

## **Extract of**

August 19, 2025

### **DFI Scientific Board, Annual Report 2024-25**

#### **Summary**

The Scientific Board (SB) of the Danish Finance Institute (DFI) met virtually with DFI Directors on August 15, 2025, via Microsoft Teams. The meeting began with the approval of the Minutes from the previous annual meeting. DFI Director Carsten Sørensen then provided an overview of the current financial situation. The discussion then shifted to planning for the continuation of DFI beyond 2026, when the current funding from Finans Danmark expires. This led to a brief conversation on what should be prioritized in a more financially constrained version of the DFI.

The meeting continued with a summary of the DFI Publication and Research Scholarships awarded over the past year, including a discussion of the articles submitted for DFI Publication Scholarships for which the SB was asked to provide its recommendations. Finally, the SB reviewed and approved the existing list of journals that govern the award of DFI Publication Scholarships.

#### **General Comments**

The SB was disappointed to learn that Finans Danmark has decided not to continue its funding of the DFI. The SB strongly believes that the DFI has been instrumental in positioning Denmark as one of the leading countries in Europe for producing top-tier finance research, and it hopes this enviable status will not be lost.

The SB would like to commend the DFI directors for their ongoing efforts to help secure future funding from the four largest Danish banks to be able to continue to incentivize high-quality scholarly publications. Even if this new funding model does not match the level of financial support previously provided by Finans Denmark, it will hopefully help sustain the strong momentum that has been generated since the launch of the DFI in 2017.

The SB reaffirmed its decision to step down effective December 31, 2025, aligning with the transition to a new funding model. After nearly a decade of service, the SB believes that it is in the DFI's best interest—regardless of its future structure—to appoint new external scientific advisors. Tim Bollerslev, the current SB Chair, agreed to remain in an advisory role for a limited time to support the transition.

The uncertainty surrounding the future funding aside, the SB was generally satisfied with the current financial situation. With an additional year of funding from Finans Danmark still remaining, it appears that the current assets are more than sufficient to cover the liabilities of the already awarded Publication and Research Scholarships through 2029, when all the related obligations will have expired. The SB also agrees with the decision by the DFI Directors to use any remaining funds (beyond those already reserved for existing commitments) to continue the Publication Scholarship program as long as the funds permit, potentially at a reduced level.

The SB continues to be impressed by the high quality of articles produced by DFI Fellows. In the past academic year alone, DFI Research Fellows applied for scholarships for eight articles published in top finance journals, including one in the *Journal of Finance*, two in the *Review of Financial Studies*, three in the *Journal of Financial Economics*, and two in the *Review of Finance*. Additionally, one article with significant finance content was published in the *American Economic Review*, a leading general interest economics journal. DFI Research Fellows also applied for scholarships for two articles published in the *Journal of Corporate Finance*, one in the *Journal of Financial and Quantitative Analysis*, and one article with finance content in both the *Journal of Accounting Research* and *Management Science*. This impressive list again highlights the strong research output of the DFI as an entity. Moreover, as some DFI Research Fellows did not apply for Publication Scholarships, the total number of top-tier publications produced by DFI Research Fellows is even higher, further solidifying DFI's status among Europe's most elite finance research institutions.

This level of sustained research productivity and publications in the most highly ranked finance journals authored by academics with their primary appointments at Danish institutions was simply unheard of before the creation of the DFI. The SB sincerely hopes that this represents a paradigm shift and that this new equilibrium is sustainable after the funding of DFI by Finans Danmark falls away. However, the SB fears that without some version of the DFI Publication Scholarship Program to incentivize top-tier journal publications, some researchers might revert to the old equilibrium and instead seek to publish their work in lower-ranked journals with less rigorous review processes. Such a shift would be very unfortunate.

Further underscoring DFI's value, the SB was again pleased to learn about the award of several new Research Scholarships aimed at recruiting talented researchers from outside Denmark to continue their academic careers at Danish institutions. The SB was particularly excited to hear that Niels Joachim Gormsen, a highly accomplished and well-established researcher, has decided to leave his position as associate professor of finance at the University of Chicago Booth School of Business to return to CBS. The SB had also previously expressed strong support for the award of a Senior Level Professorship to Niels Joachim Gormsen, and views this appointment as an important landmark for the DFI Research Scholarship program.

The meeting concluded with the SB reaffirming its support for the lists of Level 1 and Level 2 journals that currently govern the award of DFI Publication Scholarships. Notably, the *Review of Finance*, long classified by the DFI as a Level 1 journal, recently surpassed the *Review of Financial Studies* in terms of their impact factors. The SB congratulates the DFI for being ahead of the curve in its journal classification and for indirectly supporting European finance research efforts more broadly.

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