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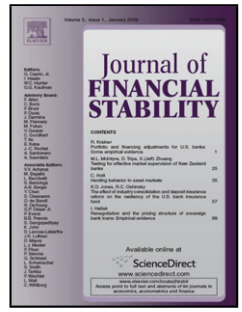

Title: Persistent Liquidity Shocks and Interbank Funding

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Highlights

A theory of interbank funding across multiple maturity segments is developed.
Term funding is driven by persistent liquidity shocks and banks' liquidity management.
This theoretical framework is embedded in a micro-founded financial network model.
The model features OTC interbank funding and replicates financial system phenomena.
An optimal policy analysis maximizes loan supply under systemic risk.
Interbank markets increase intermediation efficiency and are crucial for credit provision.