Andreas Krause

Chapter 3.1

Maturity transformation of deposits

Outline

Maturity mismatch

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- Problem and model assumptions
- **Social optimum**
- Direct lending
- Direct lending with trading
- Bank lending
- Summary

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- Bank runs cause banks to fail and impose high costs on economies
- This reduces the benefits of banks

This presentation is based on
Andreas Krause: Theoretical Foundations of Banking, 2025

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