CHRISTIAN BITTNER

Webpage; SSRN

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EDUCATION

Goethe University Frankfurt (Department of Finance & Accounting) 2017 -
Doctorate Studies

University of Glasgow (Adam Smith Business School) 2015 - 2016
Postgraduate Degree - MSc Economics, Banking & Finance

University of Applied Science Hachenburg 2011 - 2014
Undergraduate Degree - BSc Central Banking

EXPERIENCE

Deutsche Bundesbank - Research Centre, Frankfurt since May 2023
Research Economist

Deutsche Bundesbank - Financial Stability, Frankfurt May 2022 - April 2023
promotion programme

European Central Bank - DG Financial Research, Frankfurt September 2021 - April 2022
Senior Research Analyst

Deutsche Bundesbank - Research Centre, Frankfurt April 2014 - August 2021
Research Assistant

Harvard Business School, Boston October/ November 2018
Research stay

University of Cape Town (AIFMRM), Cape Town August 2016
Research stay

Banca d'Italia, Rome February/ March 2014
Financial Stability and Payment System Department

Deutsche Bundesbank, Frankfurt 2011 - 2014
Internships as part of the Undergraduate Degree

Arbeiterwohlfahrt, Karlsruhe 2010 - 2011
Civilian Service

RESEARCH INTEREST

Banking, Financial Intermediation, Monetary Policy and Green Finance

WORKING PAPERS

The Augmented Bank Balance-Sheet Channel of Monetary Policy

joined work with Diana Bonfim, Florian Heider, Farzad Saidi, Glenn Schepens and Carla Soares

We study how banks balance sheets and funding costs interact in the transmission of monetary-policy rates to their credit supply. For this purpose, we use credit-registry data from Germany and Portugal together with the European Central Banks policy-rate cuts in mid-2014. We exploit cross-country variation in the distance to the zero lower bound (ZLB) and within-country variation across banks equity and liability structure. We provide a simple model of an augmented bank balance-sheet channel where in addition to costly external financing, there is screening of borrowers and a ZLB on retail deposit rates. Our results explain why at the ZLB there is risk taking and the traditional bank-balance sheet channel is muted.

Discussion Paper: BBk, BdP, CEPR, ECB
Featured in: Speech by ECB board member Isabel Schnabel (Going negative: the ECBs experience)
Price: 3rd price Bank Policy Institute/ Columbia University 2020 (panel: Acharya, Calomiris and Flannery)
Presented: 2020 ECB-BoJ-BoE Joint Research Workshop; 9th MoFiR Workshop on Banking; 7th IWH-FIN-FIRE workshop on "Challenges to Financial Stability"; 2020 EFA Annual Meeting; 2020 EABCN conference on "Empirical Advances in Monetary Policy"; 2020 Fixed Income and Financial Institutions Conference; 2020 Norges Bank workshop on "Frontier Research in Banking"; 2020 Cleveland Fed & OFR Financial Stability Conference; 2021 Federal Reserve Week-After Conference on Financial Markets and Institutions; 2021 Swiss Winter Conference on Financial Intermediation; 2021 QCGBF conference on "Challenges Facing Central Banks in the 2020s"; 2021 Norges Bank workshop on "Low Interest Rate and Unconventional Monetary Policy"; 2021 SNF conference on "Central Banking at a Crossroads: Challenges in the Curren Environment; 2nd Central Bank Workshop at Durham University

Mixing Unconventional Monetary Policies: Micro-evidence from the Euro Area

joined work with Alexander Rodnyansky, Farzad Saidi and Yannick Timmer

We study the interaction of expansionary rate-based monetary policy and quantitative easing, despite their concurrent implementation, by exploiting heterogeneous banks and the introduction of negative monetary-policy rates in a fragmented euro area. Quantitative easing increases credit supply less, translating into weaker employment growth, when banks funding costs do not decrease. Using administrative data from Germany, we uncover that among banks selling their securities, central-bank reserves remain disproportionately with high-deposit banks that are constrained due to sticky customer deposits at the zero lower bound. Affected German banks lend relatively less to firms while increasing their interbank exposure in the euro area.

Discussion Paper: CEPR, CESifo
Presented: 2021 OFCE/ Sciences Po Workshop on Empirical Monetary Economicx, 1st International Conference "Frontiers in International Finance and Banking", 4th CEMLA Conferene on Financial Stability, 2022 MFA Annual Meeting, 2022 Danmarks Nationalbank Workshop on Empirical Banking, 2022 Ghent University Workshop on Empirical Macroeconomics, 2022 Bank of Finland Workshop on Banking and Institutions, 2022 EFA Annul Meeting, 2022 Banca dItalia conference on "Monetary Policy in Exceptional Tmes: The Pandemic Experience and Current Challenges"

Contagious Zombies

joined work with Falko Fecht and Co-Pierre Georg

We show that particularly weak German banks used the European Central Banks very long-term refinancing operations (VLTROs) to evergreen exposures to zombie firms. Zombie firms that obtain more credit after the introduction of the VLTROs had a substantially elevated subsequent default probability. This suggests that either positive private information did not materialize or the decision to engage in zombie lending was not driven by any such private information. At the time of loan extension, banks that resort to the VLTRO report lower borrower-specific probabilities of default, reduce loan loss provisions and lower their credit standards relative to banks who lend to the same firm but have not resorted to the VLTRO. Zombie firms, which obtained additional funding from banks relying to a larger extent on VLTRO funding, in turn increase their accounts payable and advance payments received from downstream and upstream firms. This suggests that suppliers relying on banks lending decisions as a signal about borrowers credit quality might be misled by banks zombie lending to extend more trade credit to zombie firms exposing suppliers to elevated contagion risk.

Discussion Paper: BBk

Featured in: SUERF Policy Brief

Presented: 13th RGS Doctoral Conference, IBEFA Summer Meeting at the 2020 WEAI Conference, Research Workshop Bundesbank - The financial system in flux, Spring Meeting of Young Economists 2020/2021, 10th International Conference of the Financial Engineering and Banking Society

Information Transmission between Banks and the Market for Corporate Control

joined work with Falko Fecht, Melissa Pala and Farzad Saidi

This paper provides evidence of deliberate private-information disclosure within banks' international business networks. Using supervisory trade-level data, we show that banks with closer ties to a target advisor in a takeover buy more stocks of the target firm prior to the deal announcement, enabling them to benefit from the positive announcement return. We do not find such effects for bank connections to acquirer advisors or for trades in acquirer stocks. Target advisors benefit from leaking information about takeover bids to connected banks, as it drives up the final offer price without compromising the probability of bid success.

Discussion Paper: BBk

Featured in: SUERF Policy Brief

Presented: Research Workshop Bundesbank - The financial system in flux, 2022 Finanial Markets and Corporate Governance Conference

WORK IN PROGRESS

Carbon Regulatory Risk and Portfolio Reallocation

joined work with Johanna Arlinghaus, Martin Goetz and Nicolas Koch

PROFESSIONAL SERVICE

Referee: Journal of Economic Dynamics and Control

Scientific committee: Royal Economic Society (PhD)