BANCOLOMBIA S.A. ANNOUNCES SIGNING OF A NEW COLLECTIVE BARGAINING AGREEMENT

Medellín, Colombia, October 18, 2011

On Friday, October 14, 2011, Bancolombia S.A. ("Bancolombia") reached an agreement to enter into a new collective bargaining agreement with Uneb and Sintrabancol (the “Agreement”), which will have a term of three (3) years, from November 1, 2011 to October 31, 2014. The Agreement will cover more than 11,000 employees.

Among other agreements, the following are the most relevant economic aspects of the new convention:

1. Salary increase: 7% salary increase for the first year. For the second year, the increase will be equal to the variation in the Colombian consumer price index ("IPC") as certified by the Colombian statistical bureau ("DANE") for the period between November 2011 to October 2012, plus 1.5 percentage points, and for the third year, the increase will be equal to the IPC variation for the period between November 1, 2012 to October 2013, plus 1.8 percentage points.

The salary increase for the second and third year would be calculated taking the highest value of the IPC of the twelve-month periods of October and November of each successive year.

2. Increase in funds allocated to education and housing loans, and an extraordinary allocation of funds to service 1000 housing loans during the term of the collective bargaining agreement.

The new collective bargaining agreement, framed within what Bancolombia has defined as "Declaración de lo Humano" (Declaration of the Human), reflects Bancolombia’s commitment to the welfare and growth of its team and results in strengthened competitiveness of salaries and higher income and improved purchasing power for covered employees.

The Bank thanks the negotiating team of Uneb and Sintrabancol and their leaders for their cooperation during the negotiations. The Bank would also like to recognize the cooperation of its employees during this process, which reflects their sophistication and their unwaivering commitment to service.