Abstract

The objective of this research is the assessment of the market discipline in the universal and commercial banks of Venezuela between the years 2004 and 2011, considering the deposits and interest rates, and taking into account financial, macroeconomic and systemic variables as descriptive variables. The data that served as a source of information was the financial statements of universal and commercial banks published monthly by the Superintendency of Banking Sector Institutions (SUDEBAN). Regressions that incorporated deposits and interest rates as dependent variables were conducted. In general, the presence of market discipline in the Venezuelan banking system was found in form of deposits, but not in form of interest rates. The results show that the interest rate is not the indicator that depositors monitor to estimate risk levels of banks.

Keywords

Market discipline, banking system, interest rate, financial variables.