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In recent years, credit growth has been accelerated recording higher levels of credit as a percentage of GDP, compared to previous years in some countries of Latin America. In Colombia, credit to GDP indicator had increased almost 10 percentage points in the last five years. For this reason, it is interesting to study the behavior in Colombia analyzing credit boom episodes, and the possible impacts on the economy. This paper provides an econometric analysis of economic determinants of credit portfolio as a percentage of GDP, in order to find the level of this indicator which is supported by its determinants. We found that Interbank rate, National-debt-to-GDP, Household-consumption-to-GDP and the level of investment-to-GDP are the main determinants of credit portfolio-to-GDP. On the other hand, we determine the level of commercial credit-to-GDP that is consistent with its determinants. Then we evaluated how this indicator of financial deepening affects firms growth rate in Colombia.

The results suggest in Colombia the portfolio to GDP ratio is not significantly above from its consistent level at ends to 2011. It was also found the effect of financial deepening in business growth is positive and quite significant. Also as expected the effect of being in debt depends heavily on the sector to which the firm belongs. In general being in debt increased the firm's rate growth and brings an externality that affects not indebted firms. This opens the debate if macro prudential measures that affect all types of portfolio are more damaging than those that are specialized.

