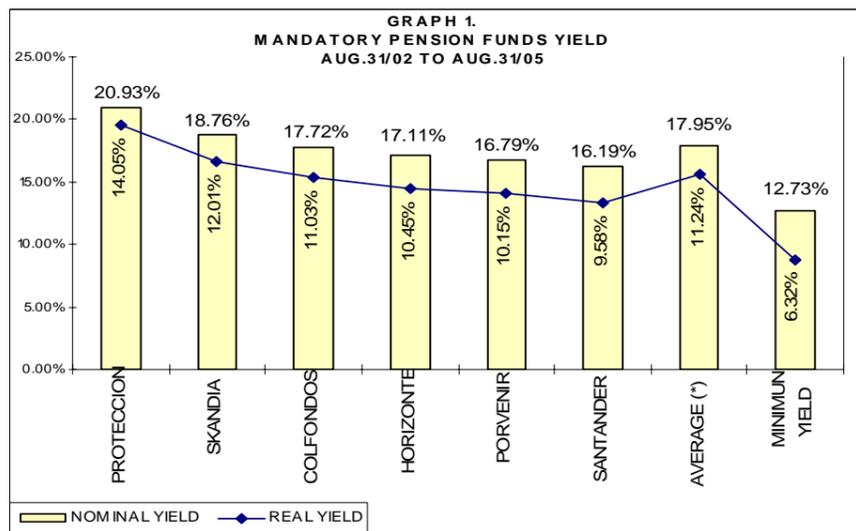


**PERFORMANCE OF MANDATORY PENSION FUNDS, VOLUNTARY PENSION FUNDS,  
UNEMPLOYMENT FUNDS, PAY AS YOU GO REGIME AND ADMINISTRATOR OF PROFESSIONAL  
RISKS OF THE ISS AUGUST OF 2005**

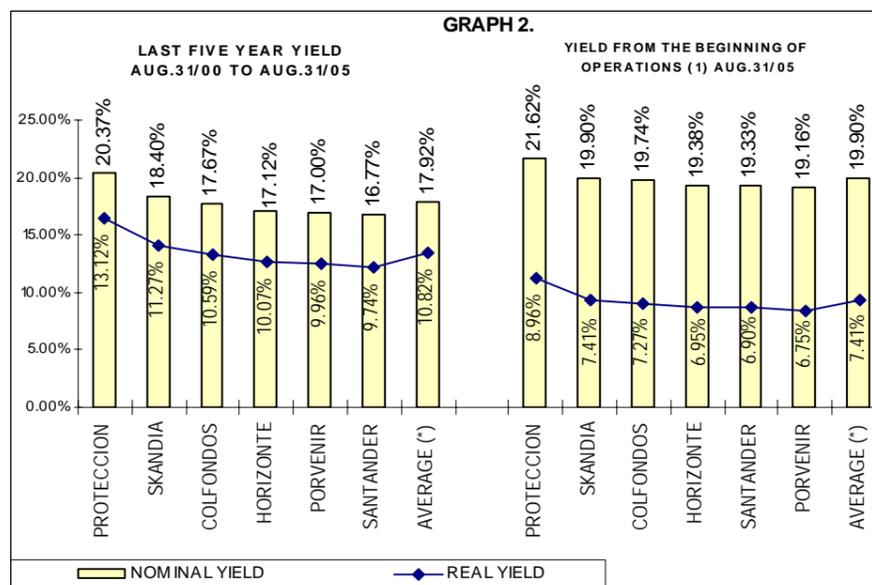
**1. MANDATORY PENSIONS FUNDS**

**1.1 MANDATORY PENSION FUNDS YIELD**

The accumulated yield of mandatory pension funds during the last three years, period that considers for the calculation of the minimum yield, was in average of the 17.95% cash annual, equivalent to a 11.27% yield real of and superior to the demanded minimum yield in 5.22 percentage points. Individually, the funds reached yields that go from the 16.19% to the 20.93% (graph 1).



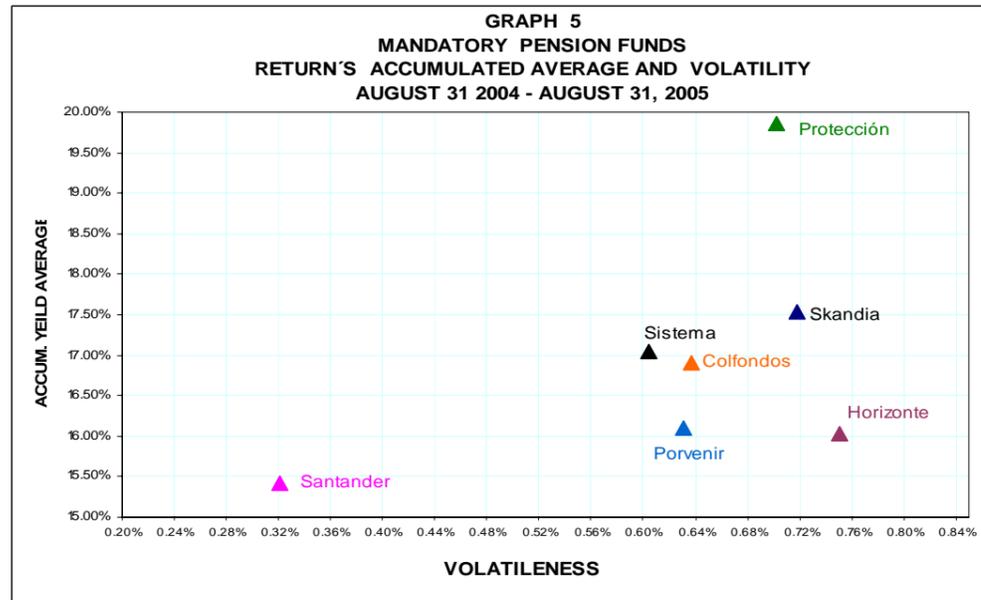
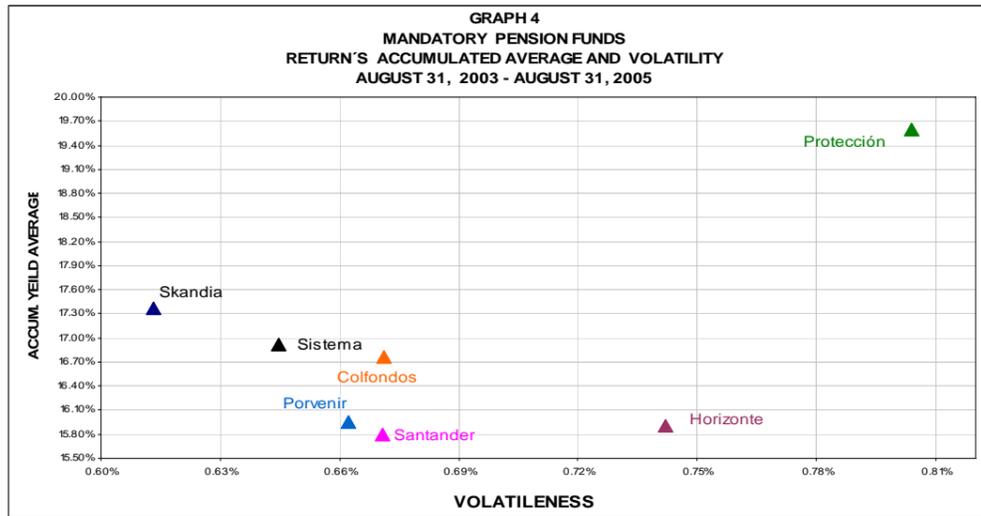
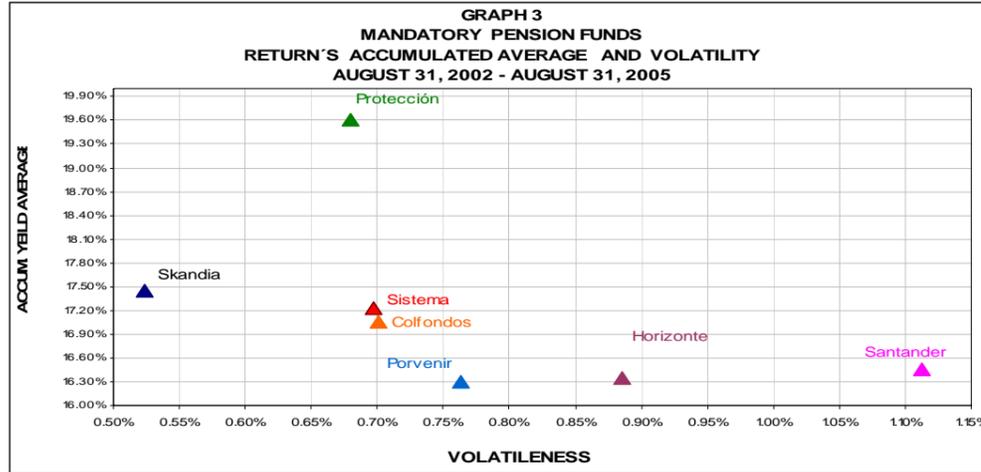
During the last five years mandatory pension funds obtained a yield effective average of 17.92% annual, the equivalent one to a real yield of the 10.82%, whereas the yield average from beginning of operations to the 31 of August of 2005 were of the 19.90% annual cash, that corresponds in real terms to the 7.37% (graph 2).

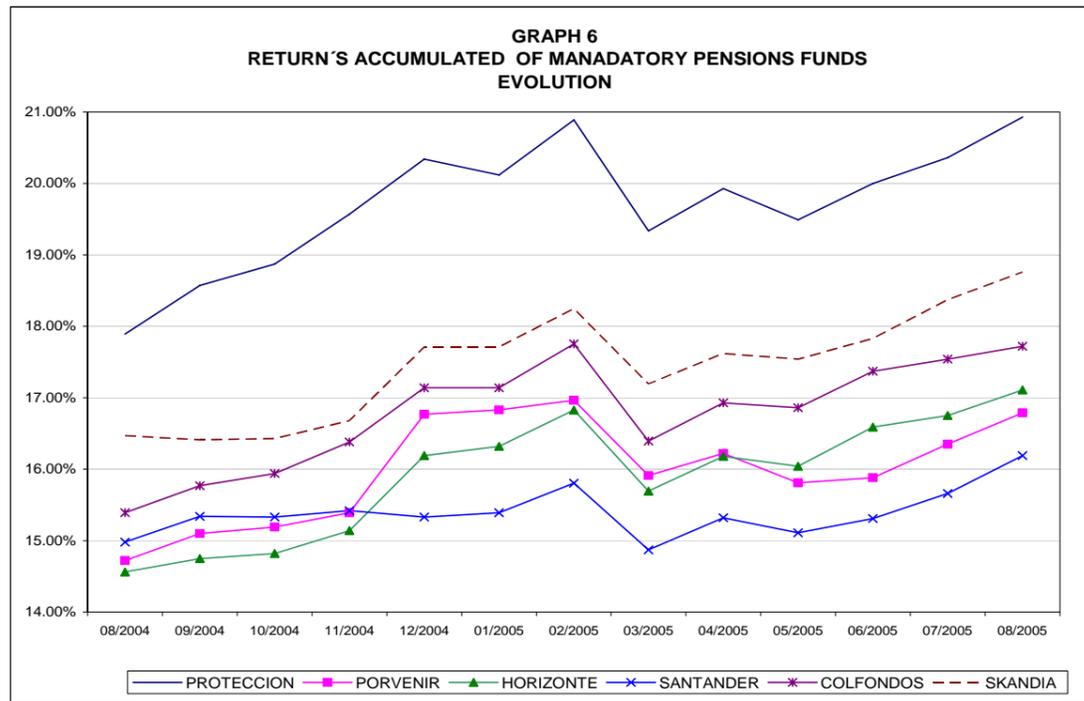


(\*) Weighed by the balance daily average of the patrimony  
(1) May 1994, without Skandia that began in march 1995

1.2 VOLATILITY AND EVOLUTION YIELDS

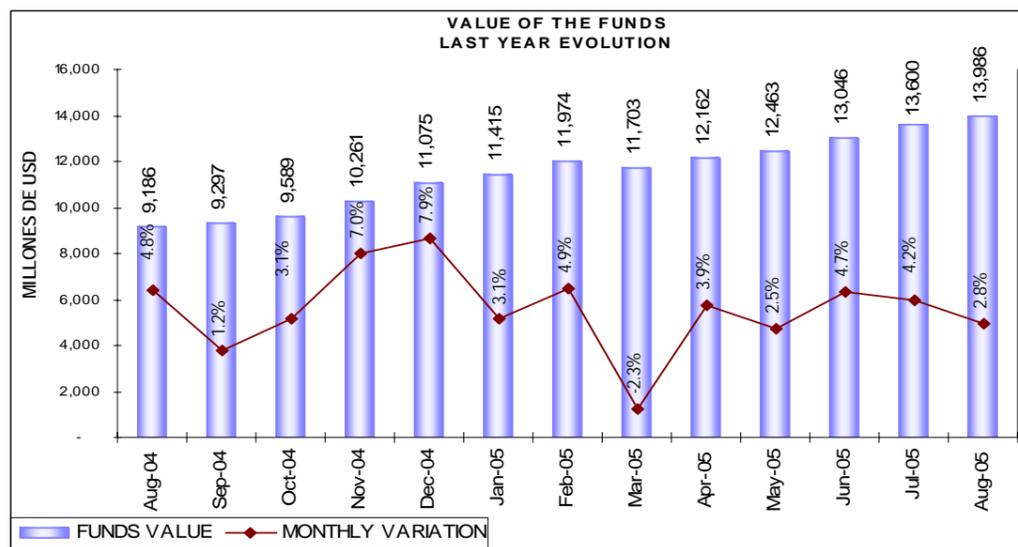
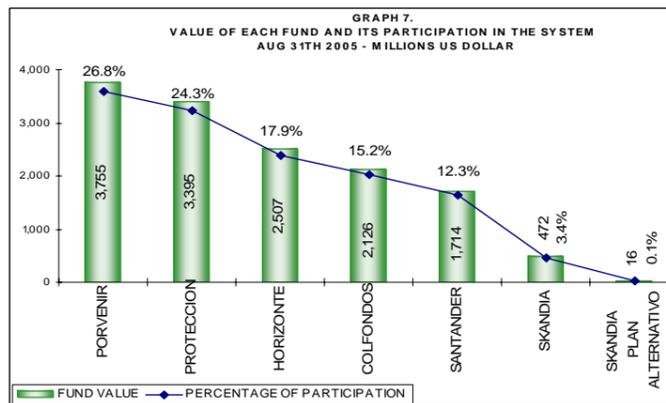
The average of the calculated accumulated yields during the last thirty and six months of the funds was the 17.23% % of annual cash and its volatility (standard deviation) of the 0.70%. This average for the last two years was of the 16.92%, with a volatility of the 0,64%, whereas for the last year the yield average was in the 17.05% and its volatility in 0.60%. 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.





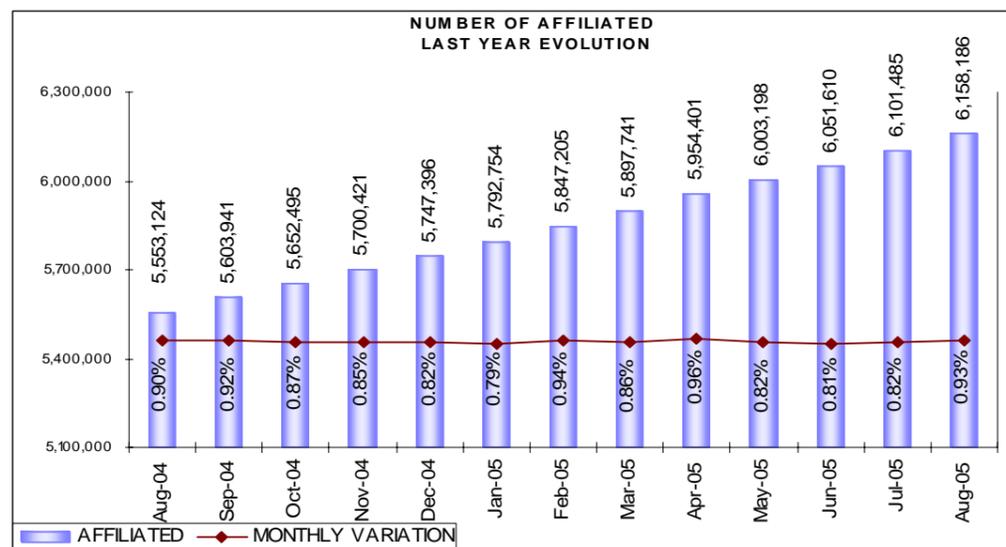
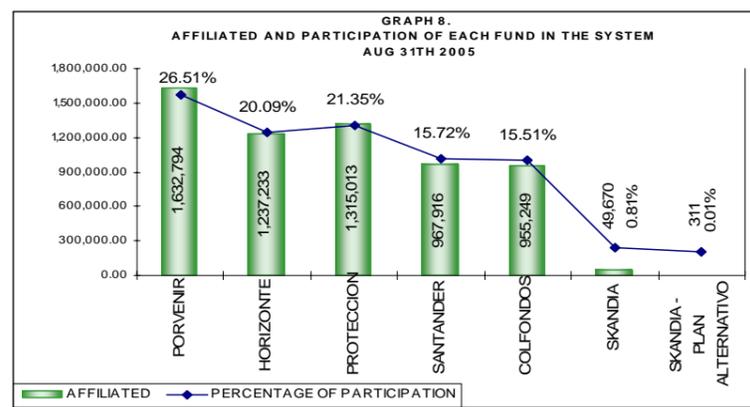
**1.3 VALUE OF THE FUNDS**

The value of mandatory pension funds reached to the 31 of August of 2005 a value of USD 13.9 billions, superior in \$386 million the value registered to the 31 of jul, that is to say, a 2,8% (graph 7, Chart 1.1).

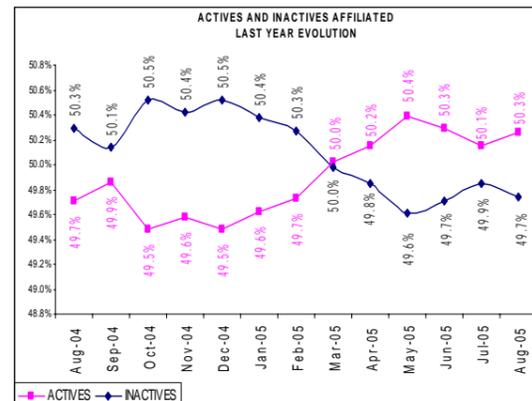
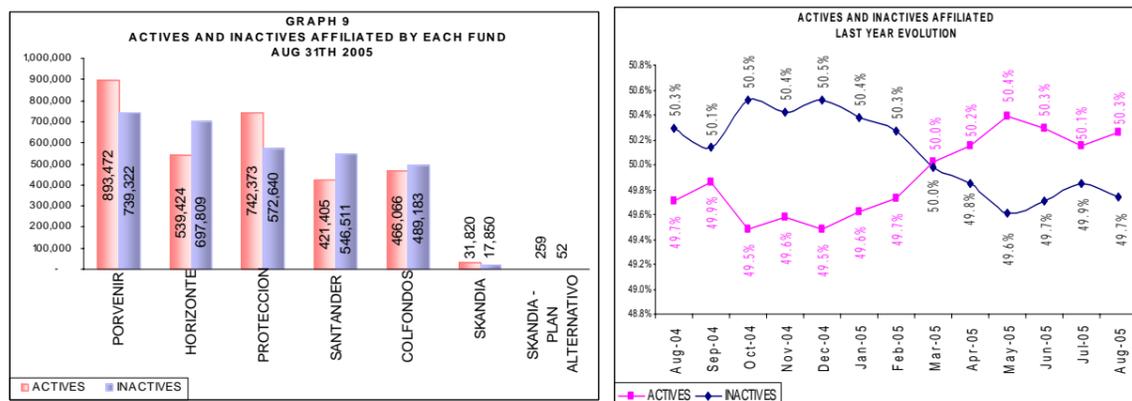


## 1.4 AFFILIATED

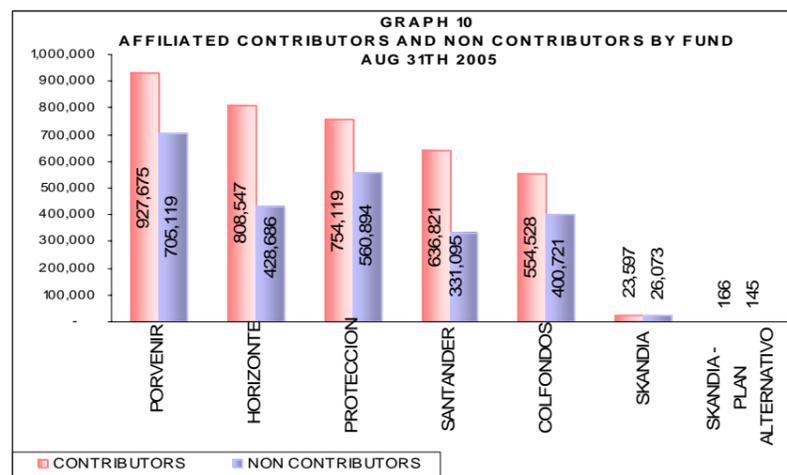
The number of affiliated with the regime of individual saving with solidarity to the 31 of August of 2005 ascended to 6.158.186, with an increase of the 0.9%, that is to say, 56.701 affiliated as opposed to the number reported to the 31 of jul. (Graph 8).



Of the total of affiliated with the funds of mandatory pension funds, the 50.3% correspond to affiliated active, that is to say, 3.094.819 and the 49.7%, that is 3.063.367 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 60.2% it corresponds to noncontributors, is to say to 3.705.453 and the 39.8%, that is 2.452.733, 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 85,4% happen less than two minimum wages, the 9,2% perceive income between two and four minimum wages and the 5,4% 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 55,8% are men and the 44,2% women.

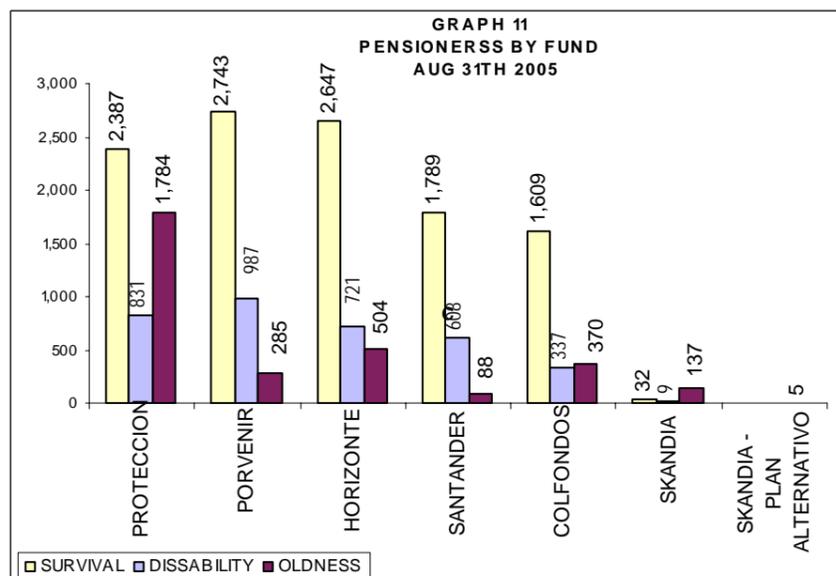
The 96,3% of the total number of affiliated with the system correspond to workers with labor bond and the 3,4% to independent workers.

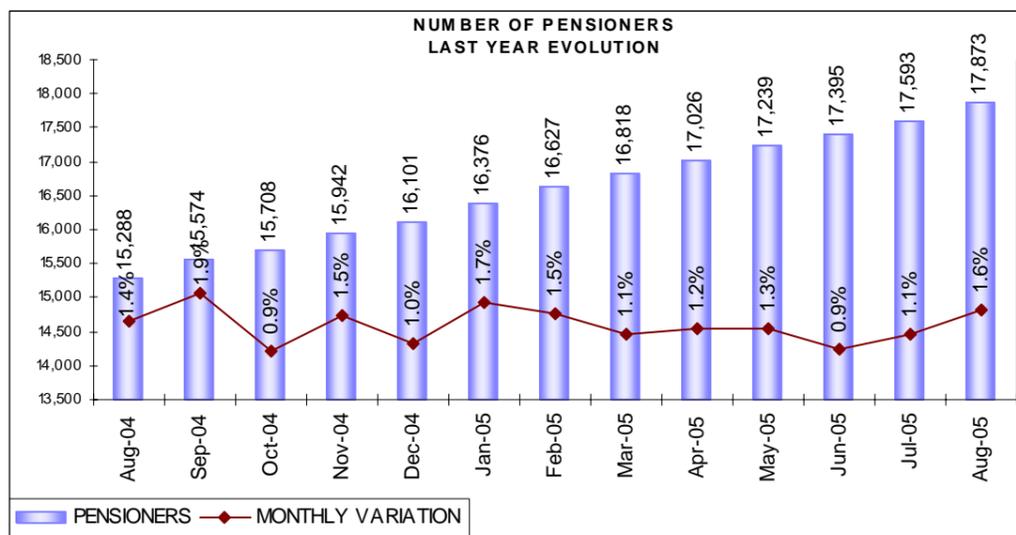
As far as the origin of the affiliated ones, it is important to write down that the 59,4% correspond to people who entered to the system, 29,3% come from the Pay As You Go regime, the 10,2% to transfers between AFPs and the 1,1% come from the Government social security funds (Chart 1.2).

### 1.5 PENSIONERS

To the 31 of August of 2005 the Regime of individual saving with solidarity counts on 17.873 pensioners, 11.207 by sobreexperience, 3.493 by dissability and 3.173 by oldness (graph 11).

The 48,1% of the pensioners, are to say 8.588, have decided on the modality of programmed retiree's pension; the 51,9%, 9.283 pensioners, by the one of immediate life rent and 2 pensioners by the one of retirement programmed with deferred life rent (Chart 1.3).

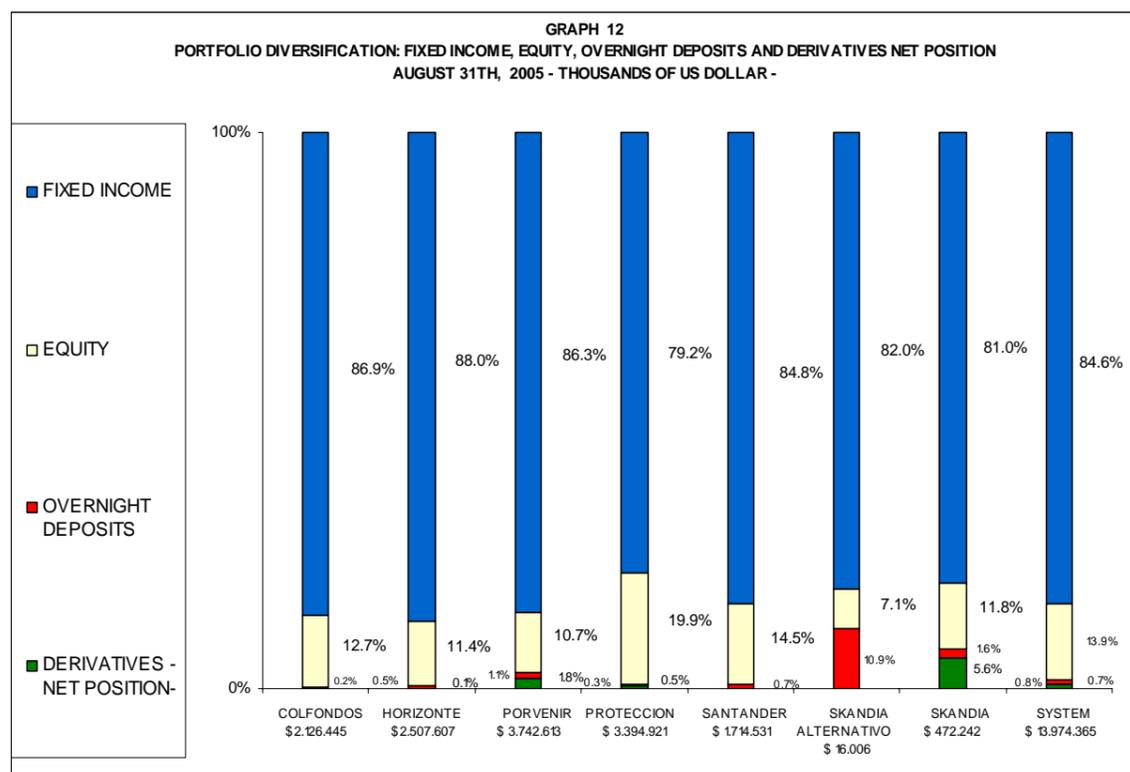


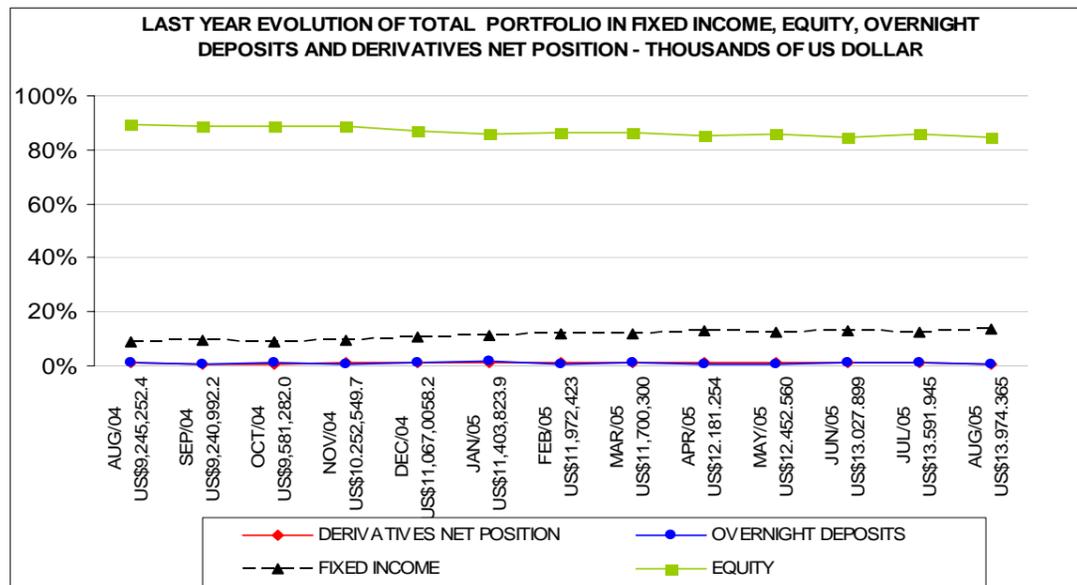


## 1.6 INVESTMENT PORTFOLIO

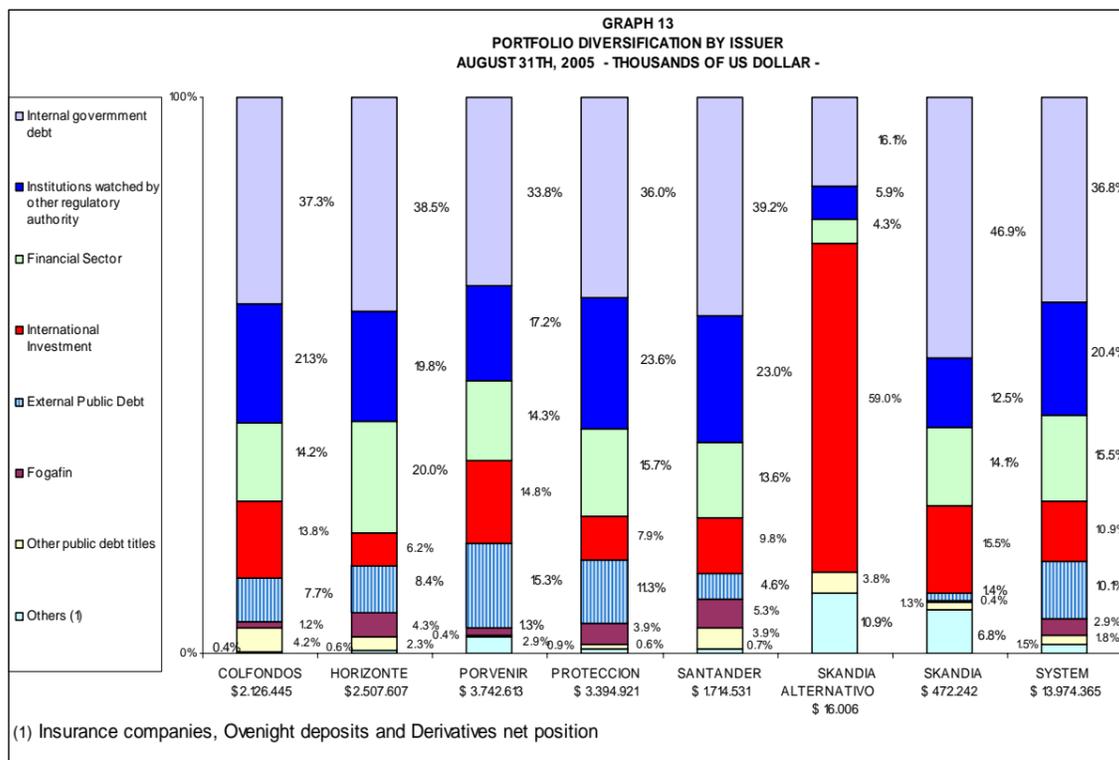
The value of portfolio of Mandatory Pension Funds at the end of August 31, 2005 promoted to USD\$13.974.4 millions, increasing in 2.8% the value registered to the closing of the previous month, date in which was of USD\$ 13.591.9 millions.

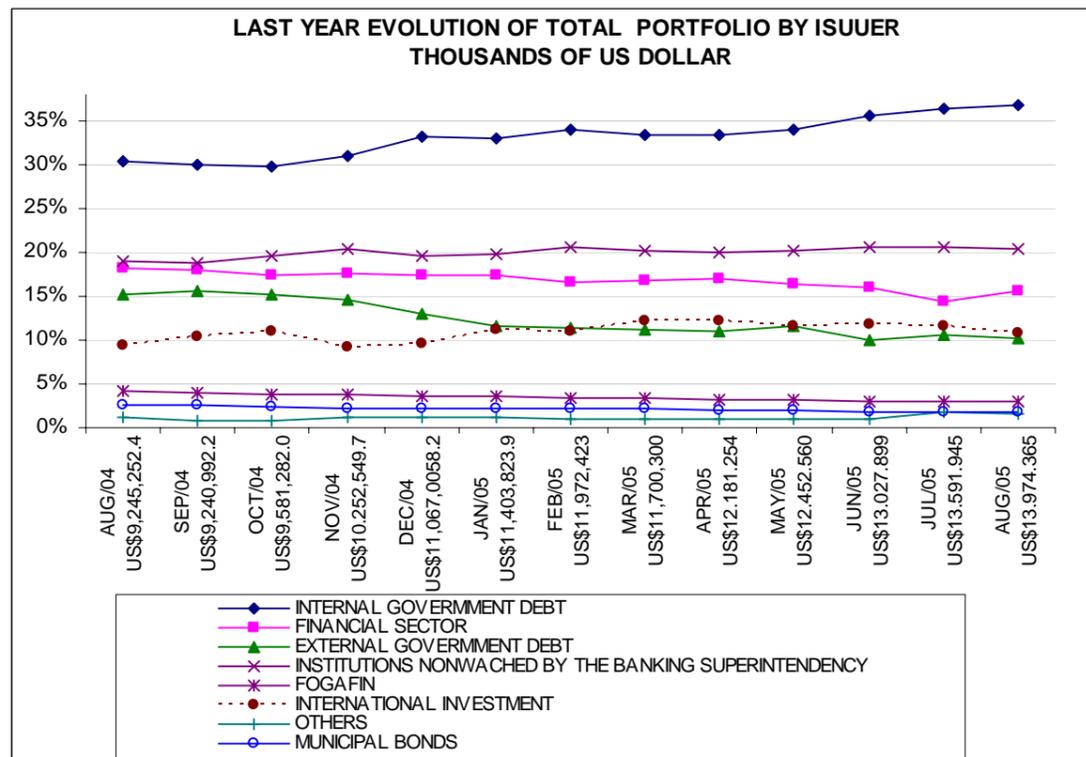
To the closing of August, 2005, 84.6% of portfolio of the mentioned funds, that is to say, USD\$11.823.6 millions correspond to investments of fixed income; the 13.9%, USD\$1.940.9 million, to investments in equity; the 0.7%, USD\$ 91.5 million, to overnight deposits and the 0.9%, USD\$118.2 million, to the net position in derivatives (right less obligations) (Graph 12 and Chart 1.4).



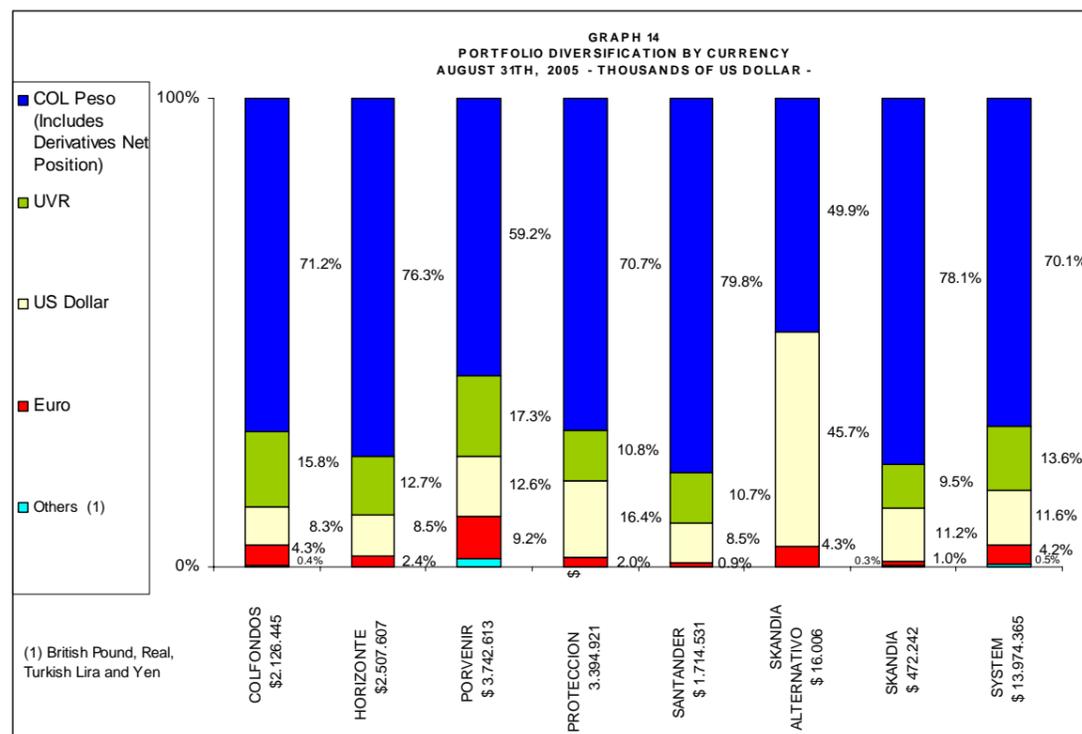


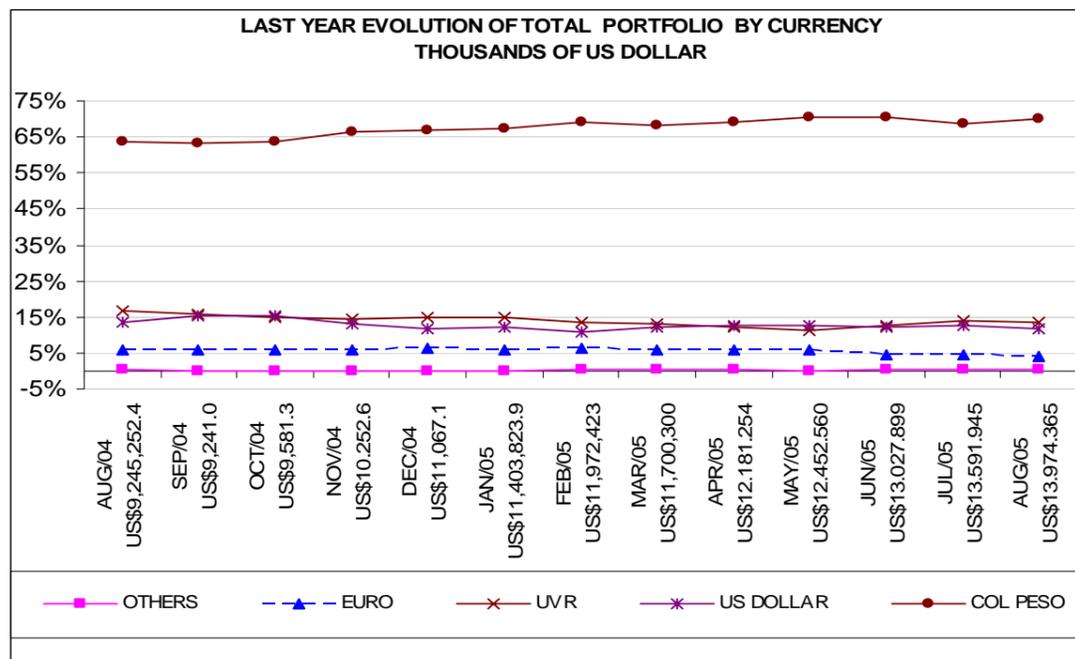
Investment in public debt continues being the most significant in these funds. At August 31, 2005 these investment represented the 48.8% of the value of the total of portfolio (national debt commits the 36.8%, external national debt 10.1% and territorial organizations and decentralized entities 1.8%), followed of the titles emitted by institutions watched by other regulatory authority with 20.4% and titles emitted by financial institutions that counted on a participation of the 15.5% (Graph 13 Chart 1.4 ).



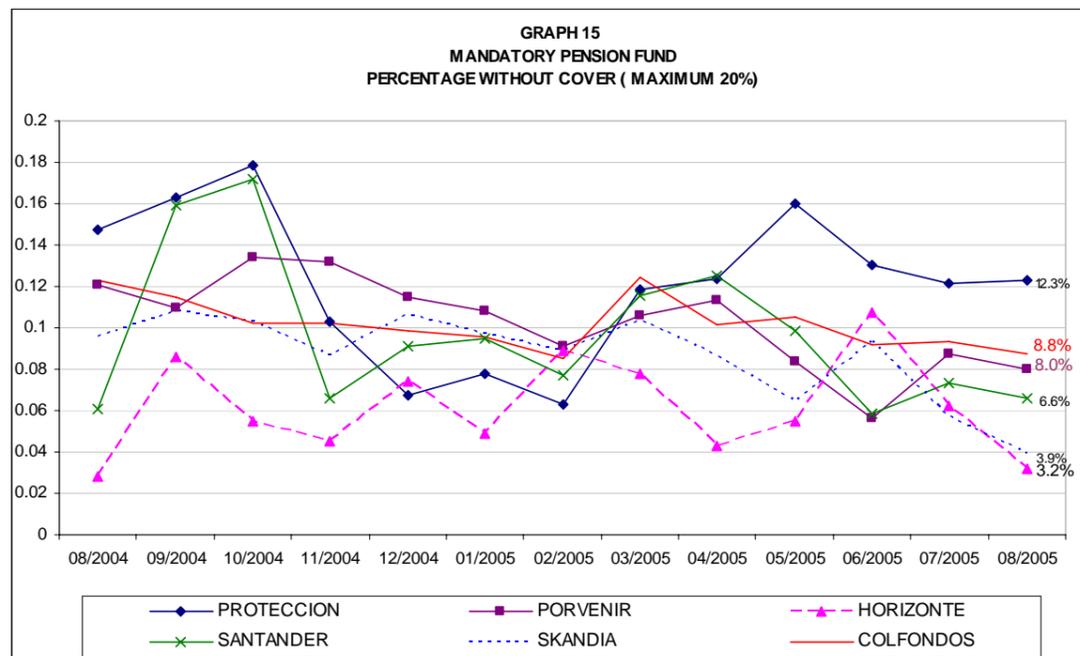


The 70.1% of portfolio mention before is denominated in Colombian pesos, the 13.6% in UVR, the 11.6% in US Dollar, the 4.2% in euros and rest 0.4% in British Pound, Real, Turkish lira and Yen. (Graph 14).

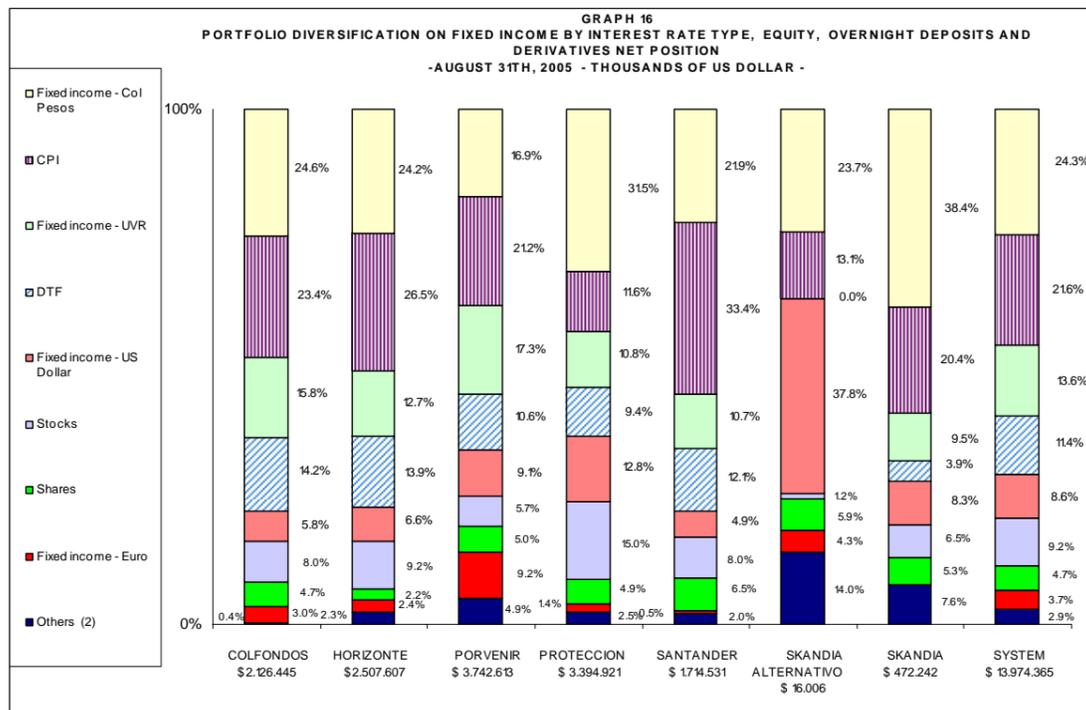




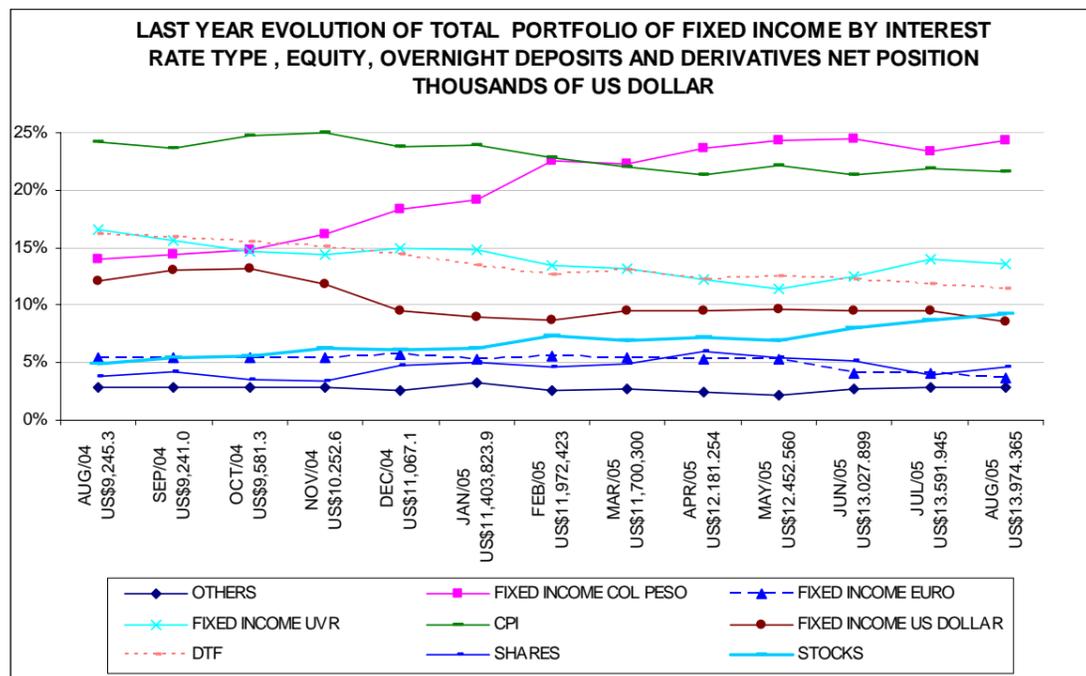
Concerning the foreign currency position, it is observed that 51% of this position is covered from the exchange rate fluctuation risk. Uncovered portion represents the 8.0% of the total value of the funds (Graph 15 and Chart 4).



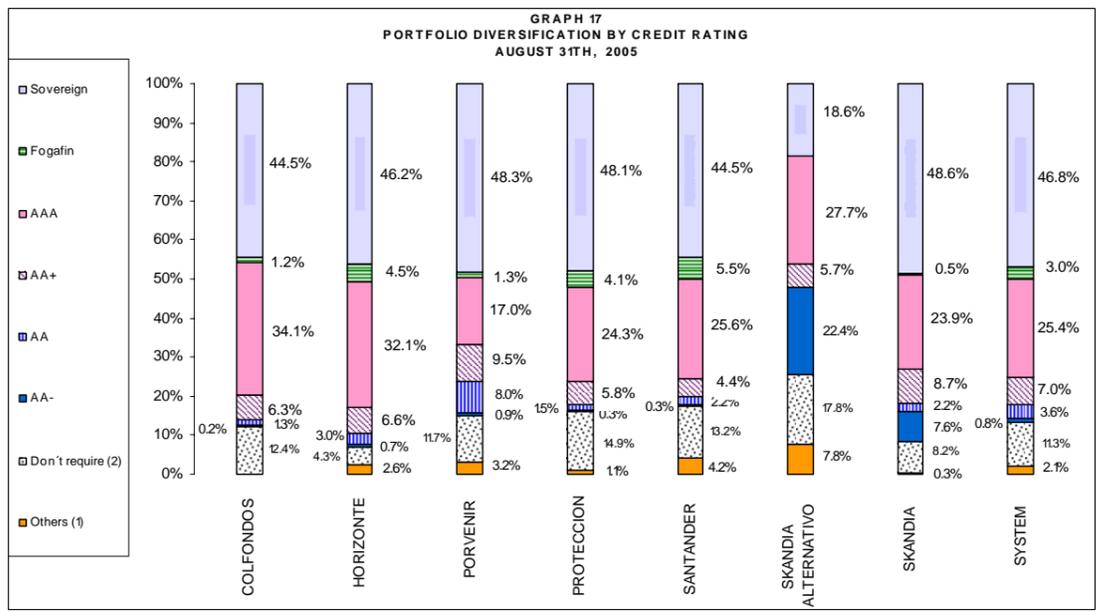
Of another part, the 24.3% of portfolio is invested in fixed income issues denominated in colombian peso, 21.6% indexed to CPI issues, the 13.6% to fixed income in UVR, the 11.4% to the DTF, 8.6% to fixed income in US Dollar, the 3.7% to fixed income in euros; in the meantime, the 9.2% of portfolio is invested in stocks, 4.7% in Shares (Derived from securitizacion processes, Mutual Funds, Unit rust funds and Index Fund) and rest 2.9% are titles indexed to fixed income in British Pound, Real from Brazil, yen, the variation of the UVR, CPI middle income, turkish lira Overnight Deposits and net position in derivatives. (Graph 16 and Chart 1.5).



(1) Securitization, Mutual Funds, Index Funds, Unit Trust Funds  
 (2) Fixed income in British Pound, Real from Brazil, Yen, Floating UVR, CPI Middle income, Overnight Deposits and Derivatives net position



As far as the classification of portfolio by credit risk, it is observed that the 46.8% are titles emitted by the Nation, the 25.4% are investments with qualification AAA, the 7% AA+, the 3.6% AA, the 3% are titles emitted by the Fogafin, the 0.8% AA -, the 11.3% are investments that do not require qualification and rest 2.1% corresponds to titles with A+ A, A- 1+, 1, BBB+, BBB, BBB-, BB-, B, B-, D and Titles of emitters in Liquidation (graph17)



Source: INFORMATION SUPPLIED BY AFP'S

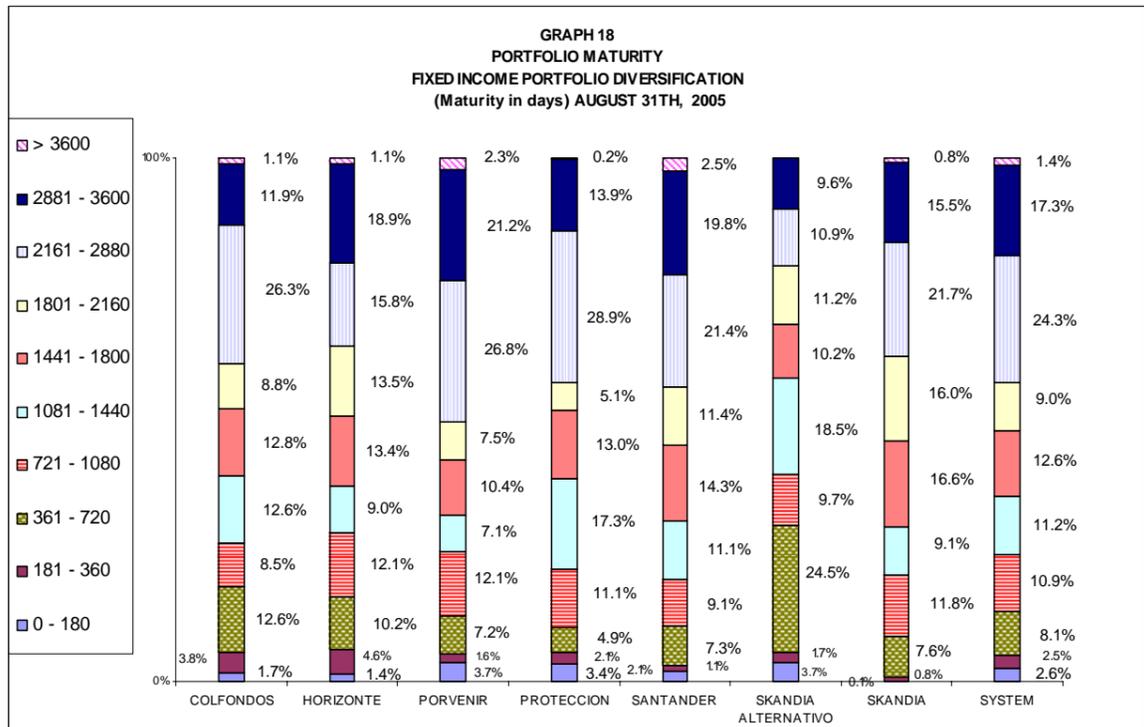
1) Securities with A+, A, A-, 1+, 1, BBB+, BBB, BBB-, BB-, B, B-, D, Securities Titles of issuers in Liquidation

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

Note 1: For effects to establish the percentage, the total value of portfolio 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

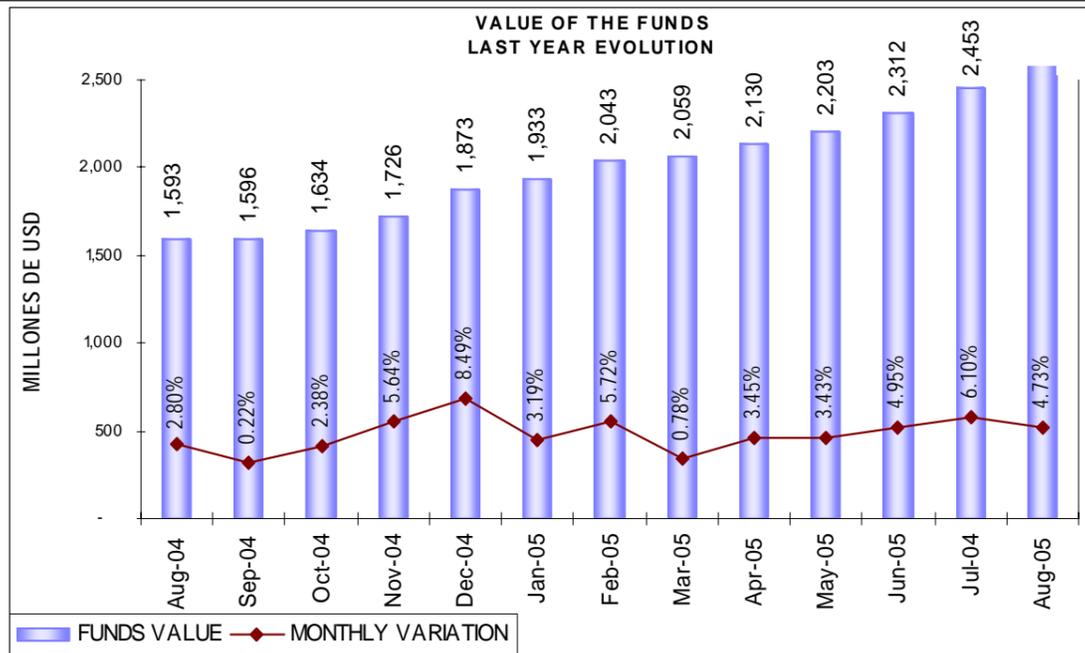
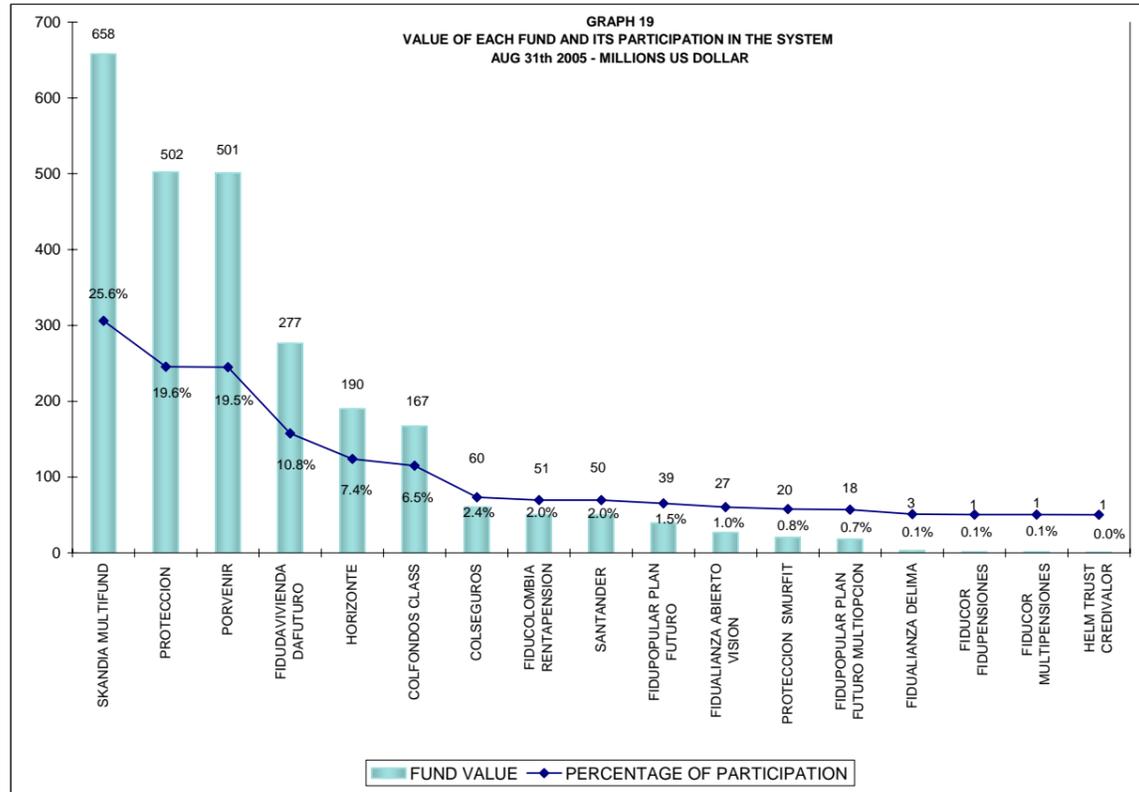
Finally, it is possible to write down that 2.6% of portfolio of fixed income have an inferior maturity to 180 days, the 2.5% between 181 and 360 days, the 8.1% between 361 and 720 days, the 10.9% between 721 and 1080 days, the 11.2% between 1081 and 1440 days, the 12.6% between 1441 and 1800 days, the 9.0% between 1801 and 2160 days, the 24.3% between 2161 and 2880 days, 17.3% between 2881 and 3600 days and the 1.4% have a maturity superior to 10 years (Graph 18 and Chart 1.6).



**2. VOLUNTARY PENSIONS FUNDS**

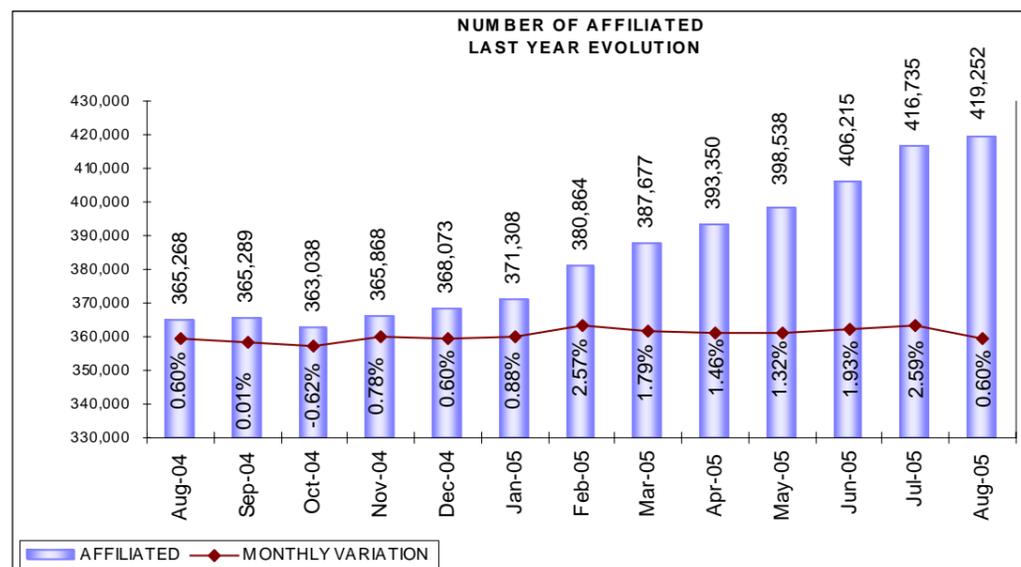
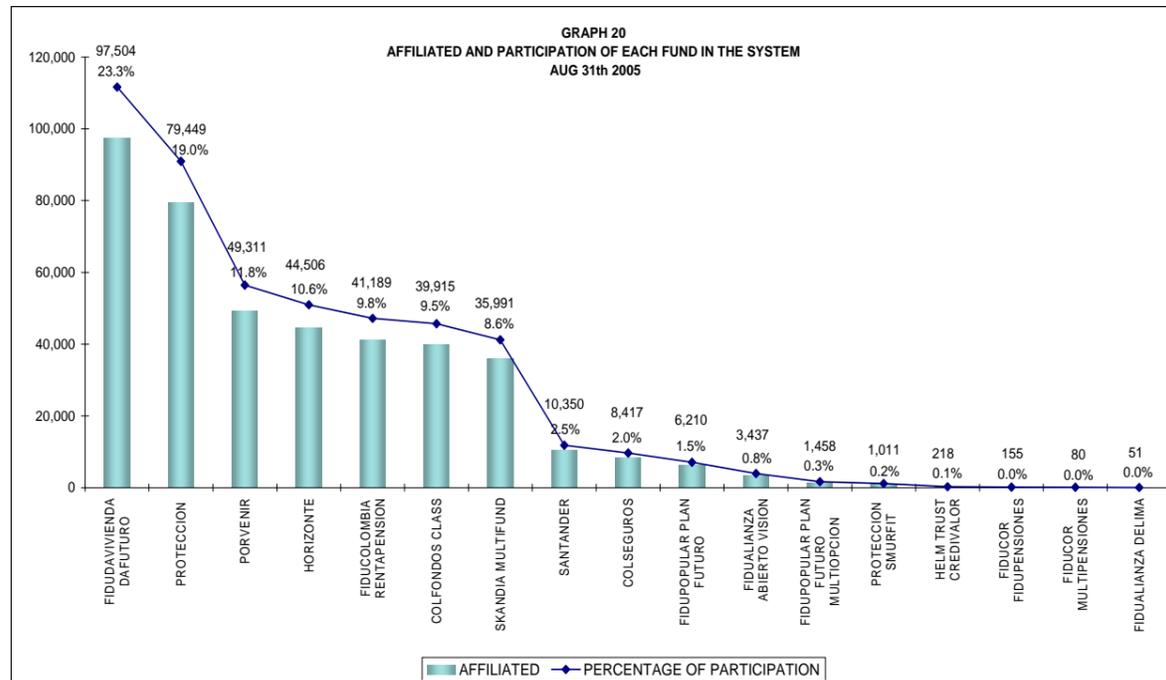
**2.1 VALUE OF THE FUNDS**

The total value of the voluntary pensions funds administered by the societies administrators of funds of pensions, fiduciary societies and insurance agencies to the 31 of August of 2005, reached the sum of USD 2.6 billions, 4.7% surpassing one to the registered value to the 31 of July (graph 19).



## 2.2 AFFILIATED

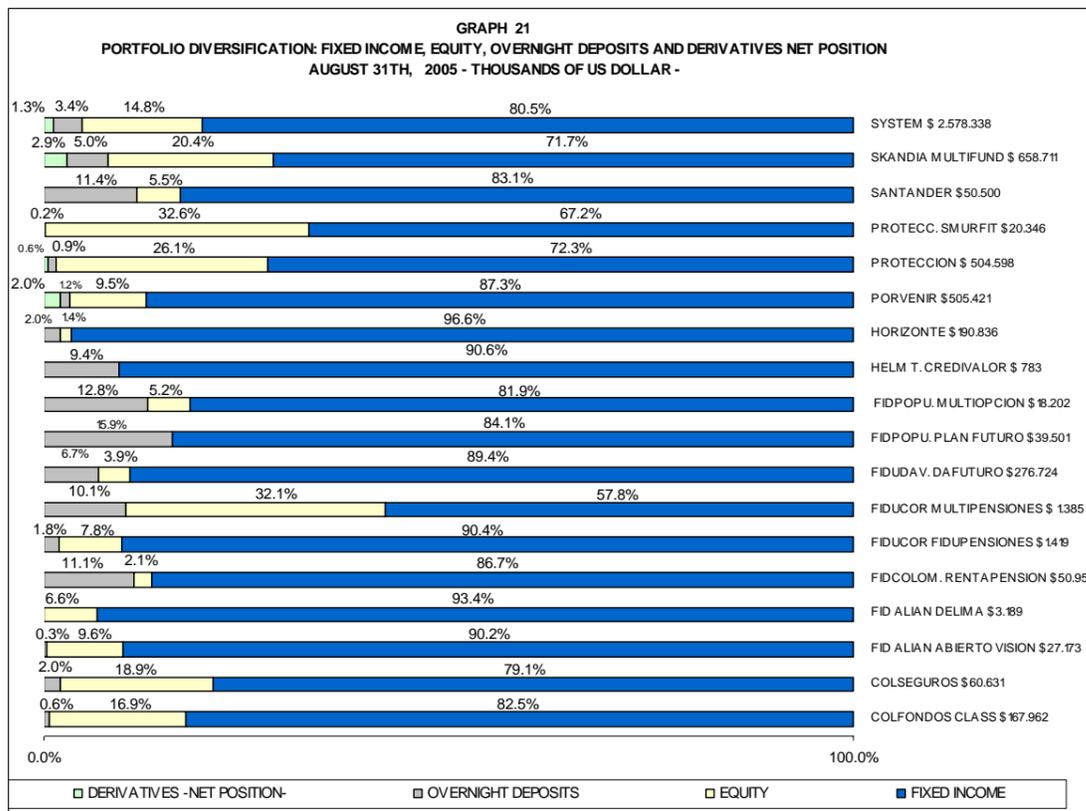
The number of affiliated with the voluntary pensions funds administered by the societies administrators of funds of pensions, fiduciary societies and insurance agencies to the 31 of August of 2005 ascended to 419.252, displaying an increase of 2.517 affiliated, a 0.6% as opposed to the number reported to the closing of the previous month (graph 20).



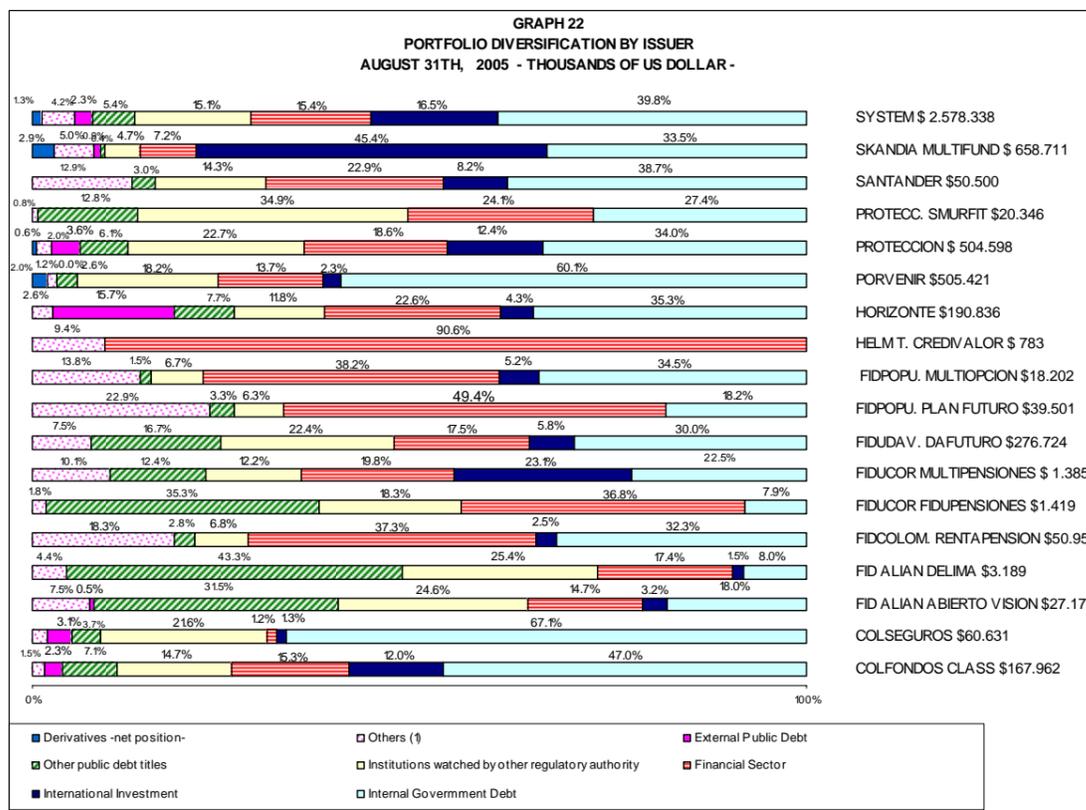
## 2.3 INVESTMENT PORTFOLIO

The value of portfolio of the voluntary pensions funds managed by the pensions funds and unemployment funds managers, fiduciary entities and insurance companies at August 31, 2005 promoted to USD\$ 2.578.3 million, increasing in a 4.8% value registered to the closing of the previous month, date in which was of USD \$ 2.460.4 million.

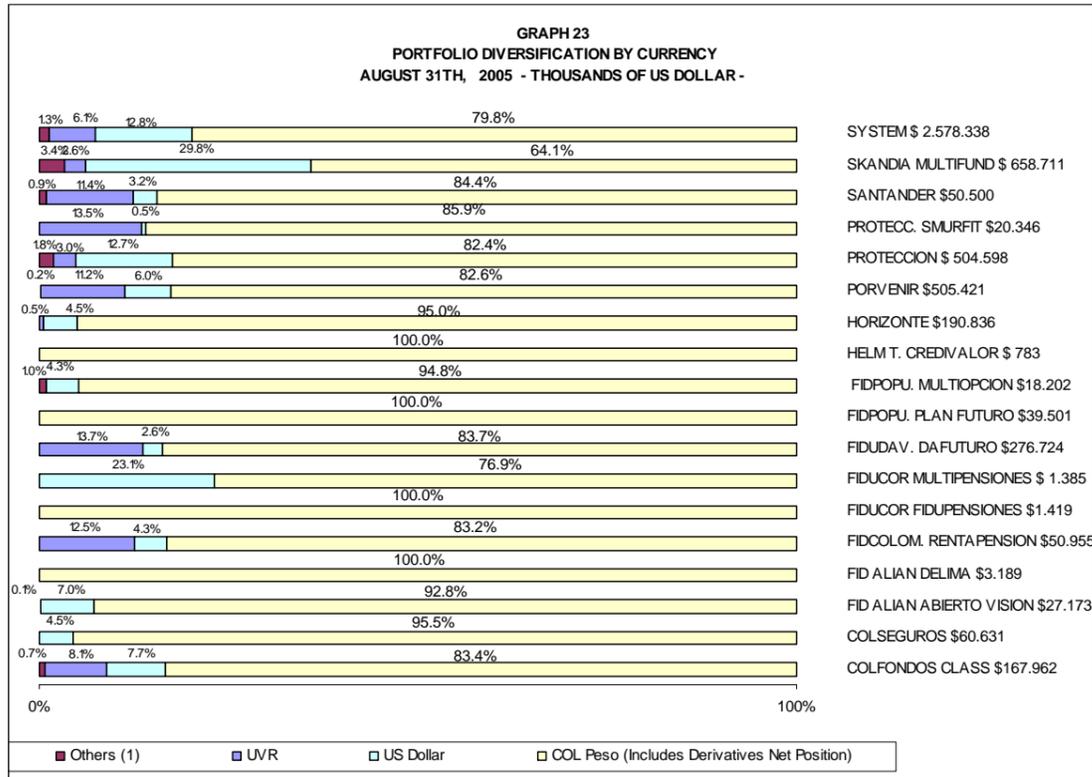
At the end of August 2005, 80.5% of portfolio of the these funds, USD\$2.074.9 millions corresponds to fixed income investments; 14.8%, USD\$ 382.4 millions to investments in equity; 3.4%, \$88.6 millions dollars to overnight deposits and 1.3%, \$32.4 millions dollars to net position in derivatives. (Graph 21 and Chart 2.1.1).



Debt public investment is the most significant investment portfolio of these funds. At August 31st 2005 these investments represented 47.6% of the total value of portfolio (national debt commits 39.8%, external national debt 2.3% and territorial organizations and decentralized entities 5.4%), followed by the external investments with 16.5%, bonds issued by financial institutions with the 15.4% and issues by of institutions watched by other regulatory authority with the 15.1% (Graph 22 and Chart 2.1.1).

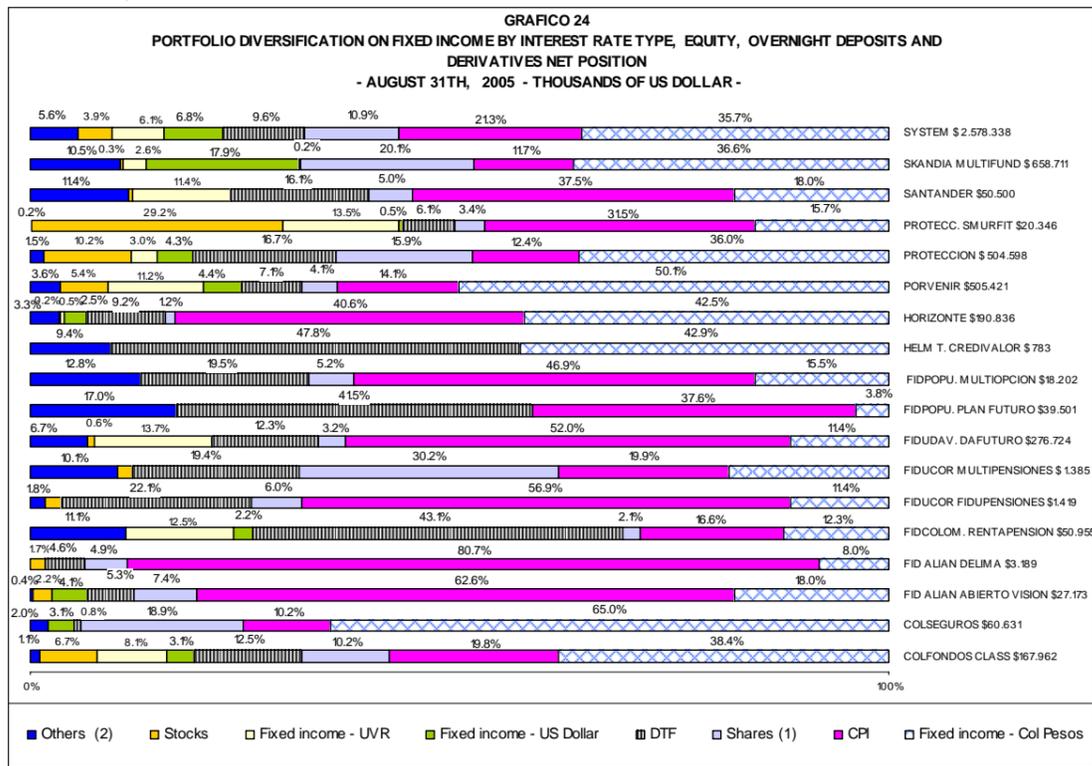


The 79.8% of portfolio mention before is denominated in Colombian pesos, the 12.8% in US dollars, the 6.1% in UVR, 1.1% in euros and the rest, british pound, yen, Turkish lira and Singapore dollar(Graph 23).

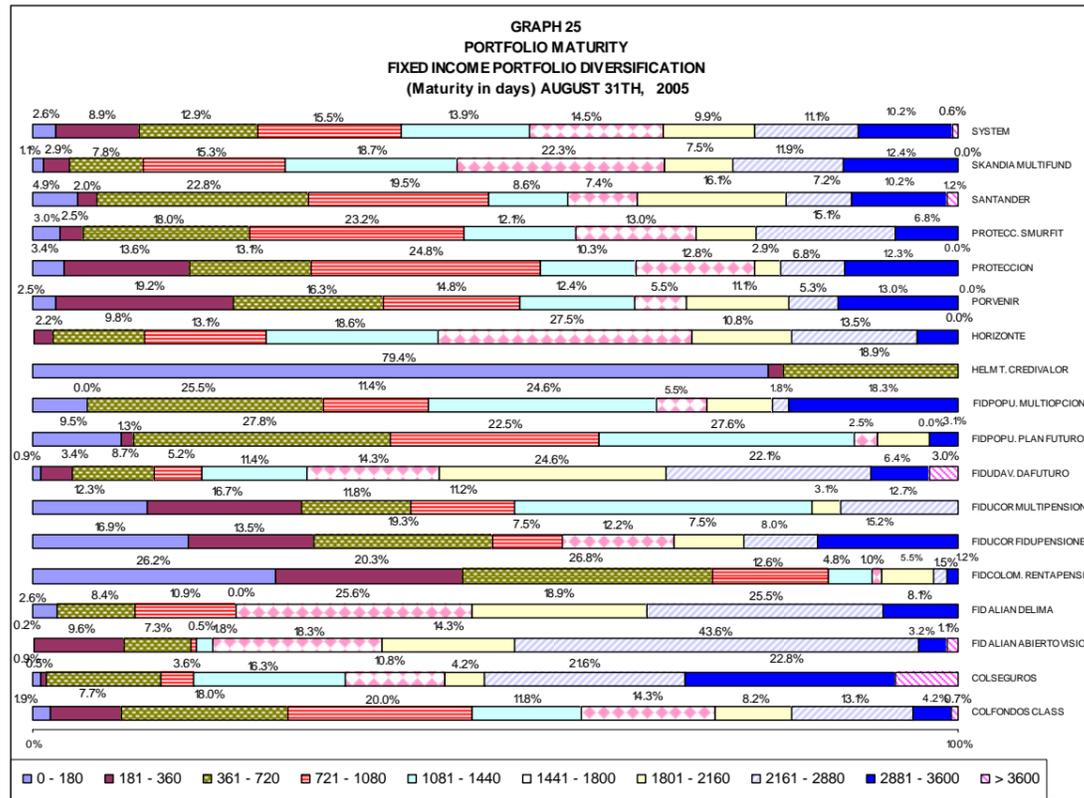


Concerning the foreign currency position, it is observed that 40% of this position is covered from the exchange rate fluctuation risk. Uncovered portion represents 8.5% of the total value of the funds (Chart 4).

On the other hand, the 35.7% of the portfolio is invested in fixed income issues denominated in Colombian pesos, the 21.3% indexed to IPC, 10.9% in Shares (Derived from securitization processes, Mutual Funds, unit trust funds, and Indexed Funds), the 9.6% to the DTF, 6.8% in fixed income indexed denominated in US Dollar, the 6.1% to fixed income in UVR, the 3.9% of portfolio is invested in stocks and the rest 5.6% are fixed income issues denominated in euro, British pound, Singapore dollar, Turkish lira, and titles indexed to IPC, to Libor, overnight deposits and net position in derivatives.(Graph 24 and Chart 2.1.2).



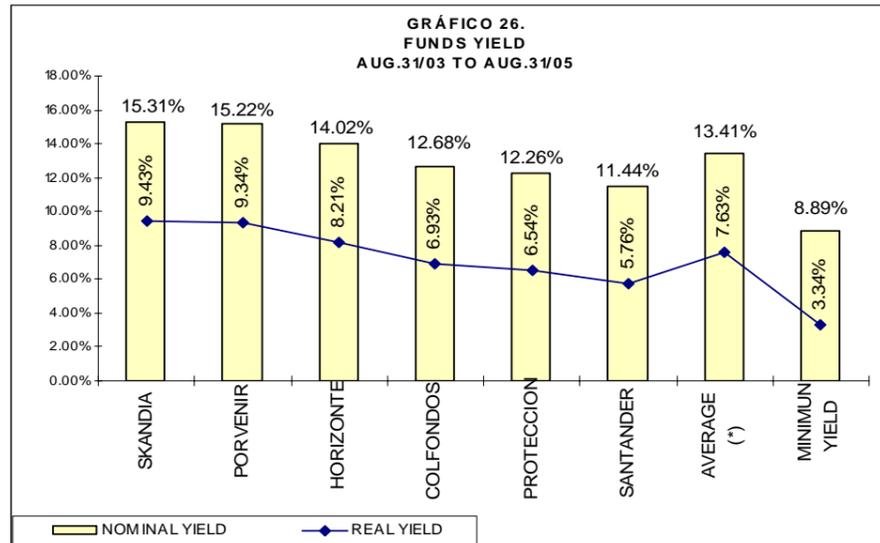
Of another part, the 2.6% of portfolio of fixed income have an inferior maturity to 180 days, 8.9% between 181 and 360 days, 12.9% between 361 and 720 days, 15.5% between 721 and 1080 days, 13.9% between 1081 and 1440 days, 14.5% between 1441 and 1800 days, 9.9% between 1801 and 2160 days, 11.1% between 2161 and 2880 days, 10.2% between 2881 and 3600 days and the 0.6% have a maturity superior to 10 years (Graph 25 and Chart 2.1.3).



### 3. UNEMPLOYMENT FUNDS

#### 3.1 YIELD

During the period August 31 of 2003 to August 31 of 2005, the funds obtained a yield average of the 13,41% cash annual, equivalent to a real yield of the 7.63%. It is important to emphasize that these yields oscillated between the 11.44% and the 15.31% (graph 26).

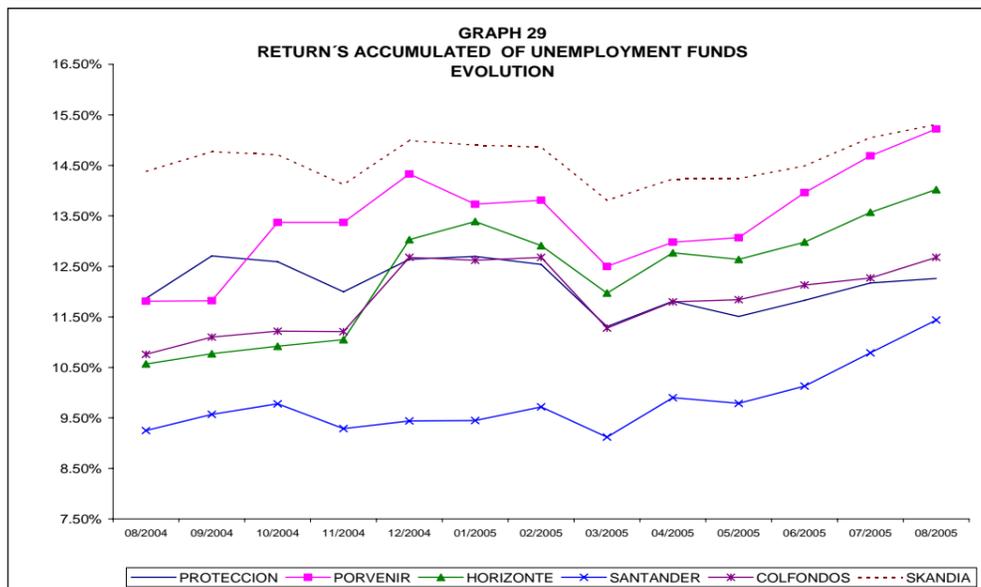
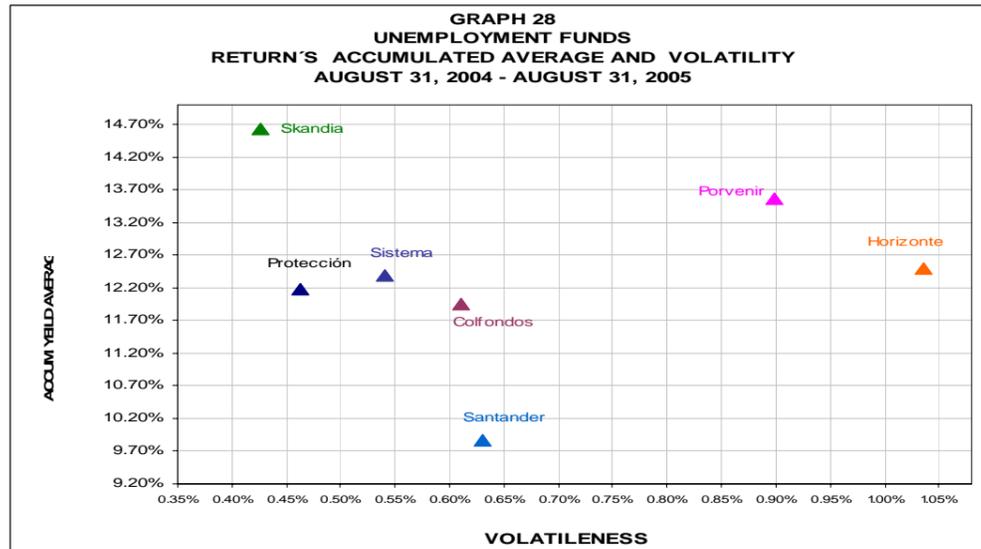
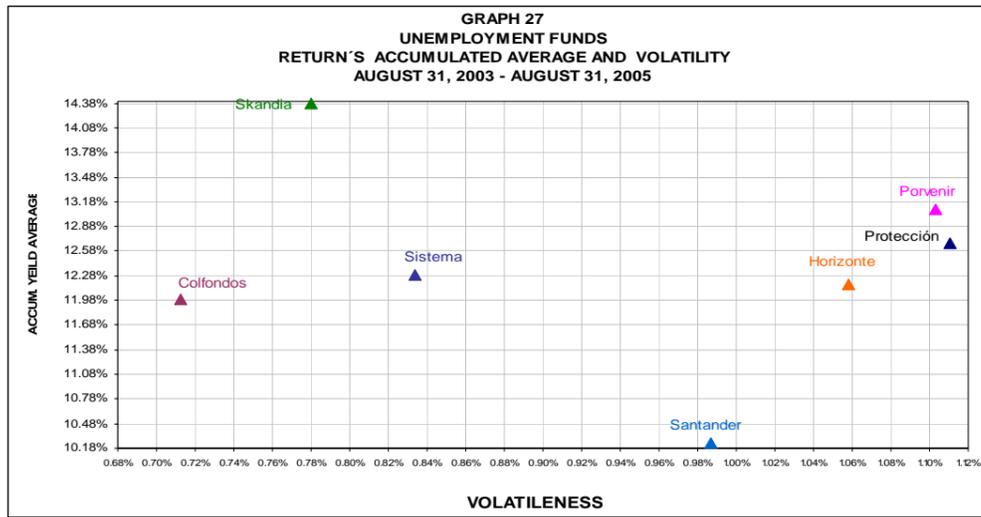


(\*) Weighed by the balance daily average of the patrimony

The obligatory minimum yield certified by the Superintendency of Banks of Colombia for the mentioned period was of the 8.89% annual cash. In average, the funds surpassed in 4.52 percentage points this minimum yield.

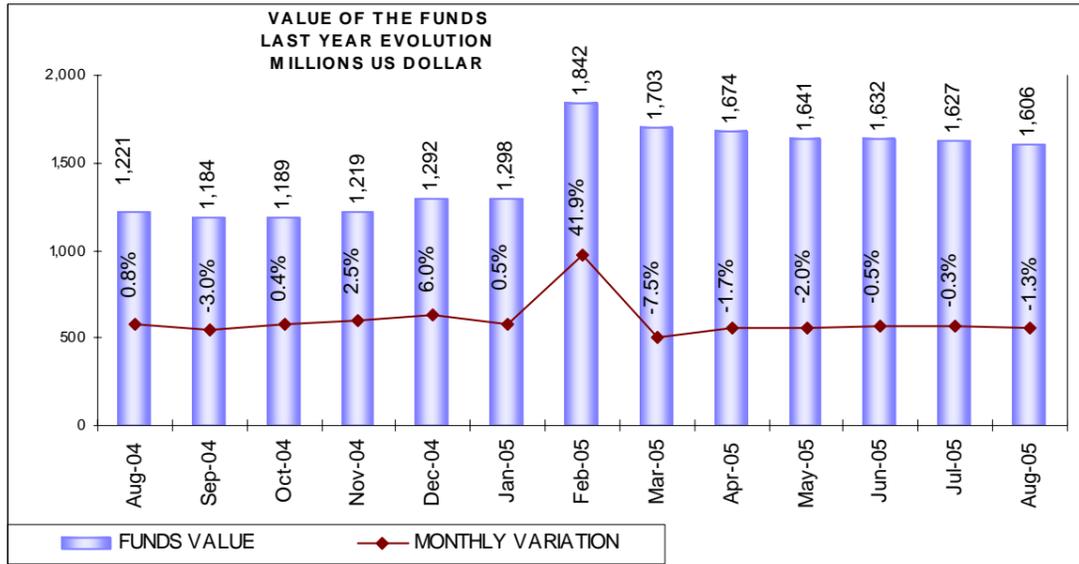
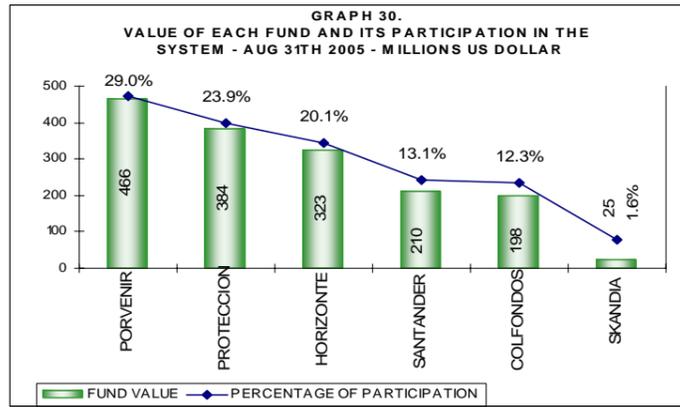
**3.2 VOLATILITY AND EVOLUTION YIELDS**

The average of the calculated accumulated yields during the last twenty-four months of the unemployment funds was 12.29% of annual cash and its volatility (standard deviation) of the 0.83%. This average for the last year was of the 12.39%, with a volatility of the 0.54%, the yield average and its volatility of each one of the funds during the mentioned periods is reflected in graphs 27, 28 and 29.



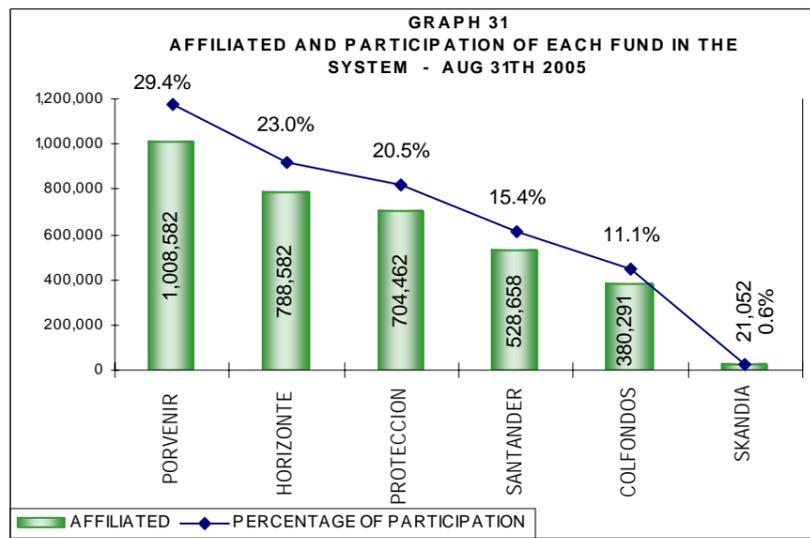
**3.3 VALUE OF THE FUNDS**

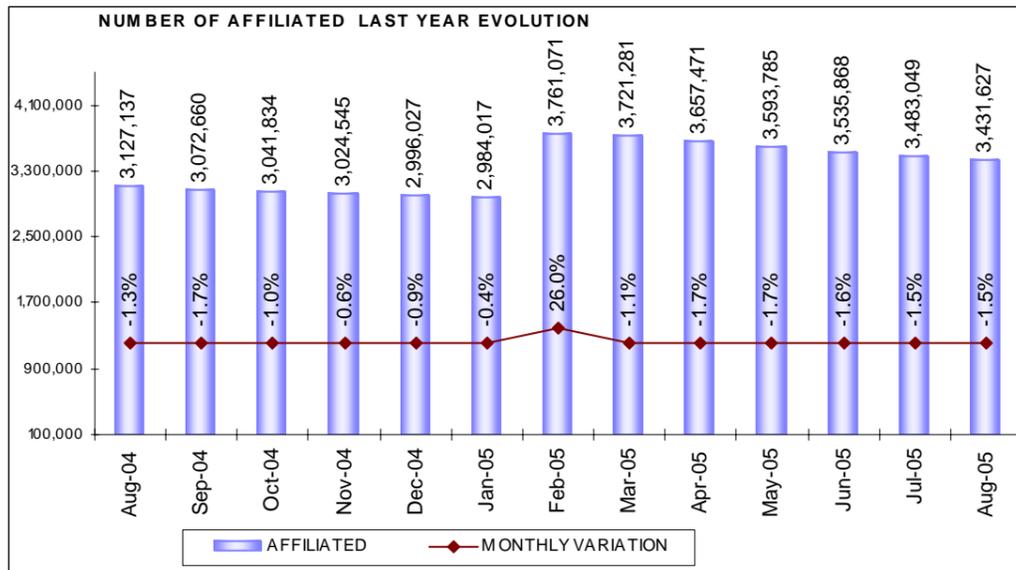
The funds reached to the 31 of August of 2005 a value of \$1.6 billions, a 1.3% inferior one to the registered value to the 31 of July, that is to say, \$21 millions (graph 30).



**3.4 AFFILIATED**

The number of affiliated with the funds on the 31 of August of 2005 was 3.431.62749, displaying an inferior of the 1.5%, that is to say, 51.422 affiliated as opposed to the number reported to the 31 of July. (Graph 31).



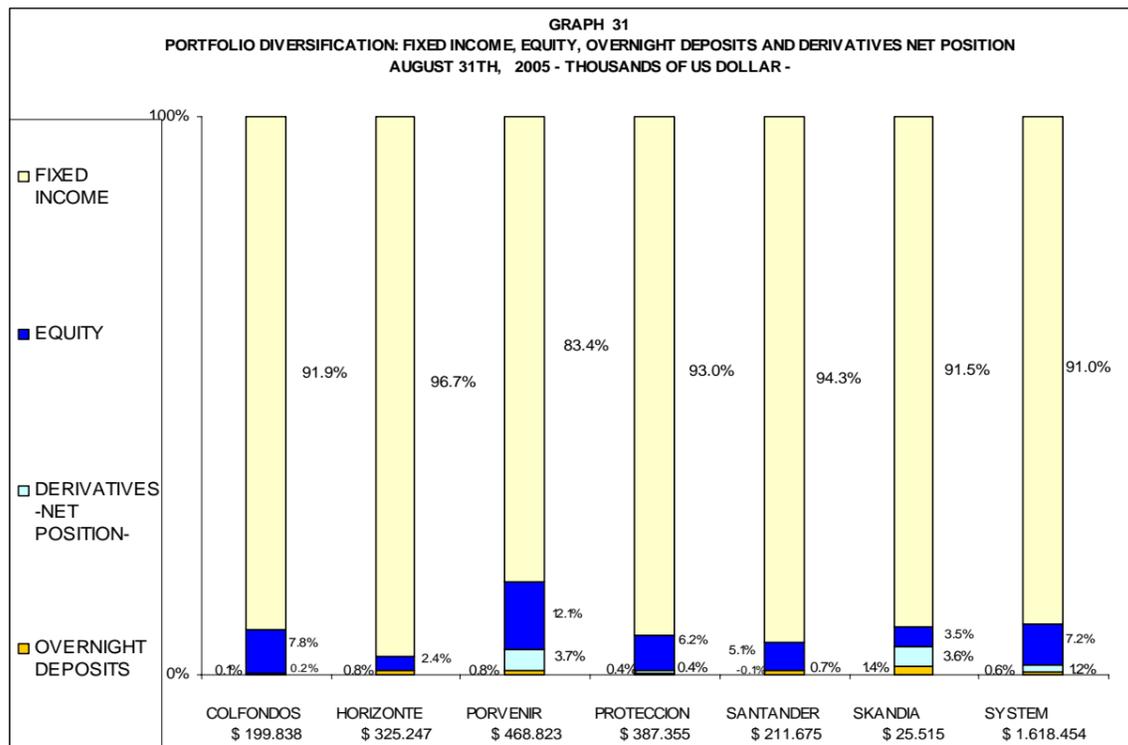


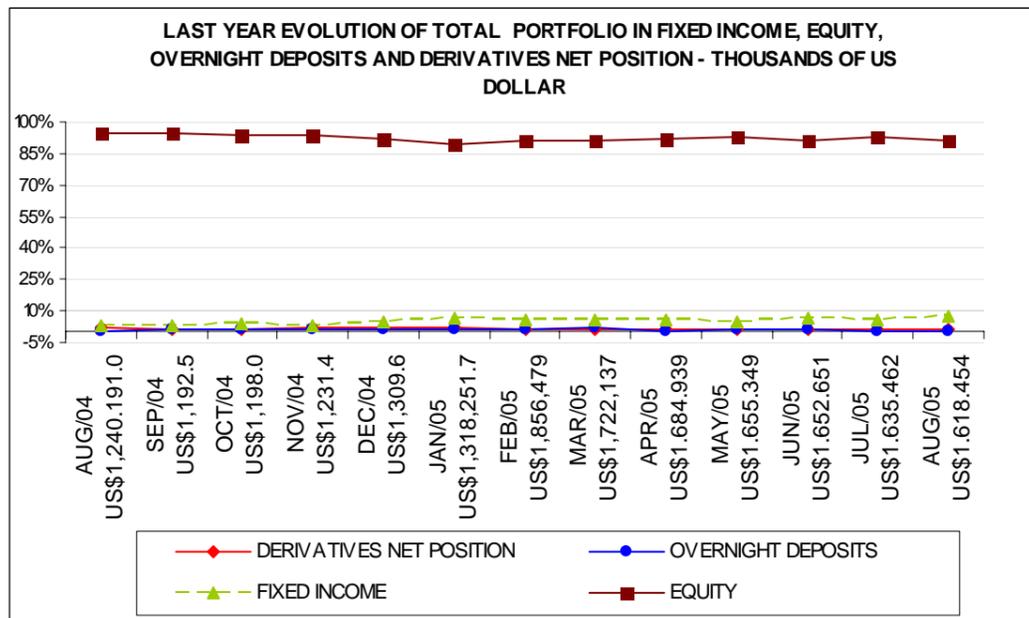
Of the total of affiliated, the 96,6% correspond to dependent workers, the 2,3% to affiliated voluntary and 1,1% with independent workers. Of another part, the 63,5% of the affiliated the funds are men and the 36,5% women (To see Chart 3.2).

### 3.5 INVESTMENT PORTFOLIO

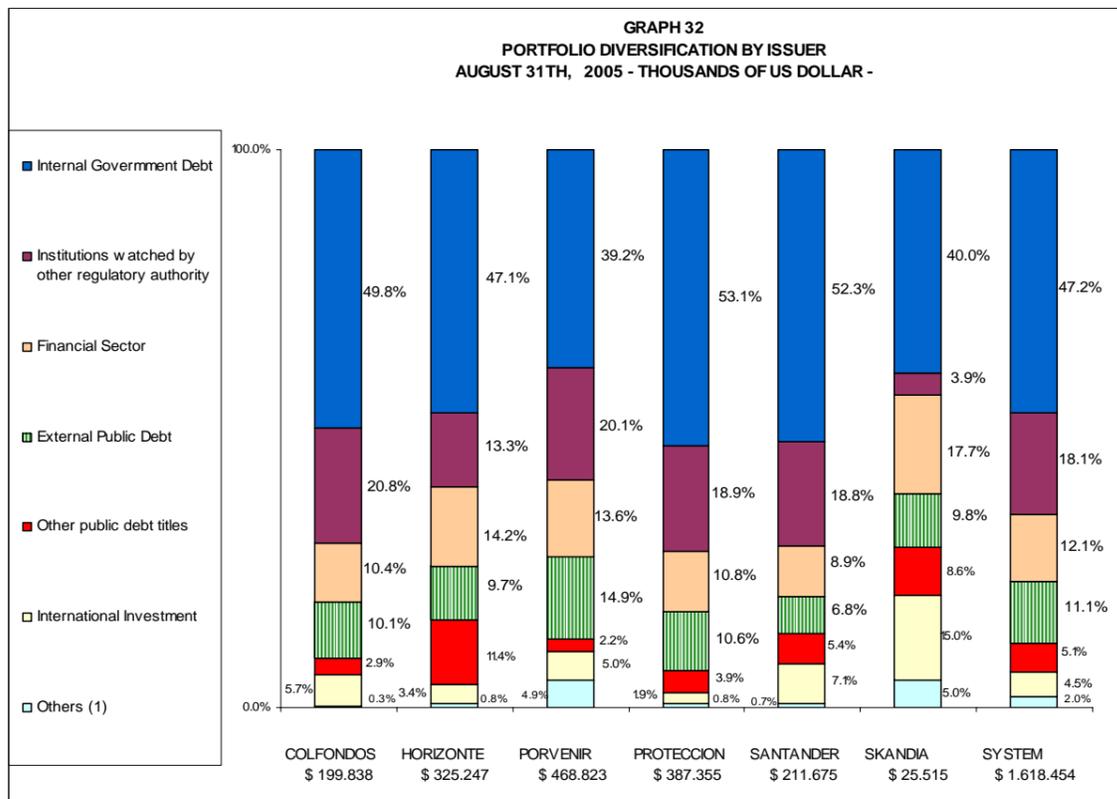
The value of portfolio of the unemployment funds at August 31, 2005 promoted to USD\$1.618.5 million, diminishing in a 1.0% value registered to the closing of the previous month, date in which was of USD\$1.635.5 million.

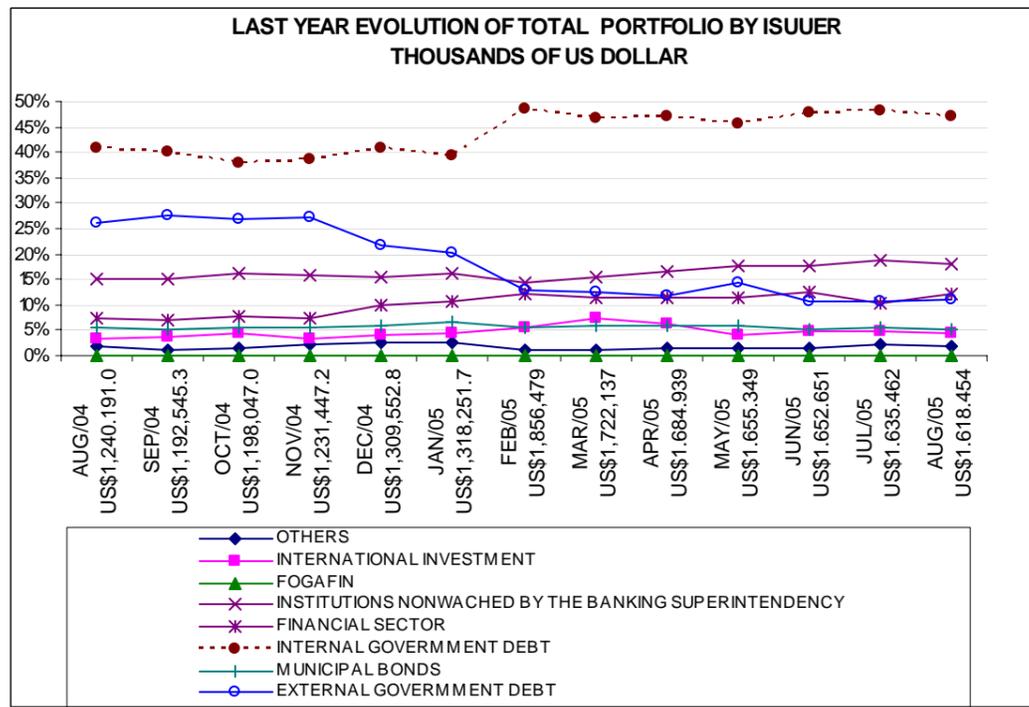
To the closing of August, 2005 the 91% of portfolio of the mentioned funds, that is to say, USD\$1.472.6 million correspond to investments of fixed income; the 7.2%, USD\$115.9 million to investments in equity, the 0.6%, USD\$9.8 million to overnight deposits and the 1.2%, USD\$20 million to the net position in derivatives (right less obligations) (Chart 3.3 and Graph31)



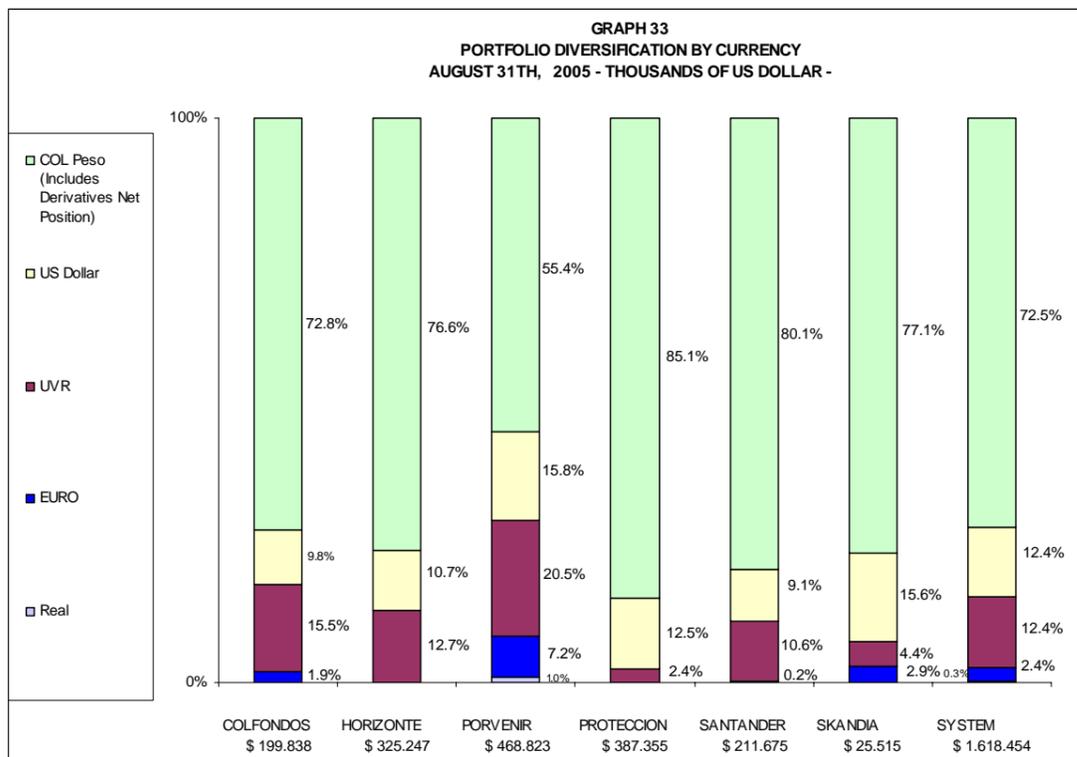


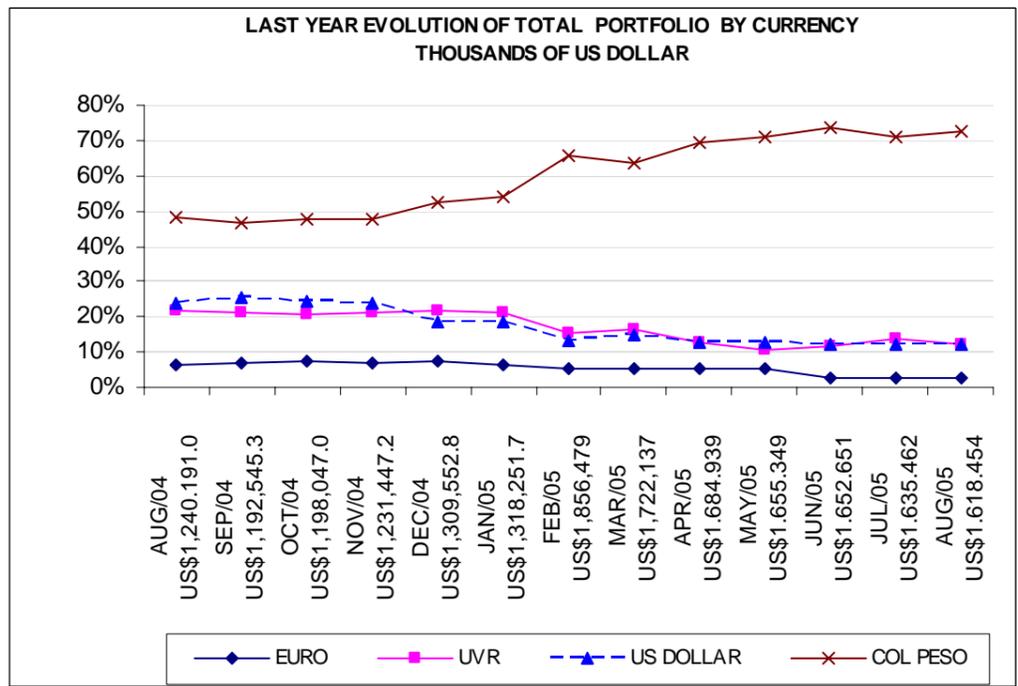
The investment in public debt is most significant in these funds. At August 31, 2005 this investment represented the 63.3% of the value of the total of portfolio (national debt commits the 47.2%, external national debt the 11.1% and territorial organizations and his decentralized the 5.1%), followed by the titles of institutions watched by other regulatory authority with the 18.1%, the titles emitted by financial institutions with the 12.1% and investments in the outside with the 4.5% (Graph 32).



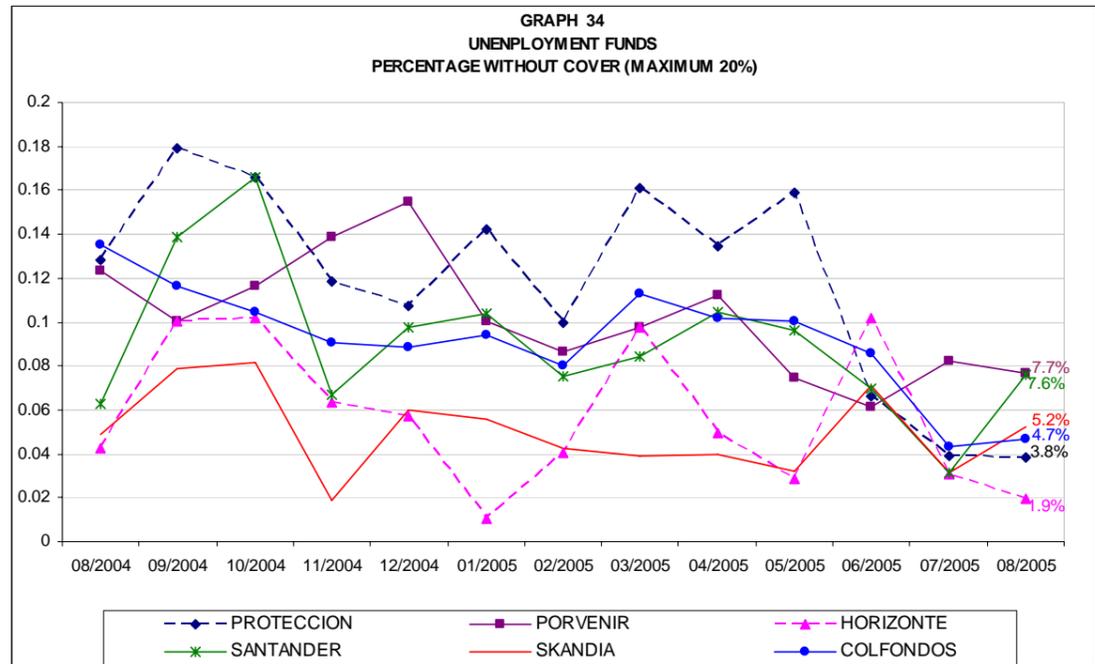


72.5% of portfolio in mention are denominated in Colombian pesos, 12.4% in UVR, the 12.4% in US Dollar , 2.4% in euros and 0.3% in Reals. (Graph 33)

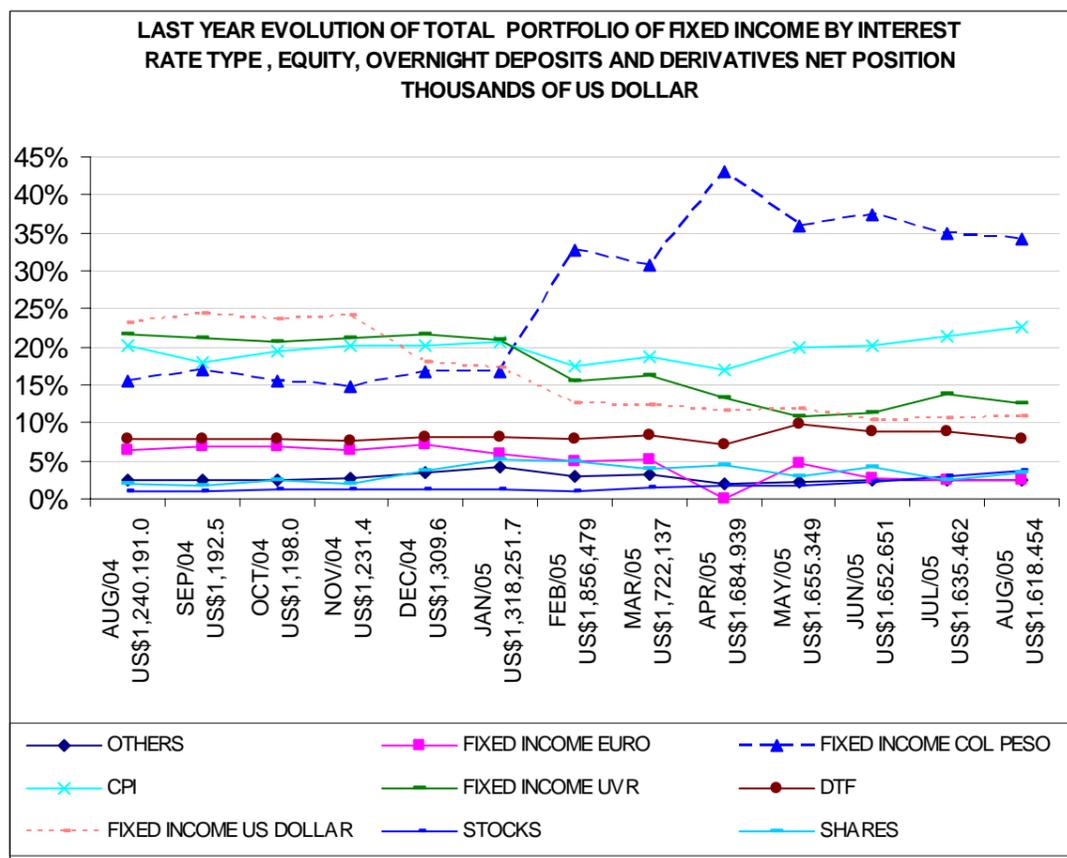
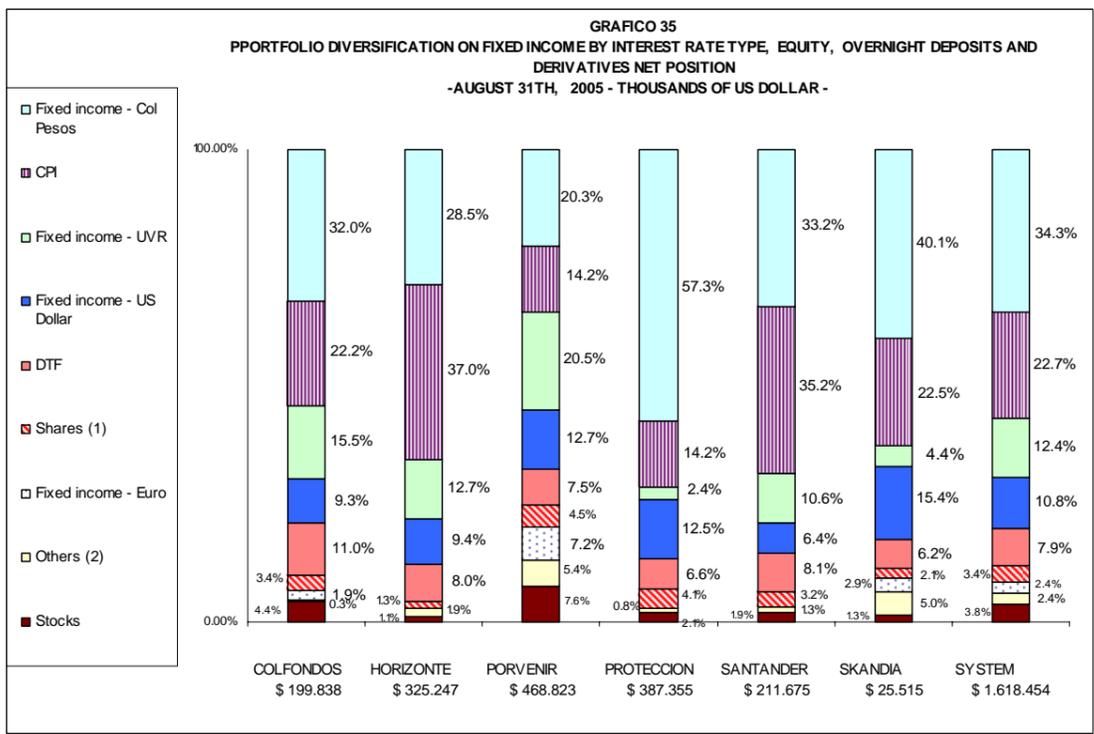




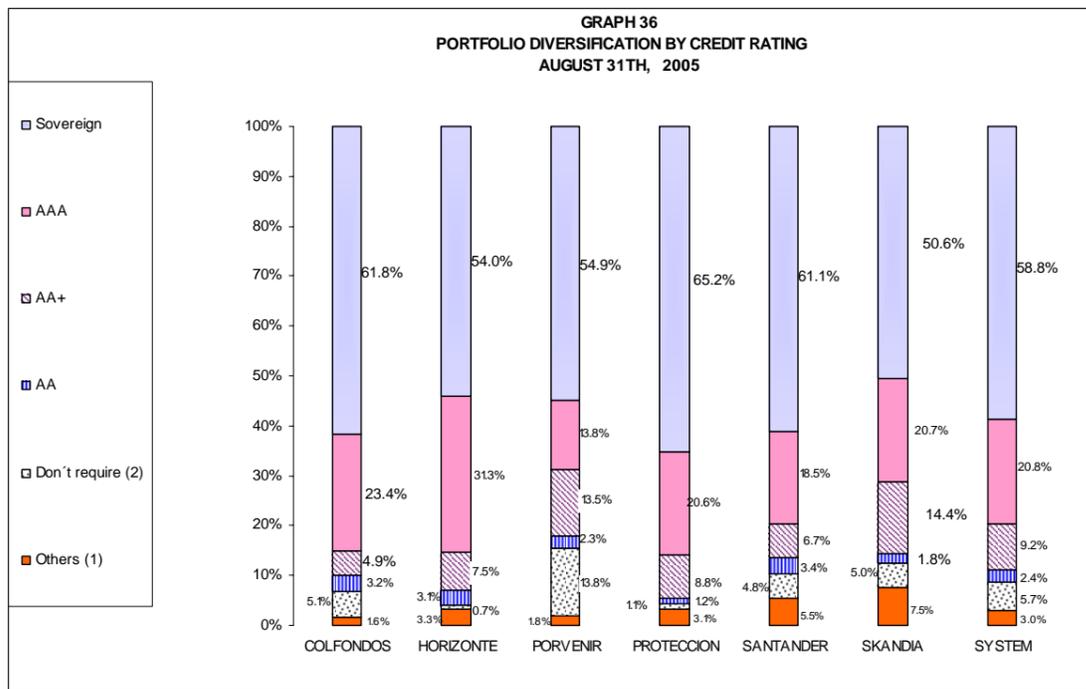
Concerning the foreign currency position, it is observed that the 65.6% of the same one are covered from the exchange rate fluctuation risk and that the discovered part represents 5.2% of the total value of the funds (Graph 34 and Chart 4).



On the other hand, the 34.3% of the portfolio is invested in fixed income issues denominated in Colombian pesos, the 22.7% indexed to IPC, the 12.4% to fixed income in UVR, 10.8% in fixed income in US Dollar, 7.9% to DTF, 2.4% are fixed income issues denominated in euro, 3.4% in Shares (Derived from securitization processes, Mutual Funds, unit trust funds, and Indexed Funds), 3.8% of portfolio is invested in stocks and the rest, 2.4% are titles in labor fixed income, fixed income reals, overnight deposits and net position in derivatives. (Graph 35 and Chart 3.4).



As far as the classification of portfolio by credit risk, it is observed that the 58.8% are titles emitted by the Nation, the 20.8% are investments with qualification AAA, the 9.2% AA+, the 2.4% AA, the 5.7% are investments that do not require qualification, and rest 3% corresponds to titles emitted by Fogafin, titles with qualification AA-, A+, A, BBB, BBB-, BB-, B+, B-, 1, 1- and Titles of emitters in Liquidation (Graph 36).



Source: INFORMATION SUPPLIED BY AFP'S

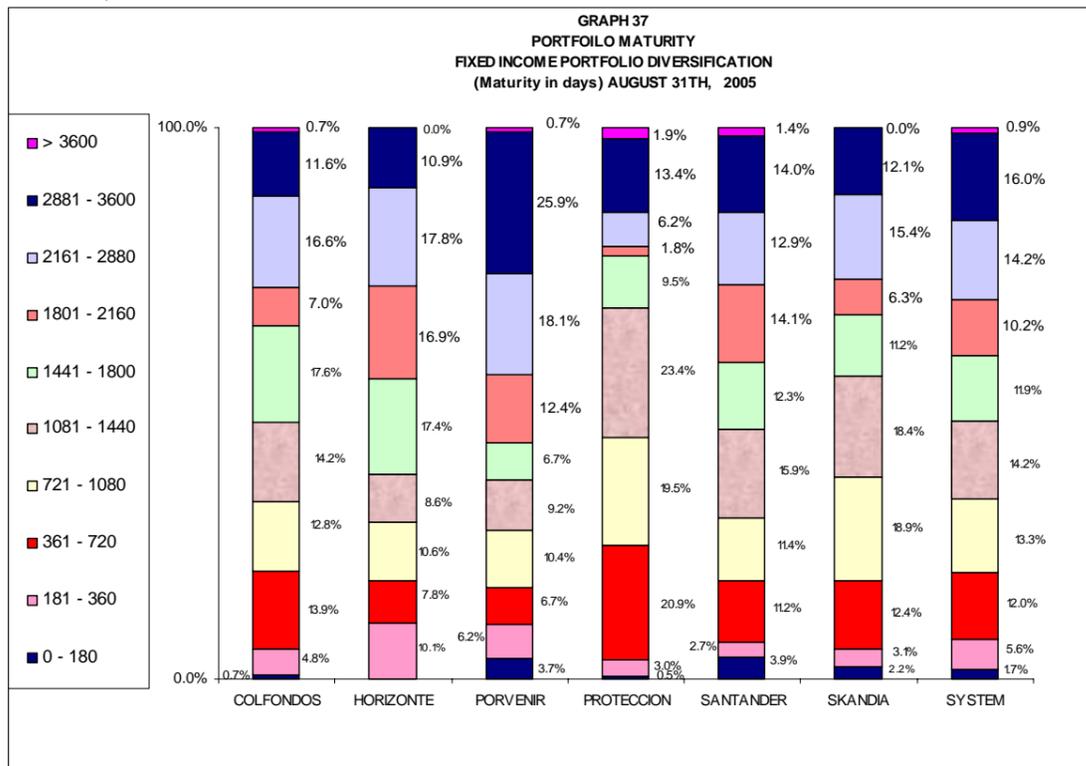
(1) Fogafin, AA-, A+, A, BBB, BB-, B-, 1 y Securities Titles of issuers in Liquidation

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

Note 1: For effects to establish the percentage, the total value of portfolio 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

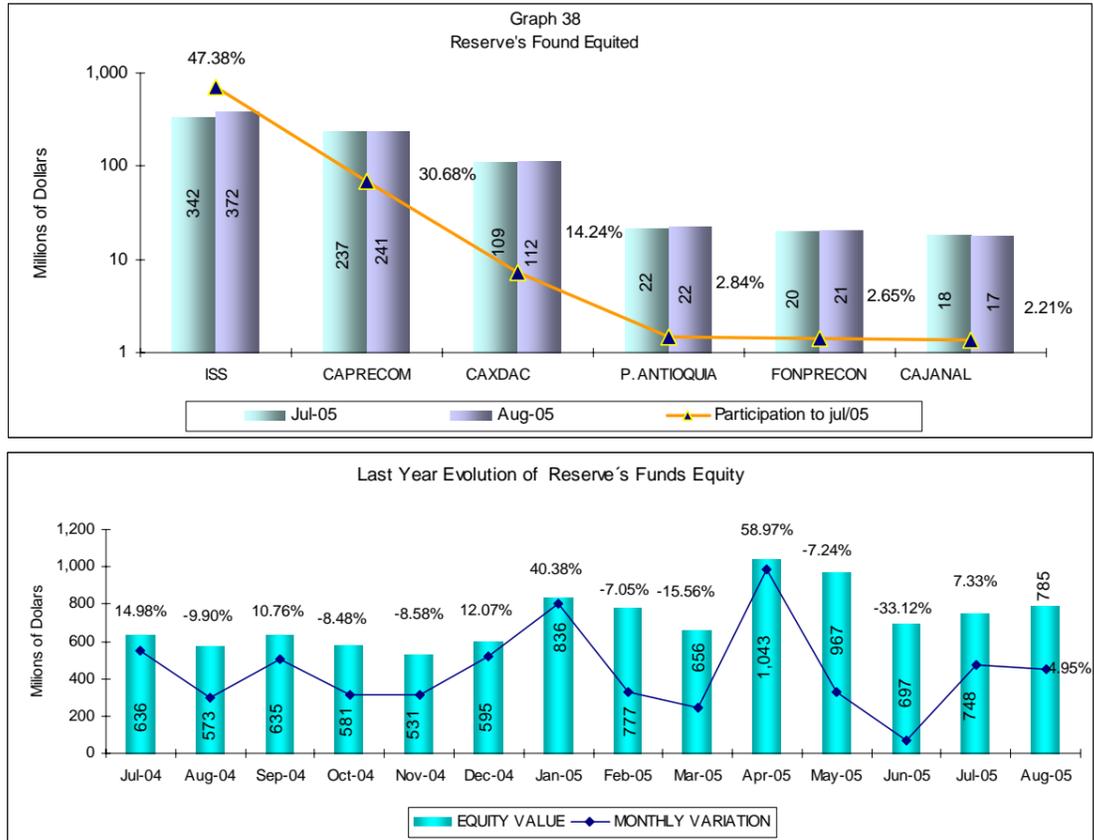
Finally, it is important to write down that the 1.7% of portfolio of fixed income have an inferior maturity to 180 days, the 5.6% between 181 and 360 days, the 13.3% between 361 and 720 days, the 13.3% between 721 and 1,080 days, the 14.2% between 1,081 and 1,440 days, the 11.9% between 1,441 and 1800 days, the 10.2% between 1801 and 2,160 days, the 14.2% between 2,161 and 2,880 days, the 16% between 2881 and 3.600 days and the 0.9% 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**

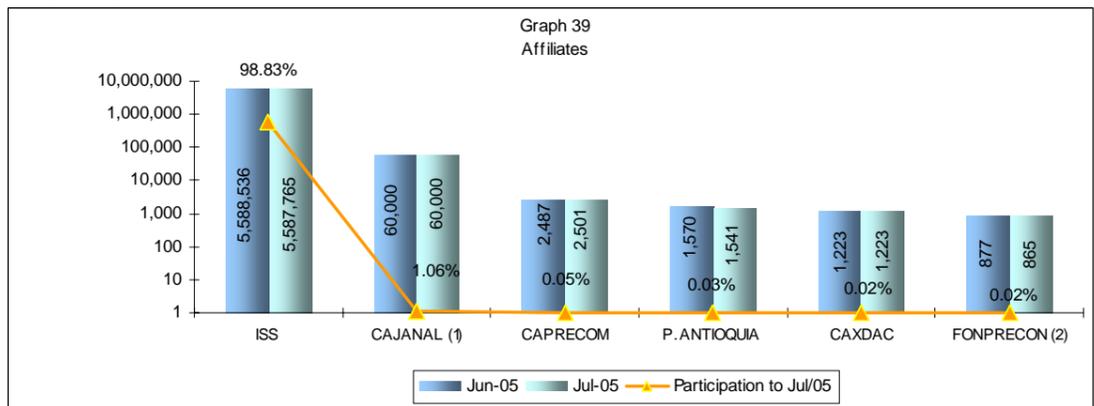
Pay as you go pension reserve fund's equity by August of 2005, reported a balance of USD 786 million dollars, USD 35 million dollars more than the value registered by July of 2005, which means an increase of 4.76%. (Graph 38).



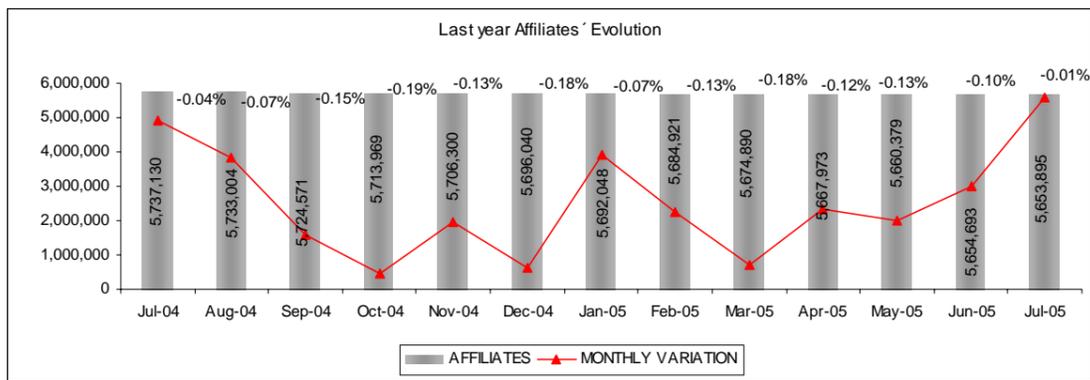
Source: Supervised Entities

**4.2 AFFILIATES**

According to the numbers sent by the administrator entities of the mentioned Regime, for May and June of 2005, the total number of affiliates was of 5.654.693 and 5.653.895 respectively, showing a reduction of 798, representing -0.01%. CAJANAL's number is included taking into account preliminary information, and FONPRECON's data is in process of evaluation is composed as follows: In June, 117 correspond to Law 4<sup>th</sup> of 1992 and 760 to Law 100 of 1993; in July the distribution was: 111 and 754, respectively. (Graph 39)

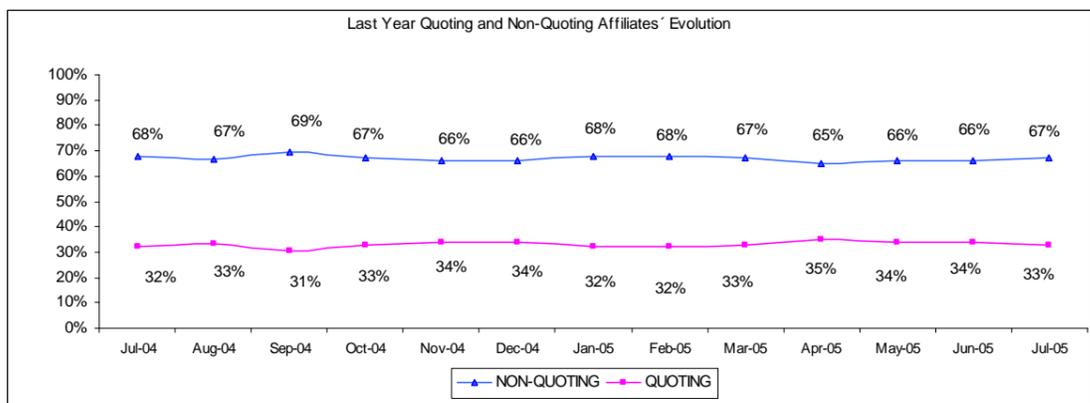
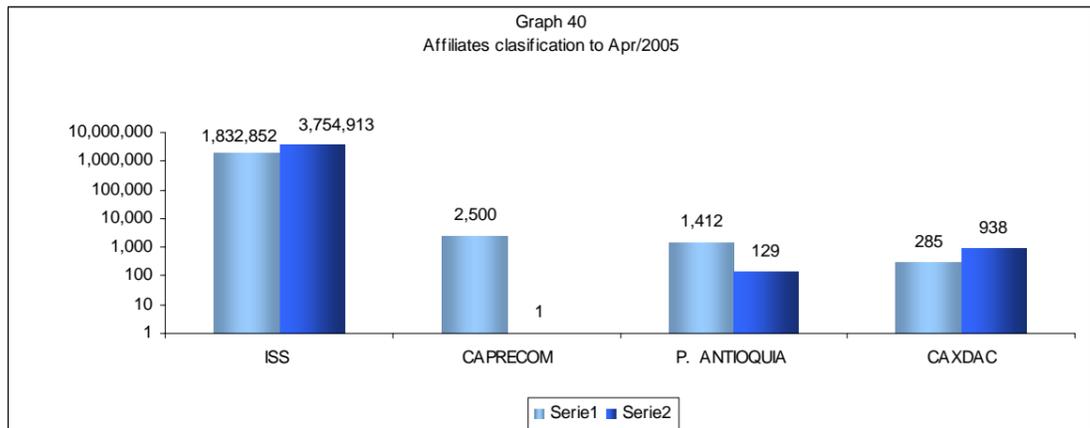


- (1) According to preliminar information
- (2) Data to July of 2002



Source: Supervised Entities

From the total of affiliates for each of the administrators of the pay as you go regime in July of 2005, without including CAJANAL and FONPRECON, 33% corresponds to people who quote, representing 1.837.049 and 67% (3.755.981) to people who do not quote. (Graph 40)

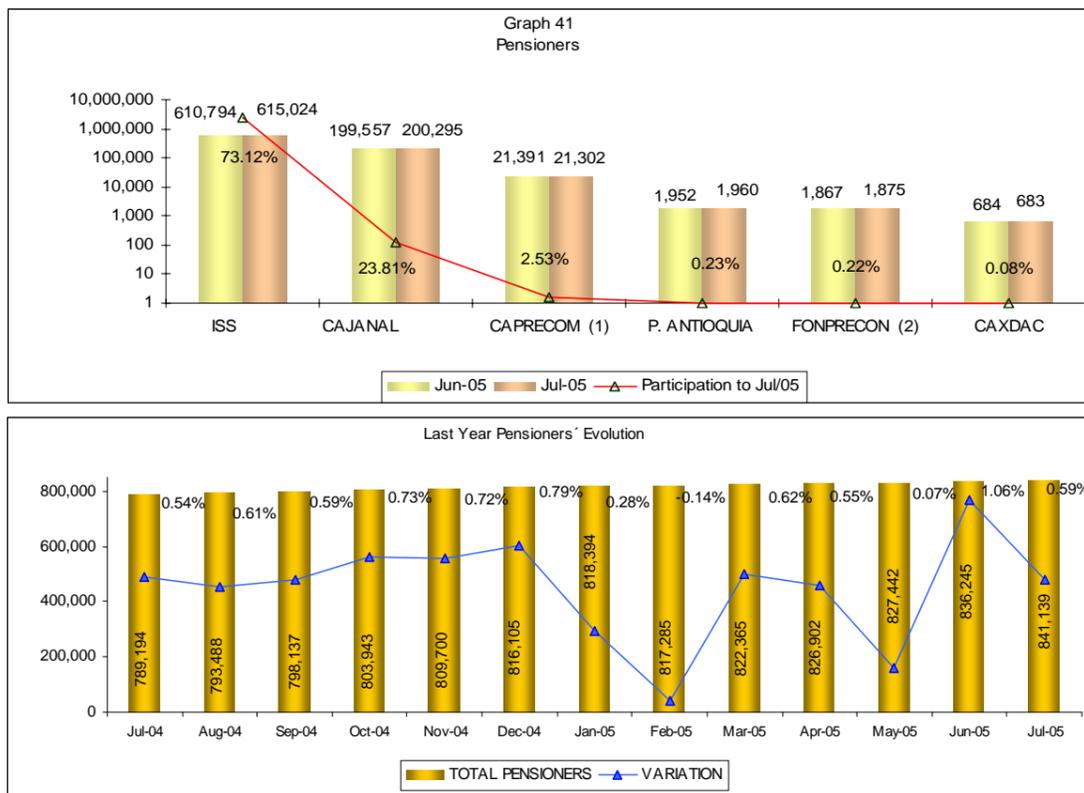


Source: Supervised Entities

### 4.3 PENSIONERS

The number of pensioners for each of the administrators of this Regime by July of 2005 was of 841.139, presenting a rise of 4.894 pensioners with respect to June of 2005, representing 0.59%. (Graph 41)

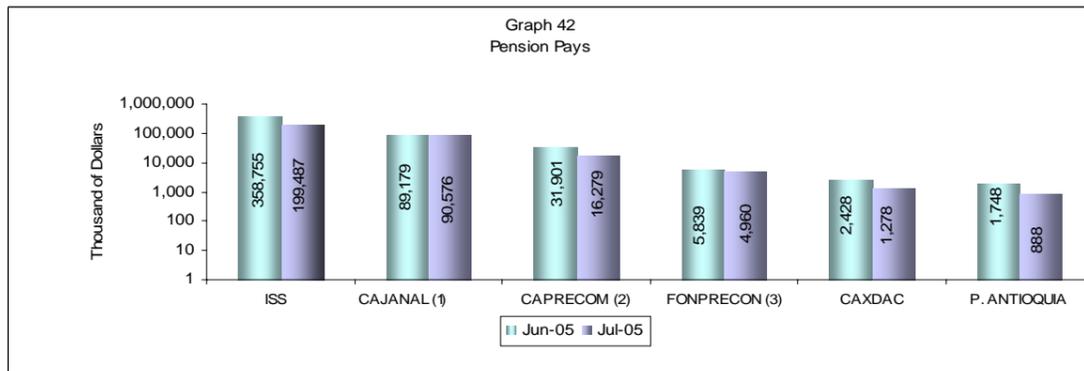
From the 21.302 pensioners reported by CAPRECOM, 14.438 correspond to conventional pensions and 6.864 to Foncap, specifically to communication sector entities, from which 2.653 are Foncap's direct responsibility. From the 1.875 pensioners reported by FONPRECON, 786 correspond to Law 4<sup>th</sup> of 1992 and 1.089 to Law 100 of 1993. CAJANAL's data is provided by consortium FOPEP.



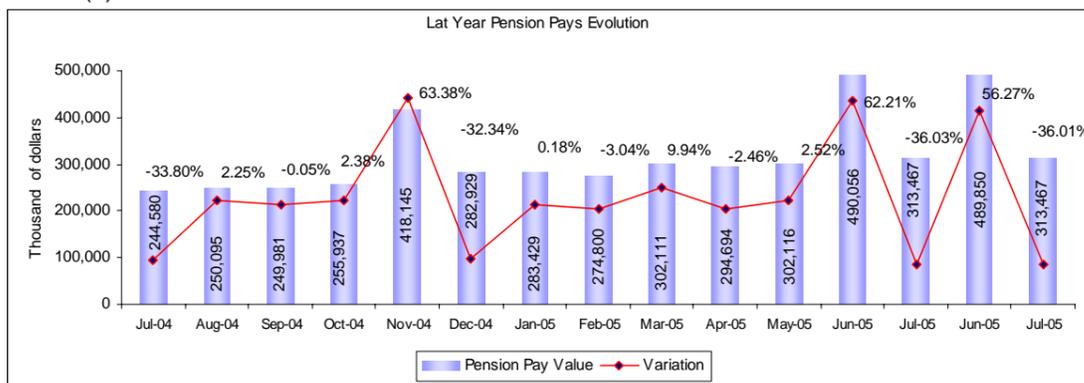
Source: Supervised Entities

According to the administrator's report, the monthly payroll value of pensioners for July of 2005, ascended to USD 314,2 million dollars. (Graph 42)

From the 16,3 million USD reported by CAPRECOM, 9,8 million USD correspond to conventional pensions and 6,5 million USD to concurrent, from which 181 thousand dollars are Foncap's direct responsibility. From the 4,9 million USD reported by FONPRECON, 4 million USD correspond to Law 4<sup>th</sup> pensioners and 0,9 million USD to Law 100 of 1993. CAJANAL's information is provided by FOPEP's consortium.

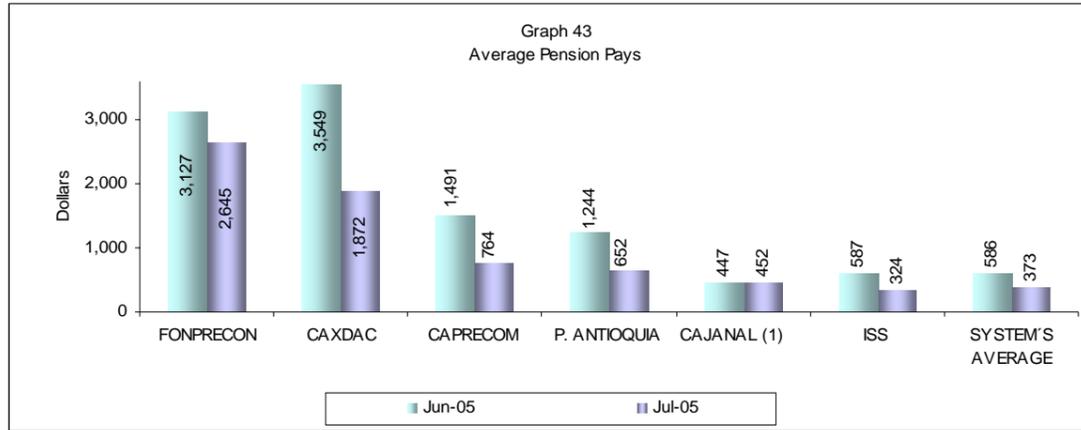


(1) Information Consorcio FOPEP

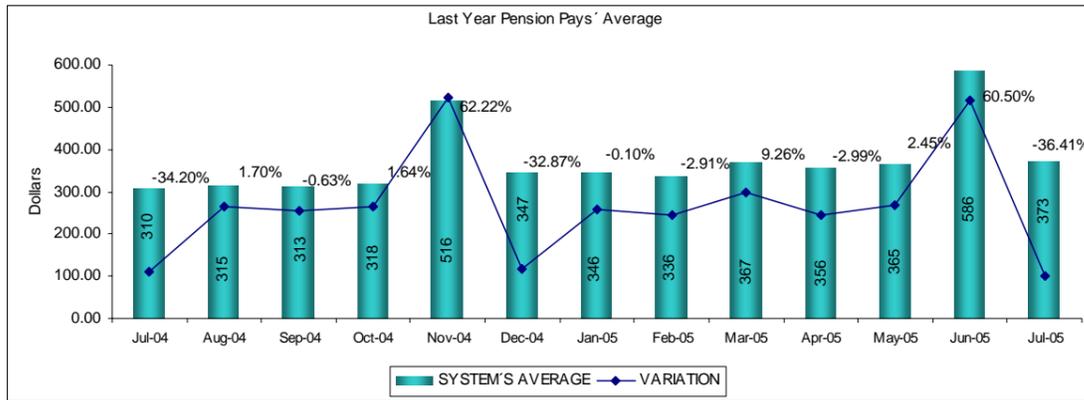


Source: Supervised Entities

The average of pension payment for this Regime in July of 2005 was USD 373,4 dollars, similar to what was cancelled in April and May of 2005 months that did not have additional pension pay.(Graph 43)



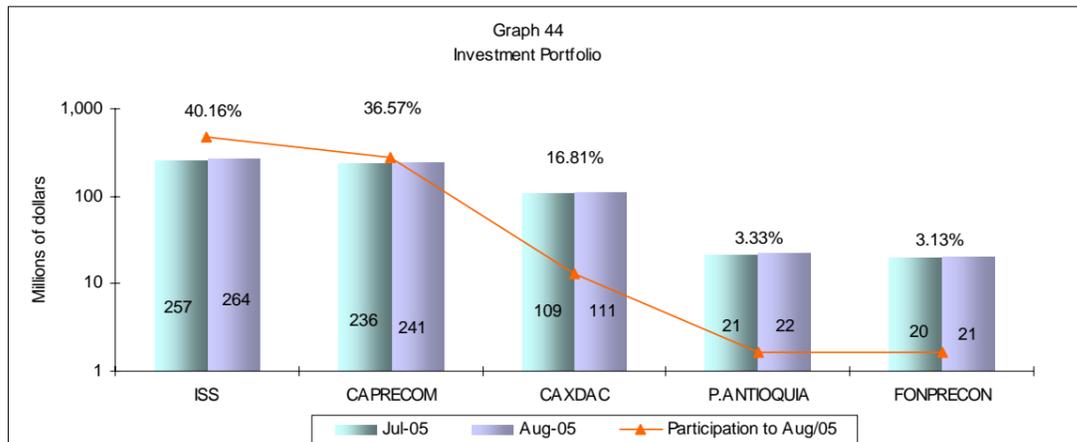
(1) Information Consorcio FOPEP

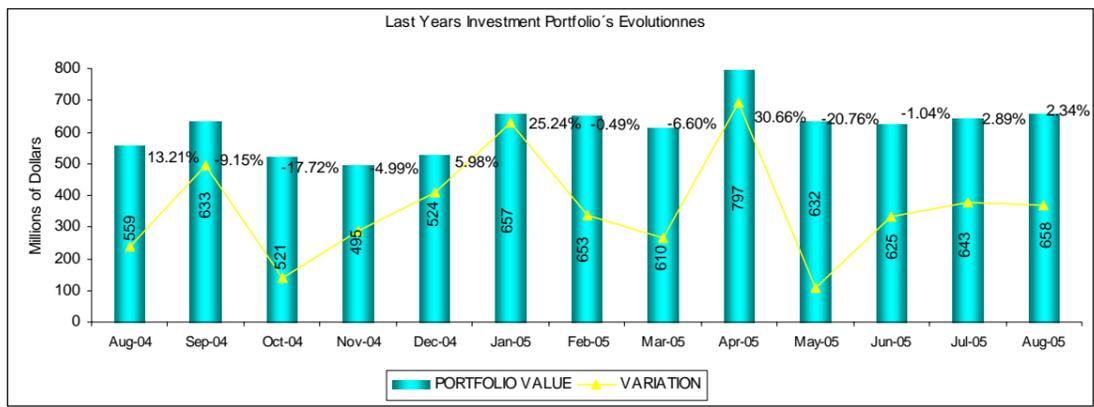


Source: Supervised Entities

**4.4 INVESTMENT PORTFOLIO**

Investment portfolio balances of pension reserve funds by August 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 658,7 million dollars compared to 644,8 million dollars in July, showing an increase of USD 13,9 million dollars that represent 2.15%. (Graph 44)

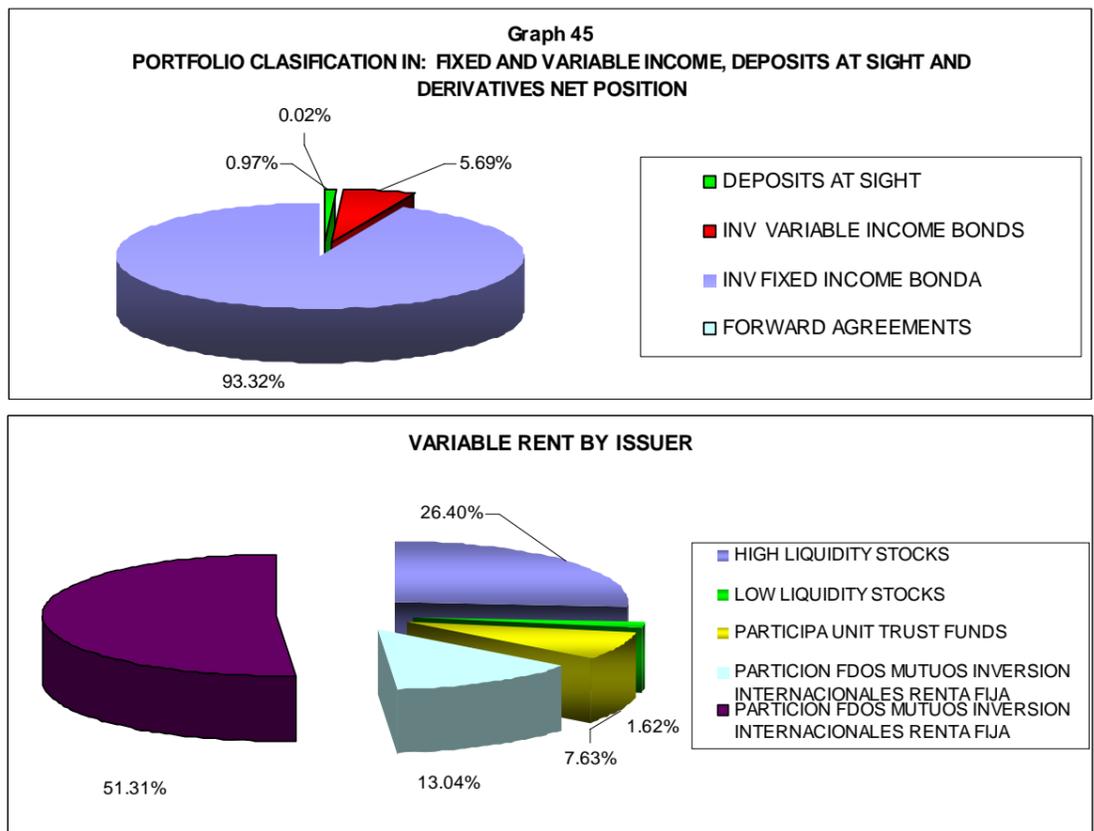


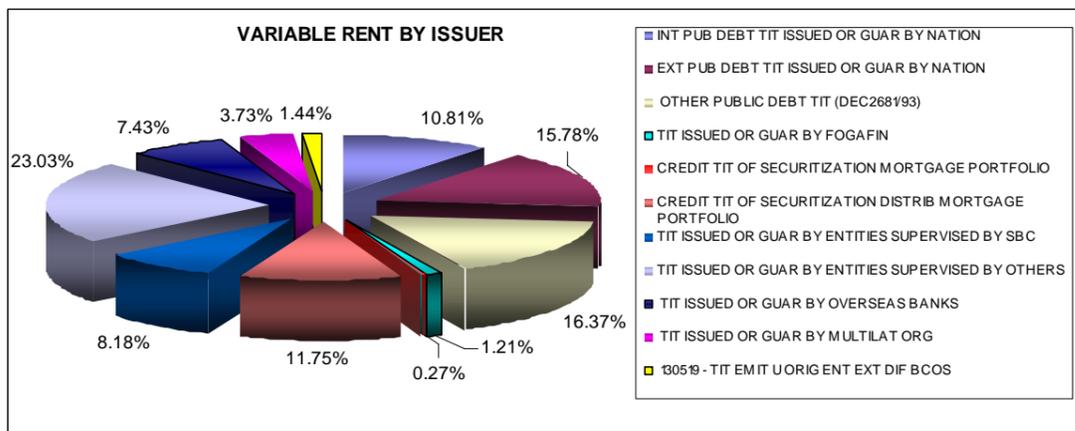


Source: Supervised Entities

In August of 2005, 87.4% of portfolios were invested in TES, the remaining 12.6% 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. (Graph 45)

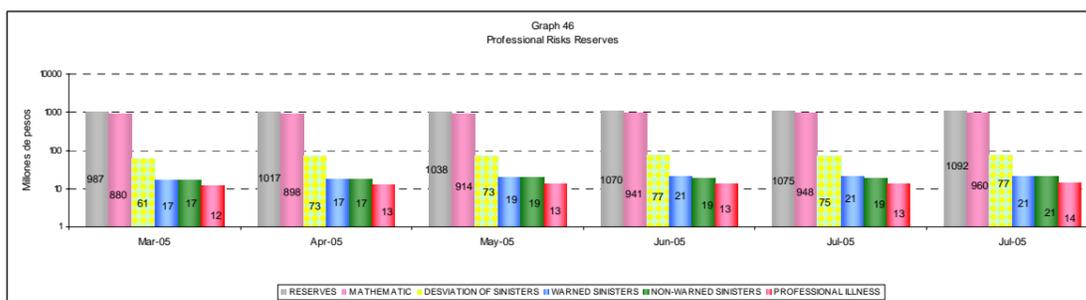




**5. ISS'S PROFESSIONAL RISKS ADMINISTRATOR**

**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, during the last semester, the ISS presents in its balance statement the amount of each of the following reserves: (Graph 46)

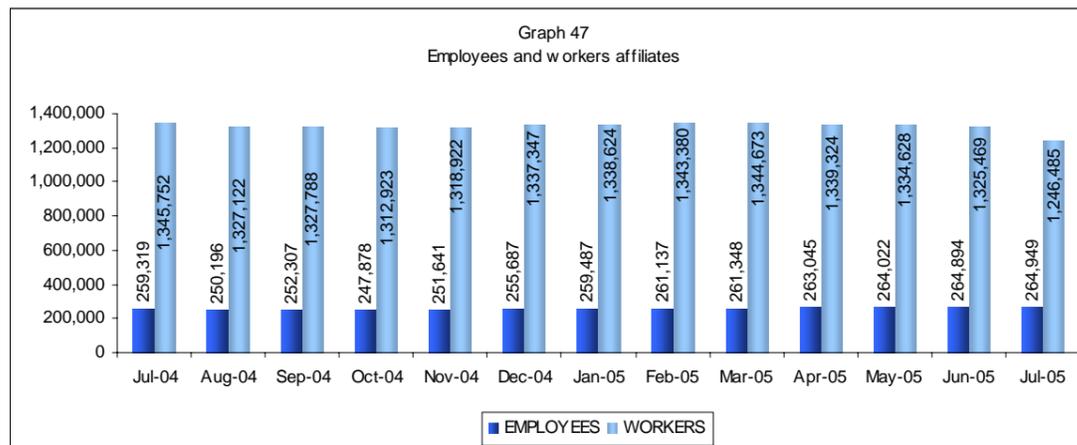


SOU

RCE: ARP-ISS/ FINANCIAL STATEMENTS IN VERIFYING PROCESS

**5.2 EMPLOYERS AND AFFILIATE EMPLOYEES**

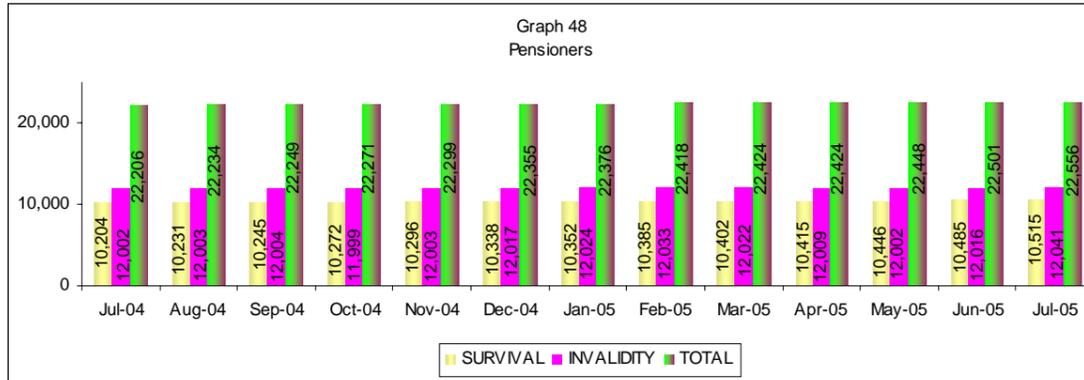
Affiliated employees to the ISS's professional risk insurance company (ARP) during last year (between July 2004 and 2005) reported a growth of 7,19% passing from 259.319 to 264.949, respectively. Affiliate workers, during the same period presented a decline of 5.81% passing from 1.345.752 to 1.246.485. For the months of June and July of 2005, the number of affiliates increased in 55, representing 0.02% and the affiliate workers decreased in 78.984, that is 5.96%(Graph 47)



SOURCE: ARP-ISS

5.3 PENSIONERS

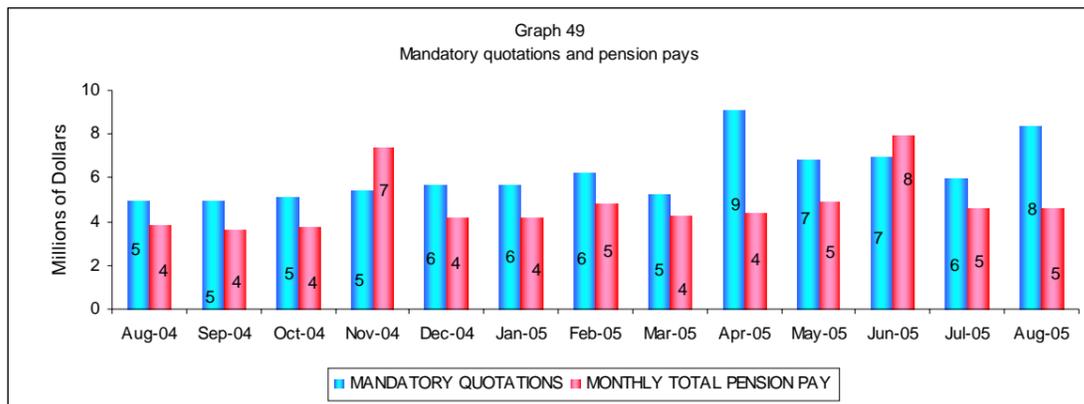
From the total of 22.556 pensioners who report to ISS's ARP in July 2005, 10.515 correspond to survival pension and 12.041 to invalidity pension. During last year, the number of pensioners of survival pension showed a growth of 3.34%, invalidity pension a growth of 0.47% and total pensioners reported an increment of 1.79%. For the months of June and July of 2005, the number of pensioners by survival, invalidity and total increased in 30, 25 and 55 respectively, representing 0.29%, 0.21%, 0.24%(Graph 48)



SOURCE: ARP-ISS

5.4 MANDATORY QUOTATIONS AND PENSION PAYMENTS

Between the months of August 2004 and 2005, ISS's ARP received USD 83,6 million dollars in quotations from affiliate employers, for a monthly average of USD 6,4 million dollars. The amount paid during the same period on pension payments ascended to USD 65,2 million dollars, for a monthly average of USD 4,3 million dollars— taking into account that law establishes an annual cancellation of 14 pension payments. Financial statements and statistical reports are in evaluation and deputation process in order for them to be adjusted to the instructions of External Circular 044 of 2003. (Graph 49)



SOURCE: ARP-ISS