

---

[Working Paper No. 92](#)

Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR

[Javier Gómez](#)

AUTHORS AND/OR EDITORS

[Gómez-Pineda, Javier](#)

The paper provides a model of the banking firm in the macroeconomy intended to explain what

---

---

determines the interest rate spread. A key factor explaining the spread in our model is the resource cost of capital. A statistical result confirms the prediction of the model, that is, the bank's spread is higher in low income economies.