

[Working Paper No. 407](#)

Keep in mind

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.

Autor o Editor

Yanneth Rocio Betancourt Garcia

Hernando Vargas Herrera

Norberto Rodriguez Nino

Banks and other credit institutions are key players in the transmission of monetary policy, especially in emerging market economies, where the responses of deposit and loan interest rates to shifts in policy rates are among the most important channels. This pass-through depends on the conditions prevailing in the loan and deposit markets, which are, in turn, affected by macroeconomic factors. Hence, when setting their policy, monetary authorities must take into account those conditions and the behavior of banks. This paper illustrates this point by means of a theoretical micro-banking model and shows empirical evidence for Colombia suggesting that some aspects of the model might be relevant features of the transmission mechanism.

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.