

### **FRIC members published in top journals**

FRIC members published 4 papers in top finance journals: 3 in Journal of Finance and 1 in Journal of Financial Economics. 2 papers have already been accepted for publication in top journals in 2014.

### **FRIC members are in demand as speakers**

FRIC members have presented their work as invited speakers at more than 20 international universities, at the most prestigious finance conferences (the annual meetings of the American, European and Western Finance Associations) and in 5 central banks.

### **FRIC hosted two world-class events in 2013**

FRIC and CBS hosted FRIC'13: Conference on Financial Frictions - the first edition of its annual flagship conference - on August 27-28, 2013 in Copenhagen. The conference presented an exceptional lineup of leading financial economists from, among other places, Princeton, Harvard, Chicago, NYU and Toulouse. The conference focused on the economic consequences of financial frictions in global capital markets. The conference attracted both academics and practitioners and had 138 registered participants.

FRIC and CBS co-hosted the first annual Top Finance Graduate Award on May 31, 2013. The selection committee is chaired by Lasse H. Pedersen and includes members from Columbia, Chicago, Harvard, Stanford and Yale. This award recognizes the most promising finance PhD graduates in 2013. The winners this year were PhD candidates from HEC Paris School of Management, University of California, Berkeley, Harvard University, University of Chicago, and Stanford Graduate School of Business.

### **FRIC research influences EU banking regulation**

A key issue in European banking regulation is the definition of the types of assets that banks may count as highly liquid in the calculation of the so-called Liquidity Coverage Ratio (LCR). The European Banking Authorities (EBA) will eventually decide on the exact definitions of what constitutes highly liquid assets. In its EU Capital Requirement Directive draft (CRD IV) released on February 21, 2013, the EBA recommends counting Danish covered bonds as highly liquid. Research by FRIC member Jens-Dick-Nielsen and co-authors Gyntelberg and Sangill is cited as the primary reference when discussing covered bond liquidity and

the potential methodology for assessing the liquidity of other European covered bond markets as well.

### **FRIC members received prestigious prizes**

Jens Dick-Nielsen received a 2nd place prize as part of the S&P Dow Jones Indices' SPIVA Awards for his paper on "Dealer Inventory and the Cost of Immediacy". The S&P Dow Jones Indices' SPIVA Awards recognize excellence in research on the topic of index-related applications, acknowledging researchers from around the world for exploring innovative techniques that enhance the use of indices in the financial markets.

David Lando received the DSEB (Danish Society for Education and Business) research prize 2013 as a recognition of 'his high-impact publications and his academic investigation in credit risk modeling as well as for his impressive efforts to relate his research to financial regulators and industries'. He also received The Nykredit Foundation Research Prize for 2013 in recognition of his significant contributions to credit risk modeling.

Lasse H. Pedersen received the Banque de France - Toulouse School of Economics Junior Prize 2013, which recognizes academic researchers who have developed central concepts to improve our understanding of Monetary Economics and Finance. He also received the 2013 Whitebox Prize for the best financial research published in 2012 for the paper "Time Series Momentum," by Tobias J. Moskowitz, Yao Hua Ooi, and Lasse Heje Pedersen, which was published in May, 2012 in the Journal of Financial Economics.

### **FRIC researchers are cited in the media**

Our research was mentioned in leading media outlets such as Bloomberg News, The Financial Times, Washington Post and the Wall Street Journal. FRIC researchers were cited extensively in Danish media as well.

### **FRIC attracts new faculty and PhD students to CBS**

As a result of the recruiting efforts in 2012 and the spring of 2013, FRIC was pleased to welcome Ramona Westermann who is an assistant professor at the Department of Finance. Ramona contributes to our group of researchers working on dynamic capital structure. 4 new PhD students joined FRIC in 2013.

**Center for Financial Frictions (FRIC)** focuses on how prices and markets are affected by financial frictions such as transactions costs, leverage constraints, counterparty credit risk, illiquidity and asymmetric information.

Currently, the CBS members of FRIC count 4 professors, 2 associate professors, 7 assistant professors/post docs, 9 PhD students. In addition, there are 4 external professors from four different universities associated with FRIC. The Center has a center coordinator and 7 student assistants.