

BANCOLOMBIA SA
Form 6-K
July 17, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549
FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of July, 2007.

Comission File Number 001-32535

Bancolombia S.A.

(Translation of registrant's name into English)

Calle 50 No. 51-66

Medellín, Colombia

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(2):

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____.

BANCOLOMBIA PURCHASES MORTGAGE-BACKED TIPS

Medellín, Colombia, July 16, 2007

BANCOLOMBIA S.A. announces that today it purchased mortgage-backed TIPS, fixed rate in Pesos, in a public offering made by Titarizadora Colombiana S.A. The purchase amounted to Ps. 204,287,200,000.

Below are the details of the purchased securities::

Type	Rate	Value (Ps)
TIPS Pesos E-2 A 2017	10.14% EA	150,926,000,000
TIPS Pesos E-2 A 2022	10.50% EA	31,661,300,000
TIPS Pesos E-2 B 2022	11.50% EA	21,699,900,000
Total		204,287,200,000

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BANCOLOMBIA S.A.

(Registrant)

Date: July 16, 2007

By: /s/ JAIME ALBERTO VELÁSQUEZ B.

Name: Jaime Alberto Velásquez B.

Title: Vice President of Finance