

Essays in Financial Economics

Dr Jonas Becker, 2025

Abstract – Dissertation

This dissertation contains four chapters on different aspects of the interplay between (global) banks' investment strategies and financial market outcomes. The primary focus thereby lies on the examination of lending behavior as well as liquidity and risk management within banks.

The initial two chapters highlight the role of global banks for shaping international capital flows. Chapter 1 shows how global bank lending is affected by investments of banks in other asset classes, specifically equity investments. In comparison, Chapter 2 analyzes how these global bank lending flows and the necessary currency liquidity management matter for foreign exchange (FX) markets. Chapter 3 then focuses more on the liquidity management component in the home currency and the resulting implications for bond investments. Chapter 4 expands the previous analysis by studying differences between banks and other lending entities and their investment behavior in the loan and bond market.