

# Xiaobo YU

PHD CANDIDATE IN FINANCE AT COLUMBIA BUSINESS SCHOOL

Kravis 790, 665 West 130th Street, New York, NY 10027

✉ XYu23@gsb.columbia.edu | 🏠 xiaobo-yu.com | 🌐 xiaoboyu

## Education

### Columbia University

PHD CANDIDATE IN FINANCE

- GPA: 9.8/10

New York, USA

Aug. 2018 - June 2024

### Toulouse School of Economics

MASTER IN ECONOMIC THEORY AND ECONOMETRICS (PHD TRACK)

- First Year Grade: 16.8/20, Ranking 6/104; Second Year Grade 15.8, Ranking 5 *Summa Cum Laude*, Tuition Waiver Recipient

Toulouse, France

Sept. 2016 - June 2018

### Fudan University

BACHELOR IN ECONOMICS

- Grade: 3.56/4, Ranking 11/68, Scholarship Recipient
- Thesis: Network Effect in China's Cross-Border Merge and Acquisition (Originally Written in Chinese)

Shanghai, China

Sept. 2011 - Jul. 2016

### Waseda University

EXCHANGE PROGRAM

- Major Grade: 4/4, On the Dean's List (Top 10%), JASSO Scholarship Recipient

Tokyo, Japan

Sept. 2014 - Jul. 2015

## Fields of Interest

Corporate Finance, Bankruptcy, Capital Structure, Security Design, Information Economics, Networks

## Research

### Systemic Risk in Financial Networks Revisited: The Role of Maturity (2022)

R&R at the *Journal of Finance*

WITH JASON DONALDSON AND GIORGIA PIACENTINO

We develop a model of interbank networks in which banks experience state-contingent liquidity shocks. We show that networks of long-term debt facilitate the efficient transfer of liquidity: They allow shocked banks to raise liquidity using interbank assets as collateral for new debt, diluting interbank liabilities. Networks of long-term debt thus have strikingly different properties from those of short-term, which cannot be diluted; e.g., high indebtedness and connectedness can be sources of stability, not fragility. Networks in a specific class, which we call the "exponential networks," implement optimal contingent transfers despite consisting of plain (non-contingent) debt—they are robust but never fragile.

### Restructuring vs. Bankruptcy (2022)

R&R at the *Journal of Finance*

WITH ED. MORRISON, JASON DONALDSON AND GIORGIA PIACENTINO

We develop a model of a firm in financial distress. Distress can be mitigated by filing for bankruptcy, which is costly, or preempted by restructuring, which is impeded by a collective action problem. We find that bankruptcy and restructuring are complements, not substitutes: reducing bankruptcy costs facilitates restructuring, rather than crowding it out. And so does making bankruptcy more debtor-friendly, under a condition that seems likely to hold now in the U.S. The model gives new perspectives on current relief policies (e.g., DIP finance subsidies) and on long-standing legal debates (e.g., about APR violations).

### Liquidity insurance and pledgeability (2022)

SOLO

I model the design of liquidity insurance when firms suffer a concurrent unverifiable quality shock. The contractual incompleteness limits the extent of liquidity insurance: A fully insured firm has incentives to continue inefficient projects as the cost is borne by the creditors. The optimal contract involves limited insurance and co-investment with internal cash. In contrast to the canonical theory that low-pledgeability firms rely more on liquidity insurance, I find that lack of pledgeability also prevents them from getting more liquidity insurance. This positive relationship between liquidity insurance and pledgeability uncovers another role of pledgeability and explains the seemingly paradoxical fact that smaller firms who need liquidity insurance the most, are less insured and get revoked the most. It also rationalizes the typical cash-related covenants in credit lines.

## The Evolving Network of Chinese Multinational Firms (2017)

Undergraduate Thesis

WITH YIQING XIE AND YU ZHOU

This paper studies the impacts of geographic positions and economic connections on how Chinese multinational firms evolve their global network by conducting outward direct investment (ODI), including both green field investment and cross border merger and acquisition. We collect outward direct investment data of 3479 Chinese multinational firms from 2002 to 2013 whose investment destination covers more than 160 countries. We find two dominant geographic driving forces: a direct search effect and an indirect extension effect. That is, a firm tends to invest in the country that is closer to China; and a firm uses its existing ODI network to make further investment, radiating from the existing subsidiaries to their neighbors. Analogously, we also find two economic driving forces: a firm is more likely to invest in the country with more intense Chinese ODI transactions; and a firm takes advantage of its existing host countries ODI linkage to make further investment decisions. These findings are robust when we use other geographic and economic measures, and/or put more control variables.

## Conferences/Seminars

Asterisk indicates presentation by a co-author; Dagger indicate attendance without a presentation.

Sept. 2022	<b>The 20th Macro Finance Society Workshop</b> PhD Poster Session	Athens, Greece
July 2022	<b>NBER Summer Institute: Law and Economics*</b>	Boston, USA
May 2022	<b>Columbia Business School PhD Seminar</b>	New York, USA
Dec. 2021	<b>Columbia Business School PhD Seminar</b>	Online
July 2021	<b>Columbia Business School PhD Seminar</b>	Online
June 2021	<b>Western Finance Association Meeting†</b>	Online
Sept. 2020	<b>Search and Matching in Macro and Finance (SaMMF) Seminar*</b>	Online
Sept. 2020	<b>Finance Theory Group Seminar*</b>	Online
Sept. 2020	<b>Columbia Business School PhD Seminar</b>	Online
July 2019	<b>The 30th Jerusalem Advanced School in Economic Theory: Finance †</b>	Jerusalem, Israel
June 2019	<b>Financial Economics of Insurance†</b>	Princeton, USA

## Experience

Jan. 2023 - Mar. 2023	<b>MSFE Admission</b> , Committee Member	New York, USA
Jan. 2022 - Mar. 2022	<b>MSFE Admission</b> , Committee Member	New York, USA
May 2021 - Apr. 2022	<b>Prof. Laura Veldkamp</b> , Research Assistant	New York, USA
Mar. 2019 - June. 2021	<b>Prof. Giorgia Piacentino</b> , Research Assistant	New York, USA
June 2017 - Aug. 2017	<b>Prof. Patrick Bolton and Neng wang</b> , Summer Research Assistant	New York, USA
Dec. 2015 - Aug. 2016	<b>Prof. Yiqing Xie and Yu Zhou</b> , Research Assistant	Shanghai, China
Sep. 2019 - Oct. 2019	<b>Prof. Frank Lichtenberg</b> , Teaching Assistant for <i>Managerial Economics</i>	New York, USA
Jan. 2022 - Apr. 2022	<b>Prof. Giorgia Piacentino</b> , Teaching Assistant for <i>Financial Intermediation</i>	New York, USA
Sep. 2019 - Oct. 2019	<b>Prof. Ethan Namvar &amp; Charles Jones</b> , Teaching Assistant for <i>Corporate Finance</i>	New York, USA
Jan. 2019 - May 2019	<b>Prof. Anton Lines</b> , Teaching Assistant for <i>Financial Markets</i>	New York, USA
Jan. 2016 - Apr. 2016	<b>Prof. Yu Zhou</b> , Teaching Assistant for <i>Industrial Organization</i>	Shanghai, China
June 2014 - Sept. 2014	<b>Silicon Valley Bank Venture Capital</b> , Summer Investment Analyst	Shanghai, China
Fed. 2014 - June. 2016	<b>Bain &amp; Company</b> , Part-Time Assistant	Shanghai, China
Dec. 2013 - Feb. 2014	<b>Meritco Group</b> , Consultant Intern	Shanghai, China
Nov. 2013 - Dec. 2013	<b>MicroWorld Corp.</b> , Consultant Intern	Shanghai, China

## Extracurricular Activity

2011-2016	<b>Rye Drama Club</b> , Vice President	Shanghai, China
2011-2012	<b>"Xieshou" Education Project</b> , Team Leader	Shanghai, China
2011-2012	<b>"Set-sail" Academic Project (with Prof. Dehua Fu)</b> , Core Member	Shanghai, China

## Honors & Awards

2018	<b>Magnum Cum Laude</b> , Second Year Master	<i>Toulouse, France</i>
2017	<b>Summa Cum Laude</b> , First Year Master	<i>Toulouse, France</i>
2017	<b>Merit-based Tuition Waiver Recipients</b> , Second Year Master	<i>Toulouse, France</i>
2016	<b>Scholarship</b> , Fudan University	<i>Shanghai, China</i>
2016	<b>First Prize</b> , China-Taiwan Cross-strait Mock Startup Competition	<i>Shanghai, China</i>
2015	<b>JASSO Scholarship</b> , Waseda University	<i>Tokyo, Japan</i>
2015	<b>Dean's List</b> , Waseda University	<i>Tokyo, Japan</i>
2014	<b>Finalist</b> , Bain Cup Consulting Mock Case Competiti	<i>Shanghai, China</i>
2013	<b>Scholarship</b> , Fudan University	<i>Shanghai, China</i>
2012	<b>Scholarship</b> , Fudan University	<i>Shanghai, China</i>

Skills

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<b>Programming</b>	R, Python, LaTeX, Mathematica, Scheme/Lisp, Linux, SQL, C/C++, SAS
<b>Languages</b>	Chinese (Native), English (Fluent), French and Japanese (Basic Knowledge)