Operational Expenses

3.5% Increase in expenses vs. 4.1% Inflation

- Efficiency 2017: 49.2%
- Efficiency 2016: 51.0%

Risk Management

Increase in Provisions

- Cost of Risk 2017: 2.2%.
- Cost of Risk 2016: 1.8%.

Fees

Growth in real terms and faster than NII. Significant Contribution in Central America.

- Fees Growth: 8%.
- NII Growth: 7.8%.
- Loans growth: 5.7%.

Central America

Increase in profitability and efficiency

- Commissions grow 13% in Banistmo.
- Bancassurance becomes the largest fee generator in Banco Agricola.
- Net profit of BAM increases 30%.

NIM

Sustained NIM within an Interest Rate reduction environment thanks to an accurate funding management and loan mix reallocation.

NIM 2017: 6.1% vs. NIM 2016: 6.0%

Client Experience

Service Processes Enhancement

- 70 processes executed through Robot Process Automation.
- Time Narrowing on customer linkage & support.
- Increase in pre-approved credits.

Digital Strategy and Channel Optimization

- More than 80% of transactions through digital channels.
- More than 50% of customers with digital presence.
- More than 300 thousand NEQUI users.
- More than 10 thousand Banking Agents.
Risk Management
To reduce the cost of credit from 2.2% in 2017 to 2% in 2018.

Central America
Improve profitability, efficiency and income generation.

Cost to Income Ratio
To decrease the cost to income ratio at a level around 48%.

Client Experience
Improvements in customer service processes to reduce branch cost and increase the cross selling ratio. The bank intends to increase the number of products per customer from 2.3 to 3.5.

Margin Management
Funding management to preserve the NIM and keep it at a level around 5.8%.

Digital Strategy and Channel Optimization
Migration of transactions to digital channels and increase of users on mobile platforms.
**Main Developments During 4Q17**

- In 4Q17 GDP grew 1.6%, 0.1 pps below our forecast. Incorporating previous quarters’ revisions, FY 2017 growth rate was 1.8%, the lowest reading since 2009.

- Despite accelerating at the end of 2017, in January headline inflation was lower than expected and returned to the target range.

- After leaving its reference rate unchanged at December’s meeting, last month the Central Bank’s Board made a 25 bps cut and announced that, with current available information, the accommodative cycle is finished.

**2018 Perspectives**

- Economic activity will progressively gain traction. We reiterate our 2.5% growth forecast for 2018, 0.9 pps higher than last year’s reading.

- We expect inflation moderate further in the short term. However, it will remain within the upper half of the target range during the remainder of the year.

- Given that the downward trend of inflation will deepen in a context of negative output gap, we foresee an additional 25 BPS cut in the reference rate. A subsequent change of the monetary policy cycle would only occur in 2019.

**Colombian Main Economic Indicators**

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP Growth</th>
<th>Consumer Inflation</th>
<th>Reference Rate</th>
<th>Urban Unemployment</th>
<th>Current Account Balance</th>
<th>Central Government Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4.4%</td>
<td>3.0%</td>
<td>2.5%</td>
<td>-5.1%</td>
<td>-0.5%</td>
<td>-2.4%</td>
</tr>
<tr>
<td>2015</td>
<td>3.7%</td>
<td>6.8%</td>
<td>4.1%</td>
<td>3.4%</td>
<td>-4.5%</td>
<td>-3.6%</td>
</tr>
<tr>
<td>2016</td>
<td>4.5%</td>
<td>5.7%</td>
<td>7.5%</td>
<td>4.2%</td>
<td>-3.5%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>2017</td>
<td>9.9%</td>
<td>9.8%</td>
<td>9.9%</td>
<td>9.9%</td>
<td>10.6%</td>
<td>10.9%</td>
</tr>
<tr>
<td>2018 (F)</td>
<td>4.5%</td>
<td>3.0%</td>
<td>2.0%</td>
<td>1.8%</td>
<td>2.0%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Sources: Grupo Bancolombia, DANE, BanRep, Ministry of Finance.
**Colombia and Central America Overview**

**Bancolombia**

- **Financial highlights 2017/2016 (2)**
  - Net income: 1,503 / 2,352
  - ROAE: 9.3% / 16.9%
  - Efficiency: 46.4% / 46.2%
  - NIM: 6.8% / 7.5%
  - Fee income growth: 3.5%
  - Loan Quality 90d: 3.4% / 2.2%
  - Coverage 90d: 176.6% / 225.7%

**Banistmo**

- **Financial highlights 2017/2016 (2)**
  - Net income: 366 / 119
  - ROAE: 12.9% / 4.4%
  - Efficiency: 51.6% / 57.9%
  - NIM: 3.7% / 3.7%
  - Fee income growth: 12.7%
  - Loan Quality 90d: 1.8% / 1.9%
  - Coverage 90d: 82.1% / 139.4%

**Banco Agrícola**

- **Financial highlights 2017/2016 (2)**
  - Net income: 171 / 224
  - ROAE: 10.9% / 14.0%
  - Efficiency: 53.0% / 54.7%
  - NIM: 6.5% / 6.5%
  - Fee income growth: 8.6%
  - Loan Quality 90d: 1.7% / 1.7%
  - Coverage 90d: 207.5% / 205.6%

**BAM**

- **Financial highlights 2017/2016 (2)**
  - Net income: 76 / 59
  - ROAE: 5.9% / 4.5%
  - Efficiency: 66.2% / 68.3%
  - NIM: 5.0% / 5.3%
  - Loan Quality 90d: 2.1% / 1.3%
  - Coverage 90d: 89.9% / 88.3%

**Adquirido en:**
- Bancolombia: 2007
- Banistmo: 2013
- Banco Agrícola: 2007
- BAM: 2015

---

1) Panama excludes Bancolombia Panama, affiliates in Peru, Cayman Islands and Puerto Rico.
2) Cumulative numbers as of December 2016 and 2017.

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In COP billion.
Stand alone information (before eliminations)
Total Assets
4Q17/4Q16 Δ +4%
4Q17/3Q17 Δ +0%

Total Gross Loans
4Q17/4Q16 Δ +6%
4Q17/3Q17 Δ +1%

Gross Loans  Net Investments  Others

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Commercial</th>
<th>Consumer</th>
<th>Mortgage</th>
<th>Microlending</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q16</td>
<td>71.9%</td>
<td>12.8%</td>
<td>0.6%</td>
<td></td>
</tr>
<tr>
<td>2Q16</td>
<td>71.4%</td>
<td>13.1%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>3Q16</td>
<td>71.0%</td>
<td>13.1%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>4Q16</td>
<td>70.7%</td>
<td>12.6%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>1Q17</td>
<td>70.5%</td>
<td>12.7%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>2Q17</td>
<td>70.2%</td>
<td>12.8%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>3Q17</td>
<td>69.8%</td>
<td>12.8%</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>4Q17</td>
<td>69.2%</td>
<td>12.8%</td>
<td>0.7%</td>
<td></td>
</tr>
</tbody>
</table>
# Asset Quality

### Asset Quality and Coverage Ratios

<table>
<thead>
<tr>
<th></th>
<th>4Q16</th>
<th>3Q17</th>
<th>4Q17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowances/Total Loans</td>
<td>4.2%</td>
<td>4.7%</td>
<td>4.8%</td>
</tr>
<tr>
<td>30-day PDLs/Total Loans</td>
<td>3.3%</td>
<td>4.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>90-day PDLs/Total Loans</td>
<td>2.0%</td>
<td>2.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Allowances/30-day PDLs</td>
<td>125.9%</td>
<td>103.5%</td>
<td>107.5%</td>
</tr>
<tr>
<td>Allowances/90-day PDLs</td>
<td>205.7%</td>
<td>161.4%</td>
<td>164.2%</td>
</tr>
<tr>
<td>Allowances/C,D &amp; E Loans</td>
<td>82.1%</td>
<td>81.3%</td>
<td>76.1%</td>
</tr>
</tbody>
</table>

### PDLs and Coverage per Category

<table>
<thead>
<tr>
<th></th>
<th>% of loan portfolio 4Q17</th>
<th>Overdue 30 days</th>
<th>Overdue 90 days</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4Q16</td>
<td>3Q17</td>
<td>4Q17</td>
</tr>
<tr>
<td>Commercial &amp; Leases</td>
<td>69.2%</td>
<td>2.16%</td>
<td>3.42%</td>
</tr>
<tr>
<td>Consumer</td>
<td>17.4%</td>
<td>5.23%</td>
<td>5.81%</td>
</tr>
<tr>
<td>Mortgage*</td>
<td>12.8%</td>
<td>6.73%</td>
<td>8.01%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>3.31%</td>
<td>4.50%</td>
</tr>
<tr>
<td>PDL Coverage</td>
<td>126%</td>
<td>103%</td>
<td>107%</td>
</tr>
</tbody>
</table>

* Mortgage loans that were overdue for 90 days, were calculated for 120 days instead of 90 days.
Net Provision Charges & Cost of Risk
4Q17/4Q16 Δ +21%
4Q17/3Q17 Δ -4%

Cost of risk was 2.2% as of December 31, 2017

Initial PDLs | 4,847 | 4,835 | 6,019 | 6,521 | 6,873
New PDLs* | 347 | 1,565 | 926 | 912 | 622
Charge-offs | (358) | (381) | (424) | (560) | (554)
Final PDLs | 4,835 | 6,019 | 6,521 | 6,873 | 6,941

*New PDLs is the sum of PDLs change and charge-offs for the period
### Net Interest Income

<table>
<thead>
<tr>
<th></th>
<th>4Q16</th>
<th>3Q17</th>
<th>4Q17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Loans Income</td>
<td>2,463</td>
<td>2,552</td>
<td>2,646</td>
</tr>
<tr>
<td>Net Investments Income</td>
<td>2,477</td>
<td>2,518</td>
<td>2,544</td>
</tr>
</tbody>
</table>

Net Interest Income:
- 4Q17/4Q16 Δ +7%
- 4Q17/3Q17 Δ +4%

### Cost of Deposits

<table>
<thead>
<tr>
<th>Funding Cost</th>
<th>4Q17 Part. (%)</th>
<th>4Q16</th>
<th>3Q17</th>
<th>4Q17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking Accounts</td>
<td>13%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Savings Accounts</td>
<td>32%</td>
<td>2.36%</td>
<td>2.28%</td>
<td>2.10%</td>
</tr>
<tr>
<td>Time Deposits</td>
<td>32%</td>
<td>6.08%</td>
<td>5.46%</td>
<td>5.44%</td>
</tr>
<tr>
<td>Cost of Deposits</td>
<td>77%</td>
<td>3.58%</td>
<td>3.32%</td>
<td>3.17%</td>
</tr>
<tr>
<td>Long Term Debt</td>
<td>12%</td>
<td>7.13%</td>
<td>6.11%</td>
<td>6.24%</td>
</tr>
<tr>
<td>Other</td>
<td>11%</td>
<td>2.92%</td>
<td>2.52%</td>
<td>2.33%</td>
</tr>
<tr>
<td>Funding Cost</td>
<td>100%</td>
<td>3.86%</td>
<td>3.49%</td>
<td>3.39%</td>
</tr>
</tbody>
</table>

### Liquidity & Deposits

- 4Q16: 124,624 (116.5%)
- 3Q17: 127,891 (117.7%)
- 4Q17: 131,959 (115.4%)

### Cost of Deposits

- 1Q16: 2.79%
- 2Q16: 3.34%
- 3Q16: 3.58%
- 4Q16: 4.46%
- 1Q17: 1.97%
- 2Q17: 2.11%
- 3Q17: 2.14%
- 4Q17: 2.21%

COP billion
Performance of Margins

- **Net interest margin for Last Twelve Months:** 6.1%
Evolution of Net Fees
4Q17/4Q16 Δ +11%
4Q17/3Q17 Δ +8%

Increase in Net Fees
2017/2016 Δ +8%

Credit/debit cards
4Q17/4Q16 Δ +9%

Trust
4Q17/4Q16 Δ +23%

Bancassurance
4Q17/4Q16 Δ +33%

COP billion
**Total Operating Expenses**

4Q17/4Q16 Δ -15%
4Q17/3Q17 Δ -13%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q16</th>
<th>3Q17</th>
<th>4Q17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,916</td>
<td>1,868</td>
<td>1,620</td>
</tr>
</tbody>
</table>

**Opex Growth in 2017**

2017/2016 Δ +3.5%

**Personnel Expenses**

4Q17/4Q16 Δ -37%
4Q17/3Q17 Δ -33%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q16</th>
<th>3Q17</th>
<th>4Q17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>780</td>
<td>1,136</td>
<td>1,125</td>
</tr>
</tbody>
</table>

**Administrative Expenses**

4Q17/4Q16 Δ -1%
4Q17/3Q17 Δ -0.3%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>4Q16</th>
<th>3Q17</th>
<th>4Q17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>495</td>
<td>740</td>
<td>1,128</td>
</tr>
</tbody>
</table>

**Operating expenses to net operating income LTM: 49.2%**

**Operating expenses to interest earning Assets LTM: 3.6%**

*Personnel expenses are the sum of salaries and employee benefits, as well as bonus plan payments and compensation.*

COP billion
Operational strategy: Simplicity, re-balancing and digitalization

**BRANCHES**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,013</td>
<td>995</td>
<td>1,212</td>
<td>1,187</td>
<td>1,070</td>
</tr>
</tbody>
</table>

**ATMs**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>4,310</td>
<td>4,554</td>
<td>5,080</td>
<td>5,418</td>
<td>5,630</td>
</tr>
</tbody>
</table>

**Banking Correspondents**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2,162</td>
<td>4,202</td>
<td>6,768</td>
<td>8,746</td>
<td>10,349</td>
</tr>
</tbody>
</table>

**Transactions per channel**

- Mobile: 45%
- Online platform: 27%
- POS: 8%
- ATM: 12%
- CB: 5%
- Branch: 2%
- Other: 1%
Balance Sheet

Capital Adequacy

Δ 113 bps, organic primary capital accumulation

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 1</th>
<th>Tier 2</th>
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<th>Tier 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q16</td>
<td>13.0%</td>
<td>4.8%</td>
<td>8.2%</td>
<td>13.2%</td>
<td>4.7%</td>
<td>8.5%</td>
<td>13.5%</td>
<td>4.4%</td>
<td>9.0%</td>
<td>13.3%</td>
</tr>
<tr>
<td>2Q16</td>
<td>13.2%</td>
<td>4.7%</td>
<td>8.5%</td>
<td>13.5%</td>
<td>4.4%</td>
<td>9.0%</td>
<td>13.3%</td>
<td>4.2%</td>
<td>9.0%</td>
<td>14.5%</td>
</tr>
<tr>
<td>3Q16</td>
<td>13.5%</td>
<td>4.4%</td>
<td>9.0%</td>
<td>13.3%</td>
<td>4.2%</td>
<td>9.0%</td>
<td>14.5%</td>
<td>3.9%</td>
<td>10.5%</td>
<td>14.3%</td>
</tr>
<tr>
<td>4Q16</td>
<td>14.5%</td>
<td>3.9%</td>
<td>10.5%</td>
<td>14.3%</td>
<td>3.9%</td>
<td>10.4%</td>
<td>13.4%</td>
<td>3.1%</td>
<td>10.3%</td>
<td>14.2%</td>
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<tr>
<td>1Q17</td>
<td>14.5%</td>
<td>3.9%</td>
<td>10.5%</td>
<td>14.3%</td>
<td>3.9%</td>
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<td>13.4%</td>
<td>3.1%</td>
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<tr>
<td>2Q17</td>
<td>13.5%</td>
<td>4.4%</td>
<td>9.0%</td>
<td>13.3%</td>
<td>4.2%</td>
<td>9.0%</td>
<td>14.5%</td>
<td>3.9%</td>
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<tr>
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<td>4.2%</td>
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<td>14.3%</td>
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<td>4Q17</td>
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<td>4.4%</td>
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<td>13.3%</td>
<td>4.2%</td>
<td>9.0%</td>
<td>14.5%</td>
<td>3.9%</td>
<td>10.5%</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

Shareholders’ Equity
4Q17/4Q16 Δ +9%
4Q17/3Q17 Δ +4%
- ROE for 2017 was: 12.0%
- ROA for 2017 was: 1.3%
This report corresponds to the interim unaudited consolidated financial statements of BANCOLOMBIA S.A. and its subsidiaries (“BANCOLOMBIA” or “The Bank”) which Bancolombia controls, amongst others, by owning directly or indirectly, more than 50% of the voting capital stock. These financial statements have been prepared in accordance with International Financial Reporting Standards – IFRS. BANCOLOMBIA maintains accounting records in Colombian pesos, referred to herein as “Ps.” or “COP”. The statements of income for the quarter ended December 31, 2017 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.

CAUTIONARY NOTE REGARDING CHANGES IN THE BANK'S ACCOUNTING POLICIES: 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.