

Contact Information

European Central Bank
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Current Employment

European Central Bank
Monetary Policy Research Division
Economist

since September 2018

Education

Columbia University, USA
Columbia Business School
Department of Finance and Economics
Ph.D., Finance and Economics

2013 – 2018

Yale University, USA
MA with Honors, International and Development Economics

2010 – 2011

Athens University of Economics and Business, Greece
Department of Economics

2005 – 2009

Katholieke Universiteit Leuven, Belgium
Department of Economics

2007 – 2008

Research

Areas of Interest: Financial Intermediation, Monetary Policy, Corporate Finance

Working Papers:

Lending Relationships in Loan Renegotiation: Evidence from Corporate Loans

Winner of 2017 Washington University in St. Louis WFA-CFAR Best Finance PhD Paper Award

This paper presents evidence that personal relationships between corporate borrowers and bank loan officers improve the outcomes of loan renegotiation. Analysing a bank reorganization in Greece in the mid-2010s, I find that firms that experience an exogenous interruption in their loan officer relationship confront three consequences: one, the firms are less likely to renegotiate their loans; two, conditional on renegotiation, the firms are given tougher loan terms; and three, the firms are more likely to alter their capital structure. These results point to the importance of lending relationships in mitigating the cost of distress for borrowers in loan renegotiations.

The rise of bond financing in Europe, with Olivier Darmouni

In the Euro Area, the share of corporate borrowing coming from bond markets doubled since 2000 at the expense of bank lending, leaving many firms exposed to the recent bond market turmoil. We use micro-level evidence from European public firms to dissect the steady rise of bond financing and document that it has reached well beyond the largest and safest firms. There is a constant stream of firms entering the bond market for the first time which are significantly smaller and less profitable than historical issuers, but have comparable levels of leverage. New issuers expand their balance sheet, instead of just repaying bank loans, and increase their debt maturity, partially mitigating their

exposure to rollover risk. We argue theoretically and empirically that monetary policy and firms' risk are important drivers of bond financing. Unconventional monetary policy lowers the bond-loan spread, with policies reducing long-term rates starting in 2012 having noticeable effects even before corporate bond purchases started in 2016. Moreover, rating downgrades lead firms to issue more loans as their cost of bond financing increases. In light of the recent turmoil, our findings support broadening lender-of-last resort policies to include the corporate bond market.

Understanding the Effects of Unconventional Monetary Policy on Corporate Bond Market in the Euro Area, with Lira Mota

In light of the recent COVID-19 crisis, it is clear that unconventional monetary policies have become part of the standard tool kit of developed countries central banks. A set of such policies affects directly corporate bonds. Understanding the underlying mechanisms through which they operate is of paramount importance for optimal policy design. In this paper, we study the impact of three unconventional monetary policy packages adopted by the European Central Bank (ECB) on the corporate bond market. We use information on credit default swaps to decompose, in a model-free manner, corporate spreads into a default and a non-default component. While all ECB policies caused a decrease in corporate spreads, we find that the default component is small across all packages and the impact on corporate spreads is almost fully explained by the effect on the non-default component. We show evidence that this result is driven by the increase in demand for safer bonds as these are more affected by the ECB interventions.

Securing the Unsecured: How do stronger creditor rights impact firms?

This paper identifies the impact of stronger creditor rights on firms' financing as well as on local economic development. The passage of an enforcement on cash assets reform in Croatia benefited mostly the unsecured creditors, as it made safer the collection of unsecured debt. Using a novel dataset on courts' efficiency and identifying geographical and sectoral variation on the exposure to the reform, I find that firms receive higher levels of trade credit and short term loans when the enforcement of creditor rights is stronger. Moreover, it is shown that such reforms could cause a distortion on firms' cash management, profitability, and investment. Lastly, more firms are incorporated in cities that have a higher exposure to the reform and the local level of employment and of investment is higher in those cities. These results provide evidence that a stronger enforcement of creditor rights decreases the barriers to entry for firms both at the extensive and at the intensive margin but at the same time it distorts the way that pre-existing firms operate.

Work in Progress:

Mispriced Collateral Risk, with Ye Li and Huijun Sun

Presentations

2021

AEA (scheduled)

2019

University of Zurich - Department of Banking and Finance, MFA, Conference on New Frontiers in Banking: from Corporate Governance to Risk Management (RFS sponsored), Young Finance Scholars Conference, Conference on Research on Economic Theory and Econometrics, CEPR Study Center Gerzensee ESSFM, EEA, Bank of Greece, IFFR Conference: Understanding Challenges for the Greek Economy, ACPR Research Initiative/ANR Conference Conference on Funding Stability and Financial regulation

2018

European Central Bank, Bank of England, Bank of Italy, Bank of Norway, BI Norwegian Business School, Bocconi university, Boston College, Federal Reserve Bank of New York, Federal Reserve Board, IESE, London Business School, Rice University, University of Houston, University of Rochester

2017

Columbia Business School, Columbia Economics Department, Washington University in St.Louis
WFA-CFAR, NYU Stern, Fordham PhD Student Colloquium

Discussions**2020**

Duquerroy A., Mazet-Sonilhac C. , Mesonnier J., Paravisini D.: “Local bank specialization and SMEs’ access to credit”, EFA

Dathan M. and S. Davydenko: “Debt issuance in the era of passive investment”, SFS Cavalcade

Federico S., F. Hassan, V. Rappoport: “Trade shocks and credit reallocation”, HEC Paris Spring Finance Conference

2019

Cahn C., A. Duquerroy, W. Mullins: “Unconventional monetary policy and bank lending relationships”, Paris December Finance Meeting

Distinctions and Awards

Washington University in St.Louis WFA-CFAR Best Finance PhD Paper Award	2017
Columbia Business School, Finance Division, Best PhD Paper Award	2017
Arora - Naldi, Doctoral Fellowship	2017
Fordham Gabelli School of Business, Outstanding PhD Student Paper	2017
Deming Center, Doctoral Fellowship	2016
Columbia Business School, PhD Fellowship	2013 – 2017
Alexander S. Onassis Foundation, Doctoral Fellowship	2013 – 2017
Alexander S. Onassis Foundation, Fellowship	2010 – 2011
Fulbright Foundation, Fellowship	2010 – 2011
Graduated 1 st among 145 students from Athens University of Economics & Business, Department of Economics	2009
State Scholarships Foundation, Fellowship	2005 – 2009
Ranked 4 th nationally for admission to Athens University of Economics & Business, Department of Economics	2005

Referee Work

Journal of Banking and Finance, The Review of Financial Studies

Program Committee Member

New Frontiers in Banking: from Corporate Governance to Risk Management 2019

Teaching Experience

Senior Teaching Assistant for Columbia Executive Education,
Debevoise Business Education Program Fall 2016

Junior Instructor for Introduction to Business, Finance and Economics,
Columbia Program for High School Students Summer 2016

Teaching Assistant for Debt Markets, MBA course Spring 2016

Teaching Assistant for Columbia Executive Education,
Debevoise Business Education Program Fall 2015

Professional Experience

The World Bank , Washington D.C., USA <i>Poverty Reduction and Economic Management Unit</i> Associate, involved in Economic Policy, Justice Sector, and Governance projects in Azerbaijan, Croatia, Kazakhstan, the Philippines, and the Russian Federation	2011 – 2013
Institute of Strategic & Development Studies , Athens, Greece <i>Junior Researcher</i>	2009 – 2010

Languages

Greek (native), English (fluent), German (intermediate)