



# Essays on Economic Policy (ESPE in Spanish) - Effects of Financial Capital on Colombian Banking Efficiency

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In the last years, there have been a series of changes related to global trends in the supply of financial services. These trends include economic integration, technological change, increased competition, disintermediation, deregulation and financial crises.<sup>1</sup> Colombia has not been apart from this phenomenon in its financial market where it is assumed that this phenomenon have led to an increase in competition during the last years. In this environment, both for banks and nonbank financial institutions, cost efficiency becomes a prerequisite for survival. Efficiency analysis thus becomes a leading indicator of how the financial firms adopt some strategies to face the consolidation process.