

Curriculum Vitae - Nicolas Pimentel de Souza

PERSONAL INFORMATION

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CITIZENSHIP Brazilian
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EDUCATION

University of Rochester - Simon Business School, Rochester, NY Expected: May 2026
Ph.D. in Finance
Dissertation Committee: Giulio Trigilia (Chair), Alan Moreira, and Christian Opp

University of Rochester, Rochester, NY 2021
M.S. in Economics

Sao Paulo School of Economics – FGV, Sao Paulo, Brazil 2019
M.S. in Economics

University of Sao Paulo, Sao Paulo, Brazil 2016
B.S. in Economics

RESEARCH INTEREST

Corporate Finance, Banking, Contract Theory, and Economic Theory

WORKING PAPERS

- **Job Market Paper: [Understanding the Role of Certificates of Deposits in Bank Finance](#), 2025**

Abstract: Banks have superior information on asset quality, while bank investors update their beliefs based on non-contractible signals over time. In this environment, I show that Certificates of Deposits (CDs) arise as part of the optimal liability structure in bank finance. Essentially, CDs allow for maturity transformation while mitigating solvency risks in case of early withdrawals. In other words, they are structured to correlate investors' withdrawal decisions with asset quality. This, in turn, minimizes the cross-subsidies from high- to low-quality banks, as it provides insurance to high-quality banks against negative shocks that could cause disintermediation or costly liquidation, thus improving allocative efficiency. The model predicts that riskier banks rely more on CD funding relative to other types of deposits, as suggested by their balance sheet data.

Presented (Scheduled): Simon Brownbag Series, UT Dallas Fall Finance Conference, 2025 (Poster Session), AFA Annual Meeting*, 2026 (Poster Session)*

- **Opaque Assets and Fragile Liabilities: a Theory of Optimal Bank Intermediation, 2025 joint with Kostas Koufopoulos and Giulio Trigilia**

Abstract: We develop a theory that explains why banks are optimally designed to have fragile liabilities, consisting in runnable deposits, and opaque assets, the value of which is privately observed by the bank itself. We show that fragility and opacity are jointly necessary to implement efficient, second-best allocations in the presence of asymmetric information between borrowers and lenders. Specifically, opacity and fragility work together to prevent banks from facing a soft budget constraint problem whenever the credit market is sufficiently risky. In contrast, more transparent intermediaries, such as fintech lenders, dominate bank lending whenever the credit market is sufficiently safe. Our new channel for why opacity and fragility are central in banking activities generates novel, testable implications, and overturns standard intuition from existing models prevalent in the banking literature.

- **Deposit Diversification and the Term Structure of Bank Debt, 2025**

Abstract: Opacity is key in bank funding. It facilitates the provision of liquidity to impatient depositors while stimulating investment in profitable but illiquid and risky assets. In a dynamic model with asset monitoring, we show that deposit diversification endogenously creates opacity about asset quality. This, in turn, allows banks to create liquidity and efficiently transform maturity (Dang, Gorton, Holmstrom, and Ordonez (2017)). Several empirical predictions follow. Higher deposit diversity leads to (i) more liquidity creation (shorter term liability structure); (ii) higher bank value; and (iii) lower default risk. Empirically, these predictions are consistent with the evidence on the geographical expansion of banks.

TEACHING EXPERIENCE (UNIVERSITY OF ROCHESTER)

INSTRUCTOR	Math for Management, MSM491; Linear Algebra, MSM502 (Ph.D.)
LAB INSTRUCTOR	Investments, FIN206, FIN411; Quantitative Finance with Python, FIN418
TEACHING ASSISTANT	Investments, FIN206, FIN411; Quantitative Finance with Python, FIN418 Options and Futures with Python, FIN424

FELLOWSHIPS AND AWARDS

<i>CAPES Fellowship – Brazilian Government (Masters in Economics)</i>	<i>2017-2019</i>
<i>Merit Fellowship – Sao Paulo School of Economics (Masters in Economics)</i>	<i>2017-2019</i>
<i>Mackenzie Fellowship – University of Rochester, Economics Department</i>	<i>2019-2021</i>
<i>Ph.D. Fellowship – University of Rochester, Simon Business School</i>	<i>2021-2025</i>
<i>Brazilian Econometric Games (1st Edition) – First Place</i>	<i>2017</i>

REFERENCES

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Simon Business School
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