision for foreclosed assets and other assets	(63,788)	(71,531)	(17,166)
Recovery of provisions for foreclosed assets and other assets	-	32,886	-
Recovery of provisions for past due loans and accrued interest losses	254,751	91,798	84,097
Recovery of charged-off loans	20,411	25,609	4,248
TOTAL NET PROVISIONS	(136,929)	(127,861)	(43,202)
NET INTEREST INCOME AFTER PROVISION FOR LOANS AND ACCRUED INTEREST LOSSES	453,181	547,549	102,136

Commissions from banking services	83,157	104,080	22,656
Credit card merchant fees	39,662	44,117	10,975
Credit and debit card annual fees	39,960	48,991	10,550
Checking fees	37,674	40,972	9,507
Warehouse services	32,668	38,879	8,547
Commissions-fees from fiduciary activities	27,101	35,290	7,517
Check remittance	23,493	20,473	6,014
International operations	20,171	22,402	5,294
TOTAL FEES AND OTHER SERVICE INCOME	303,886	355,204	81,060

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Fees and other service expenses	(51,303)	(55,581)	(13,449)
TOTAL FEES AND INCOME FROM SERVICES	252,583	299,623	67,611

OTHER OPERATING INCOME			
Net foreign exchange gains	22,473	91,164	(394)
Dividend income	8,050	28,089	301
Forward contracts in foreign currency	17,063	(62,612)	11,912
Communication, postage and others	8,751	8,543	2,425
TOTAL OTHER OPERATING INCOME	56,337	65,184	14,244

TOTAL INCOME	762,101	912,356	183,991
OPERATING EXPENSES			
Salaries and employee benefits	246,005	277,267	62,523
Compensation	23,176	24,242	6,822
Administrative and other expenses	287,070	308,719	77,889
Donation expenses	4,280	9,411	3,969
Depreciation	31,898	32,129	7,827
TOTAL OPERATING EXPENSES	592,429	651,768	159,030

NET OPERATING INCOME	169,672	260,588	24,961
Merger expenses	42,208	33,028	10,101
NON-OPERATING INCOME (EXPENSE)			
Other income	70,950	34,036	21,942
Minority interest	(1,243)	15,139	(369)
Reimbursement by loan portfolio purchasing	5,357	-	5,357
Recovery of deposit security	-	2,421	-
Other expense	(30,505)	(23,213)	(20,530)
TOTAL NON-OPERATING INCOME	44,559	28,383	6,400
INCOME BEFORE INCOME TAXES	172,023	255,943	21,260
Income tax expense	(25,431)	(34,244)	439

NET INCOME	146,592	221,699	21,699

CONSOLIDATED INCOME STATEMENT

(Ps Millions)

GROWTH

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

INTEREST INCOME AND EXPENSES

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

Interest expense

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

Interbank borrowings

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

NET INTEREST INCOME

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

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