Summary
The dissertation analyzes the functioning of the banking sector by examining how this is affected by the size of banks, the degree of competitive pressure and the degree of specialization of the intermediaries. In particular, Chapter 1 empirically studies the willingness of smaller and larger lenders to grant long-term loans which, as loans to SME’s, constitute an opaque segment of the credit industry. Chapter 2 analyzes, from a theoretical point of view, the effects of competition on the efficiency of banks when these are affected by dynamic commitment issues which may bring to either excessive refinancing of bad quality investments (so called soft-budget constraint) or excessive termination of good ones (ratchet effect and short-termism). Chapter 3 presents a model to investigate to what extent the distortions posed by conflicts of interest in universal banks can be addressed through the provision of appropriate incentive schemes by the different categories of clients.