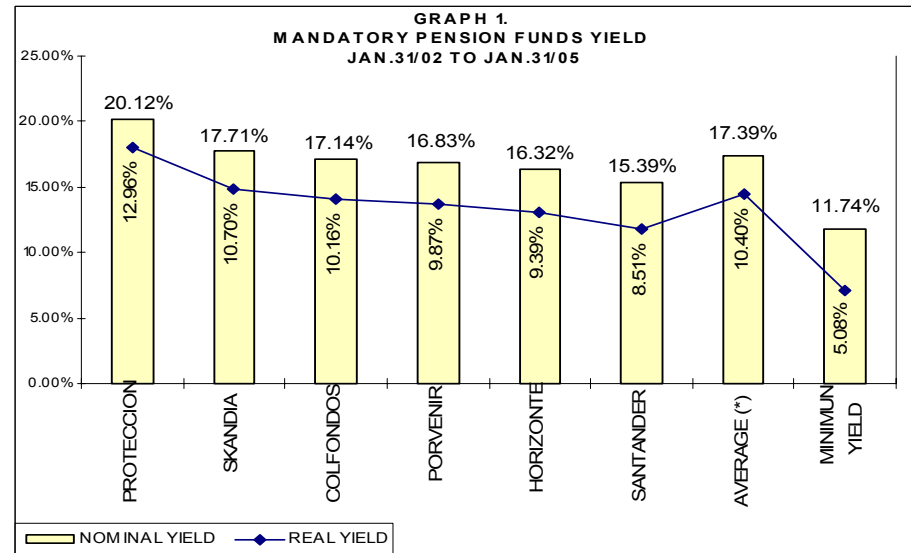


**BEHAVIOR OF MANDATORY PENSION FUNDS, VOLUNTARY PENSION FUNDS, UNEMPLOYMENT FUNDS, PAY AS YOU GO REGIME AND ADMINISTRATOR OF PROFESSIONAL RISKS OF THE ISS DURING JANUARY OF 2005**

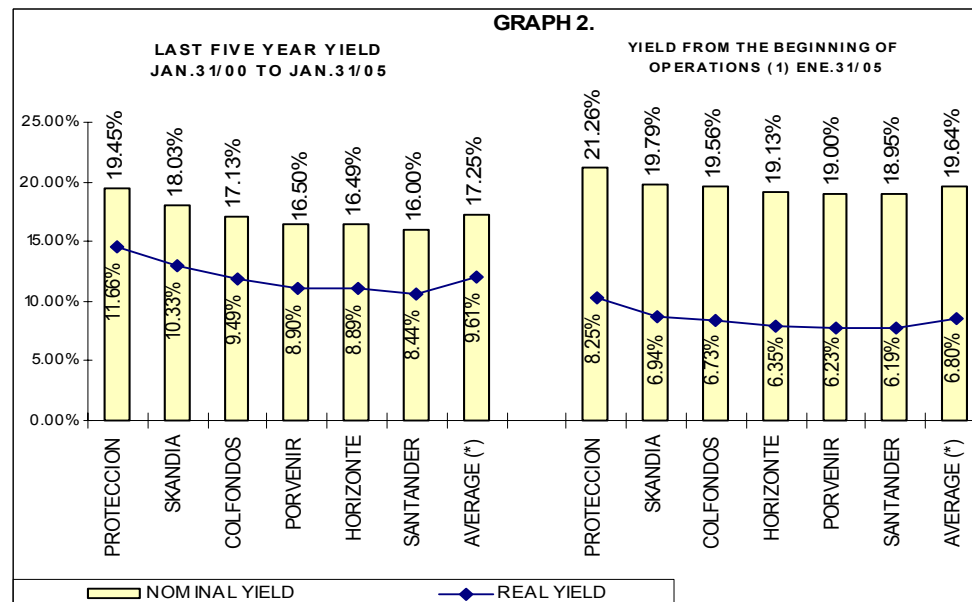
**1. MANDATORY PENSIONS FUNDS**

**1.1 MANDATORY PENSION FUNDS YIELD**

The accumulated yield of mandatory pension funds during last the three years, period that considers for the calculation of the minimum yield, was in average of the 17,39% cash annual, equivalent to a 10,40% yield real of and superior to the demanded minimum yield in 5.65 percentage points. Individually, the funds reached yields that go from the 15,39% to the 20,12% (graph 1).



During the last five years mandatory pension funds obtained a yield effective average of 17,25% annual, the equivalent one to a real yield of the 9,61%, whereas the yield average from beginning of operations to the 31 of January of 2005 were of the 19,64% annual cash, that corresponds in real terms to the 6,80% (graph 2).

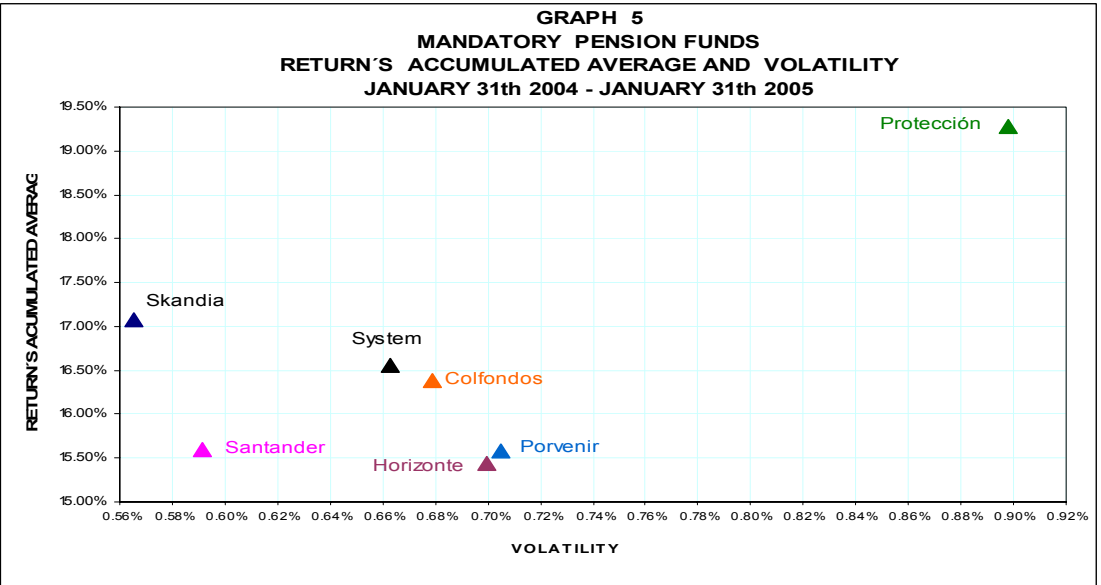
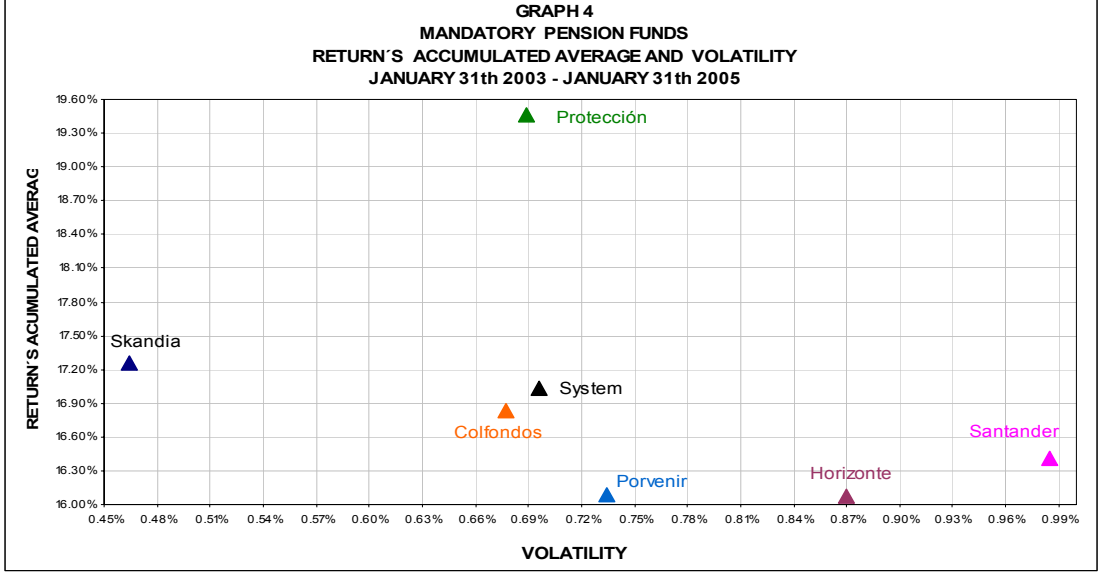
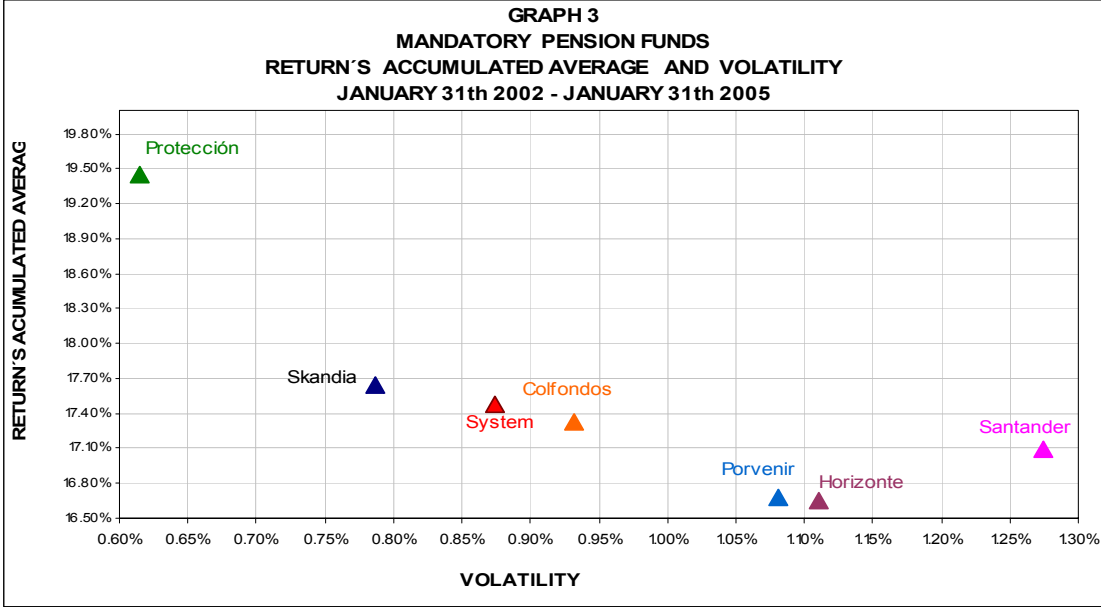


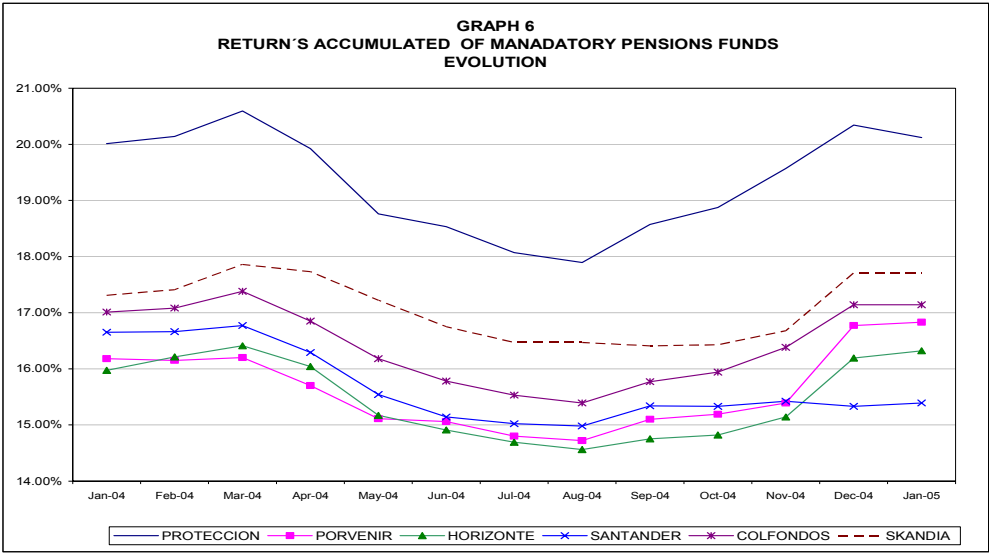
(\*) Weighed by the balance daily average of the patrimony

(1) May 1994, without Skandia that began in march 1995

1.2 VOLATILITY AND EVOLUTION YIELDS

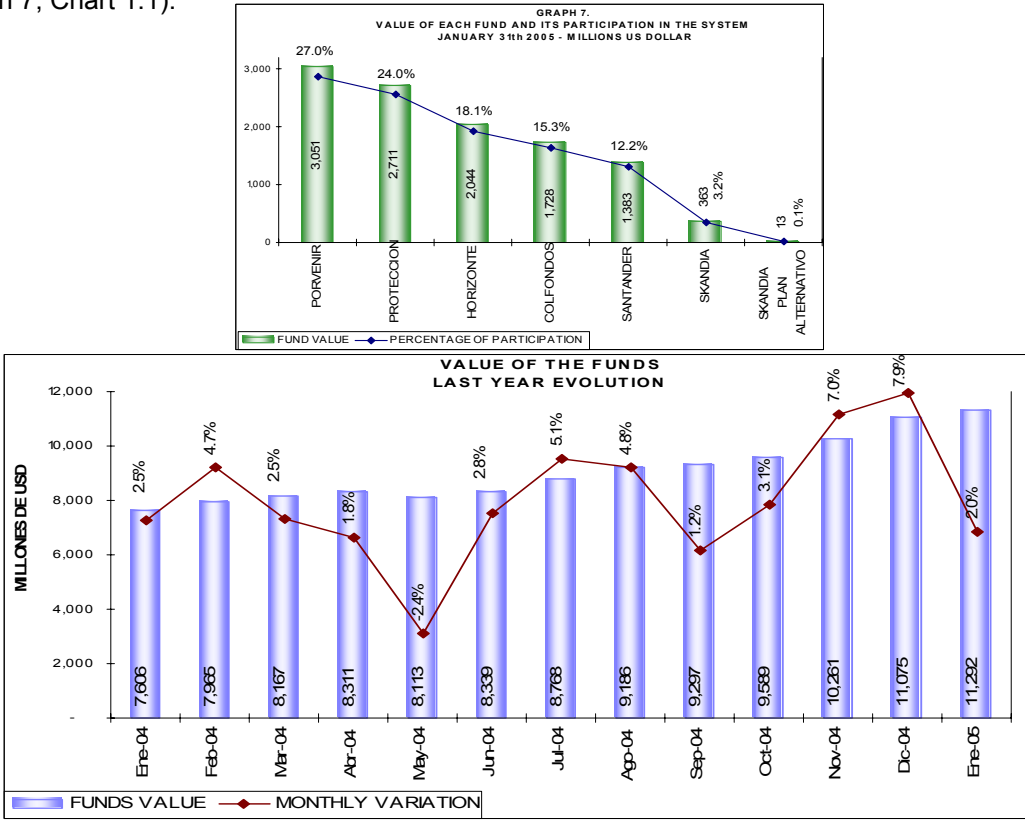
The average of the calculated accumulated yields during the last thirty and six months of the funds was the 17,48% of annual cash and its volatility (standard deviation) of the 0.87%. This average for the last two years was of the 17,04%, with a volatility of the 0,7%, whereas for the last year the yield average was in the 16,56% and its volatility in 0.66%. The yield average and its volatility of each one of the funds during the mentioned periods is reflected in graphs 3, 4, 5 and 6.





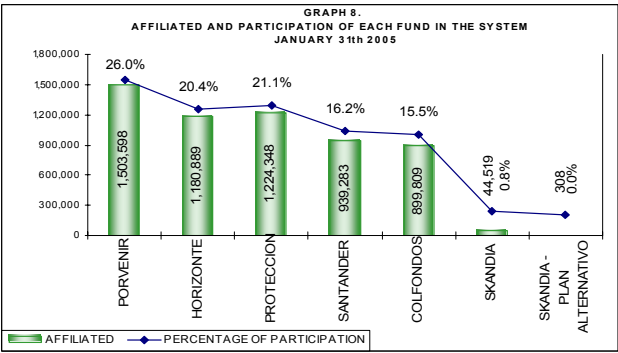
1.3 VALUE OF THE FUNDS

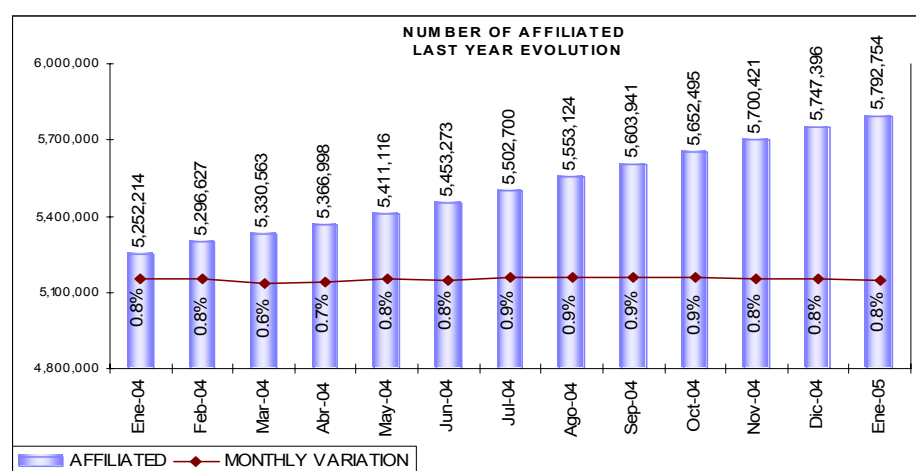
The value of mandatory pension funds reached to the 31 of January of 2005 a value of \$27 trillions, surpassing in \$514 million the value registered to the 31 of December of 2004, that is to say, a 1,9% (graph 7, Chart 1.1).



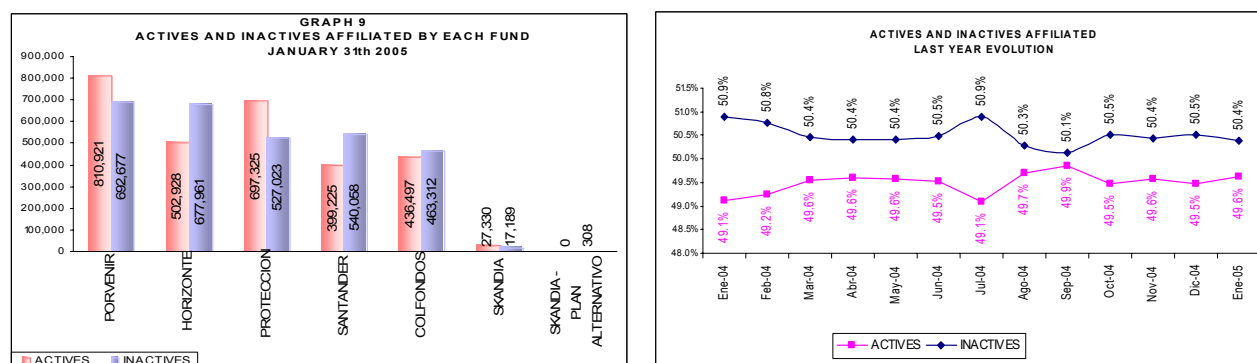
1.4 AFFILIATED

The number of affiliated with the regime of individual saving with solidarity to the 31 of January of 2005 ascended to 5,792,754, with an increase of the 0,8%, that is to say, 45,358 affiliated as opposed to the number reported to the 31 of December of 2004 (Graph 8).

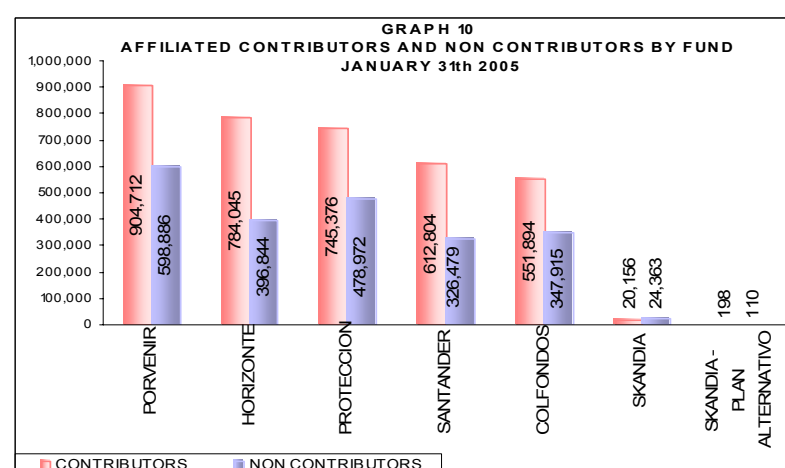




Of the total of affiliated with the funds of mandatory pension funds, the 49,6% correspond to affiliated active, that is to say, 2,874,226 and the 50,4%, that is 2,918,528 to affiliated inactive. The inactive affiliated ones are those that have not carried out quotations in at least last six months (graph 9).



Of the total of affiliated with the Regime of Individual Saving the 62,5% it corresponds to noncontributors, is to say to 3,619,185 and the 37,5%, that is 2,173,569, to contributors (graph 10). It is understood like noncontributor to those affiliated nonpensioners, who for some reason, by them did not take place the obligatory quotation during the month for which he is reported.



Of the total number of affiliated with the funds of mandatory pension funds, the 85,7% happen less than two minimum wages, the 8,8% perceive income between two and four minimum wages and the 5,5% win more than four minimum wages.

The 56,4% of the affiliated ones oscillate between the 15 and 34 years old, of which, in this segment, the 55,6% are men and the 44,4% women.

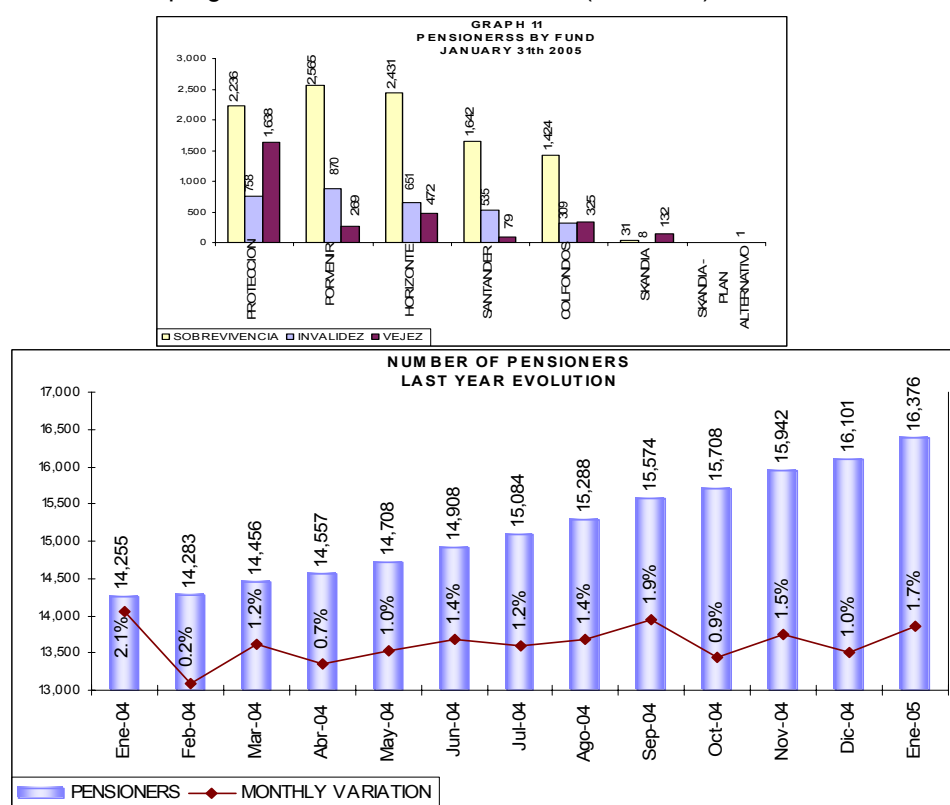
The 96,5% of the total number of affiliated with the system correspond to workers with labor bond and the 3,5% to independent workers.

As far as the origin of the affiliated ones, it is important to write down that the 57,3% correspond to people who entered to the system, 31% come from the Pay As You Go regime, the 10,5% to transfers between AFPs and the 1,2% come from the Government social security funds (Chart 1.2).

## 1.5 PENSIONERS

To the 31 of January of 2005 the Regime of individual saving with solidarity counts on 16,376 pensioners, 10,329 by sobreexperiencia, 3,131 by dissability and 2,916 by oldness (graph 11).

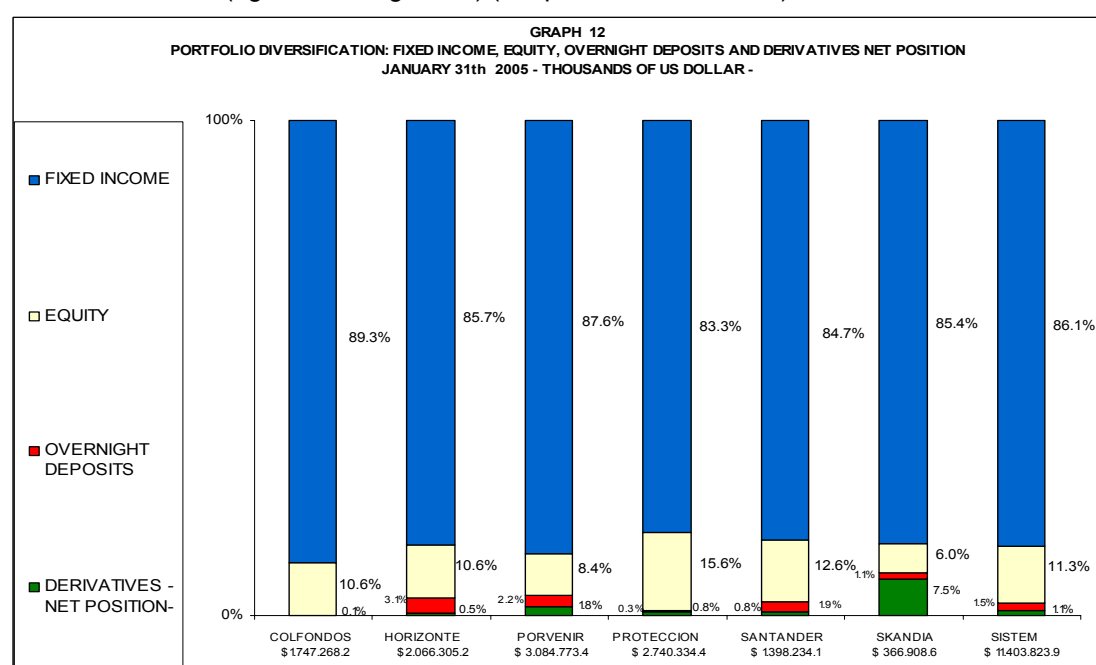
The 47,5% of the pensioners, are to say 7,775, have decided on the modality of programmed military retiree's pension; the 52,5%, 8,598 pensioners, by the one of immediate life rent and 3 pensioners by the one of retirement programmed with deferred life rent (Chart 1.3).

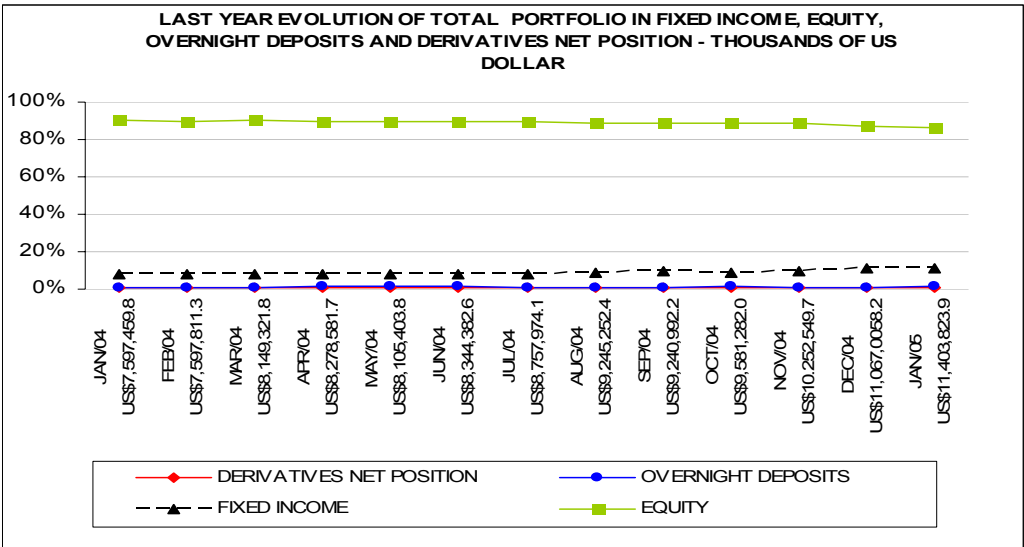


## 1.6 INVESTMENT PORTFOLIO

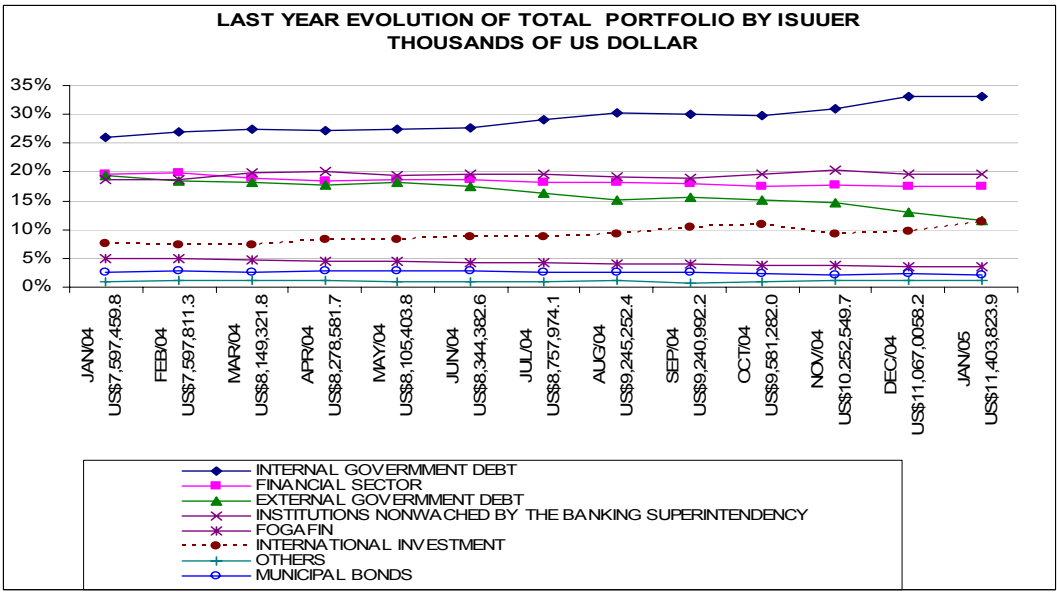
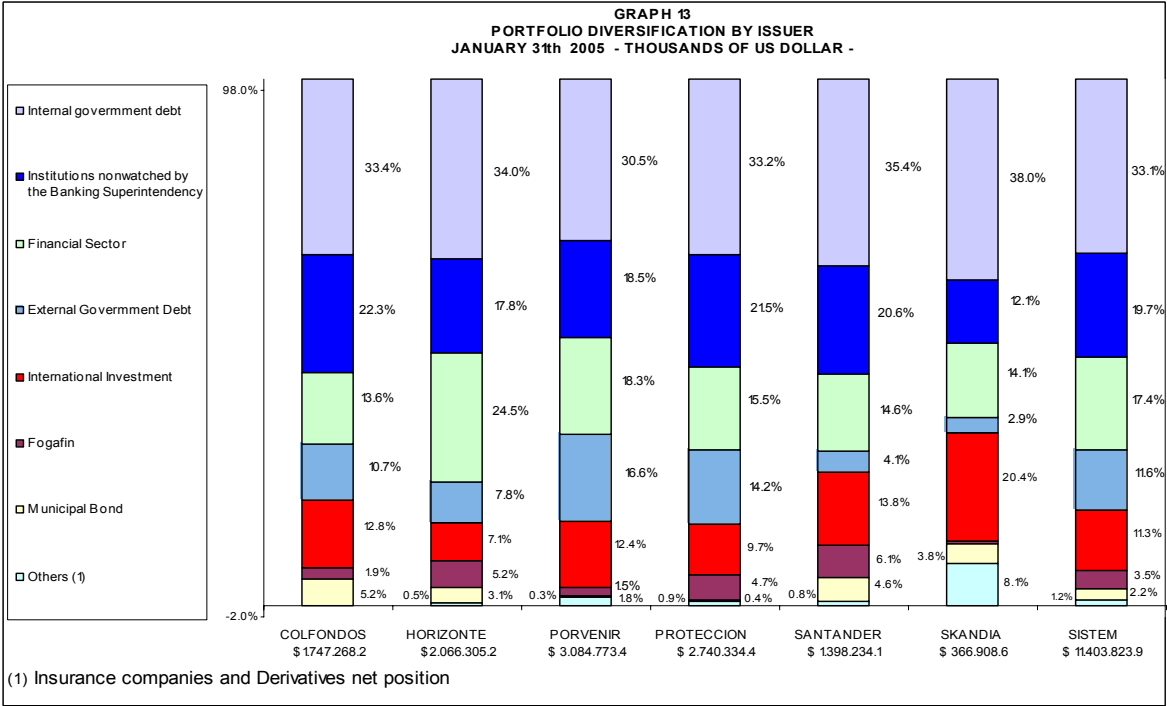
The value of portfolio of Mandatory Pension Funds at the end of January 31 of 2005 promoted to USD\$11.403 millions, surpassing in 3% the value registered to the closing of the previous month, date in which was of USD\$ 11.067 millions.

To the closing of January of 2005, 86,1 % of portfolio of the mentioned funds, that is to say, USD\$9.814 millions correspond to investments of fixed income; the 11,3%, USD\$1.289 million, to investments in equity; the 1,5%, USD\$ 172 million, to overnight deposits and the 1,1%, USD\$129 million, to the net position in derivatives (right less obligations) (Graph 12 and Chart 1.4).

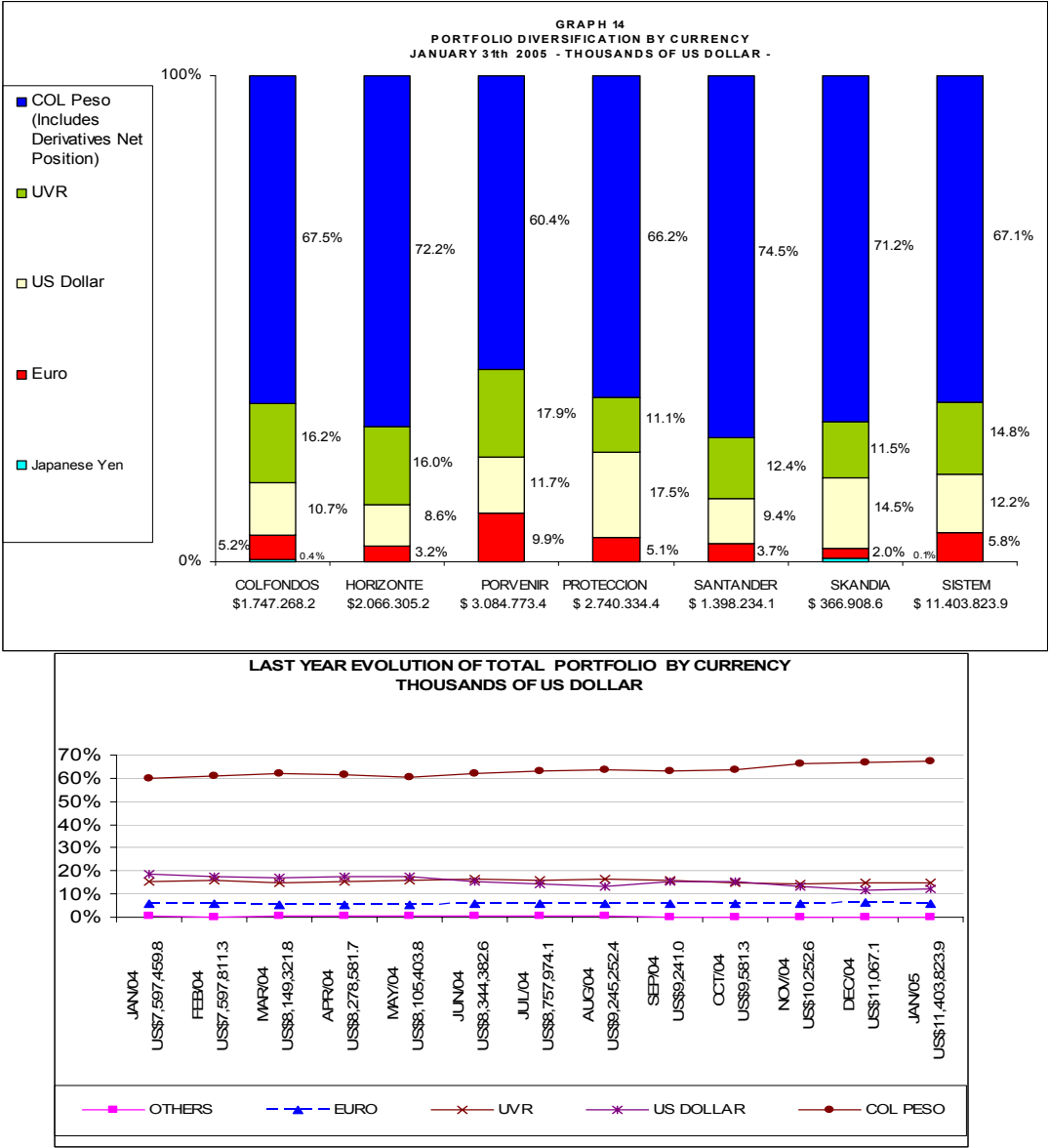




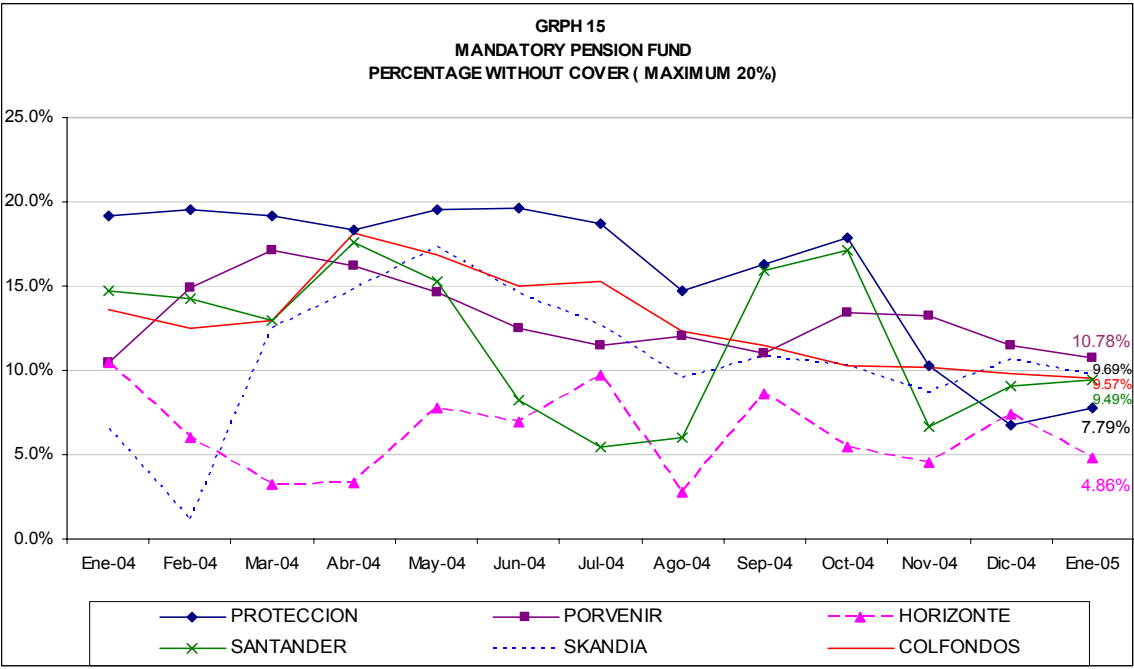
Investment in public debt continues being the most significant in these funds. At January 31st 2005 these investment represented the 46,8% of the value of the total of portfolio (national debt commits the 33,1%, external national debt 11,6% and territorial organizations and decentralized entities 2,2%), followed of the titles emitted by institutions no supervised by the Superintendency of Banking with the 19,7% and titles emitted by financial institutions that counted on a participation of the 17,4% (Graph 13 Chart 1.4 ).



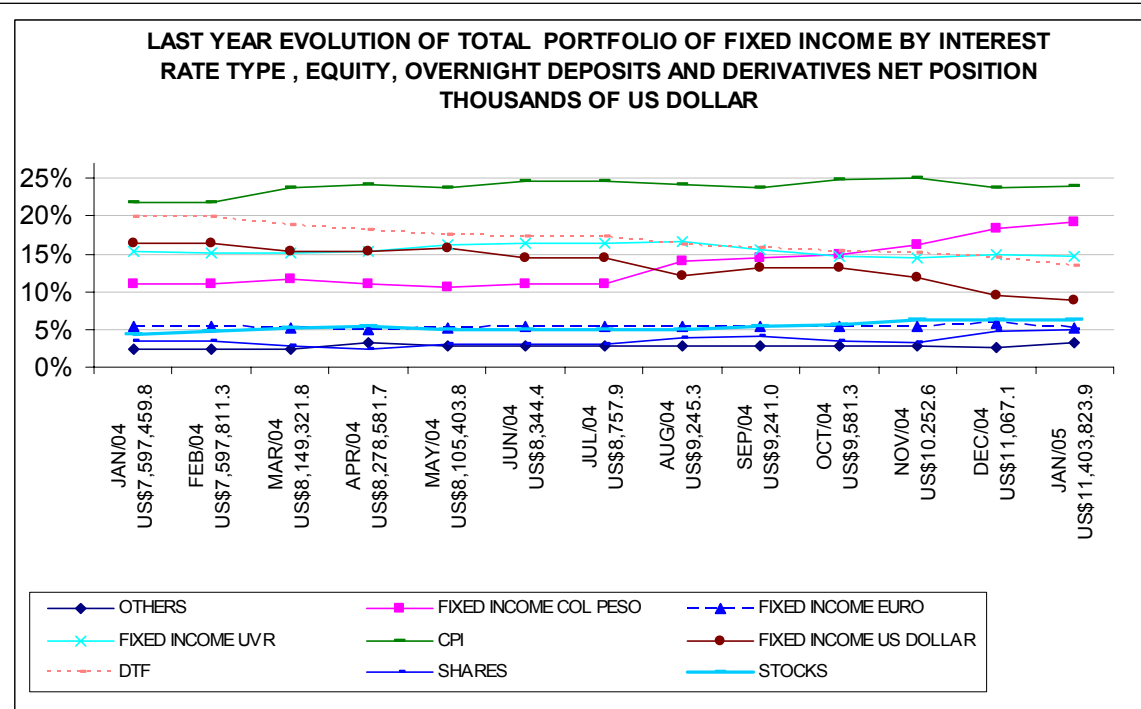
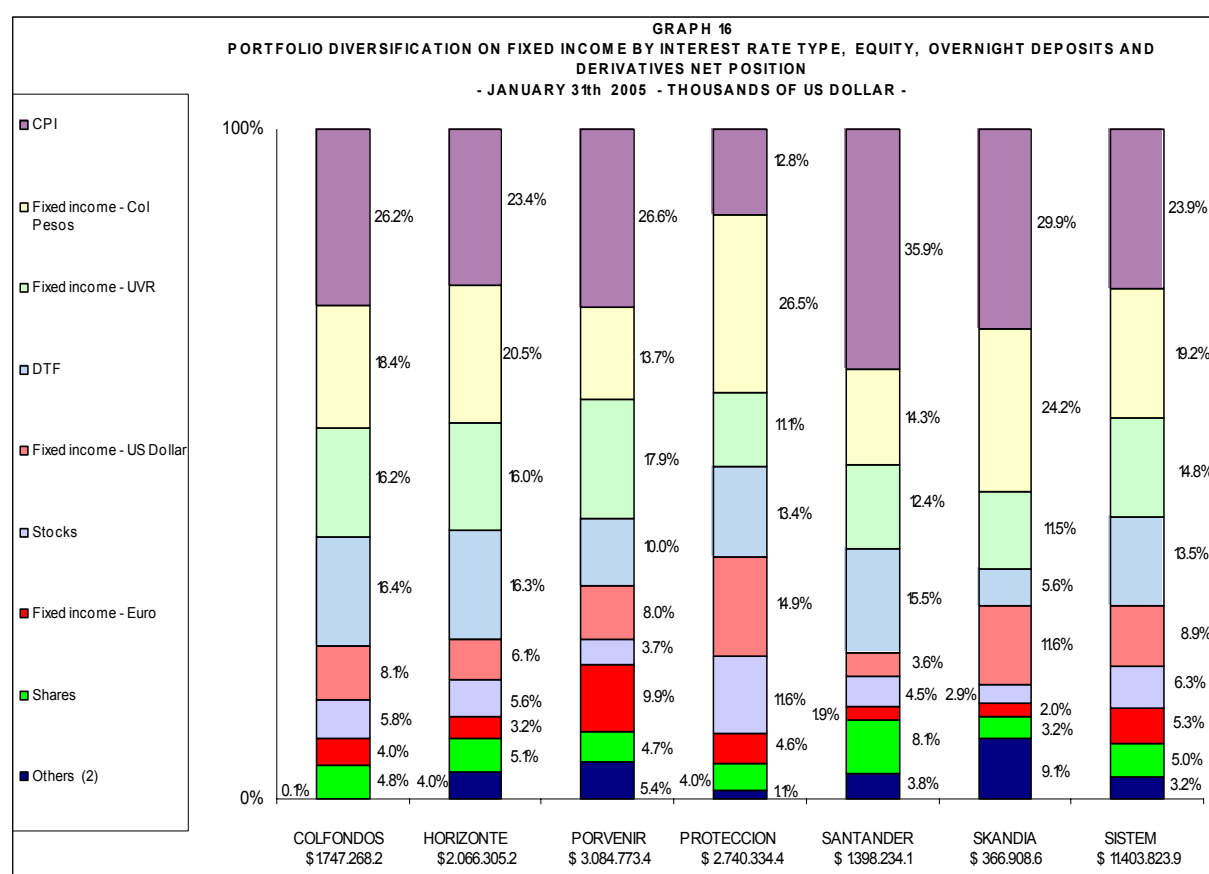
The 67,1% of portfolio mention before is denominated in Colombian pesos, the 14,8% in UVR, the 12,2% in US Dollar, the 5,8% in euros and rest 0,1% in Yens. (Graph 14).



Concerning the foreign currency position, it is observed that 52,4% of this position is covered from the exchange rate fluctuation risk. Uncovered portion represents the 8,6% of the total value of the funds (Graph 15 and Chart 4).

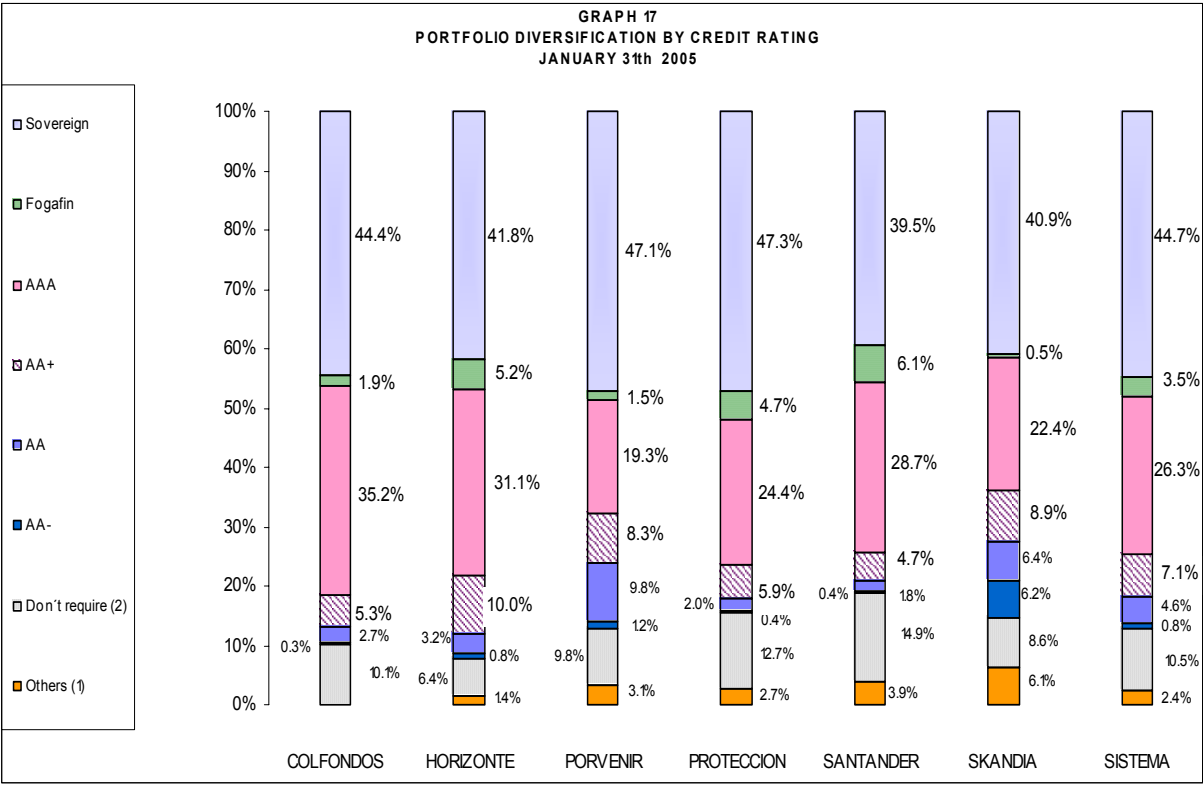


Of another part, the 23,9% of portfolio is invested in indexed to CPI issues, 19,2% to fixed income issues denominated in colombian pesos, the 14,8% to fixed income in UVR, the 13,5% to the DTF, 8,9% to fixed income in US Dollar, the 5,3% to fixed income in euros; in the meantime, the 6,3% of portfolio is inverted in stocks, 5% in Titles of Participation (Derived from securitization processes, Mutual Funds, Unit trust funds and Index Fund) and rest 3,2% are titles indexed to the variation of the UVR, CPI middle income, Overnight Deposits and net position in derivatives. (Graph 16 and Chart 1.5).



As far as the classification of portfolio by credit risk, it is observed that the 44,7% are titles emitted by the Nation, the 26,3% are investments with qualification AAA, the 7,1% AA+, the 4,6% AA, the 3,5% are titles emitted by the Fogafin, the 0,8% AA -, the 10,5% are investments that do not require qualification and rest 2,4% corresponds to titles with A+ qualification, A, A-, 1+, 1, BBB, BB+, BB -, BB, B, B -, D, Titles of emitters in Liquidation and Titles without qualification (graph17)





Source: INFORMATION SUPPLIED BY AFP'S

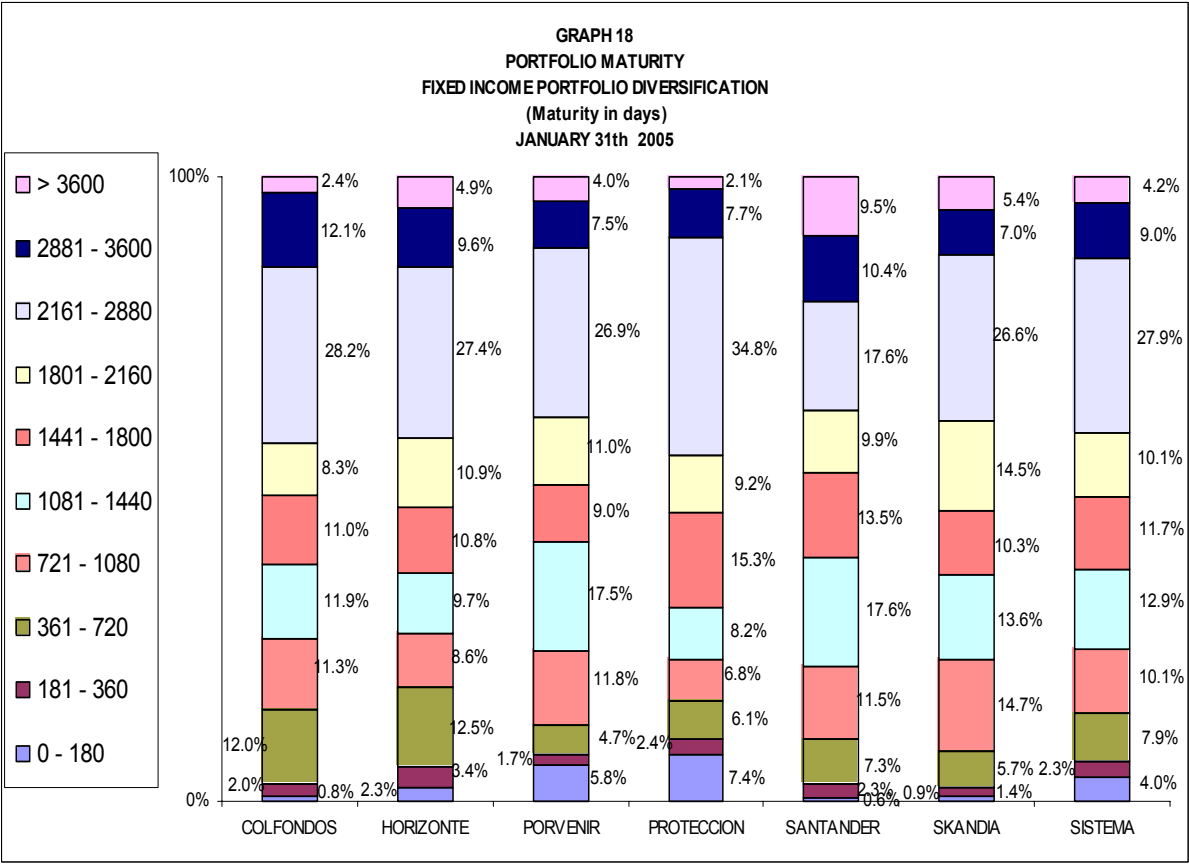
1) Securities with A+, To, To -, 1+, 1, BBB, BB+, BB -, BB, B, B -, D, Securities Titles of issuers in Liquidation and Securities without rating

(2) Investments: Unit Trust Funds, Mutual Fund, Index Fund and Stocks

Note 1: For effects to establish the percentage, the total value of portafolio considers excluded the net position in derivatives

Note 2: For the titles with provision the net value of purchase was taken from amortizations of capital

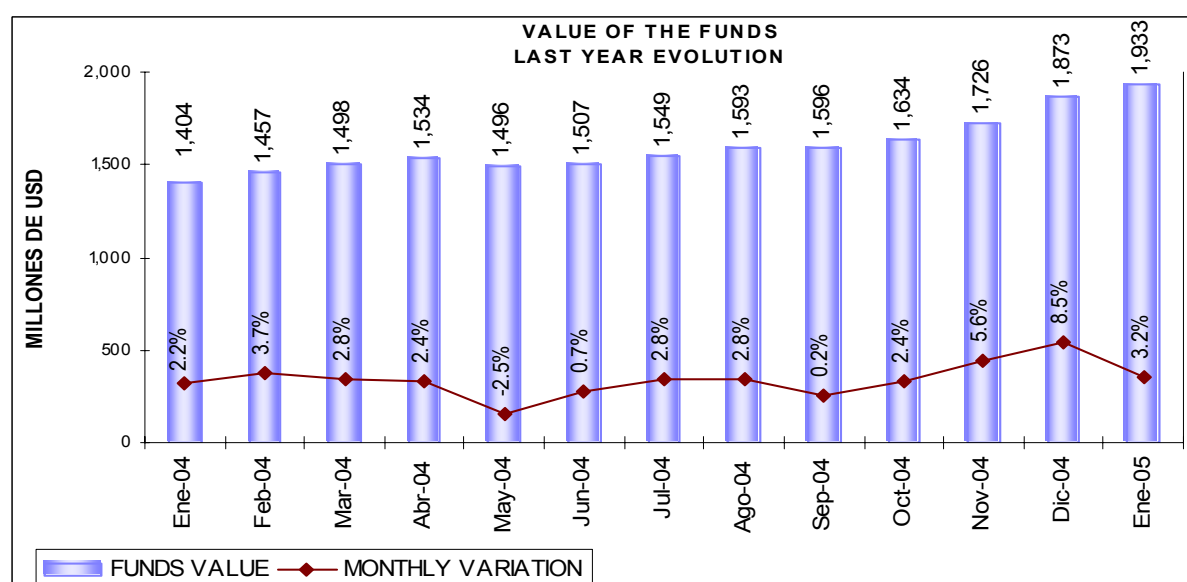
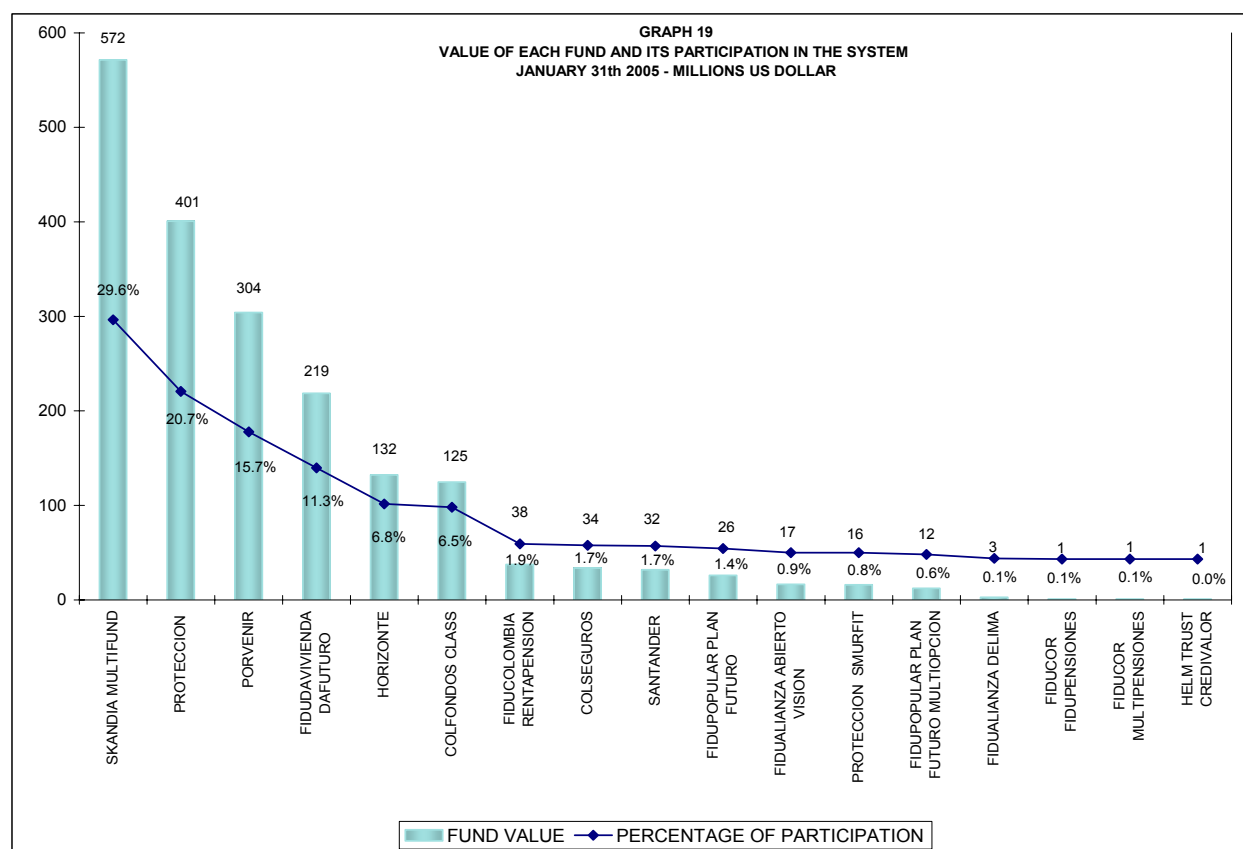
Finally, it is possible to write down that 4% of portfolio of fixed income have an inferior maturity to 180 days, the 2,3% between 181 and 360 days, the 7,9% between 361 and 720 days, the 10,1% between 721 and 1080 days, the 12,9% between 1081 and 1440 days, the 10,1% between 1441 and 1800 days, the 11,7% between 1801 and 2160 days, the 27,9% between 2161 and 2880 days, 9% between 2881 and 3600 days and the 4,2% have a maturity superior to 10 years (Graph 18 and Chart 1.6).



## 2. VOLUNTARY PENSIONS FUNDS

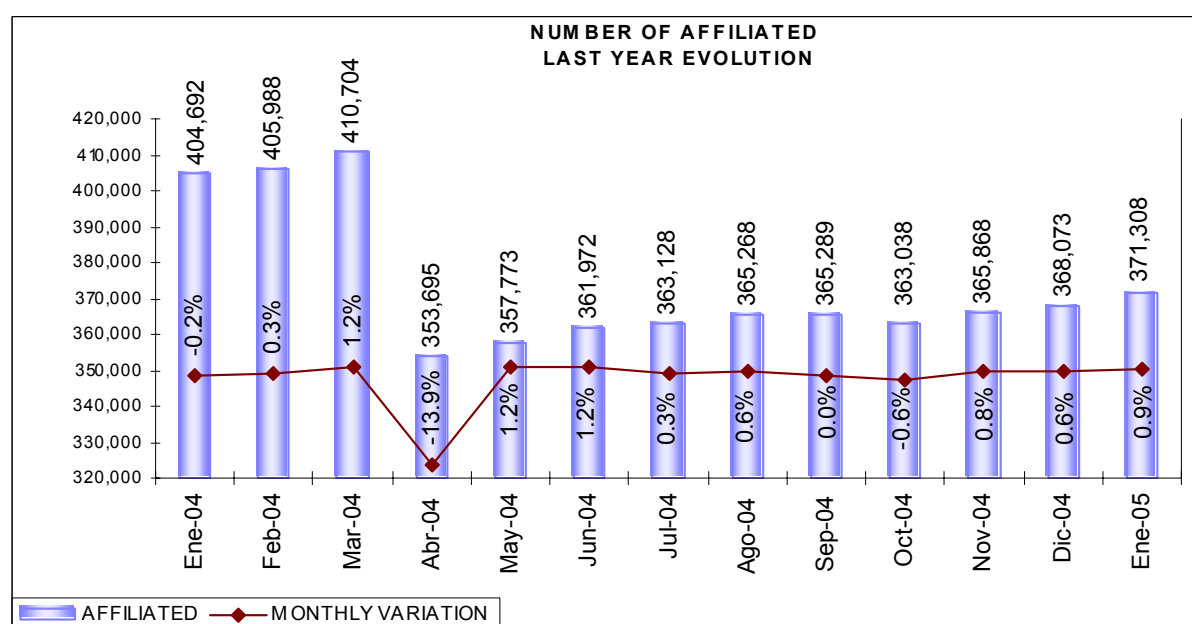
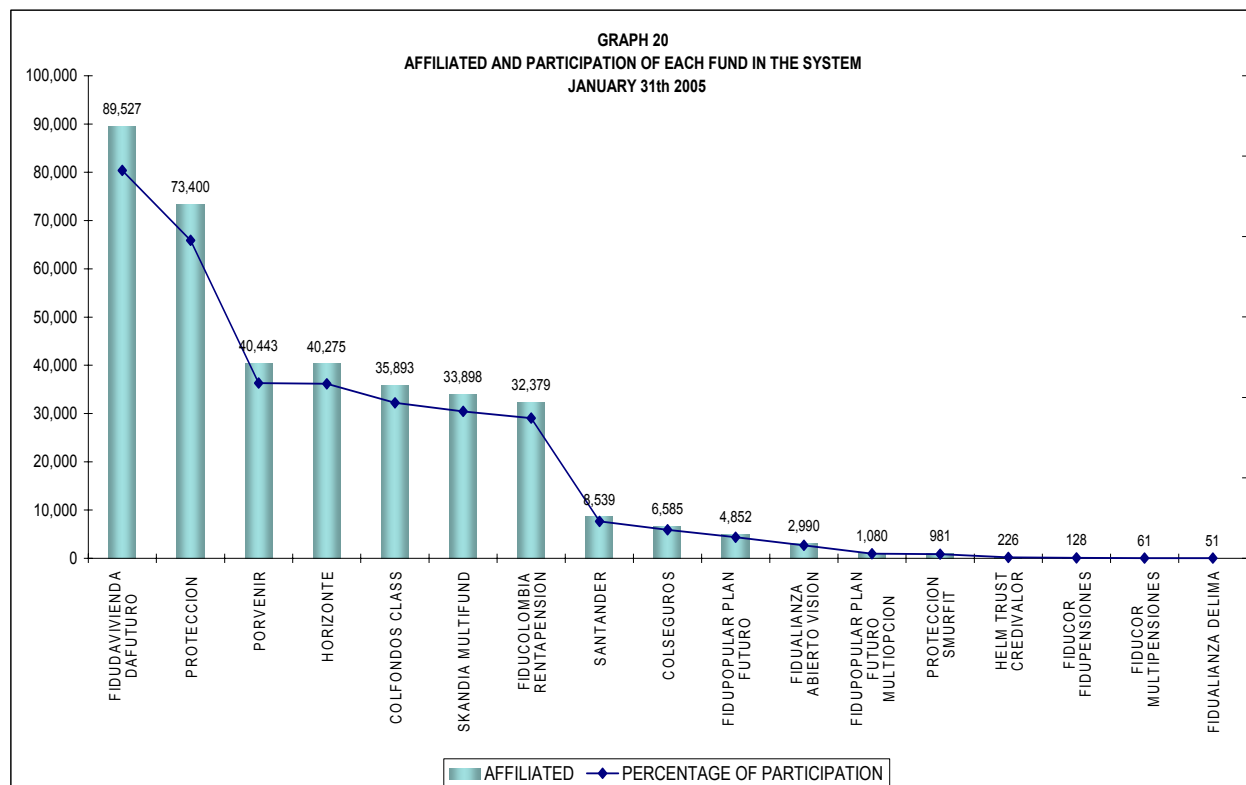
### 2.1 VALUE OF THE FUNDS

The total value of the voluntary pensions funds administered by the societies administrators of funds of pensions and January of 2005, fiduciary societies and insurance agencies to the 31 of January of 2005, reached the sum of \$4,6 trillions, 2,2% a superior one to the registered value to the 31 of December of 2004 (graph 19).



### 2.2 AFFILIATED

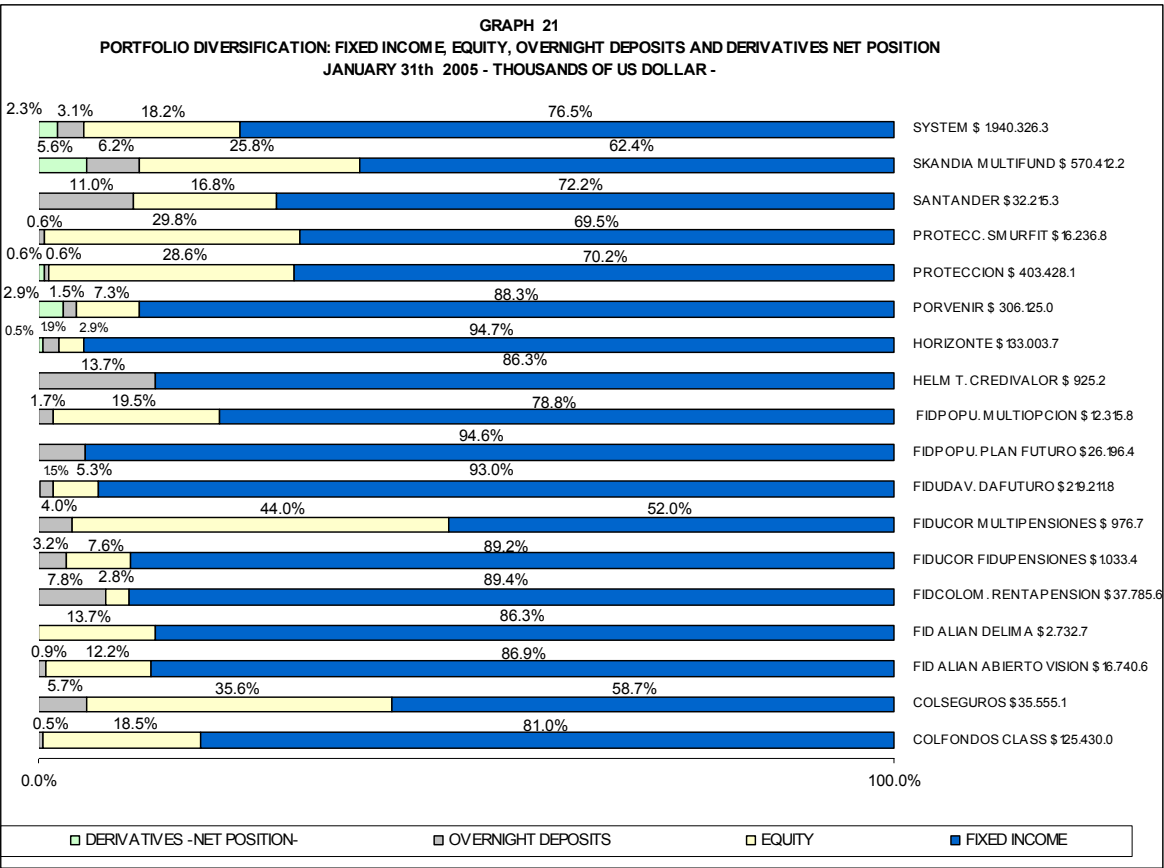
The number of affiliated with the voluntary pensions funds administered by the societies administrators of funds of pensions and January of 2005, fiduciary societies and insurance agencies to the 31 of January of 2005 ascended to 371,308, presenting/displaying an increase of 3,235 affiliated, a 0,9% as opposed to the number reported to the closing of the previous month (graph 20).



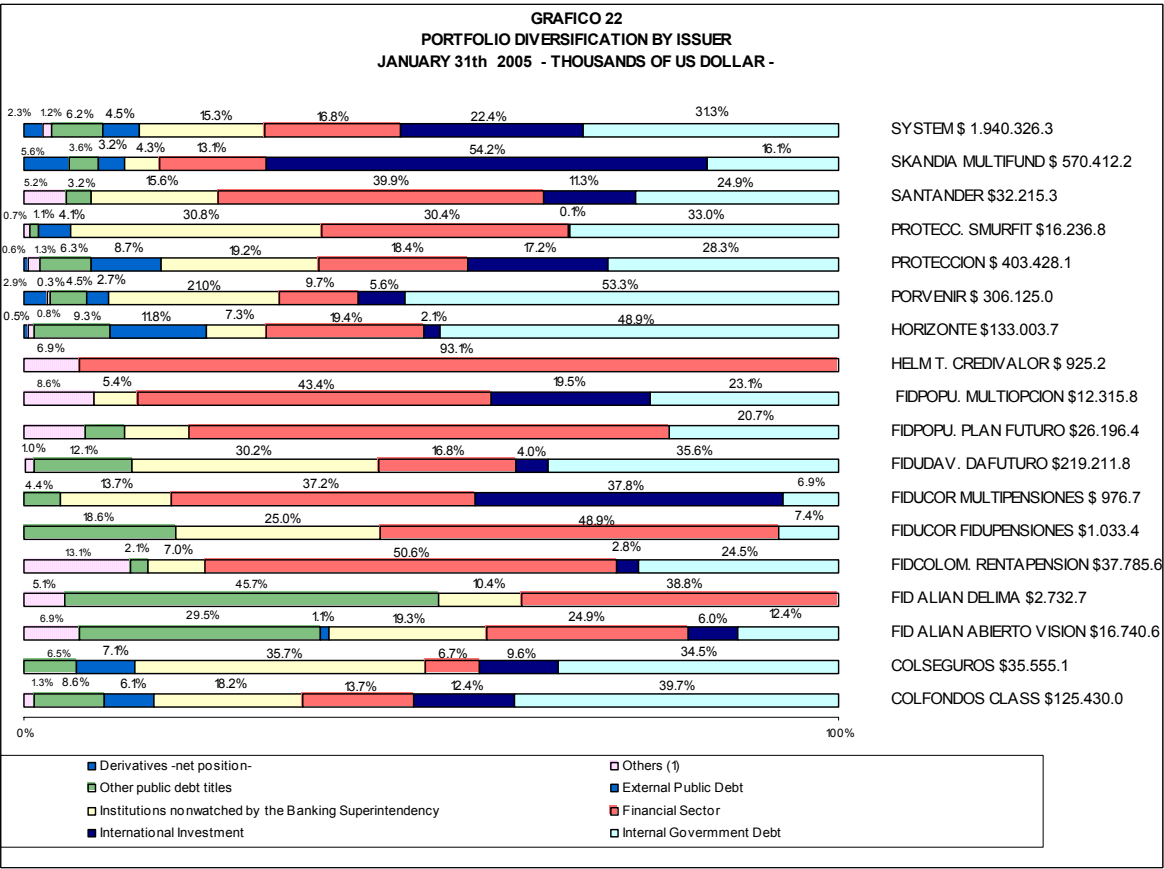
### 2.3 INVESTMENT PORTFOLIO

The value of portfolio of the voluntary pensions funds managed by the pensions funds and unemployment funds managers, fiduciary entities and insurance companies to the 31 of January of 2005 promoted to USD\$ 1 million 940 thousands, increasing in a 1.4% value registered to the closing of the previous month, date in which was of USD \$ 1.914 million.

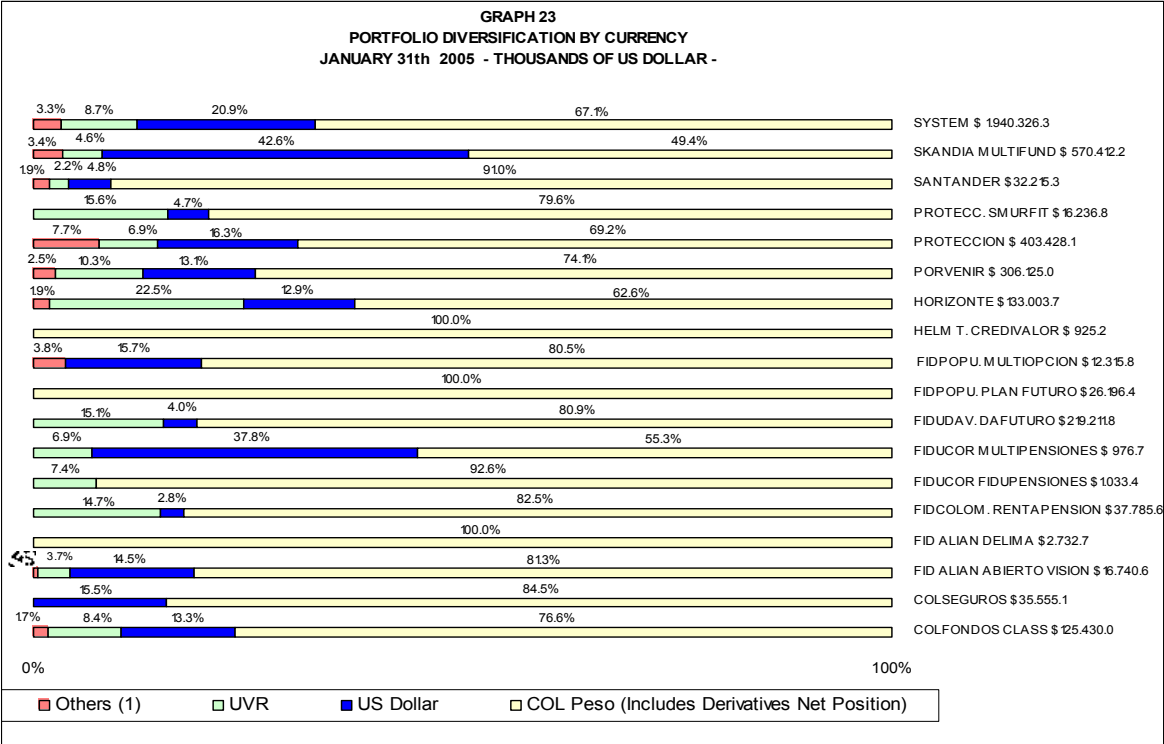
At the end of January 2005, 76,5% of portfolio of the these funds, USD\$1. 483.4 millions corresponds to fixed income investments; 18,2%, USD\$ 353 thousands to investments in equity; 3.1%, \$60 thousands dollars to overnight deposits and 2,3%, \$44 thousands dollars to net position in derivatives. (Graph 21 and Chart 2.1.1).



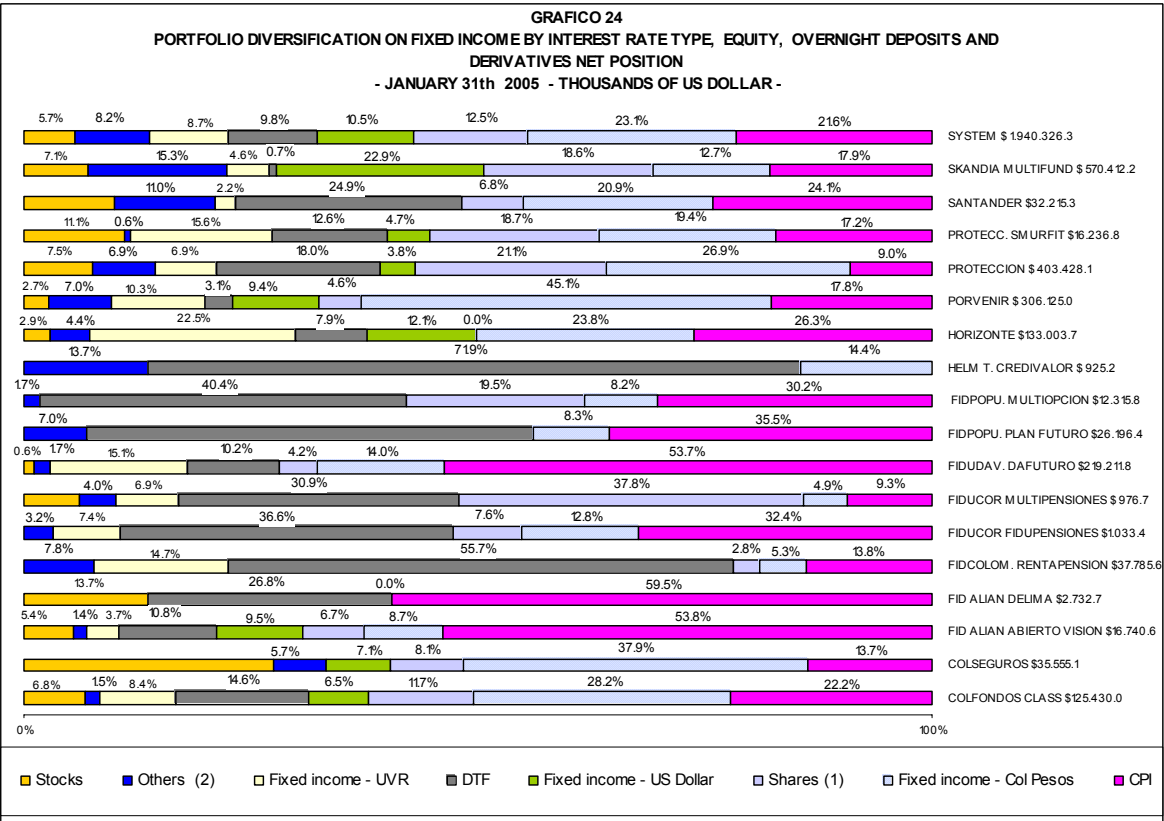
Debt public investment is the most significant investment portfolio of these funds. At January 31st 2005 these investments represented 42, 1% of the total value of portfolio (national debt commits 31,3%, external national debt 4,5% and territorial organizations and decentralized entities 6,3%), followed by the external investments with 22,4%, bonds issued by financial institutions with the 16,8% and issues by of institutions no supervised by the Superintendency of Banking with the 15,3% (Graph 22 and Chart 2.1.1).



The 67.1% of portfolio mention before is denominated in Colombian pesos, the 20.9% in US dollars, the 8,7% in UVR and the rest 3,3% in euros, British pound, yen, and Singapore dollar (Graph 23).

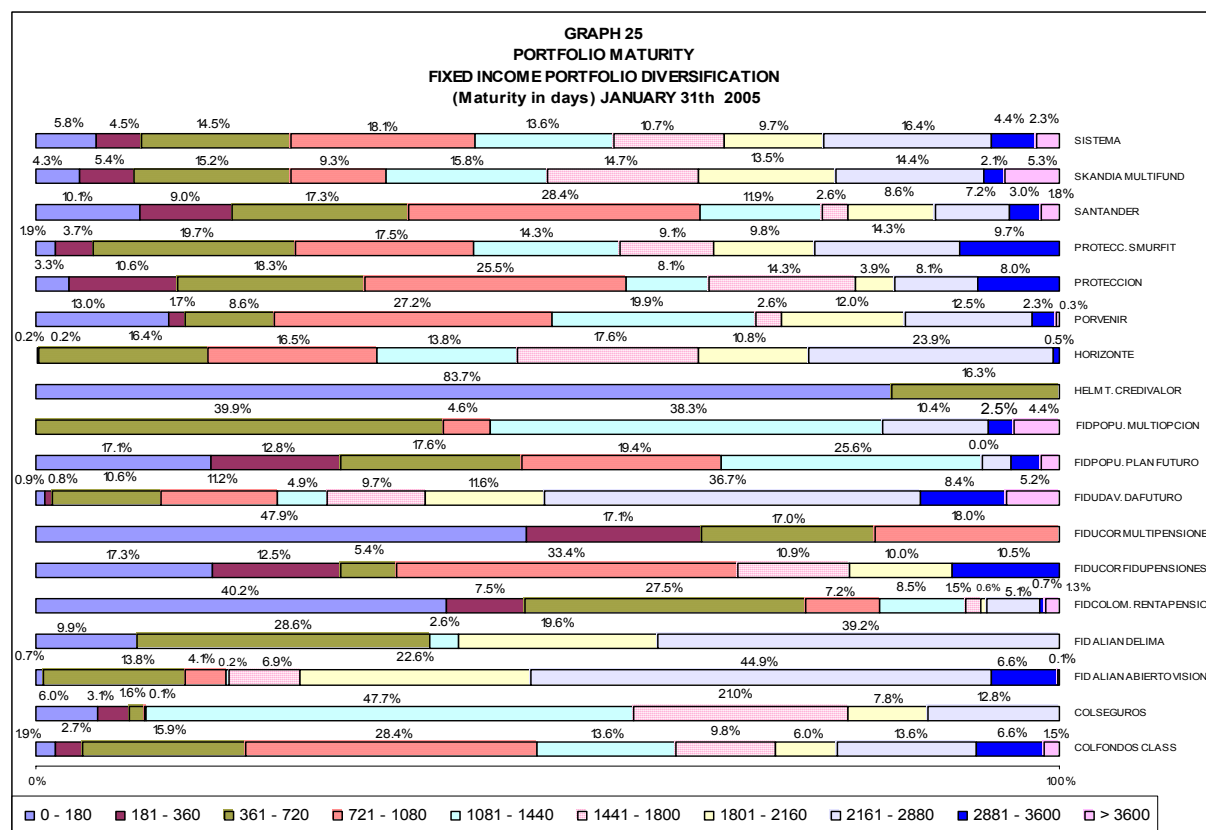


On the other hand, the 23,1% of the portfolio is invested in fixed income issues denominated in Colombian pesos, the 21,6% indexed to IPC, 12,5% in Titles of Participation (Derived from securitization processes, Mutual Funds, unit trust funds, and Indexed Funds), 10,5% in fixed income indexed denominated in US Dollar, the 9,8% to the DTF, the 8,7% to fixed rate in UVR, the 5,7% of portfolio is invested in stocks and the rest 8,2% are euro denominated fixed rate issues, fixed rate in British pound, Singapore dollar denominated fixed rate issues, indexed to IPC, indexed titles to Libor, overnight deposits and net position in derivatives.(Chart 24 and Chart 2.1.2).



Concerning the foreign currency position, it is observed that 38,4 % of this position is covered from the exchange rate fluctuation risk. Uncovered portion represents 15% of the total value of the funds (Chart 4).

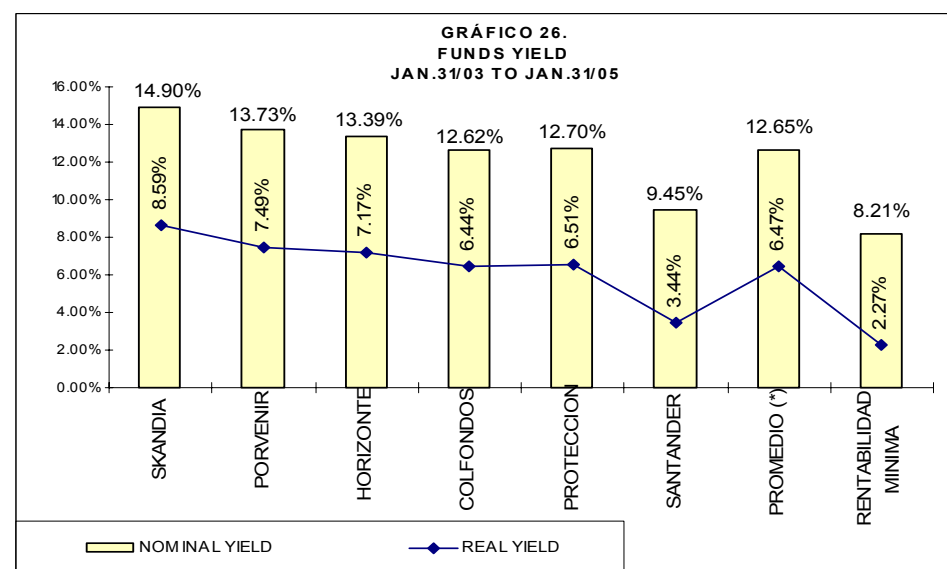
Of another part, the 5,8% of portfolio of fixed income have an inferior maturity to 180 days, 4,5% between 181 and 360 days, 14,5% between 361 and 720 days, 18,1% between 721 and 1080 days, 13,6% between 1081 and 1440 days, 10,7% between 1441 and 1800 days, 9,7% between 1801 and 2160 days, 16,4% between 2161 and 2880 days, 4,4% between 2881 and 3600 days and the 2,3% have a maturity superior to 10 years (Graph 25 and Chart 2.1.3).



### 3. UNEMPLOYMENT FUNDS

#### 3.1 YIELD

During the period January 31 of 2003 to January 31 of 2005, the January of 2005 funds obtained a yield average of the 12,65% cash annual, equivalent to a real yield of the 6.47%. It is important to emphasize that these yields oscillated between the 9,45% and the 14,90% (graph 26).

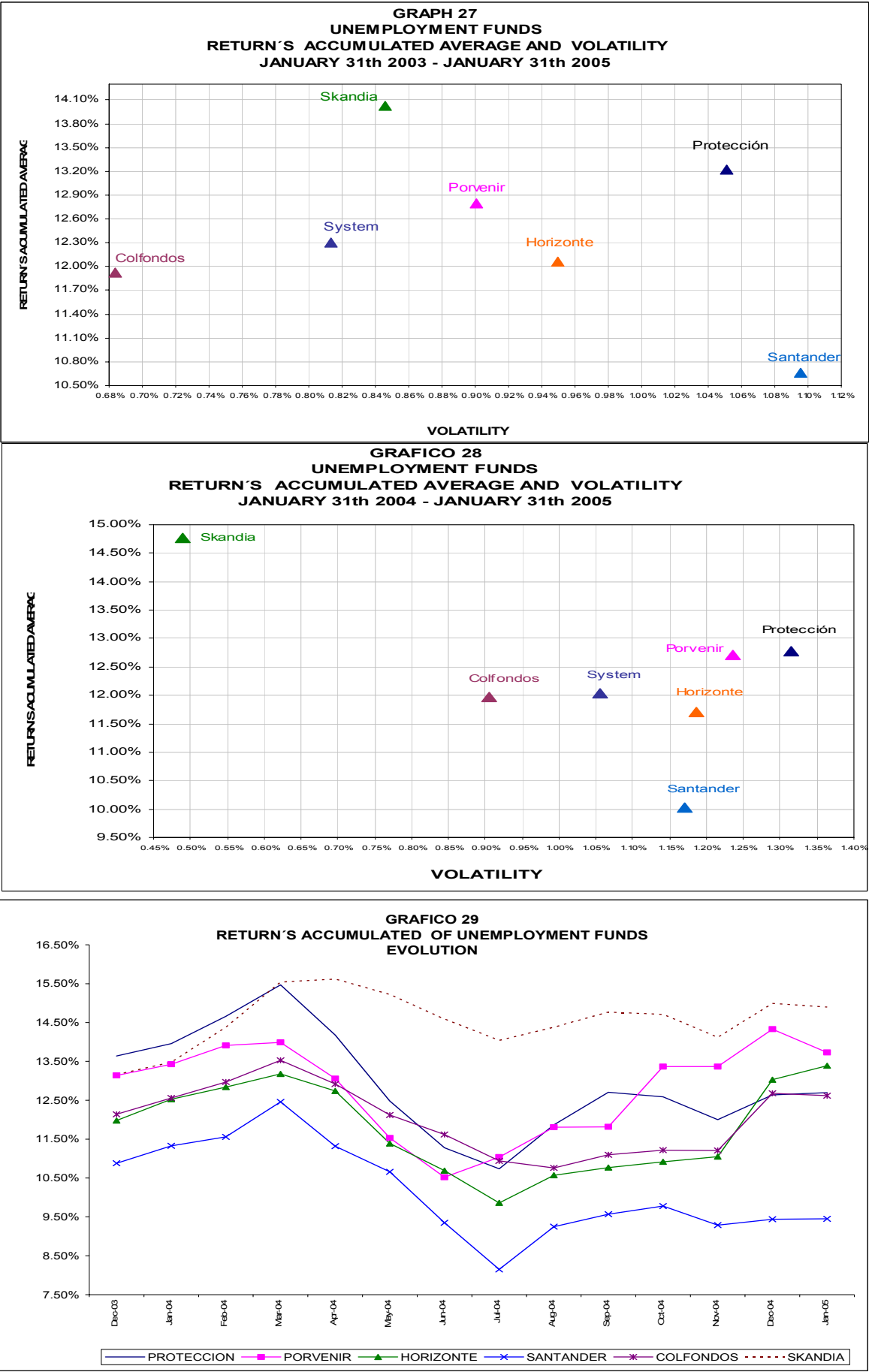


(\*) Weighed by the balance daily average of the patrimony

The obligatory minimum yield certified by the Superintendency of Banks of Colombia for the mentioned period was of the 8,21% annual cash. In average, the funds surpassed in 4.44 percentage points this minimum yield.

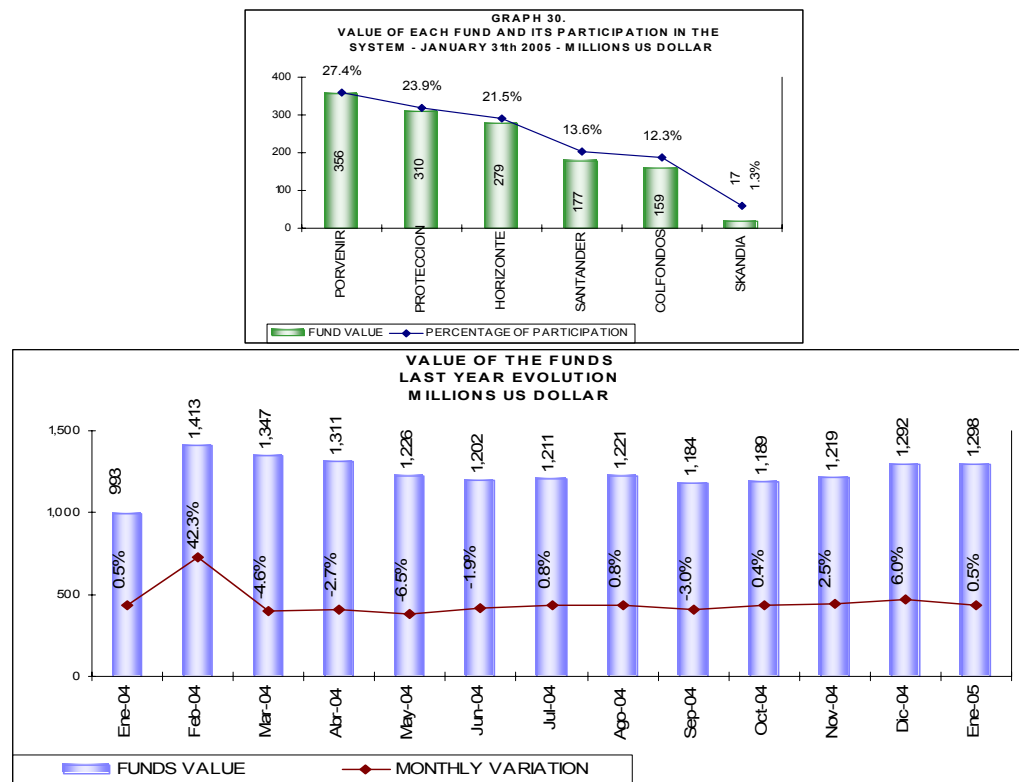
3.2 VOLATILITY and EVOLUTION YIELDS

The average of the calculated accumulated yields during the last twenty-four months of the funds of the 12,31% suspensions were of annual cash and its volatility (standard deviation) of the 0.81%. This average for the last year was of the 12,04%, with a volatility of the 1,05%, the yield average and its volatility of each one of the funds during the mentioned periods is reflected in graphs 27, 28 and 29.



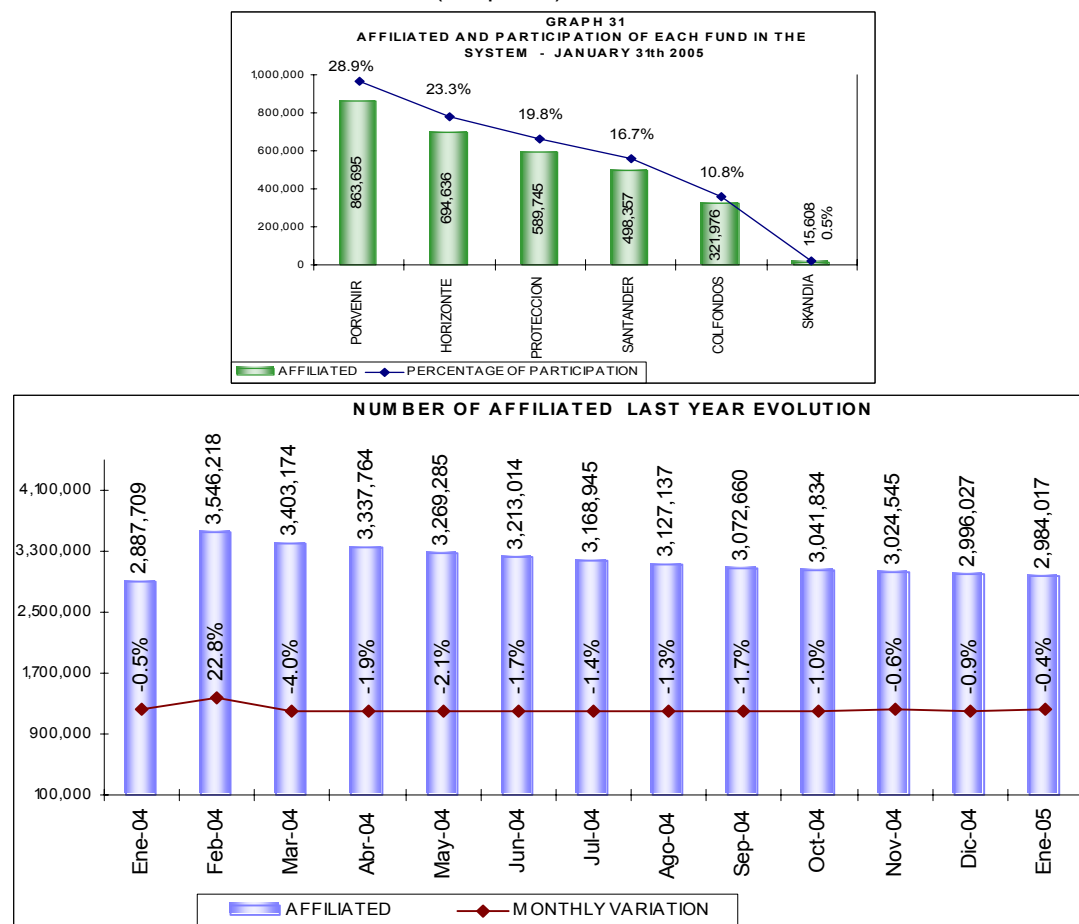
### 3.3 VALUE OF THE FUNDS

The January of 2005 funds reached to the 31 of January of 2005 a value of \$3,1 trillions, a 0,5% superior one to the registered value to the 31 of December of 2004, that is to say, \$14 billion (graph 30).



### 3.4 AFFILIATED

The number of affiliated with the January of 2005 funds on the 31 of January of 2005 was 2,984,017, presenting/displaying a diminution of the 0,4%, that is to say, 12,010 affiliated as opposed to the number reported to the 31 of December of 2004. (Graph 31).



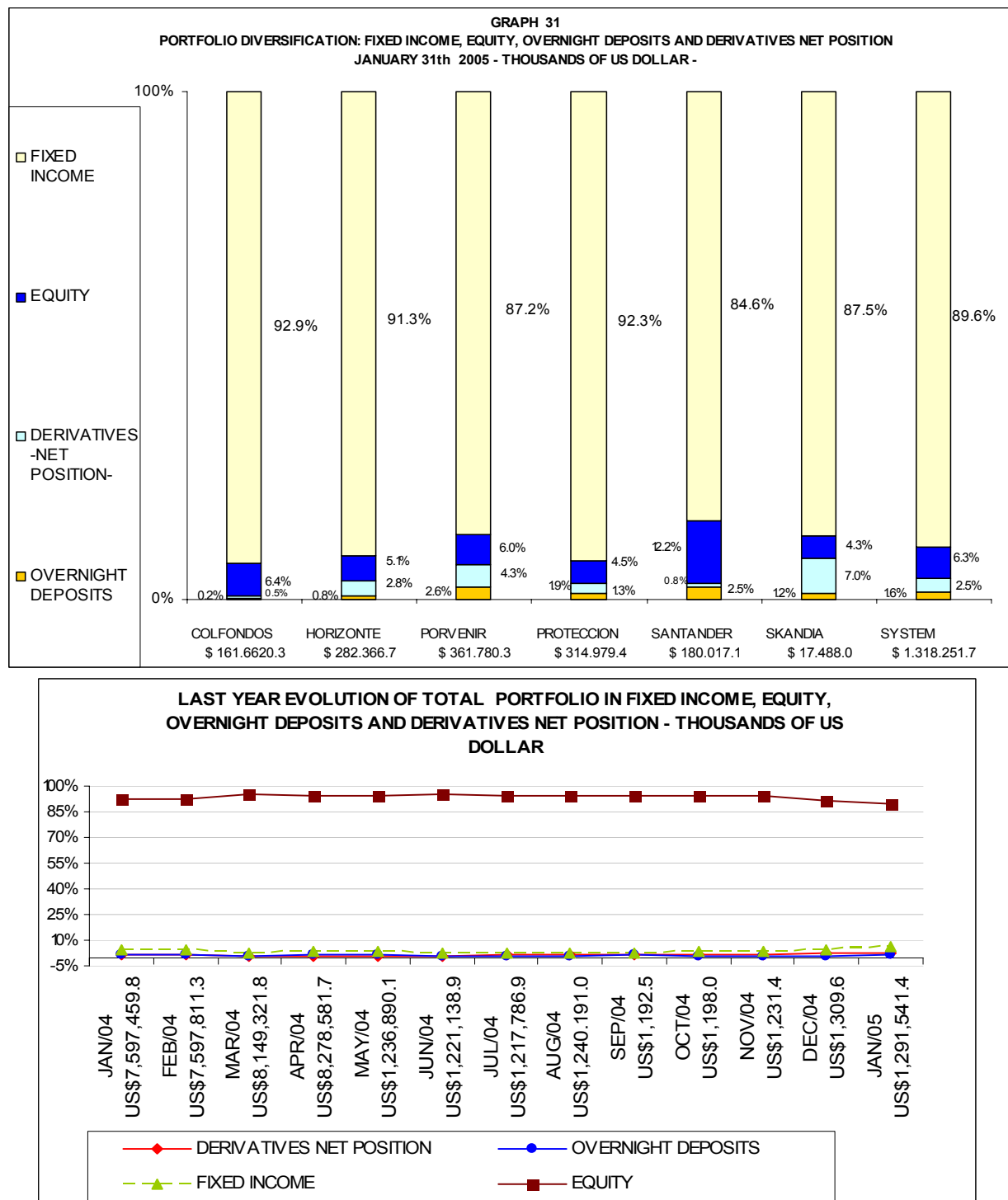


Of the total of affiliated, the 94,2% correspond to dependent workers, the 4,8% to affiliated voluntary and 1% with independent workers. Of another part, the 62,6% of the affiliated ones with the January of 2005 funds are men and the 37,4% women (To see Chart 3.2).

### 3.5 INVESTMENT PORTFOLIO

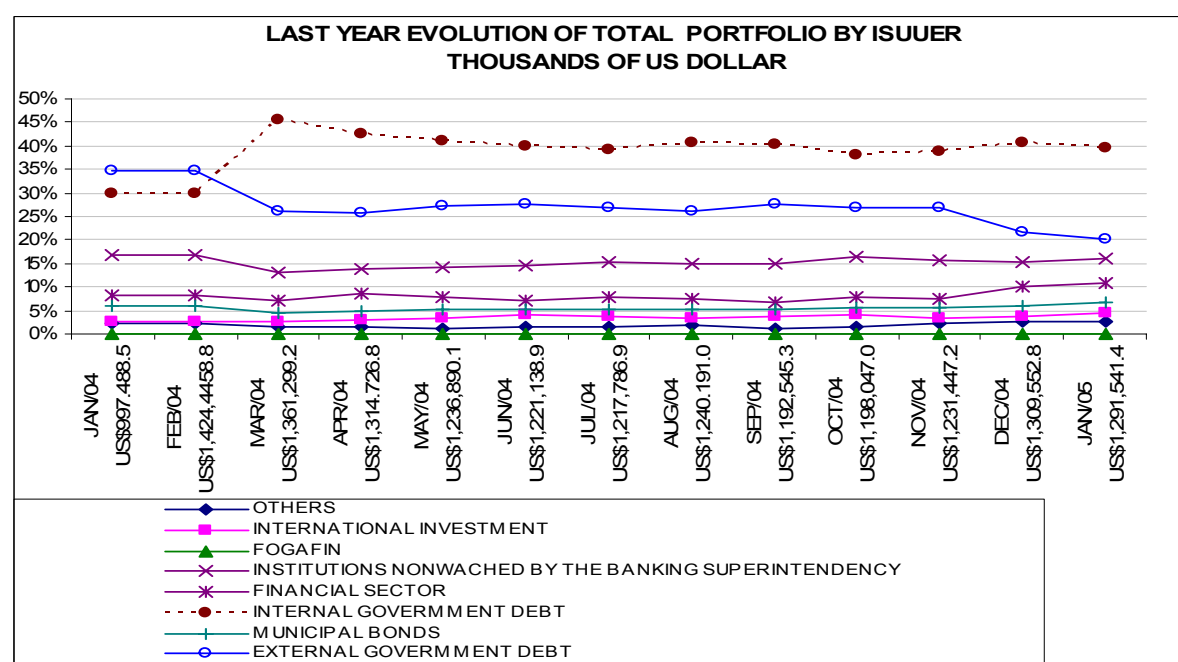
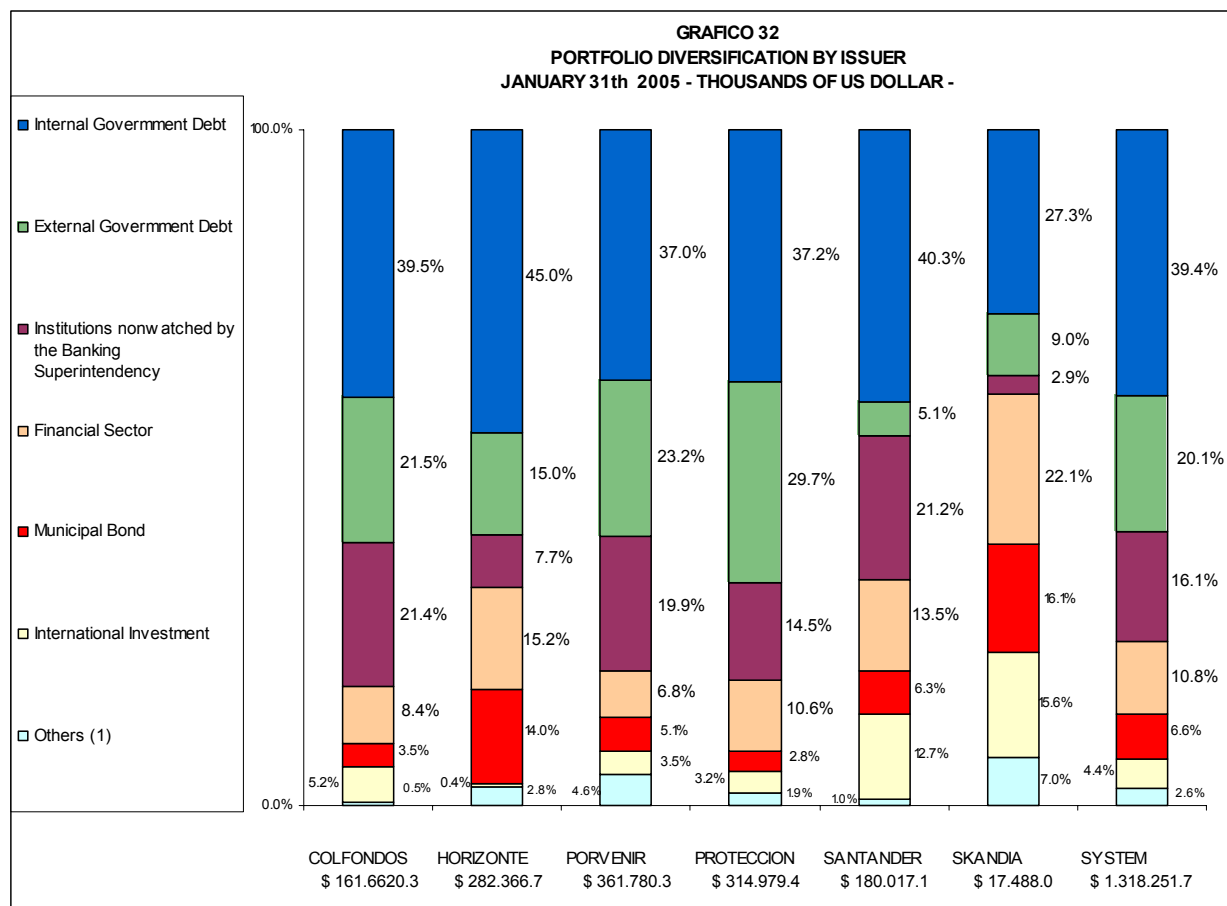
The value of portfolio of the funds of suspension to At January 31st 2005 promoted to USD\$1.318 million, inferior in a 1,4% value registered to the closing of the previous month, date in which was of USD\$1.310 million.

To the closing of the month of January of 2005 the 89,6% of portfolio of the mentioned funds, that is to say, USD\$1.181 million correspond to investments of fixed income; the 6,3%, USD\$83 million to investments of variable rent, the 1,6%, USD\$21 million to overnight deposits and the 2,5%, USD\$33 million to the net position in derivatives (right less obligations) (Graph 31 and Graph)

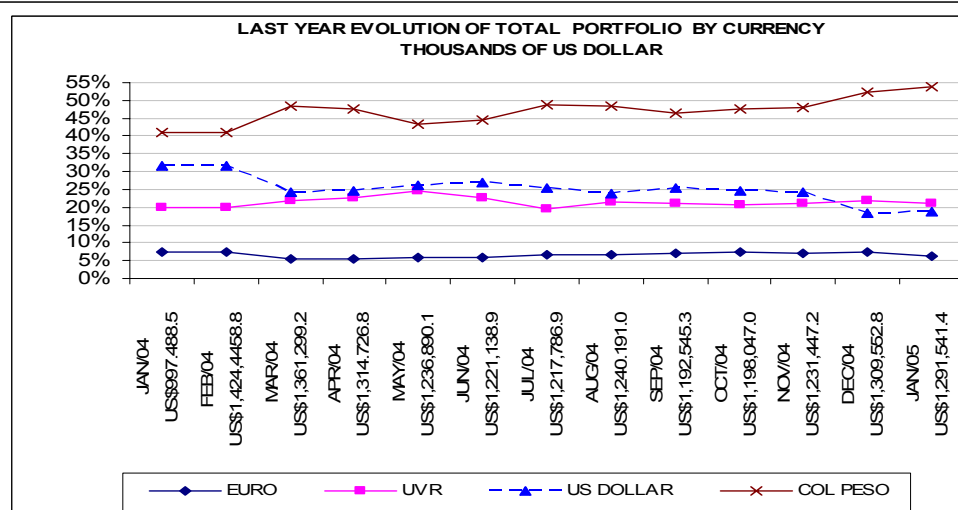
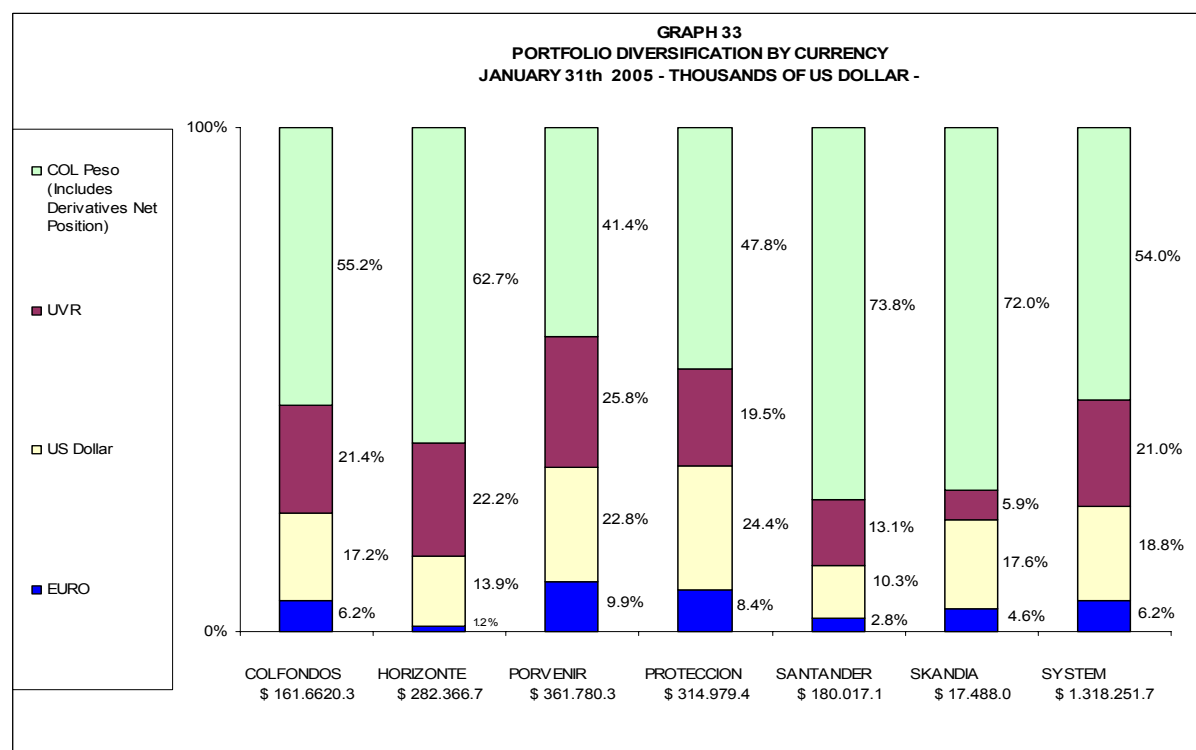


The investment in public debt is most significant in these funds. At January 31st 2005 this investment it represented the 66,1% of the value of the total of portfolio (national debt commits the 39,4%, external

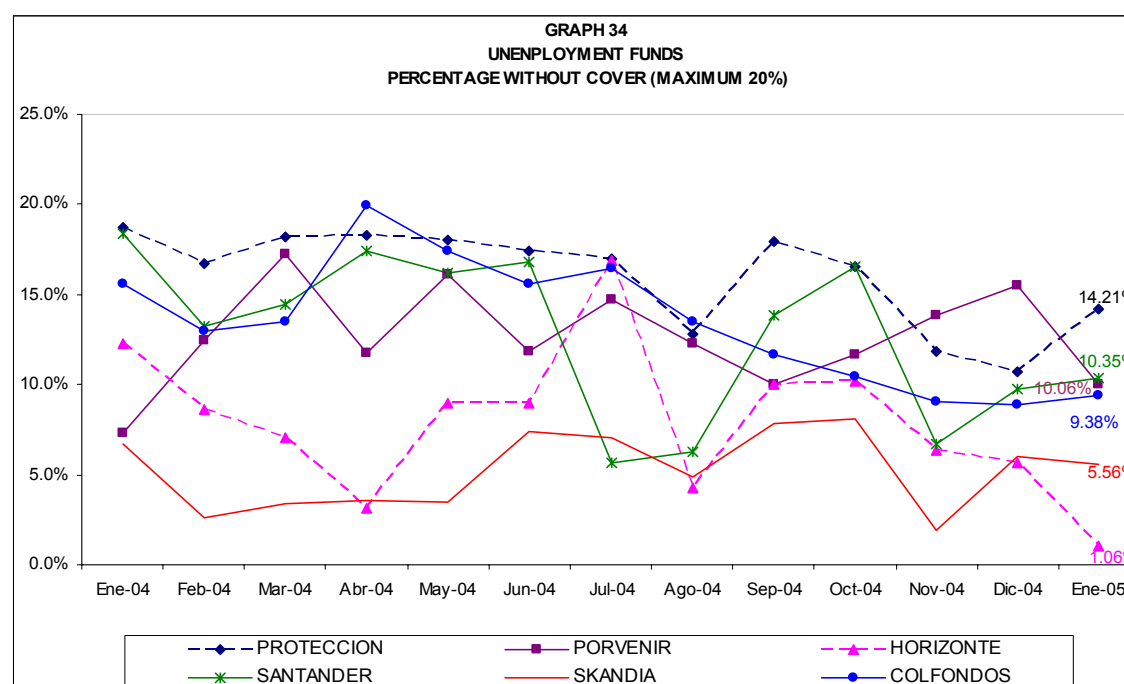
national debt the 20,1% and territorial organizations and his decentralized the 6,6%), followed by the titles of institutions no supervised by the Superintendency of Banking with the 16,1%, the titles emitted by financial institutions with the 10,8% and investments in the outside with the 4,4% (Graph 32).



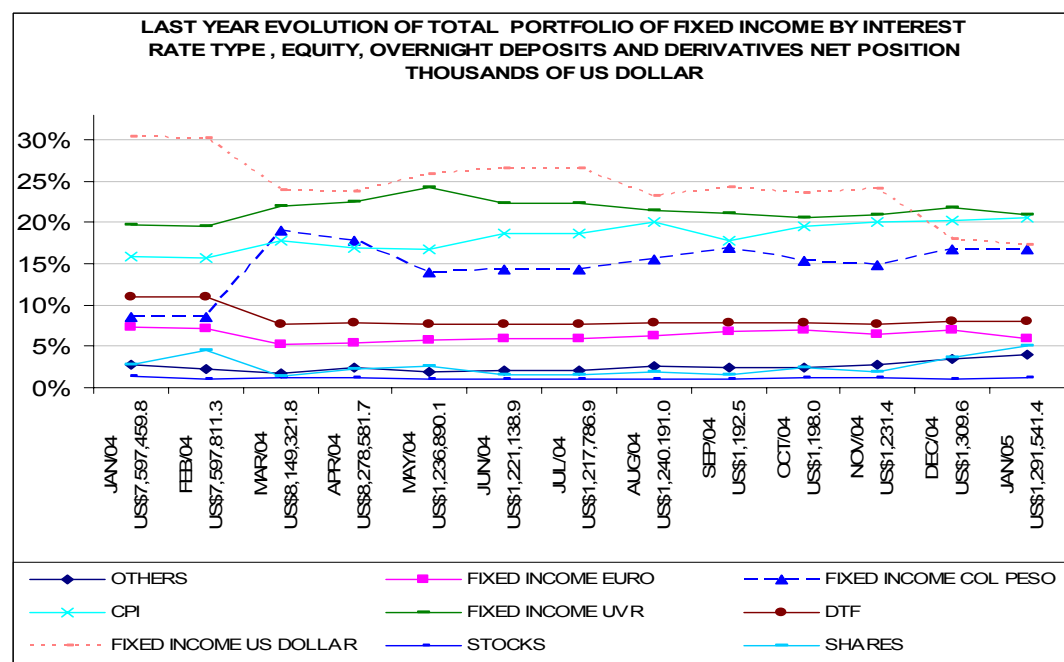
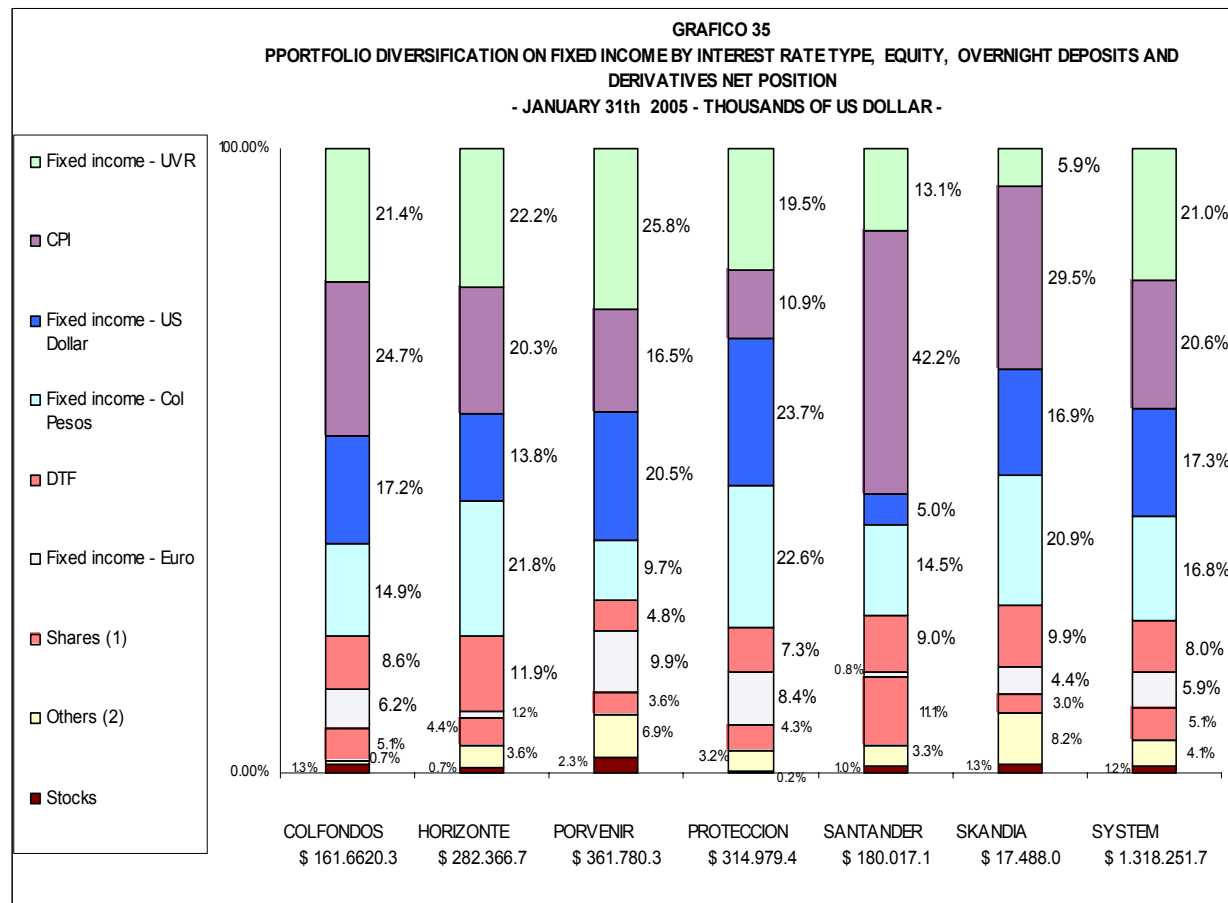
54% of portfolio in mention are denominated in Colombian pesos, 21% in UVR, the 18,8% in US Dollar and the 6,2% in euros. (Graph 33)



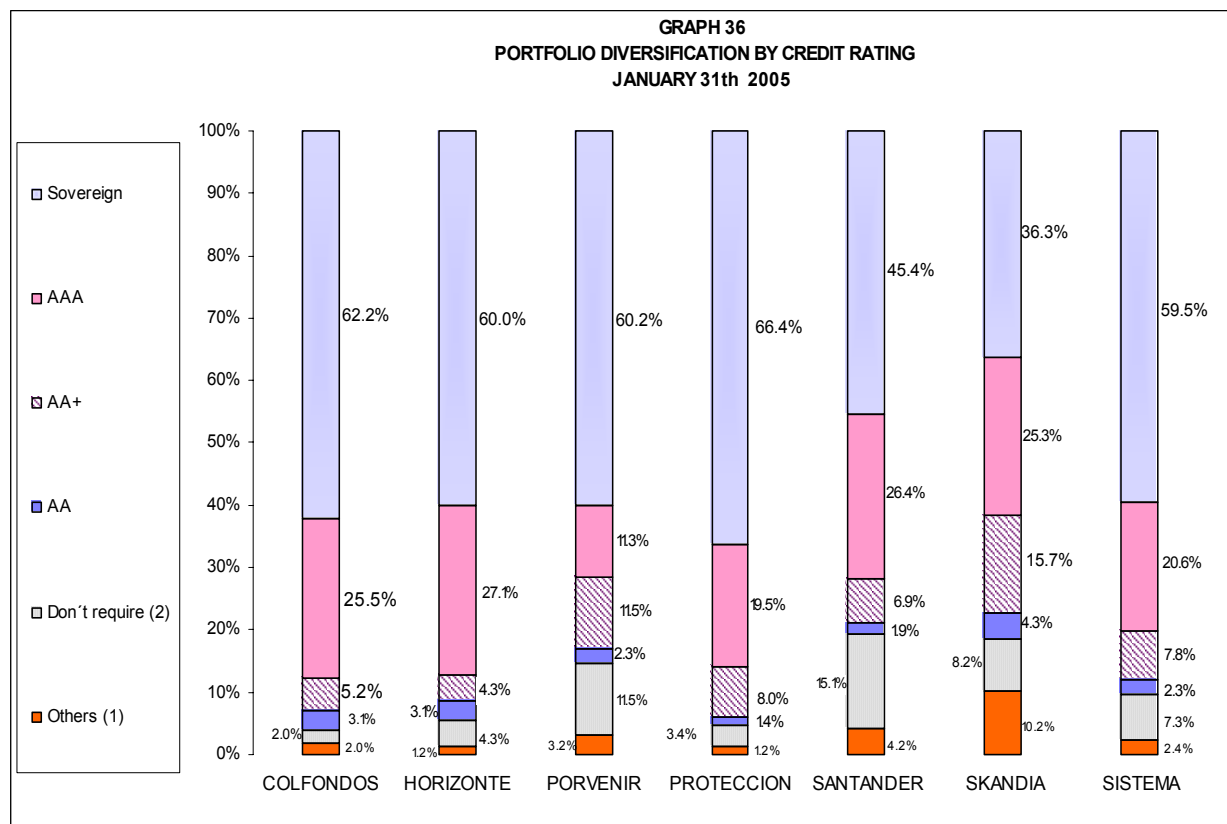
Concerning the foreign currency position, it is observed that the 63,9% of the same one are covered from the exchange rate fluctuation risk and that the discovered part represents 9% of the total value of the funds (Graph 34 and Chart 4).



Of another part, 21% of portfolio are represented in titles fixed rate in UVR, the 20,6% indexed to IPC, 17,3% to fixed rate in US Dollar, 16,8% to fixed rate in weights, 8% to the DTF, the 5,9% to fixed rate in euros; in the meantime, the 5,1% of portfolio are inverted in Titles of Participation (Derived from securitization processes, international Mutual Funds of Investment, Ordinary Common Funds, Special Common Funds and Funds of Values), 1,2% in stocks and rest 4,1% overnight deposits and net position in derivatives are (Graph 35 and Chart 3.4).



As far as the classification of portfolio by credit risk, it is observed that the 59,5% are titles emitted by the Nation, the 20,6% are investments with qualification AAA, the 7,8% AA+, the 2,3% AA, the 7,3% are investments that do not require qualification, and rest 2,4% corresponds to titles emitted by Fogafin, titles with qualification AA -, A+, To, BBB, BB -, b, 1 and Titles of emitters in Liquidation (Graph 36).



Source: INFORMATION SUPPLIED BY AFP'S

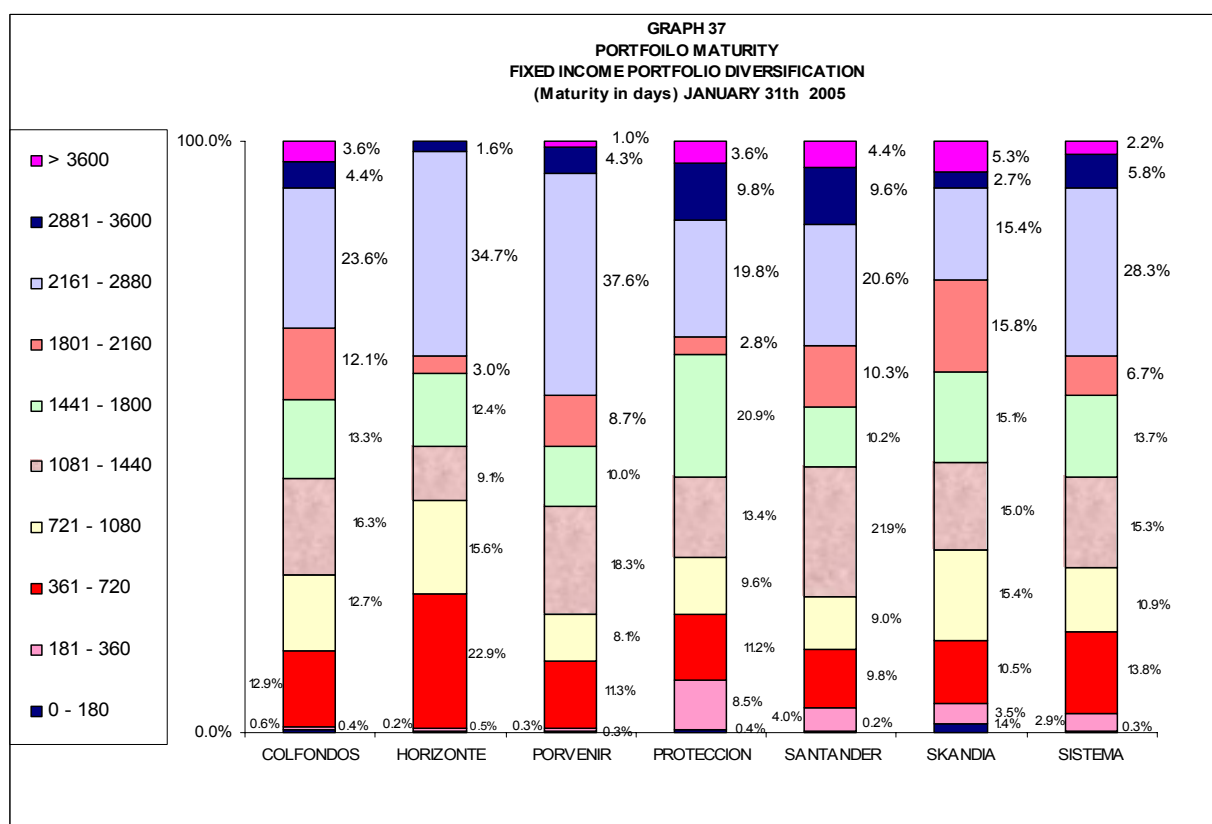
(1) Fogafin, AA-, A+, A, BBB, BB-, B-, 1 y Securities Titles of issuers in Liquidation

(2) Investments: Unit Trust Funds, Mutual Fund, Index Fund and Stocks

Note 1: For effects to establish the percentage, the total value of portafolio considers excluded the net position in derivatives

Note 2: For the titles with provision the net value of purchase was taken from amortizations of capital

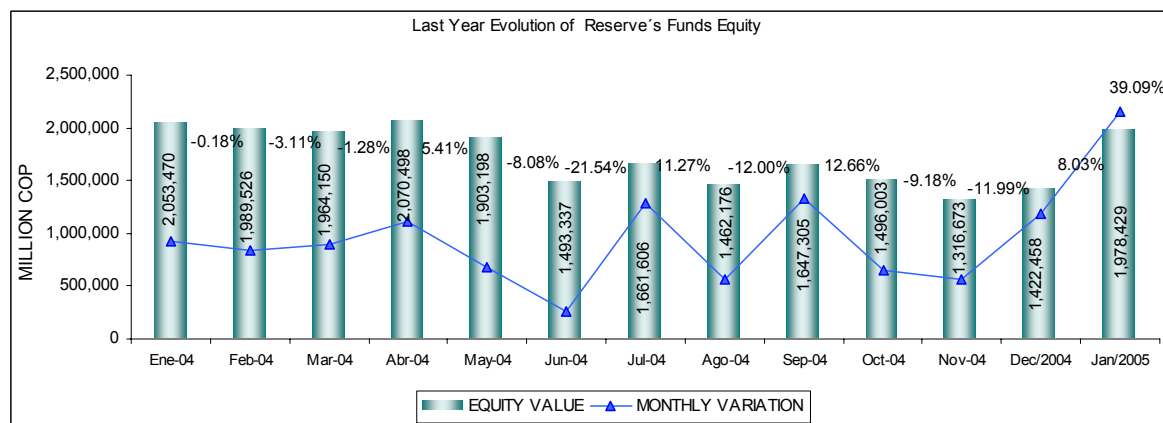
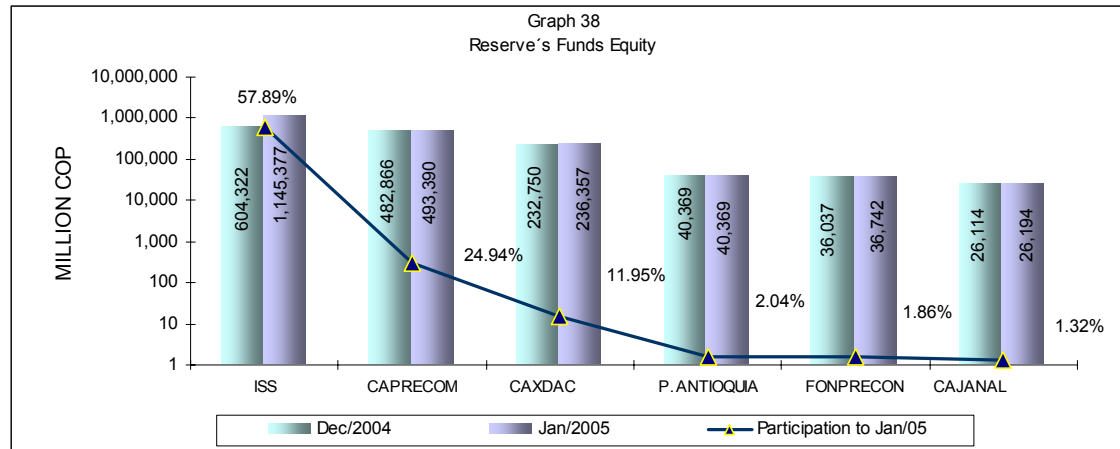
Finally, it is important to write down that the 0,3% of portfolio of fixed income have an inferior maturity to 180 days, the 2,9% between 181 and 360 days, the 13,8% between 361 and 720 days, the 10,9% between 721 and 1,080 days, the 15,3% between 1,081 and 1,440 days, the 13,7% between 1,441 and 1800 days, the 6,7% between 1801 and 2,160 days, the 28,3% between 2,161 and 2,880 days, the 5,8% between 2881 and 3,600 days and the 2,2% have a maturity superior to 10 years (Graph 37 and Chart 3.5).



#### 4. PAY AS YOU GO REGIME

##### 4.1 PENSION RESERVE FUND'S EQUITY

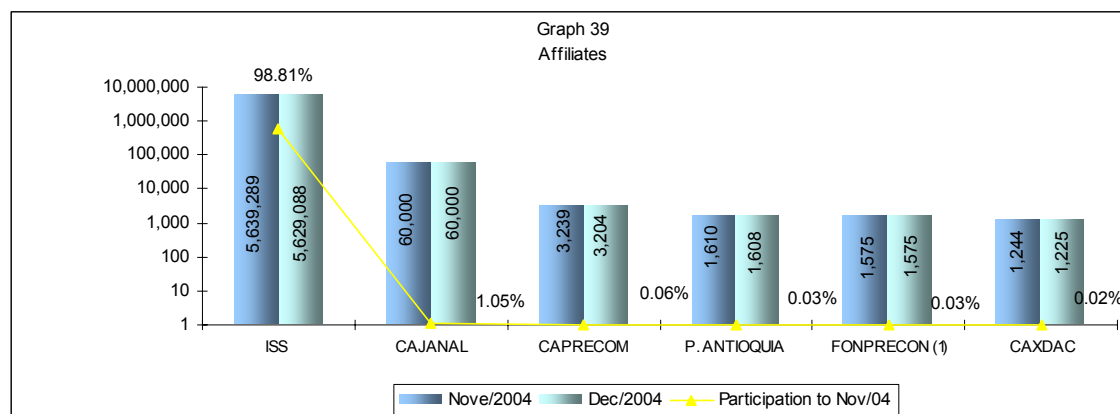
Pay as you go pension reserve fund's equity by January of 2005, reported a balance of USD 835,4 million dollars, USD 234,4 million dollars less than the value registered by December of 2004, which means a rise of 39,09% (Graph 38).

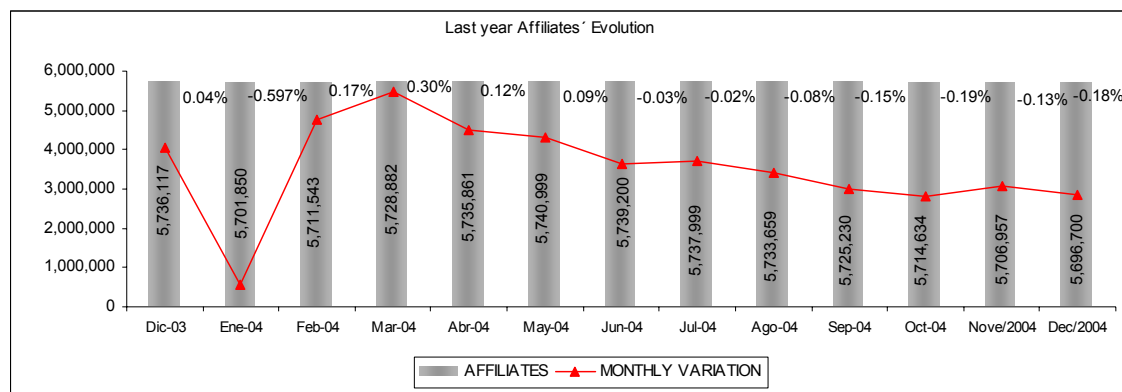


Source: Supervised Entities

##### 4.2 AFFILIATES

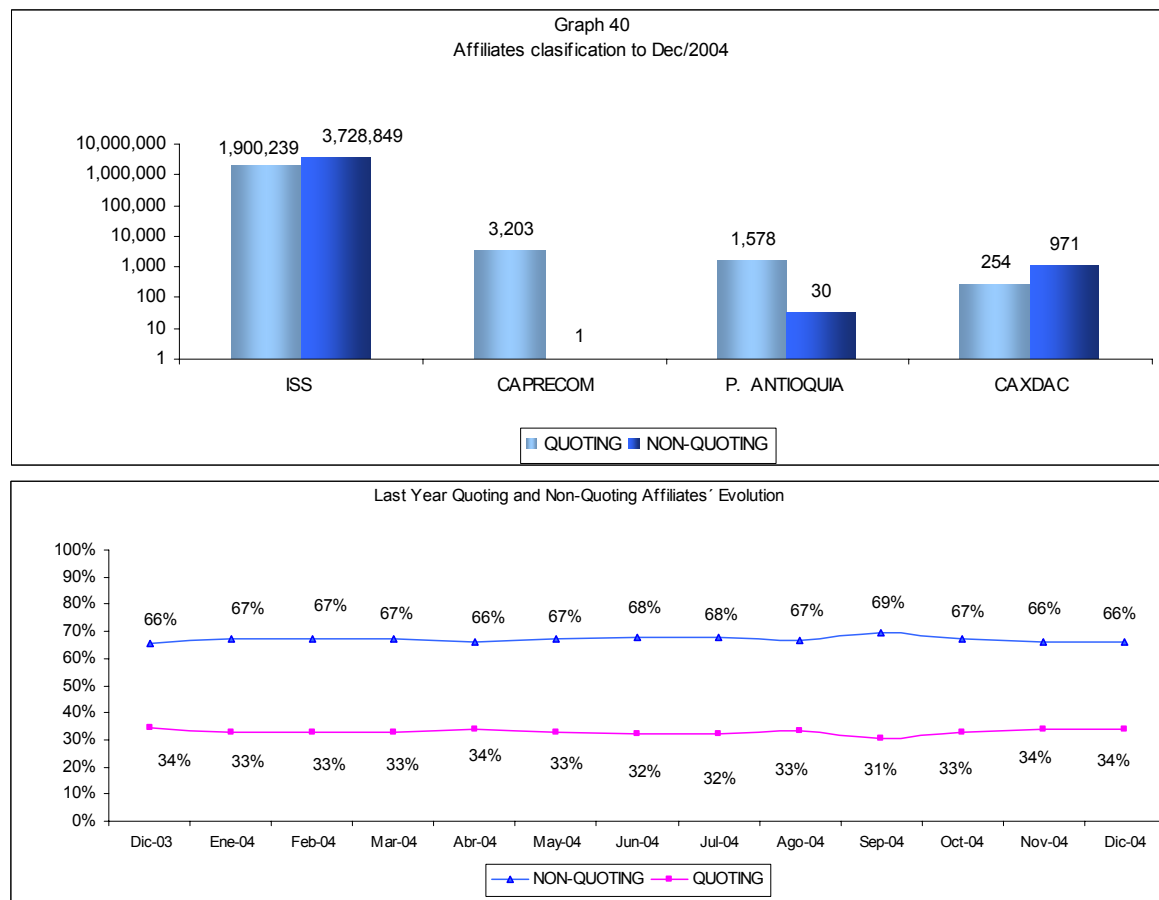
According to the numbers sent by the administrator entities of the mentioned Regime, for November and December of 2004, the total number of affiliates was of 5.706.957 and 5.696.700 respectively, showing a reduction of 10.257, representing -0.18%. CAJANAL's number is included taking into account preliminary information, and FONPRECON's data is from July 2002 (Graph 39).





Source: Supervised Entities

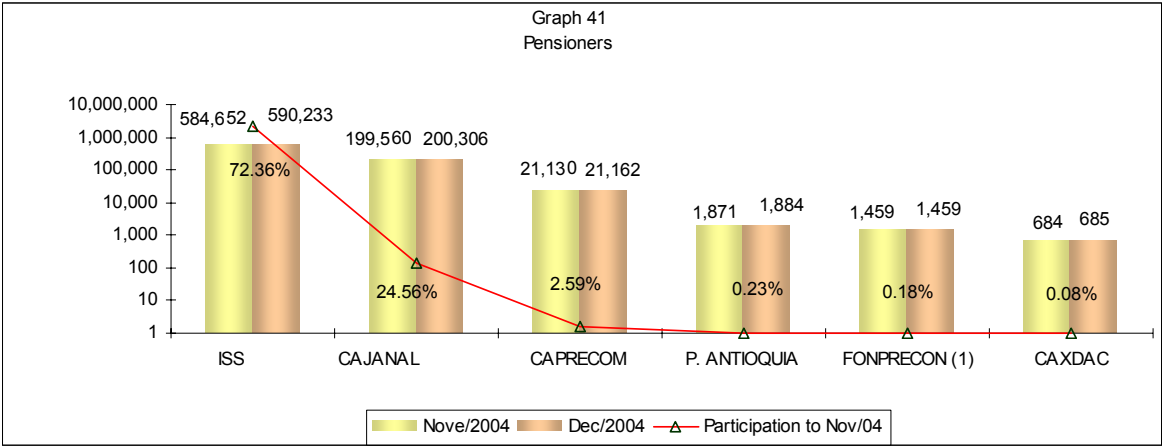
From the total of affiliates for each of the administrators of the pay as you go regime in December 2004, without including CAJANAL and FONPRECON, 34% corresponds to people who quote, representing 1.905.274 and 66% (3.729.851) to people who do not quote. (Graph 40)



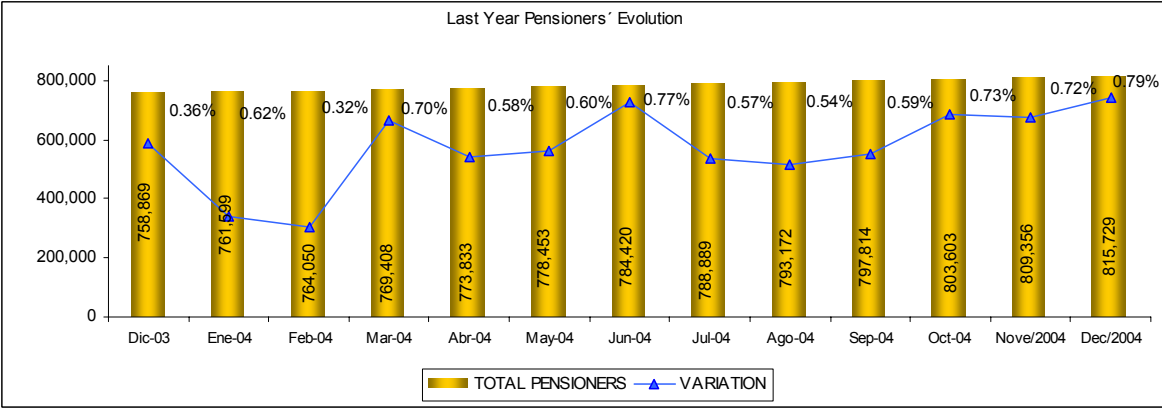
Source: Supervised Entities

#### 4.3 PENSIONERS

The number of pensioners for each of the administrators of this Regime by December of 2004, taking into account that, CAPRECOM's number includes communication sector's pensioners, that CAJANAL's number is given by FOPEP and that FONPRECON's number is from July 2002, increased to 815.729, presenting a rise of 6.373 pensioners, with respect to November of 2004, representing 0.79%. (Graph 41)

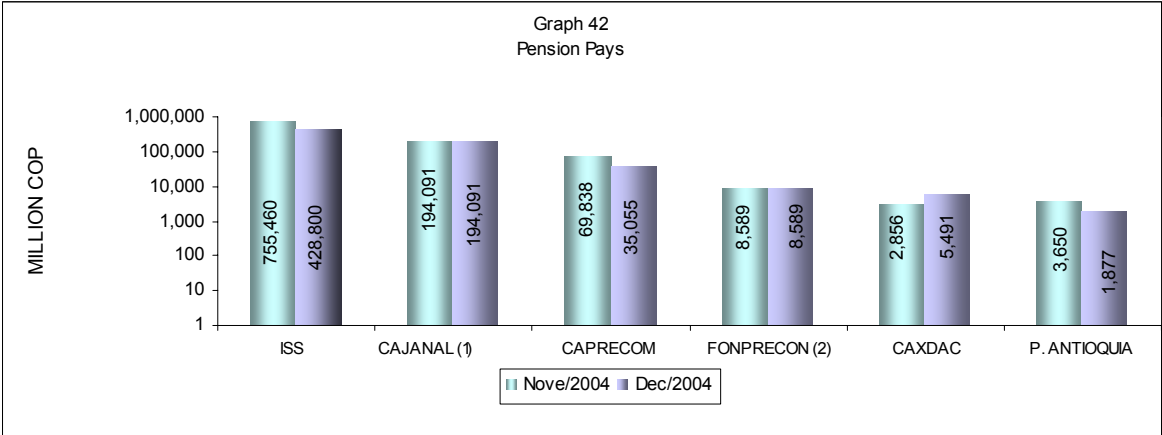


(1) Data to July of 2002



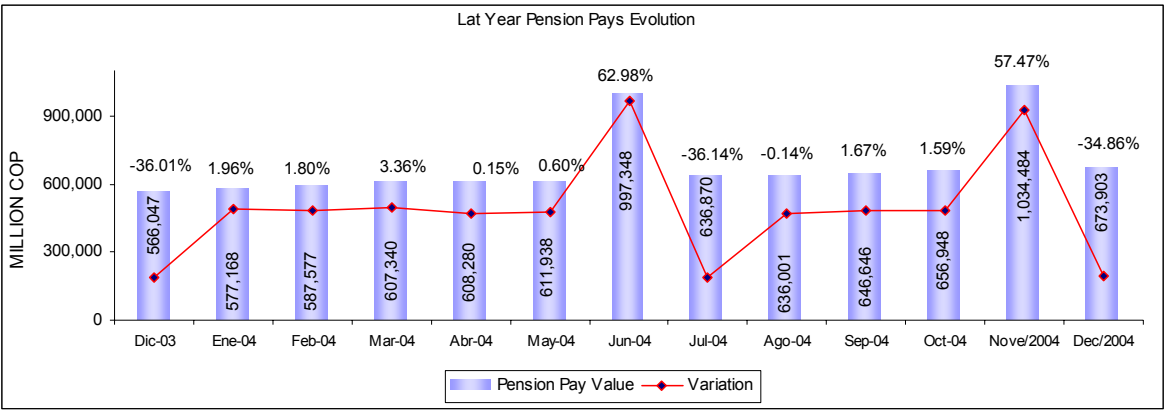
Source: Supervised Entities

According to the administrator's report, the monthly payroll value of pensioners for December of 2004, having in mind that CAPRECOM's data includes retirees from communication sector, that CAJANAL's number is given by FOPEP and that FONPRECON's number is from July 2002, ascended to USD 284,7 million dollars. (Graph 42)



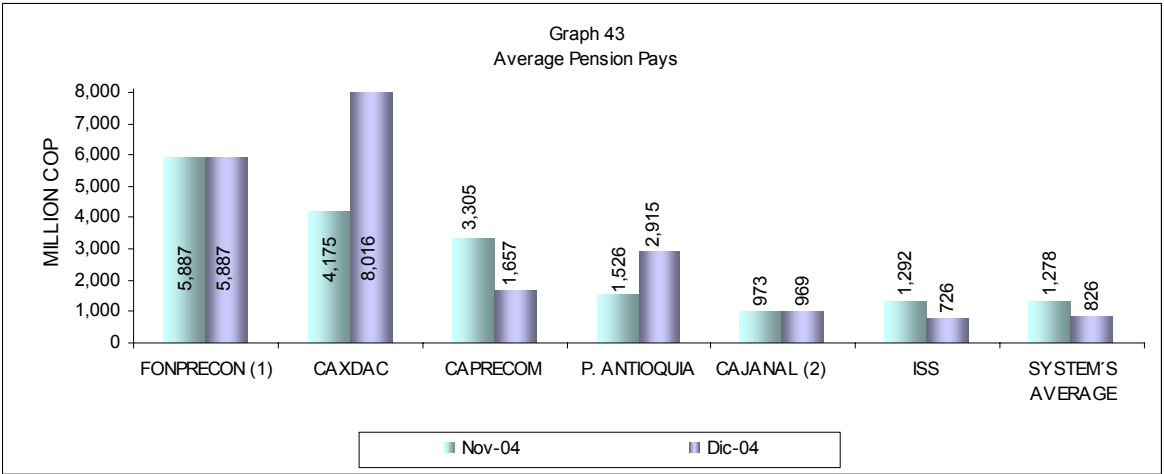
(1) Information Consorcio FOPEP  
(2) Data to July of 2002



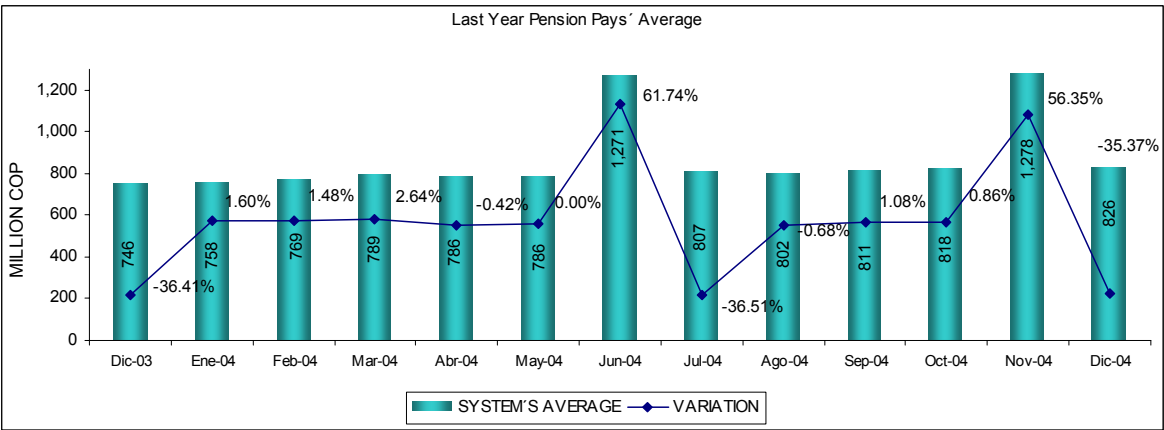


Source: Supervised Entities

The average of pension payment for this Regime in December 2004 was USD 348,9 dollars, inferior to November's figure in 35,37%. (Graph 43)



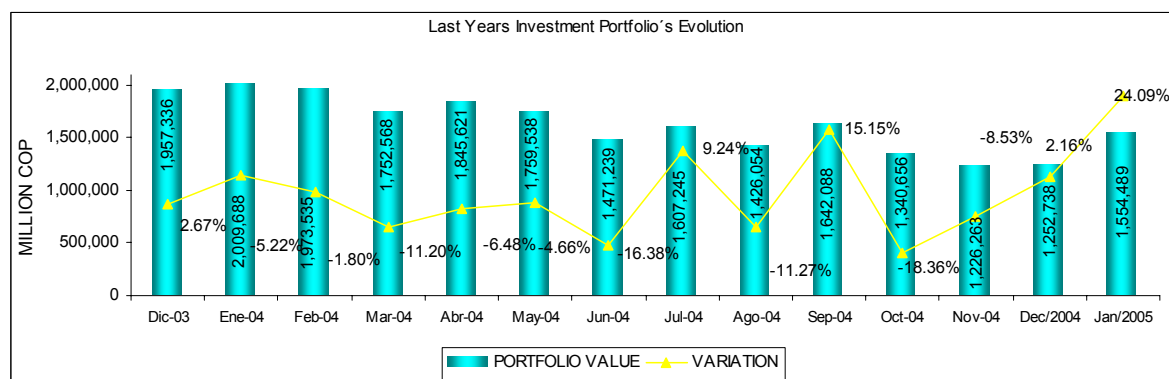
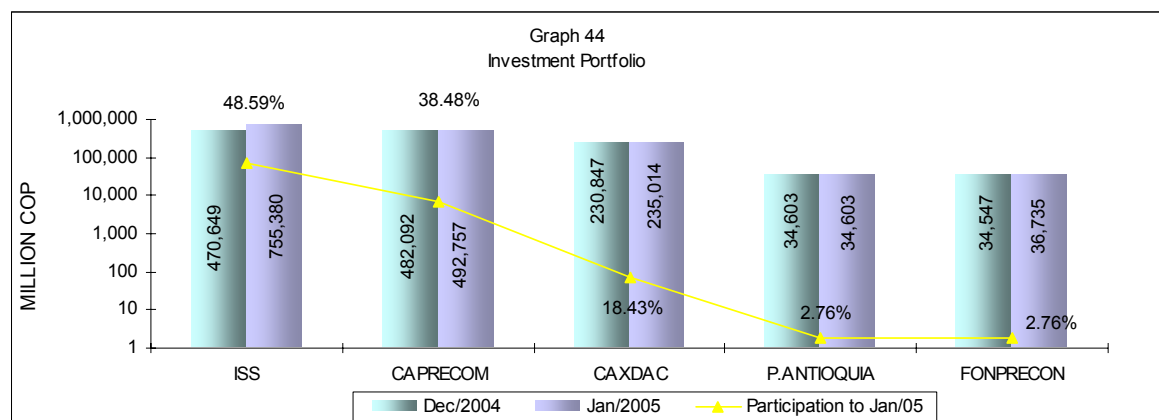
- (1) Data to July of 2002
- (2) Information Consorcio FOPEP



Source: Supervised Entities

4.4 INVESTMENT PORTFOLIO

Investment portfolio balances of pension reserve funds by January 2005 (having in mind that, according to what is established in Law 490 from 1998 and statutory Decree 1404 from 28 of July of 1999, CAJANAL transferred its reserves to FOPEP and therefore does not present balance) ascend to USD 656,3 million dollars compared to 529,2 million dollars in December, showing a rise of USD 127 million dollars that represent 24.1%. (Graph 44)



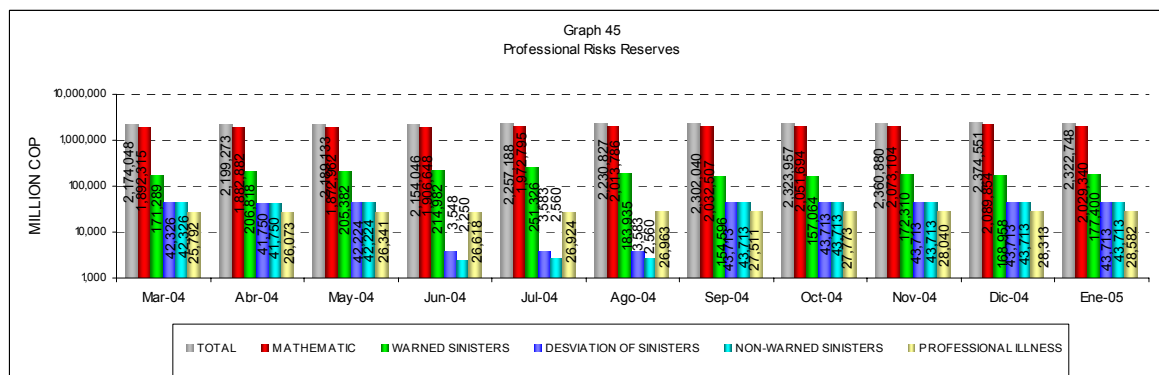
In January of 2005, 90,51% of portfolios were invested in TES, the remaining 9,49% were represented in other bonds different to Nation bonds, contained in the funds administrated by CAXDAC.

CAXDAC's investment portfolio is substantially different to other pays as you go reserve funds, due to the fact that this entity, in investment matters, is ruled by the norms issued by this Bank Superintendency for Private Pension Fund Administrators.

## 5. ISS's PROFESSIONAL RISKS ADMINISTRATOR

### 5.1 RESERVES FOR PROFESSIONAL RISKS

With the expedition of Law 776 of 2002, and in concordance with the instruction of External Circular 044 of the Bank Superintendency, the Instituto de Seguros Sociales (ISS) adopted the technical reserves regime for the life insurance companies that administrate the field of professional risks; in consequence, since March of 2004, the ISS presents in its balance statement the amount of each of the following reserves: (Graph 45)

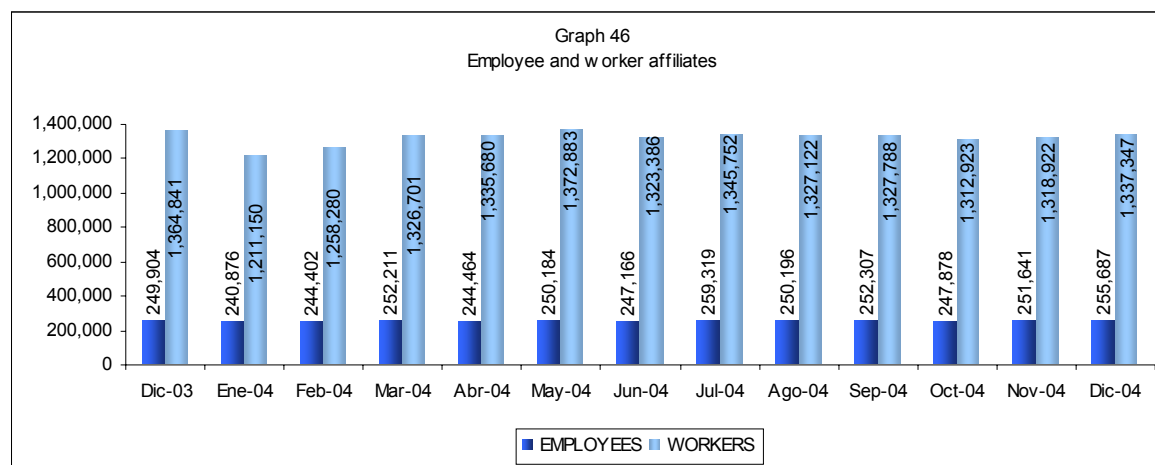


SOURCE: ARP-ISS/ FINANCIAL STATEMENTS IN VERIFYING PROCESS

### 5.2 EMPLOYERS AND AFFILIATE EMPLOYEES

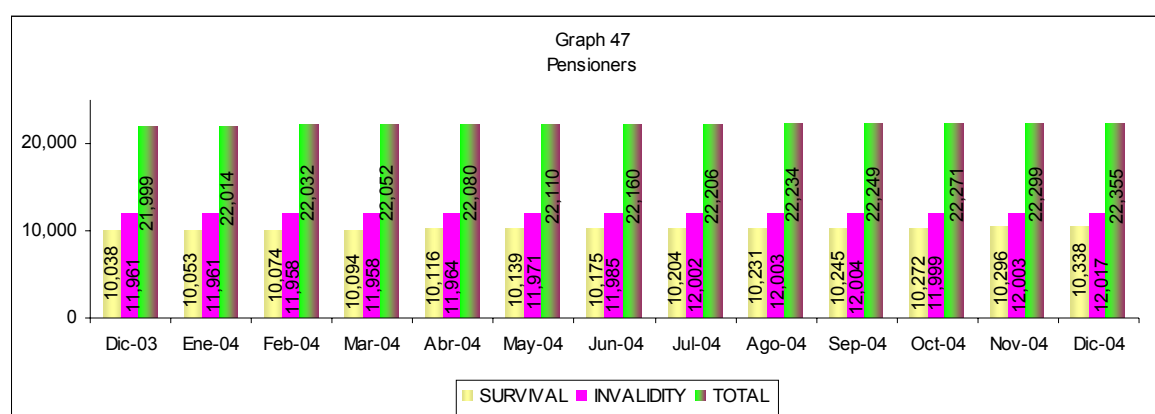
Affiliated employees to the ISS's professional risk insurance company (ARP) during last year (between December 2003 and 2004) reported a growth of 2,31% passing from 249.904 to 255.687, respectively.

Affiliate workers, during the same period presented a reduction of 2,01% passing from 1.364.841 to 1.337.347. (Graph 46)



### 5.3 PENSIONERS

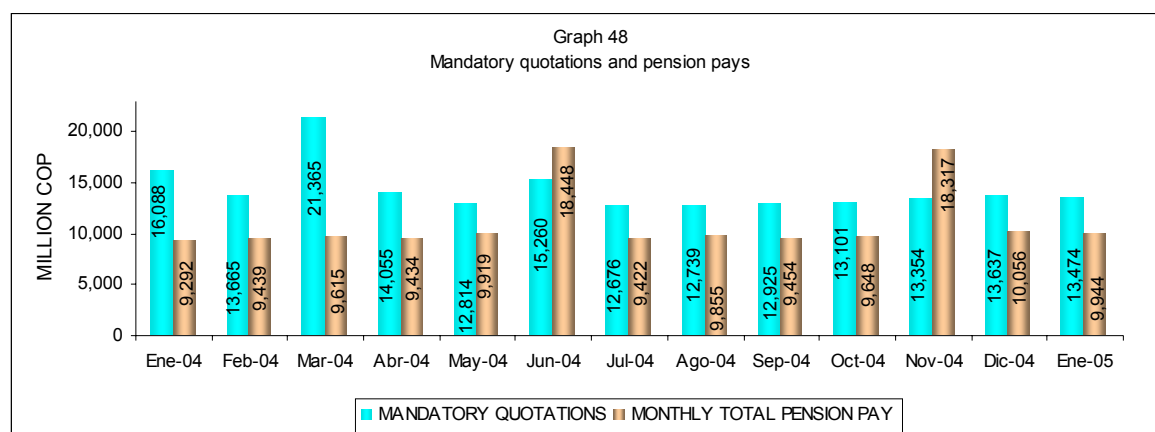
From the total of pensioners who report to ISS's ARP in December 2004, 10.338 correspond to survival pension and 12.017 to invalidity pension. During last year, the number of pensioners of survival pension showed a growth of 3.37%, invalidity pension a growth of 0.6% and total pensioners reported an increment of 1.86%. (Graph 47)



SOURCE: ARP-ISS

### 5.4 MANDATORY QUOTATIONS AND PENSION PAYMENTS

Between the months of January 2004 January 2005, ISS's ARP received USD 78,2 million dollars in quotations from affiliate employers, for a monthly average of USD 6 million dollars. The amount paid during the same period on pension payments ascended to USD 60.328 dollars, for a monthly average of USD 4 million dollars— taking into account that law establishes an annual cancellation of 14 pension payments. Financial statements and statistical reports are in evaluation and depuration process in order for them to be adjusted to the instructions of External Circular 044 of 2003. (Graph 48)



SOURCE: ARP-ISS