

Raymond Kim

Curriculum Vitae

Department of Finance
A. Gary Anderson Graduate School of Management
University of California at Riverside
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Education

University of California at Riverside *Expected 2020*
A. Gary Anderson School of Management
Ph.D. Business Administration - Finance
Advisor Dr. Jean Helwege

University of California at Los Angeles 2010
Anderson School of Management
Masters of Business Administration - Finance Concentration

University of California at Berkeley 2000
Bachelor of Arts in Political Economy

Research Interests

Empirical Corporate Finance, Capital Structure, Banking, Financial Institutions

Working Papers

Pecking Disorder: Do Firms Prefer External Debt to Internal Financing? *Job Market Paper*

- Financial Management Association Annual Meeting 2019

Abstract: I find recent evidence that the widely accepted pecking order preference (Myers, 1984) of *internal financing* over *external debt* may no longer hold. After the 2004 repatriation tax holiday, tradeoff theory suggests that corporate tax benefits of debt on overseas cash may constitute a first order effect, while pecking order suggests it to be adverse selection costs. Using a broad cross section of firms (2003-2018), I find that corporations prefer debt over cash, and in line with the predictions of tradeoff theory, this preference is stronger in firms with lower information asymmetry, higher debt capacity, and more overseas operations. A dollar of internal financing explains three times more debt than a dollar of the pecking order's financing deficit, despite controlling for financial constraints measured using textual analysis. Implications suggest the existence of convexity between cash and debt, which is confirmed in the results, suggesting new understandings of firm capital structure preferences.

Reserves About Lending: Do Reserve Premiums Affect Bank Lending? 📄 SSRN

- FMA Doctoral Consortium 2019, Western Economic Association International 2019, Southern Finance Association 2018, Financial Management Association Annual Meeting 2016 (Best Paper in Financial Markets and Institutions, Semifinalist)

Abstract: When the Federal Reserve first started to pay interest on excess reserves in October 2008, it presented a choice that banks had not previously faced. That is, they could invest bank capital in excess reserves and earn the "better than" risk free rate or they could lend and earn a higher but riskier interest rate. This paper provides an outline of how banks deploy capital between loans and excess reserves by maximizing returns on a risk adjusted basis instead of nominal basis. Two stage panel estimations show that a rise of 10 basis points in reserves premium is associated with a -4.3% reduction in bank lending for relationship banks and -4.5% for transactional banks. This paper highlights the importance of incentives in the negative relationship between excess reserves and lending at the bank level.

The Disproportionate Costs of Uncertainty: Evidence from Dodd Frank and Small Banks SSRN

- Derivative Markets Conference 2019, Southern Finance Association 2018

Abstract: Uncertainty in banking regulation may impose widespread economic costs by increasing financial constraints on credit availability. Four years of Dodd Frank uncertainty over undecided risk weightings increased regulatory uncertainty for banks, restricting "vanilla" interest rate hedging activities. This paper uses mortgage banking data as a new identification strategy for "vanilla" hedging, and finds that when costs of uncertainty are removed, small bank income from mortgage securitizations increase by 72.8% while large banks remain the same. These findings support the need for tailored regulations that considers the higher costs of regulatory uncertainty for smaller banks.

Teaching Experience

San Diego State University, Fowler School of Business

Intermediate Corporate Finance - FIN 325

Fall 2019

Pepperdine University Graziadio Business School

Management of Financial Risk - FINC 634 (MFIN)

Summer 2018, Summer 2019

Teaching Evaluation : 4.65/5.00

University of California at Riverside, A. Gary Anderson School of Management

Investment: Derivatives Markets - MGT 232 (MFIN/MBA)/BUS 137

Winter/Spring 2018

Teaching Evaluation : 4.52/5.00

Corporate Financial Policy - BUS 135

Spring 2018

Teaching Evaluation : 4.53/5.00

Professional Experience

Mirae Asset Financial Group, Seoul, Korea (2011-2014)

Senior Derivatives Strategist, Petrochemical Analyst, Global Research Center

Allied Argenta, Santa Monica, CA (2011)

Acquisitions Associate, Commercial Real Estate Fund

MDB Capital, Santa Monica, CA (2009)

Summer Associate, Fixed Income Trading

Virtu Financial, LLC, Beverly Hills, CA (2008-2009)

Trading Associate, Algorithmic Trading FX

Salem Partners, Santa Monica, CA (2006-2007)

Investment Banking Associate, Media Investment Banking

Chaparral Advisors, LLC, San Francisco, CA (2004-2006)

Interest Rates Strategist, Global Macro Hedge Fund

JP Morgan H&Q, San Francisco, CA (2000-2002)

Investment Banking Analyst, Software Group

Awards

- George W. DuBois Memorial Award Recipient (2019)
- Ernest Propes Endowed Graduate Fellowship Fund Recipient (2018)
- Emerging Scholar Award Federal Reserve Bank of St. Louis (2016)

- KAFA Research Scholarship for Ph.D. Students (2016)
- UCLA Anderson Fellowship Scholarship Recipient, 2009-2010
- Anderson Student Asset Management Fellow, 2009-2010
- 1st Place - MathCounts Long Beach Regional Competition

Academic Conferences, Seminars, and Presentations

- 2019 - California Corporate Finance Conference (Discussant)
- 2019 - Financial Management Association (Presenter for Regular Session, Presenter for Doctoral Consortium)
- 2019 - Derivative Markets Conference (Session Chair, Presenter, Discussant)
- 2019 - Western Economic Association International (Presenter, Discussant)
- 2019 - Chicago Financial Institutions Conference (Discussant)
- 2018 - Southern Finance Association (Presenter - 2 Papers, Discussant)
- 2018 - Financial Management Association (Discussant)
- 2018 - UC Riverside (Presentation)
- 2018 - Western Finance Association (Attendee)
- 2016 - Financial Management Association (Presenter, Discussant)
 - Best Paper in Financial Institutions (Semifinalist)
- 2016 - Community Banking and Policy Conference at the Federal Reserve of St. Louis (Emerging Scholar)
- 2016 - Texas Tech (Presentation)
- 2016 - American Finance Association (Attendee)
- 2015 - UT Dallas (Presentation)

Editorial, Professional Memberships, and Other

- Journal of Corporate Finance (Referee)
- American Finance Association (AFA), Western Finance Association (AFA), Financial Management Association (FMA), Midwest Finance Association, Southern Finance Association (SFA), Korean American Finance Association (KAFA)
- SAS, Stata, R, WRDS, Bloomberg, Capital IQ, Datastream, FactSet, L^AT_EX
- Native English Speaker, fluent in Korean, conversational in Spanish
- Enjoys snowboarding, baseball, softball, golf, and an occasional game of Texas Hold'em
- Married to Eunice with two children, Daniel and Joshua. Joshua was born 3 days after FMA 2019 New Orleans

References

Jean Helwege (Chair)
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 University of California at Riverside
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Richard Smith
Professor of Finance and Philip L. Boyd Chair in Finance
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