I. Colombian Financial Sector Results (December 2008)

The first section of this report presents aggregate results for the financial sector up to December 2008, including data for institutions supervised by the Financial Superintendence and their managed funds. The second section analyzes risk factors, mainly credit and market risk, followed, in the third section, by a description of recent developments in local financial markets. The fourth section sums the main conclusions of this report and the Appendix presents the main financial accounts for each type of financial institution, and shows additional indicators of loan performance.

Aggregate Results

Table 1

Consolidated Financial Sector Accounts (Institutions and Managed Funds)

Figures in million pesos and percentages

Financial Intermediaries	Dec-2008					Annual growth [1] Dec-2008 / Dec-2007				
	Assets	Investment	Loans [2]	Net worth	Profit [3]	Assets (%)	Investment (%)	Loans (%)	Net worth (%)	Profit ($m)
Credit Institutions	215,989,283	38,752,133	147,173,211	26,447,442	4,862,401	16.5%	10.9%	17.7%	17.7%	1,048,776
Insurance Industry [4]	24,560,283	17,000,818	123,203	5,550,033	748,378	34.9%	43.5%	-64.0%	7.5%	37,956
Pension and Severance Fund Managers (AFP) [5]	1,402,405	978,292	-	1,167,372	254,605	20.9%	22.2%	-	18.5%	20,445
Trust Fund Managers	1,209,000	724,932	-	952,758	213,662	25.2%	33.6%	-	18.9%	62,913
Brokerage Firms [6]	3,073,128	341,893	-	772,113	50,869	-20.7%	-31.4%	-	-24.4%	-48,544
Investment Fund Managers [6]	53,440	30,214	-	42,428	4,765	5.2%	7.0%	-	6.8%	1,968
Financial Infraestructure Providers [6]	1,284,810	238,776	749	875,711	61,197	1.6%	46.2%	11.1%	4.6%	-26,214
Specialized State-Owned Institutions (IOE)	32,512,228	13,706,963	16,046,407	4,959,322	391,736	-2.2%	-4.7%	-0.7%	-23.9%	-42,868
TOTAL FINANCIAL INSTITUTIONS	**280,084,576**	**71,774,020**	**163,343,569**	**40,767,179**	**6,587,614**	**14.7%**	**13.5%**	**15.4%**	**7.8%**	**1,054,431**
Mandatory Pension Funds (FPO)	58,288,278	57,064,240	-	58,273,231	2,572,578	14.2%	14.1%	-	14.2%	-476,776
Voluntary Pension Funds (FPV)	6,822,101	5,420,583	-	6,574,408	272,698	0.5%	9.4%	-	4.9%	-84,345
Severance Funds (FC)	4,039,740	3,868,427	-	4,013,430	270,428	5.6%	3.4%	-	5.6%	154,892
Ordinary Mutual Funds (FCO)	12,130,107	7,533,832	-	12,072,833	892,506	37.1%	74.1%	-	38.6%	317,525
Specialized Mutual Funds (FCE)	3,154,792	2,205,886	-	3,005,285	266,053	11.3%	21.4%	-	8.2%	86,997
Other Trust-Fund Assets [7]	66,322,953	27,318,798	820,963	39,510,363	-1,677,272	-3.6%	-21.0%	-14%	-11.0%	-4,941,513
Pension Liability Fund (FPP)	38,081,897	36,500,359	-	37,001,446	1,393,723	36.8%	35.4%	-	36.1%	794,616
FPV managed by Trust Funds	946,170	819,007	-	941,624	70,832	18.1%	22.3%	-	18.0%	22,523
Mutual Investment Funds (FMI)	658,947	531,794	-	639,542	-5,082	-6.5%	-10.8%	-	-2.9%	-53,450
Investment Funds (FI)	891,716	737,103	-	863,786	20,183	49.2%	56.0%	-	48.8%	-7,053
Value Funds (FV)	2,999,156	2,056,666	-	2,898,252	133,988	22.3%	36.9%	-	19.3%	38,614
TOTAL FINANCIAL FUNDS	**194,335,859**	**144,056,697**	**820,963**	**165,794,199**	**4,210,635**	**11.3%**	**11.1%**	**-14.4%**	**11.5%**	**-4,147,971**
CONSOLIDATED FINANCIAL SECTOR	**474,420,435**	**215,830,717**	**164,164,532**	**206,561,377**	**10,798,249**	**13.3%**	**11.9%**	**15.2%**	**10.8%**	**-3,093,540**

Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.
(1) Variation in assets, investment and net worth are percentage change (%), whereas profit variation is presented in absolute values in million pesos ($m).
(2) Gross loans = Net loans + Provisions
(3) Profits correspond to PUC account 5700 ("expected return") for pension funds, FCO, FCE, and other trust fund assets; for the remaining institutions profits correspond to PUC account 5900 ("profits and losses").
(4) Insurance companies report financial statements on a quarterly basis; figures here presented correspond to December 2008.
(5) Pension fund financial statements excludes information for the "defined-benefit" pension regime.
(6) Investment data corresponds to PUC account 1200, excluding derivatives and repurchase operations.
(7) Other Trust-Fund Assets report financial statements on a quarterly basis, figures here presented correspond to December 2008.

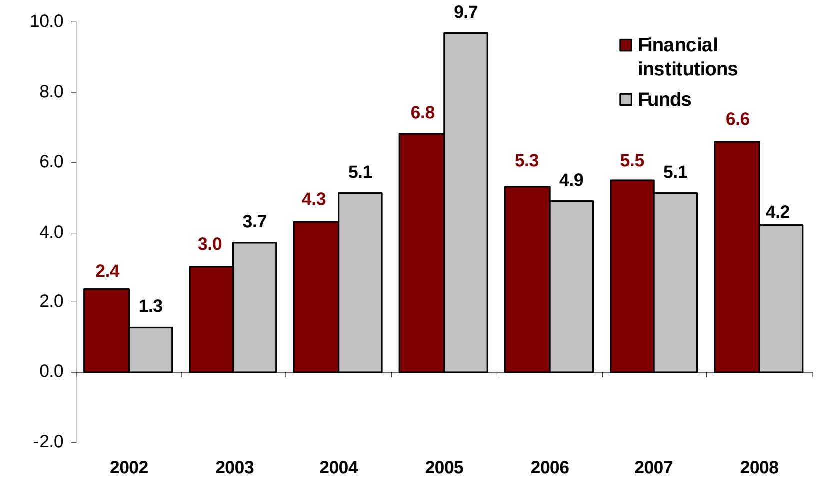
As of December 2008 profits reached $10,8 trillion, from which $6,6 trillion corresponded to financial institutions and $4,2 trillion to managed funds. Credit institutions kept the dynamism observed in previous quarters, regardless of the reduction on loans growth. These intermediaries obtained roughly $4,9 trillion in profits, a better performance compared to 2007. The insurance industry reported $748 billion in profits during the year.

On the other hand, other trust-fund assets reported losses accounting to $1,7 trillion, driven by losses from management trust funds ($2,9 trillion), mainly due to the global financial crisis and international markets' volatility. Despite of this, financial funds performed well at the end of the year.

Figure 1

Financial Sector Profits

(Figures in trillion pesos)



2008: As for December 2008

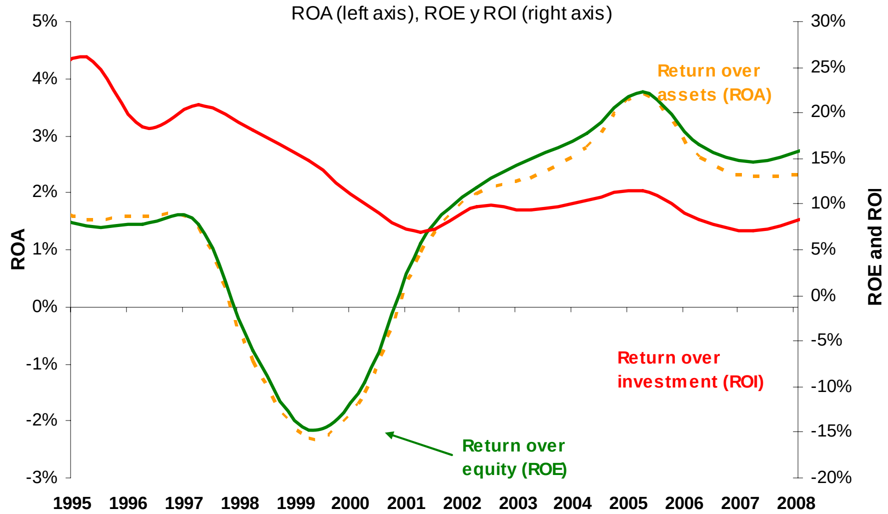
Source: Financial Superintendence. Financial statements subject to revision by the SFC.

Profitability

The overall profitability of financial institutions showed stability. In December, ROA and ROE of financial institutions reached 2,4% and 16,2% respectively, similar to previous months. Managed funds reported ROA of 2,6%, and ROE of 17,9%. The return on investments (ROI) of financial institutions laid at 8,7%, whereas for managed funds reached 6,5%.

Figure 2

Financial Sector Profitability



Note: As of December 2008. Doesn´t include funds.

Source: Financial Superintendence. Financial statements subject to revision by the SFC.

Table 2

Financial Sector Profitability Indicators

Percentages

Financial Intermediaries	Dec-2008			Dec-2007		
	ROA	ROE	Return on Investment (ROI)	ROA	ROE	Return on Investment (ROI)
Credit Institutions	2.3%	18.4%	8.4%	2.1%	17.0%	6.4%
Insurance Companies [1]	3.0%	13.5%	8.4%	3.9%	13.8%	6.7%
Pension and Severance Fund Managers (AFP) [2]	18.2%	21.8%	6.8%	20.2%	23.8%	4.9%
Trust Fund Managers	17.7%	22.4%	10.3%	15.6%	18.8%	9.1%
Brokerage Firms	1.7%	6.6%	63.3%	2.6%	9.7%	74.5%
Investment Fund Managers	8.9%	11.2%	1.2%	5.5%	7.0%	4.3%
Financial Infraestructure Providers	4.8%	7.0%	9.8%	6.9%	10.4%	11.8%
Specialized State-Owned Institutions (IOE)	1.2%	7.9%	2.6%	1.3%	6.7%	1.5%
TOTAL FINANCIAL INSTITUTIONS	**2.4%**	**16.2%**	**8.7%**	**2.3%**	**14.6%**	**7.2%**
Pension and Severance Funds	4.5%	4.5%	4.9%	5.7%	5.8%	5.8%
Pension Funds	4.4%	4.4%	4.7%	5.9%	5.9%	5.8%
Severance Funds	6.7%	6.7%	9.1%	3.0%	3.0%	6.1%
Funds managed by brokerage firms	3.3%	3.4%	4.1%	4.6%	4.7%	6.3%
Trust Funds	0.8%	1.0%	8.9%	4.3%	5.6%	4.5%
TOTAL FINANCIAL FUNDS	**2.2%**	**2.5%**	**6.5%**	**4.8%**	**5.6%**	**5.4%**

Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.

Indicators are calculated as follows:

$$ROA = \left(\frac{profits}{assets} + 1\right)^{12/month} - 1 \quad , \quad ROE = \left(\frac{profits}{net\ worth} + 1\right)^{12/month} - 1$$

$$ROI = \left(\frac{inv.rev. - inv.exp.}{gross\ \ investment} + 1\right)^{12/month} - 1$$

where *inv. rev. = investment revenues*
inv. exp. = investment expenditure
gross investment = net investment + provisions

(1) Insurance companies report financial statements on a quarterly basis; figures here presented correspond to December 2008.

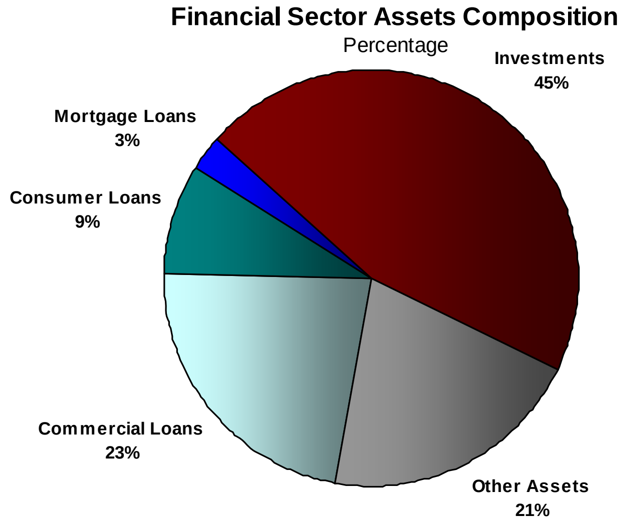
(2) Pension fund financial statements excludes information for the "defined-benefit" pension regime.

(2) Mandatory Pension Funds' 5-year return reached 11.13% effective annual- Since beginning of operationes, average return reached 14.37% effective annual, as for 31st of December 2008

Assets and Liabilities

In December 2008, the financial sector reported total assets amounting to $474,4 trillion, indicating an increase of 13,3% compared to 2007. Total assets of the financial sector are distributed mainly among credit institutions (45,5%), trust funds (25,5%) and pension funds (14,5%).

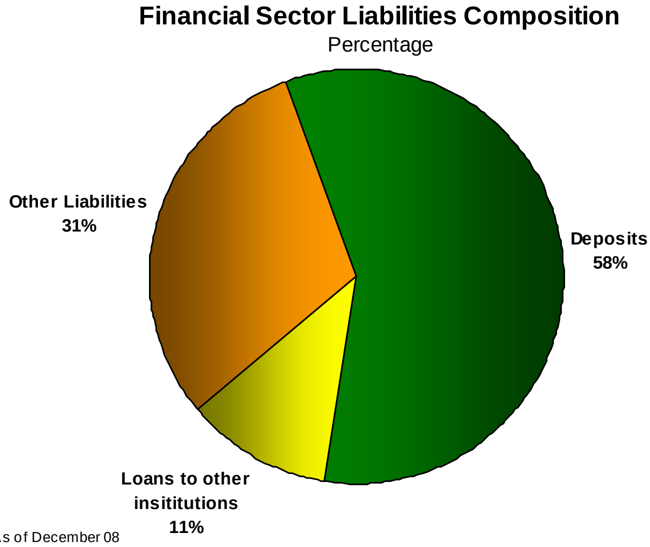
Figure 3



*As of December 08
Source: Superintendencia Financiera. Financial statements subject to revision by the SFC

Figure 4 shows the asset composition as of December 2008; investments represented 45% of total assets, whereas total loans (commercial, consumer and mortgage loans) represented 35% of the total.

Figure 4



*As of December 08
Source: Superintendencia Financiera. Financial statements subject to revision by the SFC

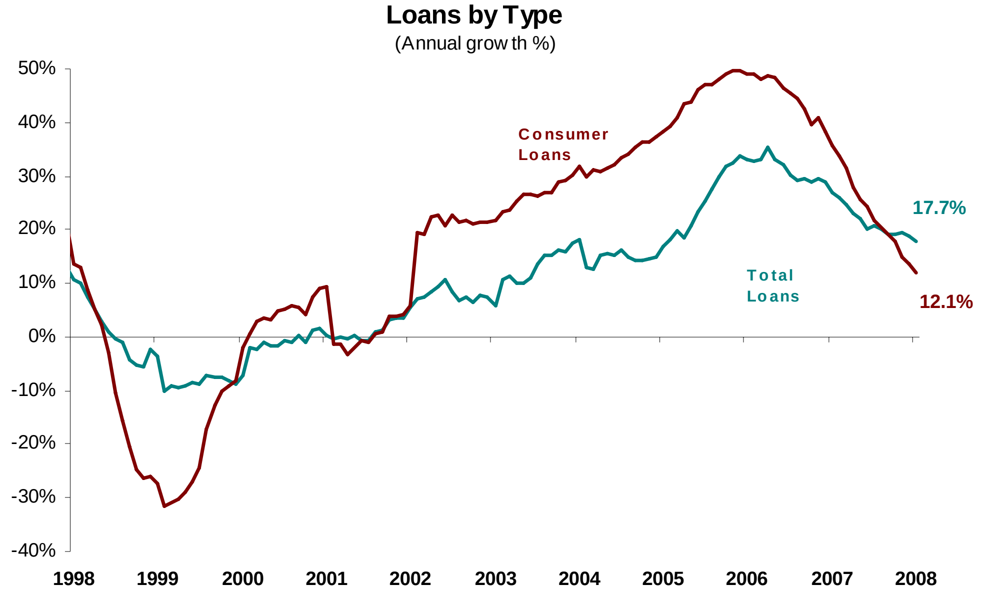
Total liabilities presented an annual increase of 15,3% reaching $267,9 trillion. Demand deposits and loans to other institutions counted for 58% and 11% of the total deposits composition, respectively. The share of term deposits (CDTs) (39%) has surpassed the share of savings accounts (38%), becoming the main participant on the total composition. CDTs kept its growing trend, showing an annual change of 35,9%, differing from savings accounts which increase in 8,9%.

II. Financial Sector Risks

1. Credit Risk

In December, gross loans of credit institutions (including leasing operations) reached $147,2 trillion, which meant an annual increase of 17,7%. Consumer loans kept its trend of lower growth rates exhibited in previous months, reaching 12,1%. Commercial and mortgage loans also reduced its annual growth rate, lying at 20,2% and 10,5%, respectively. The dynamic of microfinance loans continued during December, showing an annual increase of 55,9%.

Figure 5



Note: As of December 2008. Loans including leasing operations. Specialized state-owned institutions (IOE) are not included.
Source: Financial Superintendence. Financial statements subject to revision by the SFC.

Total of loans and leasing operations of credit institutions presented the following composition in December 2008: Commercial loans $93,2 trillion (63,3% of the total), consumer loans $40,8 trillion (27,7%), microfinance loans $3,08 trillion (2,1%) and mortgage loans $10,03 trillion (6,8%). When including data presented by Fondo Nacional del Ahorro, mortgage loans increase to $12,3 trillion.

In December the total amount of past-due loans reached 6,1 trillion, an annual growth of 47,2%. The commercial, consumer, and microfinance types presented lower growth rates, compared to previous quarters, reaching 60,1%, 44,1% and 37,9% correspondingly. On the other hand, the past-due mortgage loans reported an annual growth rate of 13,6%.

Table 3

Indicators of Loan Performance [1]

Figures in million pesos and percentages

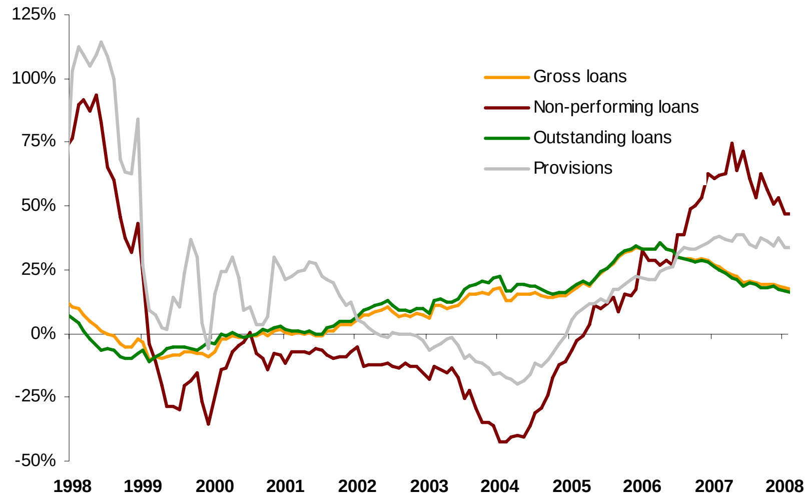
Dec-2008	LOAN TYPE				
	Commercial	Consumer	Mortgage	Microfinance	Total
Gross loans	93,218,728	40,838,308	10,031,149	3,085,026	147,173,211
Market share (%)	63.3%	27.7%	6.8%	2.1%	100.0%
Annual growth (%)	20.2%	12.1%	10.5%	55.9%	17.7%
Past-due loans	2,513,625	2,940,044	421,838	189,687	6,065,193
Market share (%)	41.4%	48.5%	7.0%	3.1%	100.0%
Annual growth (%)	60.1%	44.1%	13.6%	37.9%	47.2%
Provisions [2]	3,678,148	2,827,816	302,496	113,941	7,100,500
Annual growth (%)	30.2%	73.7%	6.7%	41.4%	33.9%
LOAN RATIOS (%)					
Loan Quality [3]					
Traditional	2.7%	7.2%	4.2%	6.1%	4.1%
Traditional (Dec-2007)	2.0%	5.6%	4.1%	6.9%	3.3%
By rating	7.7%	11.7%	9.3%	7.5%	8.9%
By rating (Dec-2007)	5.5%	8.6%	8.5%	7.7%	6.6%
Loan Coverage [4]					
Traditional	146.3%	96.2%	71.7%	60.1%	117.1%
Traditional (Dec-2007)	180.0%	79.8%	76.4%	58.6%	128.8%
By rating	51.0%	59.4%	32.3%	49.6%	54.1%
By rating (Dec-2007)	66.1%	52.2%	36.7%	53.1%	63.8%

Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.
(1) Loan and leasing operations of credit institutions and credit unions. Specialized state-owned institutions (IOE) are not included.
(2) Total provisions includes other provisions.
(3) Traditional Loan Quality = Past-due loans / Gross loans; Loan Quality by rating = Loans rated B, C, D y E / Gross loans.
(4) Traditional Loan Coverage = Provisions / Past-due loans; Loan Coverage by Rating = Provisions / Loans rated B, C, D y E

Figure 6

Credit Institutions Total Loans

(Annual growth %)

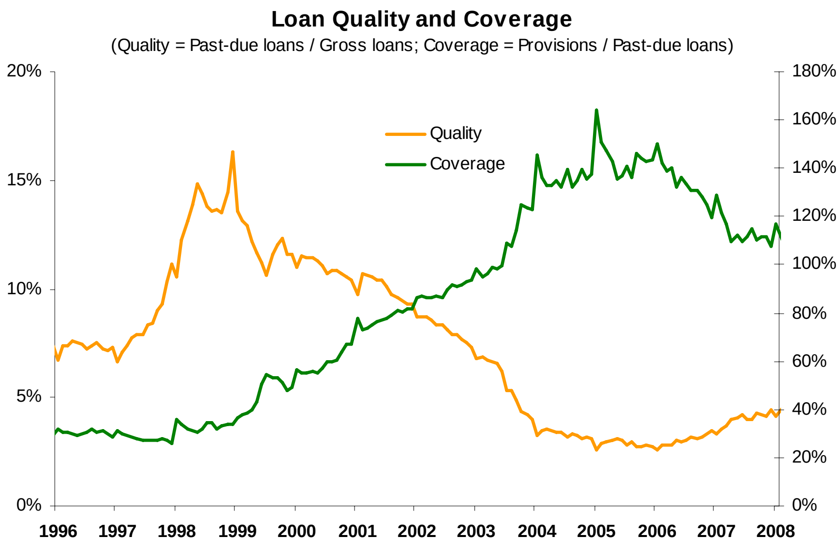


Note: As of December 2008. Loans including leasing operations. Specialized state-owned institutions (IOE) are not included.
Source: Superintendencia Financiera. Financial statements subject to revision by the SFC.

The reductions in past-due loans implied a strengthening in loan quality indicators. In December, the traditional loan quality indicator for gross loans reached 4,1%. This ratio is still above the one for December 2007 (3,3%).

Loan coverage, which shows the relation between provisions and past-due loans, reached 117,3%. Provisions got up to $7,0 trillion, equivalent to an annual growth rate of 33,9%.

Figure 7



Note: As of December 2008. Loans including leasing operations. Specialized state-owned institutions (IOE) are not included.
Source: Financial Superintendence. Financial statements subject to revision by the SFC.

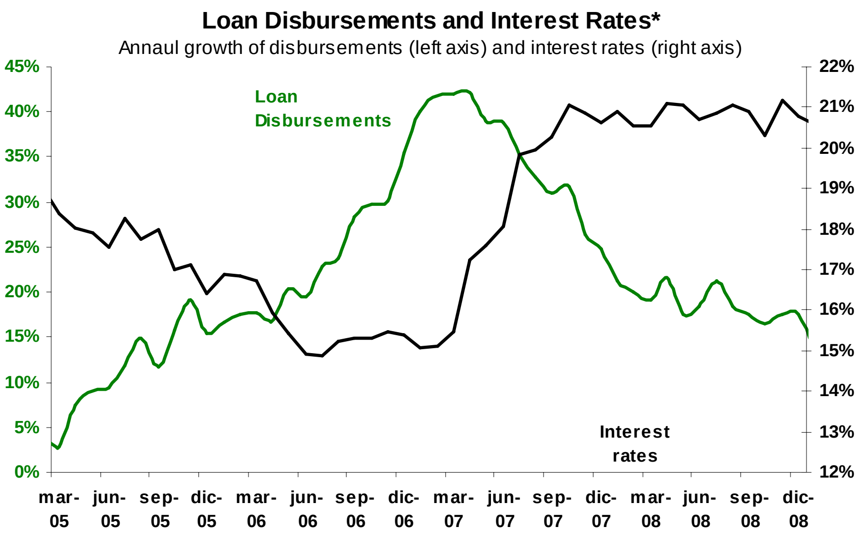
Despite the fact that gross-loans growth continued decreasing, in December 2008 loan disbursements expanded at a 21,2% annual rate. The interest rates kept its level at around 21%, similar to previous months.

Table 4
Loan Disbursements and Interest Rates [1]
Figures in million pesos and percentages

	Dec-2008	Dec-2007	Annual growth [2]
Disbursements	29,910,374	24,673,672	21.2%
Commercial [3]	25,981,581	21,168,655	22.7%
Consumer [4]	3,293,562	2,973,057	10.8%
Mortgage	435,788	466,120	-6.5%
Microfinance	199,443	65,841	202.9%
Interest Rates [5]	20.79%	20.63%	0.2%
Commercial	19.89%	19.77%	0.1%
Consumer	28.43%	27.65%	0.8%
Mortgage	13.98%	13.18%	0.8%
Microfinance	26.70%	31.13%	-4.4%

Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.
(1) Loan and leasing operations of credit institutions and credit unions. Specialized state-owned institutions (IOE) are not included. Loan disbursements and interest rate data is taken from information provided to the SFC (Formato 88).
(2) Annual variation of loan disbursements are shown as percentage growth, whereas interest rates are shown as an absolute variation.
(3) Commercial loans include: ordinary, treasury and preferential loans, overdrafts and business credit cards.
(4) Consumer loans include: personal loans and credit cards.
(5) Interest rates are a weighted average of loan amounts and according rates.

Figure 8



Note: As of December 2008. Loans including leasing operations, including state-owned institutions (IOE).
* Loan disbursements and interest rate data is taken from information provided to the SFC (Formato 88). Interest rates are a weighted average of loan amounts and according rates. The annual growth of disbursements is an annual accumulated variation in order to account for seasonal effects.

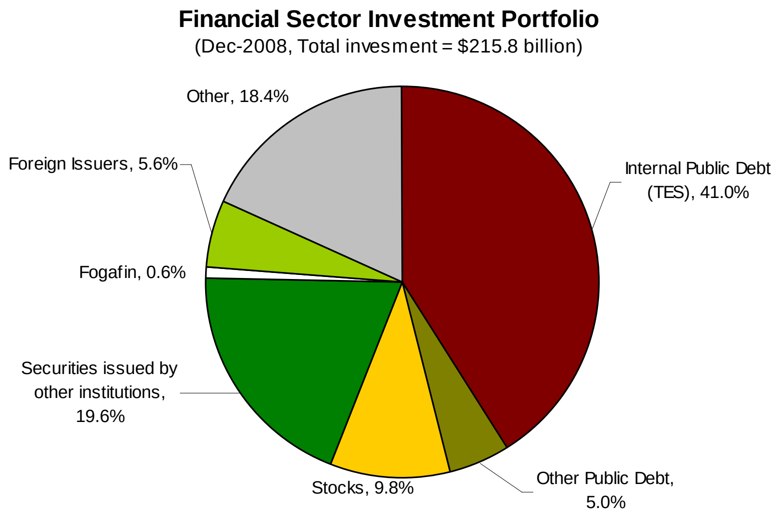
2. Market Risk

Investments

The financial sector reported total investments amounting to $215,8 trillion, showing an annual growth of 11,9%. Investments in financial institutions accounted up to $71,8 trillion, representing an annual increase of 13,5%. This is mainly due to the dynamism of credit institutions and the insurance industry.

On the other hand, managed funds sum $144,1 trillion, which meant an annual growth of 11,1%. This behavior was driven by mandatory pension funds (FPO) and pension liability funds (FPP). Figure 9 shows the composition of the investment portfolio for the financial sector.

Figure 9

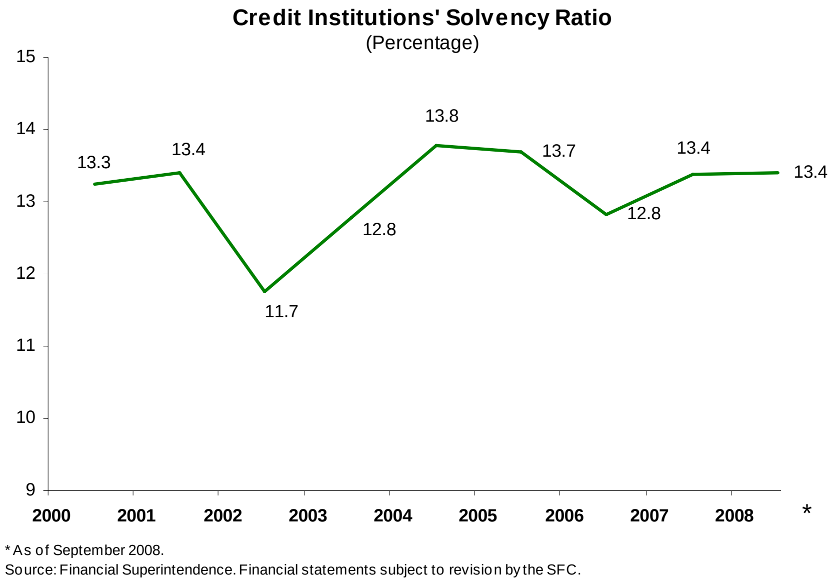


Source: Financial Superintendence. Financial statements subject to revision by the SFC.

Capital Adequacy Ratio [1]

Figure 10 shows the capital adequacy ratio for credit institutions, which reached 13.6% in December 2008, over the 9% minimum level imposed by the financial supervisor.

Figure 10



Value at Risk (VaR) [2]

Between September and December 2008, credit institutions value at risk, defined as the maximum possible lost due to market risk, increased from $742,7 billion to $831,2 billion. This rise in the VaR was driven by the growth of the amount exposed to interest rate risk, which changed from $539,3 mm to $636 billion, despite of the good performance of fixed-income market in previous months. Likewise, the collective funds risk value increased from $23,3 billion to $50,6 billion. In contrast, the VaR from stocks and exchange rate decreased compared with the third quarter of 2008.

Table 5

Value at Risk (VaR)[1] according to factors

Figure in million pesos

	Credit Institutions	
	Dec-08	Sep-08
Interest rate	636,044	539,266
Stocks	100,598	114,954
Exchange rate	43,980	69,102
Collective funds	50,563	23,348
Value at Risk (VaR)	**831,186**	**742,731**

Financial statements subject to revision by the SFC. Figures reported until the 2nd of Febraury 2008.
(1) Value at Risk (VaR) data is available through Format 386, available since April 2007.

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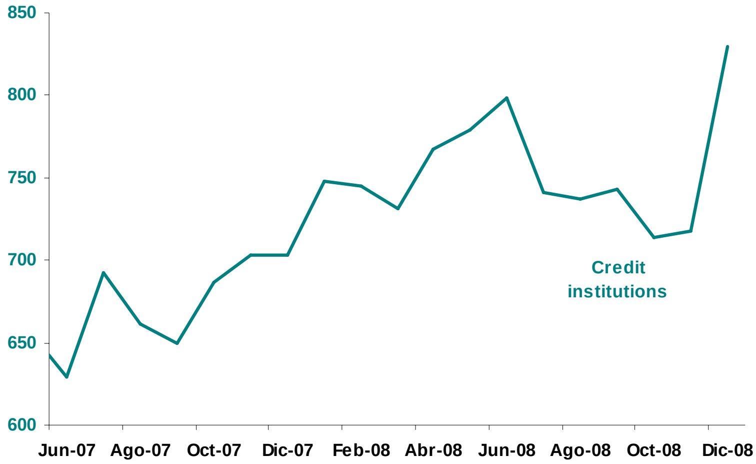
[1] $CAR = \dfrac{PT}{APR + (100/9\, RM)}$ where PT is the regulatory capital, APR are risk-weighted assets and RM is market risk (VaR).

[2] According to the new Standard Model of market risk measurement, only investments that are classified in treasury-books are considered in the calculation of Value-at-Risk. These positions include negotiable securities and securities available-for-sale. Securities denominated in foreign currency that are registered in banking-books are also taken into account in the VaR

Figure 11

Value at Risk (VaR)

Figures in thousand million pesos



Note: VaR data is only available from April 2007 and is reported in Formato 386.
Source: Financial Superintendence.

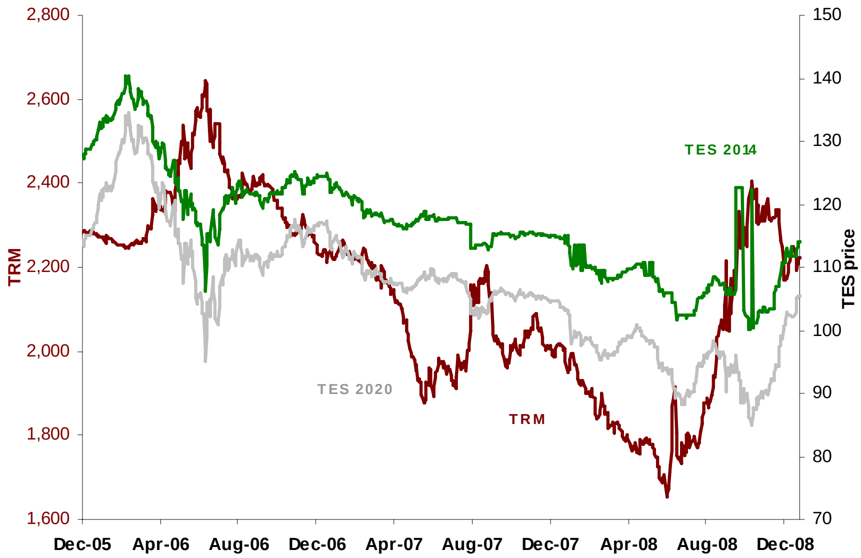
III. Financial Market Developments

Financial markets in 2008 were characterized by high volatilities, especially during the second semester, when the world financial crisis had its worst consequences in global markets. After the bankruptcies and acquisitions of some investment and commercial banks in the United States, the crisis turmoil spread all around the globe.

Figure 12

Colombian Financial Markets

Exchange rate "TRM" (left axis) and Public debt prices "TES" (right axis)

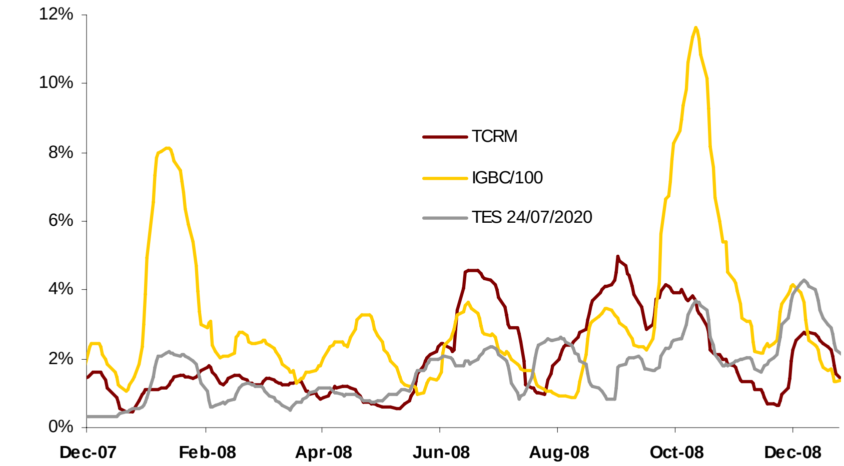


Source: Bloomberg.

Figure 13

Asset Price Volatility

Exchange rate (TRM), Public debt (TES 2020) and Stock index (IGBC)

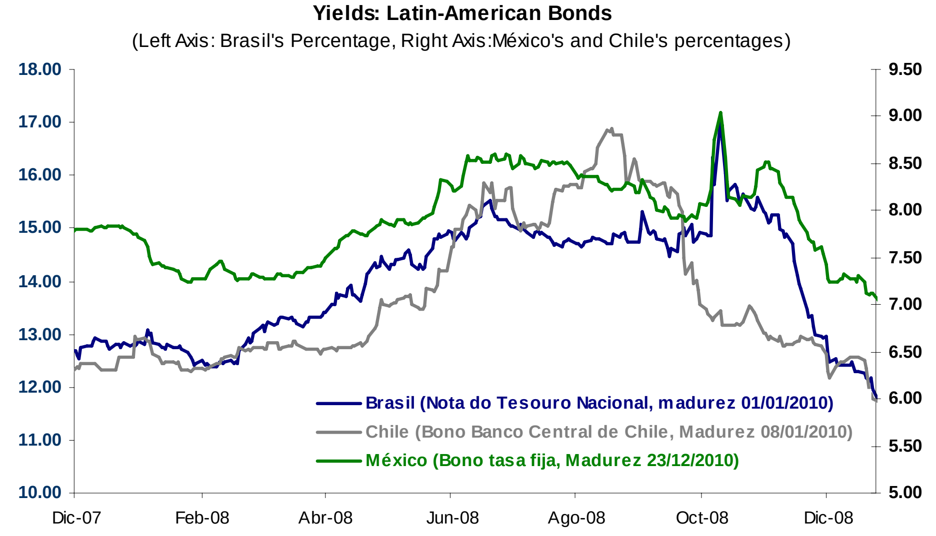


Note: Volatility = Standard deviation of prices from the last 30 days / average price of last 30 days.
Source: Bloomberg.

Locally, during the first semester, the exchange rate appreciated reaching its minimum level of the year at COP$1655.03 (June 17th, 2008). During the second semester, in contrast, the exchange rate devaluated hitting its maximum level of the year at COP$2404.75 (October 28th, 2008). This behavior could be explained by a flight-to-quality phenomenon, where foreign investors prefer safer financial assets, moving its assets to economies with lower risk and out of developing countries.

The exchange rate became stable in December compared to previous months, closing the year at COP$2245, as a consequence of a change in risk aversion of foreign investors, due to the relative calm in global markets.

Figure 14



Source: Bloomberg

The local fixed-income market in December continued showing a better performance in TES (Colombian Government Bonds) prices. The value of these bonds has been recovering since late October this year, because of better inflation results. On December 19th of 2008 the Colombian Central Bank (Banco de la República) reduced its benchmark interest rate by 50 b.p, finishing the year at 9,50%. This followed the worldwide tendency of interest rate cuts by the central banks.

The most visible consequences of the financial turbulence in Colombia was revealed by the IGBC (Índice General de la Bolsa Colombia), which had important fluctuations between September and November, reaching its maximum volatility peak the 28th of October, with a daily change of 11,54%. The performance of IGBC was congruent with the international outlook at that time, when the financial turmoil resulting from the subprime crisis, hit the markets around the globe. The volatility of world financial markets could be calculated with the VIX, a widely accepted measure of global risk aversion. Between September and November these fluctuations increased significantly, in contrast with this month when the volatility decreased constantly. In December the local equity markets became stable compared to past months, laying at its historical tendency of moderate variations. The IGBC index finished 2008 at 7.561, which meant a better performance than previous months.

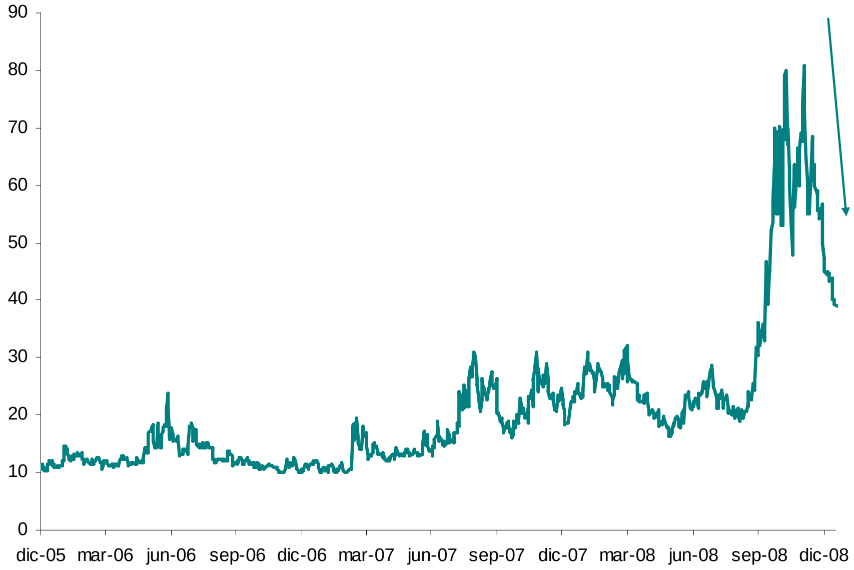
Figure 15

Colombian Stock Exchange Index (IGBC)

Source: Bloomberg

Figure 16

Volatility Index (VIX)



IV. Conclusions

- In December 2008 the Colombian financial sector obtained profits that reached $10.8 trillion pesos. Financial institutions reported $6,6 trillion in profits, while managed funds had $4,2 trillion.

- In December gross loans of credit institutions (including leasing operations) reached $147.1 trillion, which meant an annual increase of 17,7%.

- The total amount of past-due loans reached $6,1 trillion, which indicated an annual growth of 47,2%. The fall in past-due loans implied a strengthening in loan quality indicators. The traditional loan quality indicator for gross loans reached 4,1%. Provisions got up to $7,0 trillion, equivalent to an annual growth rate of 37,6%.

- The financial sector reported total investments amounting of $215,8 trillion, showing an annual growth of 11,9%. The investments in financial institutions accounted up to $71,8 trillion. Financial funds sum up to 144,1 trillion, which meant an annual growth of 11,1%.

- The capital adequacy ratio of credit institutions reached 13.4% in December 2008, superior to the 9% minimum level imposed by the financial supervisor.

- Financial markets in 2008 were characterized by high volatilities, especially during the second semester, when the crisis turmoil was spread all around the globe. The local equity markets became stable and closed with better results than previous months. Local fixed-income market recovered due to better inflation expectations.

APPENDIX 1: FINANCIAL STATEMENTS BY INSTITUTION

Financial Accounts of Credit Institutions

Figures in million pesos and percentages

Financial Intermediaries	Dec-2008					Annual growth [1] Dec-2008 / Dec-2007				
	Assets	Investment	Loans [2]	Net worth	Profit	Assets (%)	Investment (%)	Loans (%)	Net worth (%)	Profit ($m)
Commercial Banks	186,148,896	34,639,195	126,048,561	21,189,089	4,157,951	16.5%	10.4%	18.6%	16.3%	892,198
Financial Corporations	3,946,647	3,022,529	-	2,381,475	306,424	2.6%	4.6%	-	10.6%	82,262
Commercial Financing Companies	22,913,563	776,371	18,652,652	2,303,882	340,568	17.4%	36.3%	11.2%	28.5%	39,932
Financial Credit Unions	2,692,413	148,894	2,391,155	407,765	39,859	23.3%	35.1%	21.1%	42.9%	18,111
Superior Grade Cooperatives (OCGS)	287,764	165,144	80,843	165,230	17,599	214.0%	3402.8%	10.7%	897.7%	16,272
TOTAL	**215,989,283**	**38,752,133**	**147,173,211**	**26,447,442**	**4,862,401**	**16.5%**	**10.9%**	**17.7%**	**17.7%**	**1,048,776**

Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.
(1) Variation in assets, investment and net worth are percentage change (%), whereas profit variation is presented in absolute values in million pesos ($m).
(2) Gross loans = Net loans + Provisions

Financial Accounts of the Insurance Industry

Figures in million pesos and percentages

Financial Intermediaries [3]	Dec-2008					Annual growth [1] Dec-2008 / Dec-2007				
	Assets	Investment	Loans [2]	Net worth	Profit	Assets (%)	Investment (%)	Loans (%)	Net worth (%)	Profit ($m)
Capitalization Companies	932,690	850,894	23,933	138,750	608	-32.8%	-23.1%	1.3%	-72.7%	-10,543
General Insurance	7,747,062	4,017,547	63,684	2,104,415	184,195	7.5%	11.0%	-4.7%	2.4%	-159,576
Life Insurance	15,297,727	11,937,722	33,428	3,077,685	506,565	68.0%	71.6%	-86.6%	29.0%	211,476
Insurance Credit Unions	333,392	183,499	2,158	96,188	4,886	12.6%	22.6%	-3.3%	7.5%	-2,779
Insurance Brokerage Firms	249,411	11,157	-	132,994	52,124	17.5%	-18.8%	-	8.4%	-623
TOTAL	**24,560,283**	**17,000,818**	**123,203**	**5,550,033**	**748,378**	**34.9%**	**43.5%**	**-64.0%**	**7.5%**	**37,956**

Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.
(1) Variation in assets, investment and net worth are percentage change (%), whereas profit variation is presented in absolute values in million pesos ($m).
(2) Gross loans = Net loans + Provisions
(3) Insurance companies report financial statements on a quarterly basis; figures here presented correspond to December 2008.

Financial Accounts of Pension and Severance Funds

Figures in million pesos and percentages

Financial Intermediaries	Dec-2008					Annual growth [1] Dec-2008 / Dec-2007				
	Assets	Investment	Loans	Net worth	Profit [2]	Assets (%)	Investment (%)	Loans (%)	Net worth (%)	Profit ($m)
TOTAL PENSION AND SEVERANCE FUND MANAGERS (AFP) [3]	**1,402,405**	**978,292**	**-**	**1,167,372**	**254,605**	**20.9%**	**22.2%**	**-**	**18.5%**	**20,445**
Mandatory Pension Funds (FPO)	58,288,278	57,064,240	-	58,273,231	2,572,578	14.2%	14.1%	-	14.2%	-476,776
Voluntary Pension Funds (FPV)	6,822,101	5,420,583	-	6,574,408	272,698	0.5%	9.4%	-	4.9%	-84,345
Severance Funds (FC)	4,039,740	3,868,427	-	4,013,430	270,428	5.6%	3.4%	-	5.6%	154,892
TOTAL PENSION AND SEVERANCE FUNDS	**69,150,119**	**66,353,251**	**-**	**68,861,069**	**3,115,704**	**12.1%**	**13.0%**	**-**	**12.7%**	**-406,229**

Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.
(1) Variation in assets, investment and net worth are percentage change (%), whereas profit variation is presented in absolute values in million pesos ($m).
(3) Profits correspond to PUC account 5700 ("expected return") for pension funds, FCO, FCE, and other trust fund assets; for the remaining institutions profits correspond to PUC account 5900 ("profits and losses").
(3) Pension fund financial statements excludes information for the "defined-benefit" pension regime.

Financial Accounts of Trust Funds and Mutual Funds

Figures in million pesos and percentages

Financial Intermediaries	Dec-2008					Annual growth [1] Dec-2008 / Dec-2007				
	Assets	Investment	Loans [2]	Net worth	Profit [3]	Assets (%)	Investment (%)	Loans (%)	Net worth (%)	Profit ($m)
TOTAL TRUST FUND MANAGERS	**1,209,000**	**724,932**	**-**	**952,758**	**213,662**	**25.2%**	**33.6%**	**-**	**18.9%**	**62,913**
Ordinary Mutual Funds (FCO)	12,130,107	7,533,832	-	12,072,833	892,506	37.1%	74.1%	-	38.6%	317,525
Specialized Mutual Funds (FCE)	3,154,792	2,205,886	-	3,005,285	266,053	11.3%	21.4%	-	8.2%	86,997
Pension Liability Fund (FPP)	38,081,897	36,500,359	-	37,001,446	1,393,723	36.8%	35.4%	-	132.6%	794,616
FPV administered by Trust Funds	946,170	819,007	-	941,624	70,832	18.1%	22.3%	-	46.6%	22,523
Other Trust Fund Assets [4]	66,322,953	27,318,798	820,963	39,510,363	-1,677,272	-3.6%	-21.0%	-14.4%	-11.0%	-4,941,513
TOTAL TRUST AND MUTUAL FUNDS	**120,635,920**	**74,377,882**	**820,963**	**92,531,550**	**945,842**	**10.6%**	**8.8%**	**-14.4%**	**10.3%**	**-3,719,852**

Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.
(1) Variation in assets, investment and net worth are percentage change (%), whereas profit variation is presented in absolute values in million pesos ($m).
(2) Gross loans = Net loans + Provisions
(3) Profits correspond to PUC account 5700 ("expected return") for pension funds, FCO, FCE, and other trust fund assets; for the remaining institutions profits correspond to PUC account 5900 ("profits and losses").
(4) Other Trust-Fund Assets report financial statements on a quarterly basis, figures here presented correspond to December 2008.

Financial Accounts of Brokerage and Investment Intermediaries

Figures in million pesos and percentages

Financial Intermediaries	Dec-2008					Annual growth [1] Dec-2008 / Dec-2007				
	Assets	Investment [2]	Loans	Net worth	Profit	Assets (%)	Investment (%)	Loans (%)	Net worth (%)	Profit ($m)
Stock Brokerage Firms	3,007,309	317,643	-	729,580	42,782	-21.3%	-33.7%	-	-26.4%	-53,884
Agricultural Brokerage Firms	65,819	24,250	-	42,533	8,088	23.5%	32.8%	-	41.0%	5,372
Independent Brokerage Firms	-	-	-	-	-	-	-	-	-	-
Investment-Fund Managers	53,440	30,214	-	42,428	4,765	5.2%	7.0%	-	6.8%	1,968
TOTAL BROKERAGE AND INVESTMENT-FUND MANAGERS	**3,126,568**	**372,107**	**-**	**814,541**	**55,635**	**-20.4%**	**-29.3%**	**-**	**-23.3%**	**-46,576**
Mutual-Investment Funds (FMI)	658,947	531,794	-	639,542	-5,082	-6.5%	-10.8%	-	-2.9%	-53,450
Investment Funds (FI)	891,716	737,103	-	863,786	20,183	49.2%	56.0%	-	48.8%	-7,053
Value Funds (FV)	2,999,156	2,056,666	-	2,898,252	133,988	22.3%	36.9%	-	19.3%	38,614
TOTAL INVESTMENT AND VALUE FUNDS	**4,549,820**	**3,325,563**	**-**	**4,401,580**	**149,089**	**21.2%**	**29.3%**	**-**	**20.0%**	**-21,890**

Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.
(1) Variation in assets, investment and net worth are percentage change (%), whereas profit variation is presented in absolute values in million pesos ($m).
(2) Investment data corresponds to PUC account 1200, excluding derivatives and repurchase operations.

Financial Accounts of Financial Infraestructure Providers

Figures in million de pesos and percentages

Financial Intermediaries	Dec-2008					Annual growth [1] Dec-2008 / Dec-2007				
	Assets	Investment	Loans [2]	Net worth	Profit	Assets (%)	Investment (%)	Loans (%)	Net worth (%)	Profit ($m)
Foreign Exchange Offices	55,223	1,265	-	20,982	-13,387	-61.8%	-35.8%	-	-72.5%	-1,001
General Deposit Stores (AGD)	586,230	41,251	749	413,728	4,015	4.2%	-55.1%	11.1%	2.8%	-27,964
Low-value Payment System Administrator	356,176	57,030	-	194,213	27,993	9.5%	-4.1%	-	14.9%	15,033
Colombian Stock Exchange (BVC) [3]	93,920	45,529	-	83,458	10,430	-9.6%	-	-	-0.5%	-16,704
Agricultural Stock Exchange [3]	64,250	26,998	-	58,319	5,804	76.7%	196.8%	-	74.0%	756
Agricultural Stock Clearing-house [3]	26,202	10,370	-	24,946	1,909	168.7%	-	-	249.8%	-2,415
Risk-Rating Agencies [3]	8,806	51	-	6,811	1,491	51.5%	-81.2%	-	61.8%	-762
Centralized Deposit Administrator (Deceval) [3]	84,948	55,223	-	66,995	21,071	23.0%	-645927.2%	-	21.5%	5,508
Stock Market Regulator (AMEV) [3]	3,990	54.47	-	2,356	520	46.2%	-	-	36.6%	567
Foreign Exchange Trading System Administrator	2,749	434.48	-	2,155	1,442	24.8%	25.4%	-	10.2%	200
Foreign Exchange Clearing-house	2,317	569.60	-	1,747	-89	7.9%	136.8%	-	-4.9%	569
TOTAL	**1,284,810**	**238,776**	**749**	**875,711**	**61,197**	**1.6%**	**46.2%**	**11.1%**	**4.6%**	**-26,214**

Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.
(1) Variation in assets, investment and net worth are percentage change (%), whereas profit variation is presented in absolute values in million pesos ($m).
(2) Gross loans = Net loans + Provisions
(3) Investment data corresponds to PUC account 1200, excluding derivatives and repurchase operations.

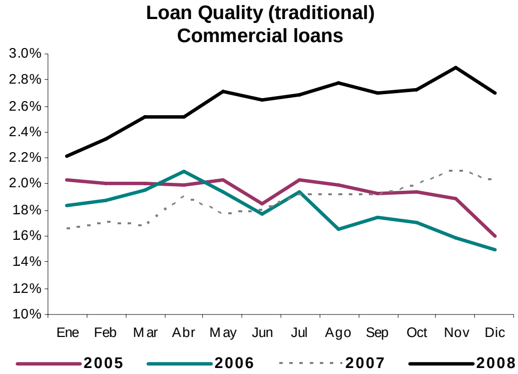
Financial Accounts of Specialized State-Owned Institutions (IOE)

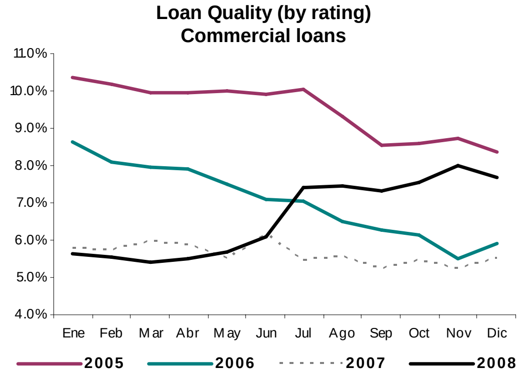
Figures in million pesos and percentages

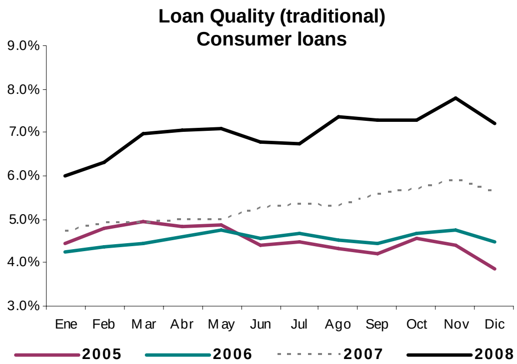
Institution	Dec-2008					Annual growth [1] Dec-2008 / Dec-2007				
	Assets	Investment	Loans [2]	Net worth	Profit	Assets (%)	Investment (%)	Loans (%)	Net worth (%)	Profit ($m)
Bancoldex	6,193,406	507,318	5,705,166	1,299,529	72,055	12.6%	-6.3%	14.6%	2.3%	17,413
Findeter	4,064,950	93,476	3,645,375	745,978	52,491	9.7%	99.3%	6.3%	1.7%	11,073
FEN	366,462	220,906	396,892	354,926	76,723	-62.8%	-69.3%	-2.2%	-62.0%	-24,593
Finagro	4,564,162	469,522	3,913,368	473,134	55,080	-0.2%	16.7%	2.1%	3.6%	16,194
Icetex	30,976	22,599	0	13,278	2,167	-98%	-62%	-100%	-99%	-27,190
Fonade	1,148,907	790,140	4,680	104,413	18,670	-11.0%	-9.2%	-6.9%	3.4%	6,385
Fogafin	9,000,053	7,275,966	0	26,803	19,176	0.0%	-4.1%	-	47.1%	7,863
Fondo Nacional del Ahorro	3,398,022	941,824	2,251,169	1,540,905	118,758	4.7%	11.1%	3.5%	3.5%	52,070
Fogacoop	276,911	214,691	-	66,404	20,945	3.5%	7.1%	-	9.8%	5,921
FNG	415,176	327,374	126,456	225,860	-47,295	-6.4%	-2.0%	-2.7%	-5.0%	-28,939
Caja de Vivienda Militar	3,053,202	2,843,146	3,301	108,090	2,966	2.4%	2.2%	-21.4%	-42.2%	-79,065
TOTAL IOEs	**32,512,228**	**13,706,963**	**16,046,407**	**4,959,322**	**391,736**	**-2.2%**	**-4.7%**	**-0.7%**	**-23.9%**	**-42,868**

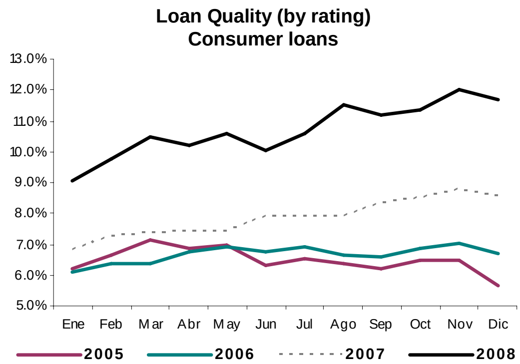
Financial statements subject to revision by the SFC. Figures reported until the 2nd of February 2009.
(1) Variation in assets, investment and net worth are percentage change (%), whereas profit variation is presented in absolute values in million pesos ($m).
(2) Gross loans = Net loans + Provisions

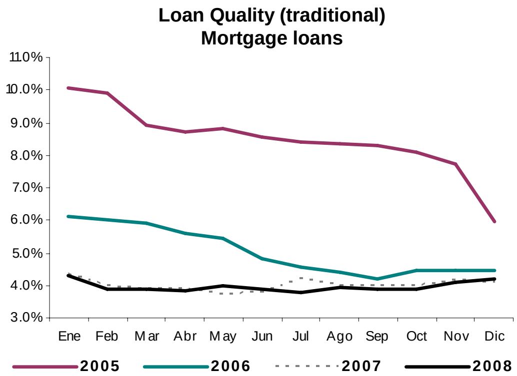
APPENDIX 2: ADDITIONAL INDICATORS OF CREDIT RISK
Loan Quality Indicators by Loan Type

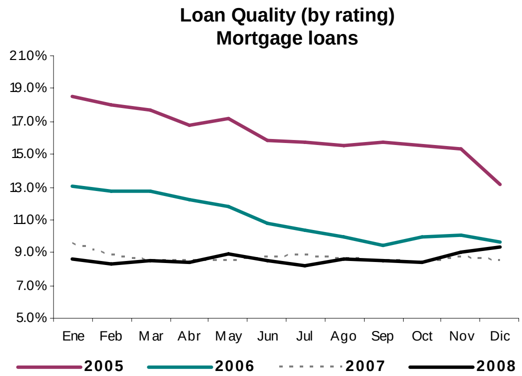


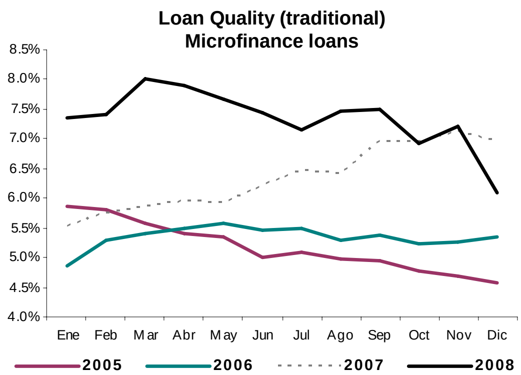


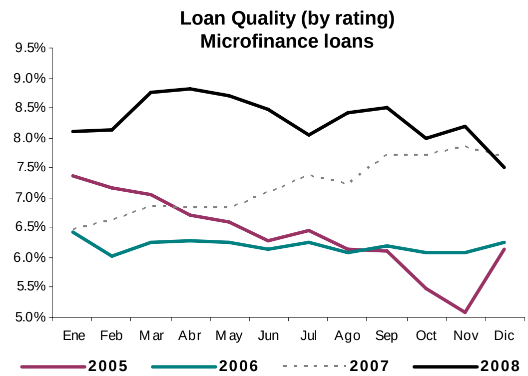






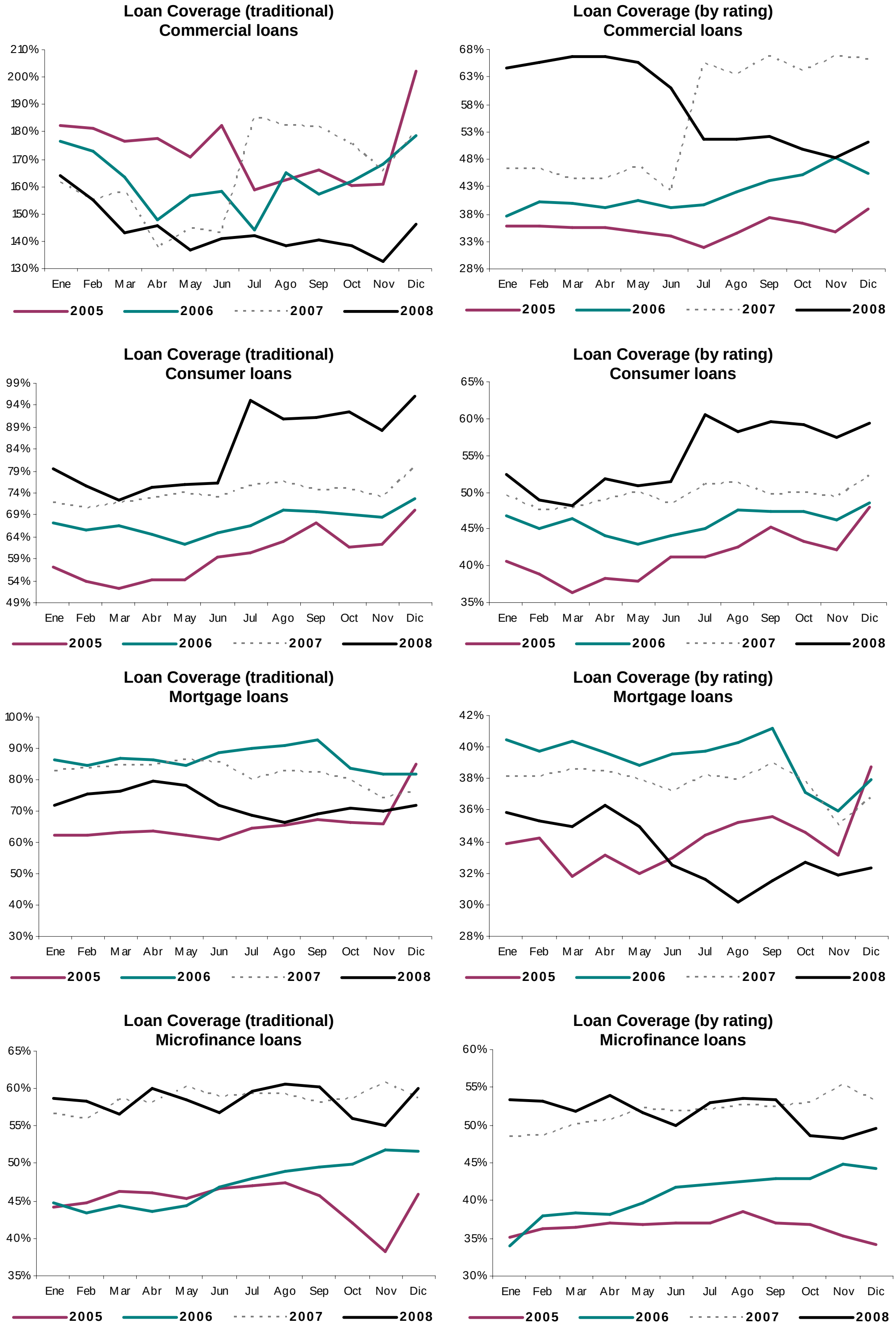






Fuente: Superintendencia Financiera. Estados financieros sujetos a corrección por la SFC.

Loan Coverage Indicators by Loan Type



Fuente: Superintendencia Financiera. Estados financieros sujetos a corrección por la SFC.