

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.

AUTHOR OR EDITOR

Nidia Ruth Reyes, José Eduardo Gómez, Jair Ojeda

We study the existence of a monetary policy transmission mechanism through banks in Colombia, using monthly banks' balance sheet data for the period 1996:4 - 2012:12. We obtain results which are consistent with the basic postulates of the bank lending channel (and the risk-taking channel) literature. The impact of short-term interest rates on the growth rate of loans is negative, indicating that increases in these rates lead to reductions in the growth rate of loans. This impact is stronger for consumer loans than for commercial loans. We find important heterogeneity in the monetary policy transmission across banks depending on banks-specific characteristics.

Disclaimer: The findings, recommendations, interpretations and conclusions expressed in this paper are those of the authors and do not necessarily reflect the view of the Banco de la República or its Board of Directors.