

# **Macroprudential policy in Bolivia**

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## **Abstract**

The aim of this paper is to analyze the nature and scope of macroprudential policy, the institutional bases required for decision-making, the necessary analytical framework for their implementation, the instruments typically involved and finally the application and the progress of these measures in the Bolivian financial system. The analysis done for the Bolivian financial system is conceptual in nature, since there is little actual experience in order to identify what might be called best practices, and there is not enough evidence to empirically qualify the effectiveness of one or another modality of this economic policy. However, policies and macroprudential instruments implemented in Bolivia, in its generality, on the one hand allowed that the financial system's growth takes place in a stability framework, characterized by a good dynamism of loans and deposits growth, a decreased Non Performing Loans ratio alongside increases in profitability and capitalization levels, and on the other, that the financial system to have greater capacity to cope with periods of crisis.

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