Banco de la República | Colombia
Somos el banco central de Colombia

The Competing Risks of Acquiring and Being Acquired: Evidence from Colombia´s Financial Sector

Working Paper No. 567 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.

AUTHORS AND/OR EDITORS García-Suaza, Andrés Felipe Gómez-González, José Eduardo
This paper studies the determinants of the probability of participating in a process of merging or acquisition for financial institutions in Colombia. We use survival analysis techniques and competing risks models to estimate the probability of participating in such processes as an acquiring or acquired firm. Using an especially rich database containing financial information of Colombian banks for the period 1990-2007, we find that both macroeconomic and microeconomic variables are important determinants of such probability. However, there are differential effects for the acquiring firm and the acquired firm. Particularly, while firm size and solvency result significant determinants of the probability of being an acquiring firm, efficiency is an important determinant of the probability of being acquired. Also, the concentration index, that plays no role for acquiring firms, plays an important role in the probability of being acquired.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/en/competing-risks-acquiring-and-being-acquired-evidence-colombias-financial-sector