

ALESSANDRO DIEGO SCOPELLITI

CONTACT INFORMATION

European Central Bank
Monetary Analysis Division (Bank Lending Conditions)
DG-Monetary Policy
20, Sonnemannstrasse
60314 Frankfurt am Main (Germany)
Office: +49 69 1344 7545
Mobile: +49 176 6508 1042
Email: Alessandro.Diego.Scopelliti@ecb.europa.eu

University of Zurich
Department of Banking and Finance
Faculty of Business, Economics and Informatics
14, Plattenstrasse
CH-8032 Zurich (Switzerland)
Office: + 41 44 634 3930
Mobile: +39 347 017 8442
Email: alessandro.scopelliti@bf.uzh.ch

FIELDS OF INTEREST

Empirical Banking, Monetary Policy Transmission and Bank Lending, Financial Regulation and Supervision, Capital Markets, Sustainable Finance

CURRENT POSITIONS

2016 – present **European Central Bank**, Frankfurt am Main, Germany

Economist (Oct 2018 – present; part-time since Jan 2019)
DG-Monetary Policy, Monetary Analysis Division, Bank Lending Conditions Section

Graduate Programme Participant (Sept 2016 – Sept 2018)

1st assignment: DG-Market Operations, Euro Area Bond Markets Section (Sept 2016- Aug 2017)

2nd assignment: European Systemic Risk Board Secretariat (Sept 2017- Aug 2018)

3rd assignment: DG-Research, Financial Research Division (Sept 2018)

2019 – present **University of Zurich**, Department of Banking and Finance, Zurich, Switzerland

Research Fellow (part-time)

ERC Advanced Grant “Bank Lending” (Principal Investigator: Prof. Steven Ongena)

DOCTORAL STUDIES

2020 (exp.) **University of Warwick**, Department of Economics, Coventry, UK

PhD in Economics (Thesis submitted in Nov 2019)

Thesis: “Essays on Banking, Securitisation, Financial Regulation and Stability”

Advisors: Prof. Mark P. Taylor, Prof. Michael McMahon, Dr. Juan Carlos Gozzi-Valdez

2010 **University of Catania**, Department of Economics, Catania, Italy

Doctorate in Public Economics

Thesis: “Competition Policy and Economic Growth”

PRE-DOCTORAL STUDIES

2009 **Paris School of Economics**, EHESS, Paris, France

MRes in Economic Analysis and Policy (M2)

2007 **Universitat Pompeu Fabra**, Department of Economics, Barcelona, Spain

MSc in Economics

2005 **University of Reggio Calabria**, Dept. of Law and Economics, Reggio Calabria, Italy

Bachelor in Law (minor in Economics), summa cum laude

Dissertation: “The Reform of the European Stability and Growth Pact”

PREVIOUS WORK EXPERIENCE

2010 – 2016 **University of Reggio Calabria**, Reggio Calabria, Italy

Assistant Professor of Economics, Dept. of Law and Economics

- Aug 2014 – Nov 2014 **International Monetary Fund**, Washington DC, USA
Fund Internship Program, Middle East and Central Asia Dept., Regional Studies Division
- July 2012 – Sept 2012 **Bank of England**, London, UK
PhD Internship, Financial Stability Dept., Financial Institutions Division
- July 2011 – Mar 2012 **European Central Bank**, Frankfurt am Main, Germany
Internship, DG-Financial Stability, Financial Services Policy Division

RESEARCH VISITS

- Mar 2017 – Sept 2019 **Bank of England**, London, UK
Research Visitor, Financial Stability Strategy and Risk Dept., Strategy and Research Team
- Apr 2015 – Oct 2015 **University of Zurich**, Dept. of Banking and Finance, Zurich, CH
Academic Guest, Chair of Prof. Steven Ongena

SHORT VISITS

- Feb & June 2016, **European Central Bank**, Frankfurt am Main, Germany
 Apr 2013 DG-Research, Financial Research Division

CURRENT RESEARCH: EMPIRICAL BANKING, MONETARY POLICY, FINANCIAL REGULATION

Working Papers

- “Bank Credit and Market-based Finance for Corporations: The Effects of Minibond Issuances in Italy” (with Steven Ongena, Sara Pinoli and Paola Rossi)
- “Securitisation and Funding Decisions of Euro Area Banks: the Role of Monetary Policy Measures and Collateral”
- “Securitisation, Bank Capital and Financial Regulation: Evidence from European Banks”
- “Rules and Discretion(s) in Prudential Regulation and Supervision: Evidence from EU Banks in the Run-Up to the Crisis” (with Angela Maddaloni), [ECB Working Paper Series](#), No. 2284
- “Bank Competition and Financial Stability: Exploring Solvency, Liquidity and Credit Risk” (with Raja Almarzoqi and Sami Ben Naceur), revised version of [IMF Working Paper Series](#) No. 15/210

Work in Progress

- “Bank Funding Decisions and Liability Structure under Liquidity Stress: Evidence from UK Banks”
- “Banks’ Pricing of Car Loans and Market Pricing of Auto ABSs: the Role of Green and Brown Factor” (with W. Beyene, M. Falagiarda, S. Ongena)

Book Chapters and Research Bulletin Articles

- “Prudential Regulation, National Differences and Banking Stability” (with Angela Maddaloni), [ECB Research Bulletin Article](#), No. 58, May 2019 [featured in “Il Sole 24 Ore”, 24 May 2019]
- “Prudential Regulation, National Differences and Stability of EU Banks”, with Angela Maddaloni, in (ed.) Balling M., Hedrick C. and Ulrich B. (2016), *The SSM at 1*, SUERF Study 2016/3
- “Securitisation and Risk Retention in European Banking: The Impact of Collateral and Prudential Rules”, in (ed.) Balling M., Lierman F., Masciandaro D. and Quintyn M. (2014), *Money, Regulation and Growth: Financing New Growth in Europe*, [SUERF Study](#) 2014/4

PREVIOUS RESEARCH: ECONOMIC GROWTH, COMPETITION AND INNOVATION

Permanent Working Papers

- “Competition Policy and Economic Growth in an Economy with Heterogeneous Industries”, 2010
- “The Interaction between Antitrust and Intellectual Property: the Interoperability Issue in the Microsoft Europe Case”, *The Warwick Economics Research Paper Series*, N.924, 2010.

Journal Articles

- “Competition and Economic Growth: a Critical Survey of the Theoretical Literature”, *Journal of Applied Economic Sciences*, Volume V, Issue 1(11), 2010

CONFERENCE AND SEMINAR PRESENTATIONS (* presentation by co-author)

- 2019** Bundesbank-Goethe-Frankfurt School Conference on Regulating Financial Markets, Frankfurt; 3rd Conference on Contemporary Issues in Banking, St. Andrews; Bocconi-CONSOB-ESMA Conference on Securities Markets, Milan; 12th Swiss Winter Financial Intermediation Conference, Lenzerheide; 3rd Annual Workshop of the ESCB Research Cluster on Financial Stability, Madrid*
- 2017** 1st Annual Workshop of the ESCB Research Cluster on Financial Stability, Athens; FINEST Conference, Financial Intermediation Network of European Studies, Trani; 9th IFABS Conference, International Finance and Banking Society, Oxford*
- 2016** 3rd ECB Forum on Central Banking, Sintra; 32nd SUERF Colloquium, Deutsche Bundesbank, Frankfurt; 57th SIE Annual Conference, Italian Society of Economists, Milan; 25th International Rome Conference on Money, Banking and Finance, Rome*; European Banking and Finance Conference, Bologna*; 8th IFABS Conference, International Finance and Banking Society, Barcelona*
- 2015** 4th EBA Policy Research Conference, European Banking Authority, London; 14th CREDIT Conference on Credit Risk Evaluation, Venice; 56th SIE Annual Conference, Italian Society of Economists, Naples; Univ. of Zürich, Dept. of Banking and Finance, Seminar in Contract Theory and Banking
- 2014** 31st SUERF Colloquium - BAFFI FinLawMetrics Conference, Milan; 29th EEA Conference, European Economic Association, Toulouse; 6th IFABS Conference, International Finance and Banking Society, Lisbon; 4th FEBS Conference, Financial Engineering and Banking Society, Univ. of Surrey; International Monetary Fund, European Department and Middle East and Central Asia Dept., Research Seminar; Multinational Finance Society Symposium, Cyprus; 2nd TFSF Conference, Tunisian Society for Financial Studies
- 2012** Bank of England, Financial Stability Seminar, London
- 2011** 20th International Tor Vergata Conference on Money, Banking and Finance, Rome; 7th SIDE-ISLE Conference, Italian Society of Law and Economics, Turin; European Central Bank, Financial Stability Seminar, Frankfurt; 28th EALE Conference, European Association of Law and Economics, Hamburg
- 2010** 6th SIDE-ISLE Conference, Italian Society of Law and Economics, Bozen; 61st SIE Conference, Italian Society of Economists, Catania; 22nd SIEP Conference, Italian Society of Public Economics, Pavia

WORKSHOP ORGANISATION

- 2016** Workshop on “Prudential Supervision and Bank Credit: the Single Supervisory Mechanism”
Bank of Italy and Univ. Reggio Calabria

TEACHING ACTIVITY

Lecturer (University of Zurich)

- Spring 2020 Financial Intermediation and Banking (Master in Banking and Finance)
Spring 2020 Banking and Contract Economics (PhD in Banking and Finance)

Lecturer (University of Reggio Calabria)

- Spring 2011, 2014, 2015 Macroeconomics (1st year, BSc in Economics)
Spring 2014, 2015 Microeconomics (1st year, BSc in Economics)
Spring 2012, 2013 Statistics (1st year, BSc in Economics)
Spring 2011 Economics of Financial Intermediation (2nd year, BSc in Economics)

Teaching Assistant (University of Warwick)

- Spring 2013 Macroeconomic Policy in the EU (3rd year, BSc in Economics)
Fall 2010, 2012 Economics of Money and Banking (2nd year, BSc in Economics)
2010-2011 Macroeconomics 2 (2nd year, BSc in Economics)

TRAINING COURSES

July 2014 Empirical Banking and Financial Regulation, Barcelona GSE
July 2014 Quantitative Methods for Policy Evaluation, ISEG, Lisbon
July 2013 Banking Theory and Empirical Banking, Barcelona GSE
April 2013 DSGE Modelling and Financial Frictions, Royal Economic Society, Birmingham
September 2007 Competition Policy and Market Regulation, University of Milan
June 2006 Time Series Econometrics, CIDE, Bertinoro

RESEARCH PROJECTS WITH GRANTS

2017 ERC Advanced Grant (Principal Investigator: Prof. Steven Ongena), project on “Bank Lending”
2016 Baffi Carefin Grant (Principal Investigator: Prof. Steven Ongena), project on “Minibonds”
2007-2008 Bocconi Univ. and Calabria Region, grant for research project on “EU Structural Funds”

AWARDS

2014 SUERF Marjolin Prize for the best contribution by an author under 40
2005-2008 Italian Ministry of University, fellowship for post-graduate studies
2005 University of Reggio Calabria, prize for the best final dissertation of the Faculty

PERSONAL INFORMATION

12.02.1982, Reggio Calabria (Italy) *Nationality:* Italian

LANGUAGE SKILLS

English (fluent), Italian (mother tongue), French (proficient), Spanish (fair)

COMPUTER SKILLS

Softwares: Stata, Matlab, E-Views, Livelink

Databases: Capital IQ, SNL Financial, Bankscope, Bloomberg, Dealogic, S&P Global Market Intelligence

REFERENCES

RESEARCH REFERENCES

Prof. Steven Ongena
Professor of Banking
University of Zurich
Department of Banking and Finance
CH-8032 Zurich (CH)
Email: steven.ongena@bf.uzh.ch
Phone: +41 44 634 3954

Prof. Michael McMahon
Professor of Economics
University of Oxford
Department of Economics
OX1 3UQ Oxford (UK)
Email: michael.mcmahon@economics.ox.ac.uk

Prof. Mark P. Taylor
Dean and Professor of Finance
Washington University in St. Louis
Olin Business School
MO 63130-4899, St. Louis (USA)
Email: mark.p.taylor@wustl.edu
Phone: +1 314 935 6344

Dr. Angela Maddaloni
Advisor – Financial Research Division
European Central Bank
DG - Research
60314 Frankfurt am Main (DE)
Email: angela.maddaloni@ecb.europa.eu
Phone: +49 69 1344 8768

POLICY REFERENCES

Mr. Francesco Mazzaferro
Head of the ESRB Secretariat
European Systemic Risk Board
European Central Bank
60314 Frankfurt am Main (DE)
Email: francesco.mazzaferro@ecb.europa.eu
Phone: + 49 69 1344 7427

Mr. Christoph Beuve
Head of the Bond Markets and International Operations Division
European Central Bank
DG-Market Operations
60314 Frankfurt am Main (DE)
Email: christophe.beuve@ecb.europa.eu
Phone: + 49 69 1344 3729

RESEARCH WORK

BANK CREDIT AND CAPITAL MARKETS

“Bank Credit and Market-Based Finance for Corporations: The Effects of Minibond Issuances in Italy”

With Steven Ongena (Univ. of Zurich), Sara Pinoli and Paola Rossi (Bank of Italy)

The integration between bank credit and market-based finance for corporates and particularly for SMEs is at the center of the recent policy debate. We exploit a recent regulatory change in Italy, aimed at the introduction of “minibonds” for non-listed firms, to investigate the ex-post impact of the diversification of funding sources on the financing conditions of Italian corporates in their bank-firm lending relationships. Using the data from the Credit Register of the Bank of Italy, we study the interest rate setting for new loans granted after the issuances as well as the changes in the volumes of granted and used credit: since the loan offer to a treated firm in the case of non-issuance would not be observable, we match the new loans granted to issuer firms with the new loans granted at the same time to non-issuer firms - having the corresponding pre-determined characteristics. We show that, after the issuance, issuer firms were able to obtain lower lending rates than ex-ante comparable non-issuer firms, suggesting an improvement in their bargaining power with banks. We also find that issuer firms reduced significantly the amount of used credit after the minibond issuances, pointing out to a substitution effect from the recourse to capital markets.

MONETARY POLICY AND BANK FUNDING

“Securitisation and Funding Decisions of Euro Area Banks: the Role of Monetary Policy Measures and Collateral”

The paper analyses the determinants for the issuance and the retention of asset-backed securities (ABSs) by euro area banks, with regard to the effects of monetary policy measures, and in relation to bank characteristics and financial markets developments. Based on a granular dataset for all ABSs and covered bonds issued in the euro area from 2005 to 2018 Q1, and combining tranche-level information on securities with the balance sheet data for the parent banks, I first study the relative incentives for the issuance and the retention of ABSs versus covered bonds. While covered bonds are usually placed among investors, ABSs have been often retained by originator banks particularly after the crisis. I find that the full allotment policy – expanding the amount of available central bank liquidity – increased the probability to retain eligible ABSs particularly for banks with lower liquidity and less capital, as they were more interested in a securitise-to-repo strategy for potential access to central bank liquidity. In addition to this quantity effect, also the price effect of the interbank spread on funding costs contributed to the increase in ABS retention for banks in weaker funding conditions. The introduction of the Additional Credit Claims framework, by allowing for the direct pledge of a larger set of credit claims, was associated with some decrease in ABS retention.

FINANCIAL REGULATION AND STABILITY

“Rules and Discretion(s) in Prudential Regulation: Evidence from EU Banks in the Run-Up to the Crisis”

With Angela Maddaloni (ECB), ECB WP No. 2284, ECB Research Bulletin No.58

Prior to the global financial crisis, prudential regulation in the EU was implemented non-uniformly across countries, as options and discretions allowed national authorities to apply a more favourable regulatory treatment. We exploit the national implementation of the Capital Requirements Directive and derive a country measure of regulatory flexibility (for all banks in a country) and of supervisory discretion (on a case-by-case basis). Overall, we find that banks established in countries with a less stringent prudential regime were more likely to require public support during the crisis. We investigate the channels through which a more lenient prudential regulation may have led to greater financial vulnerability of banks. Using an instrumental variable approach, we focus on the component of balance sheet risk-taking explained by the prudential framework incentives and analyse how this affects bank resilience. More regulatory flexibility is associated with higher share of non-interest income, lower ratios of liquid assets and larger credit provision, leading to higher probability of distress. At the same time, in jurisdictions with more supervisory discretion, banks may have been induced to control the lending amount and to hold larger buffers of liquid assets, though by increasing sovereign exposures.

SECURITISATION AND BANK CAPITAL

“Securitisation, Bank Capital and Financial Regulation: Evidence from European Banks”

The paper analyses how banks manage their capital position when they securitise, by focusing on the issuances sponsored by European banks before and after the global financial crisis. Since then, banks continued to issue ABSs but retaining them for collateral purposes. Based on this motivation, the analysis investigates the capital implications of securitisation and the potential regulatory arbitrage incentives under risk transfer and retention. Combining tranche-level information for securitisation with bank balance sheet data for originators, I explore the ex-post changes in risk-based capital ratios and leverage ratios of banks after securitisation, for different classes of products. In the pre-crisis period, originator banks increased their risk-based capital ratios, consistently with the risk transfer argument. In the crisis time, while retaining their securitisation issuances, originator banks of ABSs eligible as central bank collateral improved their risk-weighted solvency ratios but without reducing their actual leverage. In fact, they could exploit the difference between the risk weights of the underlying assets and of the securitisation exposures to minimise the regulatory capital implications of this retention behaviour. Across institutions, banks in weaker liquidity conditions – then more subject to funding constraints - exploited relatively more these capital arbitrage opportunities.

Awards: 2014 SUERF Marjolin Prize; Shortlisted for the 2016 Ieke Van Den Burg Prize
Presented at the 2016 ECB Forum in Sintra (Young Economists’ Poster Session)

BANK LIQUIDITY AND STRESS TESTING

“Bank Funding Decisions and Liability Structure under Liquidity Stress: Evidence from UK Banks”

In collaboration with the Bank of England

The experience of the global financial crisis and the post-crisis reforms of prudential regulation have raised new attention on bank liquidity and funding resilience. We explore the incentives driving the funding decisions of banks and their balance sheet adjustments when they are subject to liquidity stress. We exploit two sources of heterogeneity ex-ante and ex-post: first, the effects of potential shocks on bank funding conditions may be different across banks depending on their ex-ante liability structure and availability of liquid assets; second, banks may react ex-post to stress scenarios undertaking balance sheet adjustments. Using regulatory data, we analyse the determinants of bank financing decisions via wholesale and retail funding before and after some liquidity stress events affecting UK banks in past years. This is aimed to capture empirically the multi-stage developments of a liquidity shock, in line with a dynamic approach. In this perspective, we investigate: i) what are the main drivers behind banks’ decisions for the structure of their liabilities; ii) how the ex-ante liability structure of banks affects their individual resilience to common stress scenarios; iii) how banks react to stressed market conditions for their funding decisions, i.e. changes in the amount and the composition of assets and liabilities.

SUSTAINABLE FINANCE

“Banks’ Pricing of Car Loans and Market Pricing of Auto ABSs: the Role of Green and Brown Factor”

With Winta Beyene (Univ. of Zurich), Matteo Falagiarda (ECB), Steven Ongena (Univ. of Zurich)

We investigate how financial markets and credit institutions price the green and/or the brown factor in response to the same event raising awareness for environmental risk. We focus on the diesel emissions scandal in the automobile sector, as a shock that could have affected the pricing of both loans by banks and of financial instruments by market participants. When the scandal came out, this affected significantly the stock price of car makers as well as the pricing of asset-backed securities based on car loans. Using loan-level data for auto ABSs from the European Data Warehouse, we explore whether and to what extent such event could have influenced also the pricing of the loans provided by banks for car purchases. We exploit several dimensions of heterogeneity. Loans for car purchases are extended by different types of financial intermediaries, some of which are subsidiaries of large car producers and then subject to potential conflict of interest. Also, loan pricing may differ depending on the geographical area of the borrower, like urban areas subject to potential circulation restrictions or benefiting from better public transportation.