

# Xiaobo YU

ASSISTANT PROFESSOR AT LEEDS SCHOOL OF BUSINESS, CU BOULDER

995 Regent Dr, Boulder, CO 80309

✉ Xiaobo.Yu@colorado.edu | 🏠 xiaobo-yu.com | 📺 xiaoboyu | 🐦 XiaoboYuFin

## Employment

---

### Leeds School of Business, CU Boulder

ASSISTANT PROFESSOR

Boulder, US

Aug. 2024 -

### Leeds School of Business, CU Boulder

VISITING ASSISTANT PROFESSOR

Boulder, US

June 2024 - Aug. 2024

## Education

---

### Columbia Business School

PH.D. IN FINANCE

New York, US

Aug. 2018 - June 2024

### Toulouse School of Economics

MASTER IN ECONOMIC THEORY AND ECONOMETRICS (PHD TRACK)

Toulouse, France

Sept. 2016 - June 2018

### Fudan University

BACHELOR IN ECONOMICS

Shanghai, China

Sept. 2011 - Jul. 2016

### Waseda University

EXCHANGE PROGRAM

Tokyo, Japan

Sept. 2014 - Jul. 2015

## Fields of Interest

---

Corporate Finance, Bankruptcy, Contract Theory, Security Design, Financial Networks, Information

## Research

---

### A General Theory of Holdouts (2023)

Job Market Paper

XIAOBO YU

This paper presents a unified framework for analyzing the holdout problem, a pervasive economic phenomenon where value creation is hindered by the incentive to free-ride on other agents' participation. My framework nests many specific applications examined in the literature, such as takeover and debt restructuring, and demonstrates that the problem can be resolved through contingent contracts, provided that the principal is committed. I then add limited commitment by requiring the exchange offers to be credible, i.e., renegotiation-proof in case of agent deviation. I show that adding limited commitment can substantially alter the outcome depending on the payoff sensitivities of the existing contracts, which explains the absence of the unanimity rule despite its efficacy and cross-sectional heterogeneity in contractual tools. (E.g., senior debt used in debt restructuring but not in takeovers.) Furthermore, I investigate the impact of commitment and reveal that a small increase in commitment could backfire, exacerbating the holdout problem. This reconciles contradictory empirical evidence on the use of Collective Action Clauses in the sovereign debt market and sheds light on various policies. Lastly, the paper shows higher investor protection could facilitate instead of hinder restructuring under limited commitment.

*Awarded* **First-place Winner of the Finance Theory Group (FTG) 2024 Best Paper Award in Finance Theory, The Brattle Group**

**Ph.D. Candidate Awards For Outstanding Research**

*Presented at* **Finance Theory Group Summer School 2023, Financial Colloquium in the Economics Department, Columbia University, 19th Annual Olin Finance Conference at WashU (Poster Session with Award), SMU, CUHK, HKU, UBC Sauder, Chicago Booth, UT Austin McCombs, UCL, LSE, Colorado Boulder, Oxford-VU Macrofinance Conference, NASMES 2024, WFA 2024, Vienna Festival of Finance Theory, ESEM 2024, Sailing the Macro Conference, UT Dallas Seminar, FTG 2024 meeting at NYU**

## Systemic Risk in Financial Networks Revisited: The Role of Maturity (2023)

*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 (2023)

*R&R at the Journal of Finance*

WITH JASON DONALDSON, ED. MORRISON 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 (2023)

XIAOBO YU

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.

*Presented at 20th Macro Finance Society Workshop, Finance Theory Group “Bridging Theory and Empirical Research in Finance” Conference, Transatlantic Doctoral Conference 2023*

## Spatial Outward FDI: Evidence from China’s Multinational Firms (2023)

*Review of International Economics*

WITH YIQING XIE, ZHIHONG YU 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 greenfield investment and cross-border mergers and acquisitions. 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 investments, 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.

**This paper subsumes my undergrad thesis *Network Effect in China’s Cross-Border Merge and Acquisition (Yu, 2016)*.**

Work in Progress

- Optimal Liquidity Intervention in Financial Networks
- Measurement of Markup under risk, with Laura Veldkamp
- Flight to Liquidity: How pledgeability affects debt issuance, with Lukas F. Fischer
- Structure of Core in Top Trading Cycle problem, with Dov Samet

## Conferences/Seminars

---

*Asterisk indicates presentation by a co-author; Dagger indicates invited workshop or attendance without a presentation.*

Oct. 2024	<b>FTG 31st Meeting at NYU</b>	New York, US
Oct. 2024	<b>Seminar at UT Dallas</b>	Dallas, TX
Sept. 2024	<b>4th Sailing the Macro Conference</b>	Ortygia, Italy
Aug. 2024	<b>2024 European meeting of the Econometric Society</b>	Rotterdam, NL
Aug. 2024	<b>Vienna Festival of Finance Theory</b>	Vienna, Austria
June 2024	<b>WFA 2024</b>	Honolulu, US
June 2024	<b>Saïd – VU Macro-finance Conference on Money, Liquidity, &amp; Financial Stability</b>	Oxford, UK
June 2024	<b>Bridging Theory and Empirical Research in Finance<sup>†</sup></b>	Boston, US
June 2024	<b>North American Summer Meeting for Econometric Society (NASMES)</b>	Nashville, US
May 2024	<b>FIRS 2024</b>	Berlin, Germany
April 2024	<b>Adam Smith Workshop<sup>†</sup></b>	London, UK
Jan. 2023	<b>AEA/AFA Annual Meeting<sup>†</sup></b>	San Antonio, US
Feb. 2024	<b>CU Boulder Seminar</b>	Boulder, US
Jan. 2024	<b>LSE Seminar</b>	London, UK
Jan. 2024	<b>UCL Seminar</b>	London, UK
Jan. 2024	<b>UT Austin Seminar</b>	Austin, US
Jan. 2024	<b>University of Chicago Seminar</b>	Chicago, US
Jan. 2024	<b>UBC Seminar</b>	Vancouver, Canada
Jan. 2024	<b>HKU Seminar</b>	Hong Kong
Jan. 2024	<b>CUHK Seminar</b>	Hong Kong
Jan. 2024	<b>Singapore Management University Seminar</b>	Singapore
Oct. 2023	<b>19th Annual Olin Finance Conference at WashU</b> PhD Poster Session	St. Louis, US
June 2023	<b>FTG Summer School</b>	Seattle, US
May. 2023	<b>SFS Cavalcade North America</b>	Austin, US
May. 2023	<b>Transatlantic Doctoral Conference (TADC)</b>	London, UK
May. 2023	<b>Financial Colloquium   Economics Department, Columbia Univ.</b>	New York, US
Apr. 2023	<b>Columbia Business School PhD Seminar</b>	New York, US
Jan. 2023	<b>AEA/AFA Annual Meeting<sup>†</sup></b>	New Orleans, US
Dec. 2022	<b>FTG Group Bridging Theory and Empirical Research in Finance</b> PhD Poster Session	Chicago, US
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, US
May 2022	<b>Columbia Business School PhD Seminar</b>	New York, US
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<sup>†</sup></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<sup>†</sup></b>	Jerusalem, Israel
June 2019	<b>Financial Economics of Insurance<sup>†</sup></b>	Princeton, US

## Paper Discussion

---

Asterisk indicates the presenting author.

May 2023	<b>Transatlantic Doctoral Conference (TADC)</b> Tiange Ye*, Lorenzo Bretscher, Lukas Schmid, <i>Passive Demand and Active Supply: Evidence from Maturity-mandated Corporate Bond Funds</i>	London, UK
May 2024	<b>Financial Intermediation Research Society (FIRS) Conference 2024</b> Francesco Sannino*, <i>Committing to Trade</i>	Berlin, Germany

## Referee Service

---

JPE Micro, Management Science

## Guest Lectures

---

Sept. 2024 **PhD Lecture on debt restructuring at NYU Stern** *New York, NY*

## Service

---

Sept. 2024 - Dec. 2024 **Leeds Finance Internal Seminar** Lunch Coordinator *Boulder, US*

Aug. 2024 **ES Europe Meeting: Corporate Finance: Theory and Empirics** Session Chair *Rotterdam, NL*

## Experience

---

May 2021 - Apr. 2022 **Laura Veldkamp**, Research Assistant *New York, US*

Mar. 2019 - Jun. 2021 **Giorgia Piacentino**, Research Assistant *New York, US*

June 2017 - Aug. 2017 **Patrick Bolton & Neng Wang**, Summer Research Assistant *New York, US*

Dec. 2015 - Aug. 2016 **Yiqing Xie & Yu Zhou**, Research Assistant *Shanghai, China*

Jan. 2023 - Apr. 2023 **Frank Lichtenberg**, TA for *Economics of Healthcare and Pharmaceuticals (MBA)* *New York, US*

Sep. 2022 - Dec. 2022 **Frank Lichtenberg**, TA & Review Session Instructor for *Managerial Economics (EMBA)* *New York, US*

Jan. 2022 - Apr. 2022 **Giorgia Piacentino**, TA for *Financial Intermediation (Ph.D.)* *New York, US*

Sep. 2019 - Oct. 2019 **Ethan Namvar & Charles Jones**, TA & Review Instructor for *Corporate Finance (EMBA)* *New York, US*

Jan. 2019 - May 2019 **Anton Lines**, TA for *Financial Markets (MBA)* *New York, US*

Jan. 2016 - Apr. 2016 **Yu Zhou**, TA for *Industrial Organization (Undergrad)* *Shanghai, China*

Jan. 2023 - Mar. 2023 **MSFE 2023 Admission**, Committee Member *New York, US*

Jan. 2022 - Mar. 2022 **MSFE 2022 Admission**, Committee Member *New York, US*

Jun. 2014 - Sep. 2014 **Silicon Valley Bank Venture Capital**, Summer Investment Analyst *Shanghai, China*

Fed. 2014 - June 2016 **Bain & Company**, Part-Time Assistant *Shanghai, China*

Dec. 2013 - Feb. 2014 **Meritco Group**, Consultant Intern *Shanghai, China*

Nov. 2013 - Dec. 2013 **MicroWorld Corp.**, Consultant Intern *Shanghai, China*

## Extracurricular Activity

---

2011-2016 **Rye Drama Club**, Vice President *Shanghai, China*

2011-2012 **"Xieshou" Education Project**, Team Leader *Shanghai, China*

2011-2012 **"Set-sail" Academic Project (with Prof. Dehua Fu)**, Core Member *Shanghai, China*

## Honors & Awards

---

2024 **First-place Winner of Best Paper Award in Finance Theory**, FTG *New York, US*

2024 **The Brattle Group Ph.D. Candidate Awards For Outstanding Research**, WFA *Honolulu, US*

2023 **19th Annual Olin Finance Conference 2023 PhD Poster Session Prize**, WUSTL *St. Louis, US*

2022 **Selective Sixth-year Funding**, Columbia University *New York, US*

2018 **Magnum Cum Laude**, Second Year Master, TSE *Toulouse, France*

2017 **Summa Cum Laude**, First Year Master, TSE *Toulouse, France*

2017 **Merit-based Tuition Waiver Recipients**, Second Year Master, TSE *Toulouse, France*

2016 **Scholarship**, Fudan University *Shanghai, China*

2016 **First Prize**, China-Taiwan Cross-strait Mock Startup Competition *Shanghai, China*

2015 **JASSO Scholarship**, Waseda University *Tokyo, Japan*

2015 **Dean's List**, Waseda University *Tokyo, Japan*

2014 **Finalist**, Bain & Co. Cup Consulting Mock Case Competition  
2013 **Scholarship**, Fudan University  
2012 **Scholarship**, Fudan University

*Shanghai, China*  
*Shanghai, China*  
*Shanghai, China*

## Skills

---

**Programming** R, Python, LaTeX, Mathematica, Scheme/Lisp, Linux, SQL, C/C++, SAS

**Languages** Chinese (Native), English (Fluent), French and Japanese (Basic Knowledge)