Frankfurt School
Centre for European
Transformation

ANNUAL REPORT 2025

CFET

A WORLD OF POSSIBILITIES

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01 – FOREWORD

Europe's transformation poses an implementation challenge: mobilising capital for energy security, competitiveness, and the green transition under tighter financing conditions. **The Centre for European Transformation (CfET)** at Frankfurt School of Finance & Management (Frankfurt School) develops implementable financing architectures by linking academic rigour with market practice and policy dialogue. **This report covers the July 2024 to December 2025 period.**

During this period, CfET delivered measurable progress: **17 journal publications** and a 42-paper working-paper pipeline; policy contributions including the Geneva Report 27, an invited article in ifo Schnelldienst (07/2024), and WPSF policy briefs; and a stronger systemic-risk interface through Prof. Sascha Steffen's appointment to the ESRB Advisory Scientific Committee (from December 2024). We also expanded our convening platform – 150+ leaders at the 2nd Annual Conference (6 March 2025), a policy dialogue with EU Commissioner Maria Luís Albuquerque (26 June 2025), and AI Frontiers in Finance reaching 10 sessions and around 1,000 participants worldwide. On the evidence side, the CfET CapEx Investment Score Germany and related AI-based indicators provide the foundation for our forthcoming signature data product: the "Transformation Investment Compass".

Our strategic diagnosis remains clear: fragmented capital markets, under-mobilised long-term investors, and transformation investment that is still too opaque and insufficiently measurable for decision-making. CfET's roadmap responds with a disciplined three-pillar model – Research Excellence, Public Engagement, Executive Education – and strengthened leadership, including **Prof. Dr. Eckart Windhagen** joining as Co-Director and Professor of Practice (since November 2025).

In 2026, we will focus on delivery: launching the **Transformation Investment Compass**, hosting the **3rd Annual Conference** (12 March 2026) on "Financing European Sovereignty", and establishing the **Private Capital Symposium** (planned for 16-17 June 2026) – each with concise outputs attached – while continuing AI Frontiers in Finance in an implementation-focused quarterly format.

We are deeply grateful to our sponsor, DWS, for its continued commitment to CfET's mission and activities, which has been instrumental in building our research platform, data capabilities, and convening power. As we work towards establishing CfET as Europe's go-to centre for designing and validating **financing architectures for transformation**, continued and expanded funding partnerships will be essential to scale our evidence base, products, and impact. Our sincere thanks also go to our partners, Steering Committee, fellows, and the Frankfurt School community for their support, and to our dedicated team for transforming insights into impact.

Prof. Dr. Sascha Steffen
Co-Centre Director – Centre for European Transformation
DWS Senior Chair in Finance – Frankfurt School of Finance & Management

02 – CFET – AT A GLANCE

Research-based solutions for financing Europe's trans-formation – bridging academic rigour, market practice, and policy dialogue.

HIGHLIGHTS

- **Frontier research output:** 17 journal publication entries (2024-2025; 14 published, 3 forthcoming) and a 42-paper working paper pipeline supporting CfET's three flagship research workstreams.
- **Annual Conference** (6 Mar 2025): 150+ senior leaders convened at Frankfurt School (policy, finance, industry).
- **C-Level Insights** launched (Feb 2025): high-profile executive dialogues (e.g., KfW, Citi) to translate research into practice.
- **EU policy dialogue:** hosted Commissioner Maria Luís Albuquerque (26 Jun 2025) on Savings & Investment Union and capital markets.
- **AI Frontiers in Finance:** scaled to a global series; reached Session 10 by end of 2025.
- **Financial stability footprint**: CfET leadership engaged at European systemic risk level (ESRB advisory role).

KEY NUMBERS

- **17** journal publication entries (2024-2025; **14** published, 3 forthcoming)
- **42** working papers in the pipeline
- **77** research talks in **21** countries
- **40+** external co-authors
- **10*** policy briefs / reports
- **150+** Annual Conference participants
- **10** AI Frontiers in Finance sessions (≈1,000 participants)
- **6** Steering Committee members
- **3** Senior Fellows

WHAT'S NEXT IN 2026

- **12 March 2026:** Annual Conference 2026 – Financing European Sovereignty
- **12 March 2026:** Launch "Transformation Investment Compass" – new signature data product
- **16-17 June 2026:** Private Capital Symposium – launch of a flagship event series in our "Private Capital Initiatives

03 – STRATEGIC ROADMAP AND WAY FORWARD

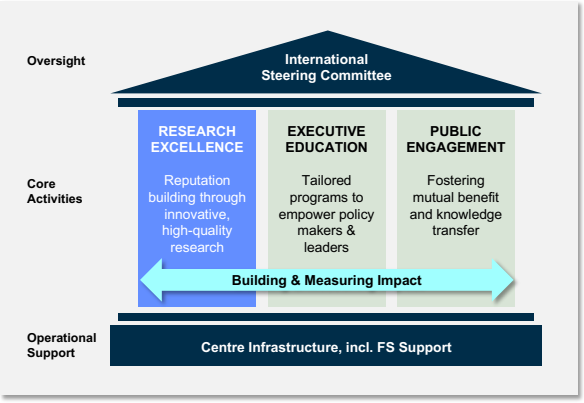
MOTIVATION

The **Centre for European Transformation (CfET)** was founded with the mission to explore and provide implementable solutions for how Europe can finance the profound transformations it faces across economies and societies. In its first two years, the Centre has established a strong foundation through flagship research, visible public engagement, and partnerships with academics, policymakers, and practitioners. These activities have revealed both opportunities and critical gaps in the European debate: capital markets remain fragmented, private capital markets are underdeveloped and opaque, institutional investors are under-mobilised, and we still lack concrete ways to measure transformation investments and impact. Addressing these gaps requires a focused strategy. The roadmap presented here is the natural outcome of our work so far: it structures our activities, sharpens our identity, and positions CfET as a thought leader at the intersection of research, policy, and practice.

STRATEGY

RE-THINKING INNOVATIVE SOLUTIONS

Europe needs fresh, innovative solutions to finance transformation. Traditional instruments and policies alone will not mobilise sufficient capital. CfET positions itself as a platform to re-think these solutions based on three pillars.



(1) **Research Excellence:** We produce frontier academic research and build proprietary evidence (datasets, measurement frameworks, and empirical insights) on how Europe can finance transformation.

(2) **Public Engagement:** We translate research into an agenda-setting dialogue – through flagship events, partnerships, briefs, and media – to move decision-makers from diagnosis to implementation.

(3) **Executive Education:** We turn CfET insights into capabilities by equipping leaders in finance, industry, and policy with practical frameworks and tools to design, fund, and execute transformation strategies.

Activities within and across pillars are embedded in CfET's and Frankfurt School's infrastructure, supported by the advice and guidance of an international Steering Committee.

Figure 1 shows **how CfET works (the three pillars)** and **what CfET works on (the holistic scope)**. The pillars are our delivery channels: Research Excellence generates robust evidence; Public Engagement stress-tests and disseminates insights with stakeholders; Executive Education converts validated insights into applied capability and implementation. These three channels feed into a single integrated agenda – the holistic scope – where we examine transformation challenges through the lenses of **capital sources**, **financial instruments and intermediaries**, and **sectoral/thematic needs**, ensuring that ideas move seamlessly from research to practice.

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Key institutions, such as **regulators and supervisors, central banks, finance ministries, EU bodies, development banks, and standard setter,** sit inside the holistic scope as a **"rules-and-risk architecture"** that shapes incentives and feasibility.

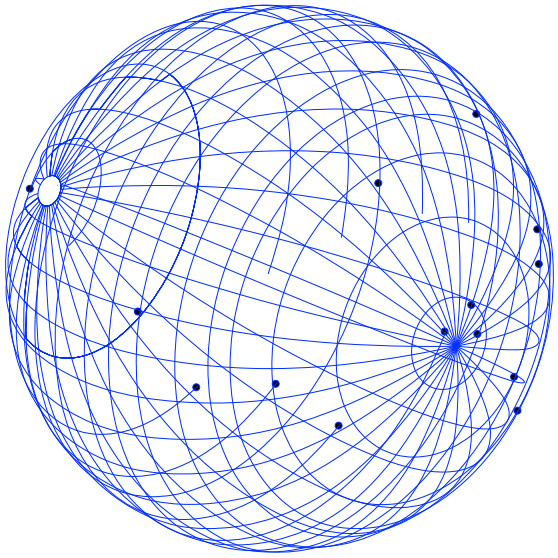
They influence (i) **which sources of capital** can be mobilised (e.g., pensions/insurance, retail savings, public balance sheets), (ii) **how intermediation and risk transfer** work (capital, liquidity, disclosure, securitisation, guarantees), and (iii) **how transformation impact is defined and measured** (taxonomies, reporting standards, data infrastructure). CfET's role is to connect the evidence to these institutional levers so that solutions are not only analytically sound but also implementable.

NEW IDEAS AND INSIGHTS

At the core of CfET's approach is the recognition that the binding constraints of Europe's transformation rarely sit within a single domain, but they emerge at the **interfaces between capital sources, intermediation and market design, and sector-specific investment needs**, shaped by the regulatory and institutional environment. The figure illustrates how CfET generates actionable insights by connecting three domains:

- **Sources of Capital**: public funding and guarantees, bank balance sheets, and private/institutional capital across public and private markets.
- **Finance Function (Instruments & Intermediaries)**: the instruments and channels that allocate and transform risk (banks, capital markets, private credit, alternative asset managers, and public development institutions).
- **Thematic Focus**: transformation priorities such as technology, defence/security, mobility, and energy efficiency.

By linking these domains, CfET moves from isolated observations to scalable financing architectures that are analytically rigorous and implementable in Europe's policy and market context. At these "interfaces," CfET identifies and develops new ideas that can shape policy and market practice.



- **Capital Mobilisation Interface (Sources ↔ Thematic Focus)**
  Which pools of capital (public, bank balance sheets, institutional investors, private markets) are best suited to finance specific transformation domains (e.g., deep tech, defence, mobility, energy efficiency), given risk, horizon, and scale?

- **Intermediation & Risk-Transfer Interface (Sources ↔ Finance Function)**
  What market design, intermediation chains, and risk-transfer tools (syndication, securitisation, guarantees, insurance solutions, public-private co-investment) are required to move capital efficiently into long-term investment?

- **Instrument Fit Interface (Finance Function ↔ Thematic Focus)**
  Which instruments and contracting forms (bank lending, bonds, project finance, private debt, structured credit, equity hybrids) best match the cash-flow, collateral, and policy-risk profile of each transformation sector?

- **Integrated Financing Architectures (All three)**
  How can we combine sources, intermediaries, and sector needs into scalable "financing architectures" (platforms, standards, partnerships, and data products) that can be replicated across Europe?

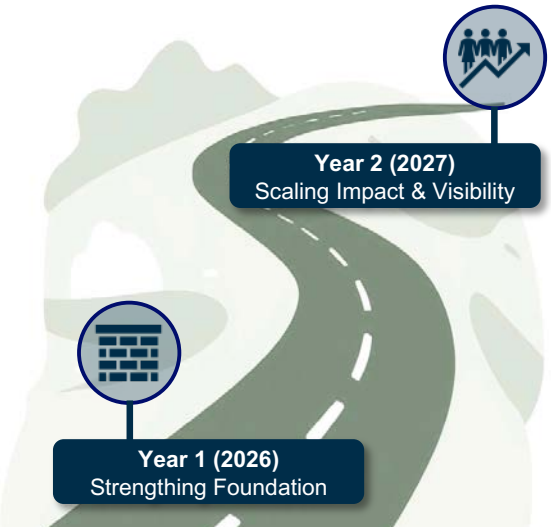
CfET focuses on the practical interfaces between capital sources, intermediation, and sector needs, because this is where financing constraints emerge and where implementable solutions are needed.

TWO-YEAR ROADMAP (2026-2027)

Five-year vision. By 2030, CfET will be Europe's go-to centre for **designing and validating financing architectures for transformation**, grounded in frontier research, delivered through trusted data products, and amplified by convening leaders in academia, markets and policy.

The roadmap outlines CfET's priorities for the next two years, structured around two phases:

- **Year 1 (2026): Strengthening Foundations** – refine strategic focus, lock in a disciplined cadence of events, and build the first signature outputs.
- **Year 2 (2027): Scaling Impact & Visibility** – scale what worked in 2026 into repeatable products, partnerships, and flagship publications.



THE ROADMAP IS ORGANISED ACROSS FOUR PRIORITY AREAS:

PRIORTIY	2026	2027
(1) Refine Strategy & Impact	Sharpen CfET's thematic focus into 2–3 flagship streams and operationalize success with a small KPI scoreboard (research pipeline, policy outputs, event reach, product milestones).	Institutionalize what works by publishing an annual flagship report (a data-driven "State of Financing Europe's Transformation") anchored in CfET's research and product outputs.
(2) Collaboration & Partnerships	Build a structured outreach plan with priority institutions in Europe (central banks, supervisors, ministries, EU bodies, banks) and partners, each linked to a concrete deliverable (briefing, roundtable, data access, joint output). Introduce CfET **"Fellowship Programme"**	Move from ad hoc engagement to **recurring institutional dialogues** and multi-year partner relationships focused on implementable solutions (market design, risk-sharing, standards/data).
(3) Dissemination & Public Engagement	Deliver flagship convenings with **outputs attached**, e.g. Annual Conference 2026: *Financing European Sovereignty* and the Private Capital Symposium, each producing a short synthesis/policy note; launch the **Transformation Investment Compass (Beta)** with a defined methodology and update sequence; run a **manageable cadence** of events (e.g., "AI Frontiers" quarterly, "Banking meets Transformation" lunch bi-annually).	Launch **Transformation Investment Compass v1** (expanded coverage + stable release cycle) and tie major events to signature outputs (Compass + flagship report) to maximise visibility and utility for stakeholders.
(4) Expand & Diversify Funding	Introduce a clear partner model (anchor/supporting/project sponsor) linked to tangible benefits (e.g. early access to Compass insights, tailored briefings, roundtables, co-authored outputs) and build a focused funding pipeline.	Convert outputs into renewals—use **Compass + flagship report + executive briefings** as the funding engine and shift toward **multi-year commitments** and industry-specific partnerships.

WAY FORWARD

Building on its strategic roadmap, the Centre will further strengthen its role as a hub for innovative, policy-relevant ideas on how to finance Europe's transformation. Going forward, CfET will concentrate its activities around a small number of clearly defined research themes, such as private debt and capital markets, financing the green and digital transition, defence and security finance, and capital markets integration. These themes provide a coherent intellectual anchor while ensuring direct relevance to Europe's evolving policy and market agenda.

To translate this agenda into measurable outcomes, CfET will organise its work through focused working groups that connect research, policy, and practice and that are accountable for tangible deliverables.

Across 2026–2027, CfET will prioritize fewer initiatives with clear outputs (for example, flagship studies, policy briefs, and trusted data products (including the Transformation Investment Compass) complemented by high-profile convening formats and targeted executive education). This disciplined operating model – policy-relevant, yet grounded in frontier research – will allow CfET to increase its impact, deepen partnerships, and establish itself as a European reference point for financing transformation

04 – GOVERNANCE AND TEAM

STEERING COMMITTEE

Strong governance is central to the Centre for European Transformation's ability to deliver independent, policy-relevant work. The Steering Committee provides strategic direction, challenges our priorities, and helps ensure that CfET remains focused on its mission to help finance Europe's transformation.

End of 2024, we introduced formal Terms of Reference for the Steering Committee to further professionalise our governance framework. The guidelines clearly define roles and responsibilities, meeting cadence, and decision-making processes, enabling more focused discussions and better alignment between CfET's research agenda, policy engagement, and partner activities. Biannual meetings bring together senior leaders from finance, industry, academia, and policy, creating a forum for open debate on Europe's transformation challenges and CfET's contribution.

STEERING COMMITTEE – SERVED IN 2025:

- Dr. Stefan Hoops (CEO, DWS) – Co-Chair **(until Dec. 2025)**
- Prof. Dr. Nils Stieglitz (President & CEO, Frankfurt School) – Co-Chair
- Prof. Robert Engle (Professor Emeritus of Finance, NYU)
- Prof. Dr. Clemens Fuest (President, ifo Institute)
- Mirjam Pütz (Board Advisor & Managing Partner, MP Ventures)
- Prof. Dr. Eckart Windhagen (Senior Advisor; former Senior Partner McKinsey) **(until Nov. 2025)**

OUTLOOK – NEW MEMBERS IN 2026:

- Manfred Bauer (Executive Board Member, DWS) – Co-Chair **(starting Jan. 2026)**
- Prof. Dr. Moritz Schularick (President, Kiel Institute for the World Economy) **(starting Jan. 2026)**

NEW CO-CHAIR OF THE STEERING COMMITTEE

Manfred Bauer joins the CfET Steering Committee as Co-Chair in January 2026, representing DWS at the executive level. With extensive experience across global asset management, strategic transformation, and in heading the DWS EMEA region, he is responsible for the global product value chain, from product innovation and structuring to lifecycle management. His appointment strengthens the Centre's connection to market practice and ensures that CfET's work remains closely aligned with the needs and realities of financial industry and its investors.

NEW MEMBER OF THE STEERING COMMITTEE

Prof. Dr. Moritz Schularick joins the CfET Steering Committee in January 2026. As President of the Kiel Institute for the World Economy and Professor of Economics at Sciences Po, he is widely recognised as one of Europe's leading macro-financial economists. His research on financial crises, credit cycles, and the interaction between finance and the real economy adds exceptional analytical depth and policy relevance to CfET's strategic discussions.

In 2026, CfET renews its Steering Committee membership to reflect the Centre's evolving strategy. Prof. Dr. Eckart Windhagen stepped down from the Committee in November 2025 to assume his role as Co-Director of CfET and Professor of Practice at Frankfurt School. He will be succeeded by Prof. Dr. Moritz Schularick in January 2026, while Dr. Stefan Hoops is succeeded as Co-Chair by Manfred Bauer in the same month.

We thank all outgoing Steering Committee members for their dedicated service in helping the Centre grow from its inception; the progress achieved to date reflects their leadership and commitment. At the same time, we welcome our new members, whose perspectives will support CfET's next phase of development in line with our evolving strategy. This renewal within the Steering Committee strengthens our ability to respond to Europe's transformation challenges and ensures that CfET remains agile, forward-looking, and impactful.

TEAM

At the heart of CfET is a growing, multidisciplinary team that combines academic excellence, policy experience, and practitioner insight. Together, they drive our research agenda, convene stakeholders, and translate evidence into implementable solutions for Europe's transformation.

Faculty & Coordination:

- Prof. Dr. Sascha Steffen – Co-Centre Director, DWS Senior Chair in Finance
- Prof. Dr. Eckart Windhagen – Co-Centre Director, Prof. of Practice (**since Nov. 2025)**
- Prof. Dr. Paul Rintamäki – DWS Junior Chair (**since Aug. 2025)**
- Prof. Dr. Kasper Zimmermann – DWS Junior Chair (until Aug. 2025)
- Titose Chembezi – Centre Manager (**since Oct. 2025)**
- Canan Kus – Centre Coordinator

NEW DWS JUNIOR CHAIR IN FINANCE

Prof. Dr. Paul Rintamäki joined Frankfurt School as Assistant Professor of Finance in August 2025 and became CfET's DWS Junior Chair in Finance in August 2025. His research examines how banks and non-bank intermediaries transmit monetary policy, using large, granular datasets to bridge theory and real-world market behaviour. Paul succeeds Kasper Zimmermann and strengthens CfET's empirical work on financial intermediation and transformation finance.

NEW CO-DIRECTOR AND PROFESSOR OF PRACTICE

Since November 2025, P**rof. Dr. Eckart Windhagen** has served as Co-Director of CfET and Professor of Practice in Financial Transformation at Frankfurt School. With more than three decades of advisory experience in global banking, including leadership of McKinsey's Global Banking Practice and membership in the McKinsey Global Institute's Global Council, he brings a unique blend of strategic and analytical expertise. Eckart will help anchor CfET as a platform where research, policy, and industry practice meet to design scalable solutions for Europe's transformation.

NEW SENIOR FELLOW

Prof. Dr. Tobias Berg joined CfET as Senior Fellow in January 2025. As Chair of Banking at Goethe University Frankfurt, he is a leading expert on financial intermediation with a current research focus on financial technology and climate change. His European Research Council (ERC) funded work on the role of banking in climate change and his long-standing ties to Frankfurt School significantly deepen CfET's capabilities in sustainable finance and risk analysis.

PhDs & Post Docs:

- Dr. Malte Heissel (until March 2025)
- Felix Martini
- Elisavet Mistopoulou **(since Sep. 2025)**
- Giorgio Mondini **(since Sep. 2025)**
- Dr. Eric Offner (**since Oct. 2025)**
- Sophie-D. Rotermund
- Jana-Lynn Schuster
- Paulina Verhoff
- Yuni Xiong **(since Sep. 2025)**

Affiliated Frankfurt School Professors:

- Prof. Dr. Maximilan Jager – Financial Regulation
- Prof. Dr. Thorsten Martin – Finance
- Prof. Dr. Emanuel Mönch – Financial and Monetary Economics
- Prof. Dr. Ulf Moslener – Sustainable Energy Finance
- Prof. Dr. Grigory Vilkov – Finance

Senior Fellows:

- Prof. Dr. Tobias Berg – Goethe University **(since Jan. 2025)**
- Prof. Dr. Joshua Rauh – Stanford University
- Prof. Dr. Johannes Stroebel – New York University

TRANSITIONS: WELCOMING AND FAREWELLS

On 22 August 2025, CfET held its **summer team event**, bringing together the full team, our sponsor, and key stakeholders from Frankfurt School for an evening of exchange and celebration. The event offered an opportunity to welcome new colleagues, thank departing team members, and reinforce our shared sense of purpose.

CfET also celebrated important milestones in the careers of departing colleagues. **Prof. Dr. Kasper Zimmermann** was appointed Associate Professor at the University of Hamburg and Economist at the Kiel Institute for the World Economy, while **Dr. Malte Heissel** joined the European Insurance and Occupational Pensions Authority (EIOPA) as a Data Expert in Digital Finance after successfully defending his PhD in March 2025. We are grateful for their contributions to CfET and look forward to continued collaboration in their new roles.

At the same time, we were pleased to introduce **Prof. Dr. Paul Rintamäki** as Assistant Professor of Finance and new DWS Junior Chair in Finance, and to welcome **Dr. Eric Offner** as a postdoctoral researcher, further strengthening CfET's research capacity.

05 – RESEARCH EXCELLENCE

CfET's Research Excellence pillar is structured around **three flagship workstreams** that translate the Centre's strategic focus into a coherent academic agenda. Each workstream targets a critical **interface** in Europe's financing challenge – between **sources of capital**, the **instruments and intermediaries** that allocate capital and transfer risk, and the real economy investment needs of transformation – within Europe's **rules-and-risk architecture**. Together, the workstreams combine **frontier academic research** with the development of **proprietary evidence** to support **implementable solutions**:

(1) **Private Capital & Market-Based Finance**, focusing on private debt, covenants, and intermediation chains;

(2) **Financial Stability, Regulation & the Rules-and-Risk Architecture**, examining banks, liquidity backstops, and monetary implementation; and

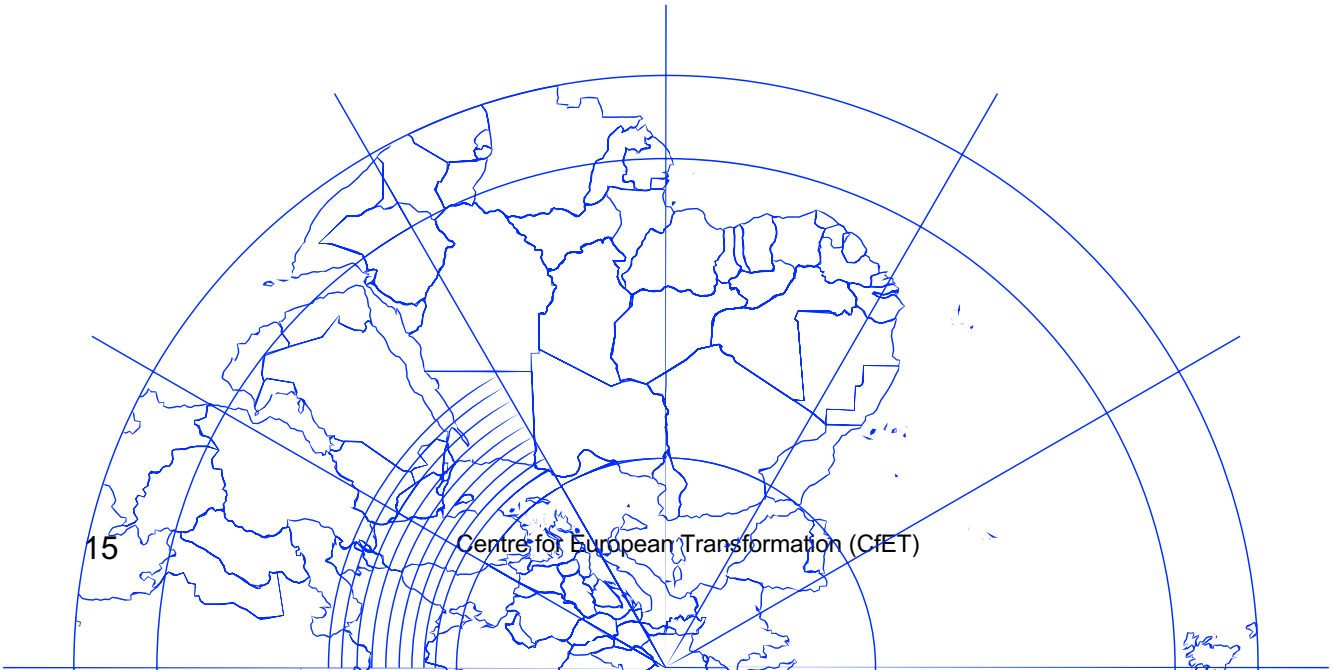
(3) **Measuring Transformation, Climate Finance & Real Economy Reallocation**, developing evidence on incentives, risk measurement, and capital allocation in the green transition.

RESEARCH EXCELLENCE: FLAGSHIP WORKSTREAMS & OUTPUTS

STREAM 1: PRIVATE CAPTIAL & MARKET-BASED FINANCE

PRIVATE DEBT, CONTRACT DESIGN, AND INTERMEDIATION CHAINS

CfET's first flagship research stream develops frontier academic research and builds proprietary evidence on how corporate credit markets operate across banks and non-bank financial intermediaries. The focus is on the interfaces where financing architectures are formed: between sources of capital, the instruments and intermediaries that allocate capital and transfer risk, and firms' financing choices over time and across cycles. The work combines transaction-level evidence, contract design, and scalable measurement approaches to generate implementable solutions for financing Europe's transformation – especially in periods of stress, when the resilience of corporate finance choices becomes decisive.



SELECTED RESEARCH HIGHLIGHTS

Competition in U.S. Corporate Credit Markets (Working Paper)

Using a novel matched dataset of syndicated loan and direct lending transactions (2000–2024), this paper shows that private credit and leveraged loan issuance move strongly counter-cyclically to each other. When syndicated loan markets tighten – via reduced competitive pressure, tighter bank lending standards, and higher credit risk premia – firms substitute toward private credit rather than forgo financing. The results position private credit as a financing-architecture "backstop" that can dampen credit-supply shocks to the real economy, with switching most pronounced among private-equity-backed firms operating at the intersection of the two markets.

PIK Now and Pay Later: How Deferred Interest Reshapes Private Credit (Working Paper)

Using comprehensive Business Development Company (BDC) loan data, this study shows that Payment-in-Kind (PIK) provisions are concentrated among distressed borrowers and that PIK activation predicts persistent credit deterioration. Outcomes are materially worse when PIK is triggered ex post rather than contracted at origination, consistent with deferred interest being used to manage near-term liquidity stress. The evidence indicates that PIK often facilitates maturity extensions rather than formal restructurings (a forbearance channel), while covenant structures can shift adjustment toward reduced BDC credit supply – highlighting how instrument design reshapes risk transfer in private credit.

CovenantAI: New Insights into Covenant Violations (Working Paper)

CovenantAI develops an AI-based approach to detect and classify loan covenant violations and their resolution outcomes directly from SEC filings, moving beyond simple keyword flags. By distinguishing economically meaningful events – such as amendments, waivers, and technical defaults – with higher accuracy than keyword- or Dealscan-based approaches, the method changes measured implications of covenant breaches and enables research on severity and renegotiation dynamics. The project is a core example of CfET's strategy to pair frontier methods with proprietary evidence that supports implementable monitoring in credit markets.

Shadow Always Touches the Feet: Implications of Bank Credit Lines to Non-Bank Financial Intermediaries (Working Paper)

This paper studies banks' credit lines to non-bank financial intermediaries (NBFIs), using REITs as a key case to show that large banks' commercial real estate exposure can be indirect through liquidity commitments. Credit-line utilization is highly stress-sensitive, generating concentrated drawdowns at large banks and associated equity-market corrections in stress periods. The results highlight an intermediation-chain channel that can be understated in standard exposure analyses and stress tests, directly linking market-based finance to bank balance-sheet risk.

Fragile Financing? How Corporate Reliance on Shadow Banking Affects Access to Bank Liquidity (Working Paper)

This study shows that heavier reliance on non-bank financing can increase corporate fragility when banks restrict access to credit lines. Using panel evidence and the 2014–16 oil-price collapse as an exogenous shock to CLO rollover risk for non-oil firms, it finds that non-bank-reliant firms with upcoming maturities face reduced and more expensive bank liquidity insurance. These constraints translate into weaker financial and real outcomes, even when firms draw down existing lines—evidence that market-based finance can depend on bank-provided liquidity backstops in adverse states.

SUPPORTING PIPELINE (SELECTED WORKING PAPERS / EARLY-STAGE PROJECTS)

- Capital Commitments and Private Debt Lending in Crises (Working Paper)
- Do Institutional Investors Trade on Covenant Violations? (Working Paper)
- Navigating New Norms: The Response of LBO Financing to Post-Crisis Regulation and Market Shifts (Working Paper)
- Human capital/labour mobility in the private debt market (Working Paper)

STREAM 2: FINANCIAL STABILITY, REGULATION & THE RULES-AND-RISK ARCHITECTURE

BANKS, LIQUIDITY BACKSTOPS, MONETARY ARCHITECTURE, AND RISK TRANSFER

CfET's second flagship research stream develops frontier academic research and builds proprietary evidence on how Europe's rules-and-risk architecture—regulation, supervision, and monetary-policy implementation—shapes the resilience of financial intermediation. The focus is on the interfaces between the banking system, market-based finance, and the public sector: how liquidity backstops, balance-sheet constraints, and institutional design affect risk transfer, credit provision, and crisis dynamics. The objective is to support implementable solutions that strengthen financial stability while enabling the financing architectures needed for Europe's transformation.

SELECTED RESEARCH HIGHLIGHTS

Why did bank stocks crash during COVID-19? (Published)

This paper shows that a two-sided "credit-line channel"—drawdowns and subsequent repayments—explains the sharp drop and partial recovery in bank stock prices during the COVID-19 shock. Banks with greater exposure to undrawn credit lines experienced larger equity declines, and large drawdowns were followed by reduced bank lending, consistent with capital encumbrance when liquidity commitments are exercised in a correlated manner. Repayments unencumbered capital and help explain the recovery starting in Q2 2020, motivating a framework in which credit lines resemble put options on aggregate risk and suggesting how to incorporate this feature into bank stress tests.

Contingent credit under stress (Published)

This article synthesizes research on the rising importance of contingent credit (credit lines) as a central form of corporate borrowing. It emphasises that firms' options to draw down and repay credit lines are effectively put options issued by banks and exercised in a correlated manner during stress, with adverse effects on subsequent bank intermediation. The discussion connects these mechanisms to bank capital and funding channels, contrasts their roles across crises, and extends the perspective to banks' growing liquidity provision to NBFIs and the role of stress tests and monetary policy in managing contingent-credit risks.

Are risky banks disciplined by large corporate depositors? (Published)

Using auctions of unsecured money market deposits of firms to banks, this paper provides evidence of depositor discipline in unsecured wholesale funding. Deposit rate bids rise with bank risk, and conditional on bids and relationship characteristics, depositors select safer banks. Banks reduce risk after being less frequently selected, and risky banks exit and later re-enter when they become safer – evidence that sophisticated depositors can shape bank risk-taking and banks' access to unsecured corporate funding, with implications for financial stability and market discipline.

Liquidity Dependence and the Waxing and Waning of Central Bank Balance Sheets (Working Paper)

This paper argues that QE-induced balance-sheet expansion encouraged banks to fund reserve holdings with uninsured demand deposits while continuing to issue corporate credit lines, generating large liquidity claims on banks. When QE halted and QT began, these liquidity liabilities did not shrink commensurately, increasing vulnerability to liquidity shocks and pushing the central bank to re-provide liquidity – evidence of "liquidity dependence" of banks on the central bank. The results link monetary implementation choices to the stability of bank funding and the resilience of intermediation.

Banking Under Large Excess Reserves (Working Paper)

This project studies how quantitative easing and large excess reserves affect bank lending under Basel III constraints. The analysis documents that QE increased reserve holdings and short-term wholesale deposits, affecting funding stability, and develops a structural model with imperfect competition and regulatory costs that rise sharply as banks approach constraints. In France, the estimates imply that QE raised the marginal cost of long-term lending by 16 basis points in Q4 2021, and counterfactuals suggest materially higher aggregate lending under lower reserve volumes—clarifying how the boundary between public and private balance sheets can shape credit supply.

SUPPORTING PIPELINE (SELECTED WORKING PAPERS / EARLY-STAGE PROJECTS)

- Collateral Easing and Safe Asset Scarcity: How Money Markets Benefit from Low-Quality Collateral (Working Paper)
- Different no more: Country spreads in advanced and emerging economies (Working Paper)
- Survival of the Biggest: Large Banks and Crises since 1870 (Working Paper)
- The Shifts and the Shocks: Bank Risk, Leverage, and the Macroeconomy (Working Paper)

STREAM 3: MEASURING TRANSFORMATION, CLIMATE FINANCE & REAL ECONOMY REALLOCATION

CLIMATE RISK, INCENTIVES, MEASUREMENT FRAMEWORKS, AND CAPITAL ALLOCATION

CfET's third flagship research stream develops frontier academic research and builds proprietary evidence on how Europe can finance transformation under binding constraints—climate transition risks, fiscal and sovereign vulnerabilities, and the need to reallocate capital toward resilient investment. The focus is on the interfaces between policy and markets: how regulation, taxation, and environmental policy risk shape capital allocation, how climate-related risks transmit through banks and debt markets, and how transformation outcomes can be measured credibly. The objective is to support implementable solutions—from incentive design to risk measurement—within Europe's rules-and-risk architecture.

SELECTED RESEARCH HIGHLIGHTS

Climate Transition Risks of Banks: Evidence from Syndicated Loan Books (Working Paper)

This paper measures banks' climate transition risk exposure from syndicated loan books using borrowers' carbon footprints and shows that the resulting exposure measure aligns with stranded-asset return sensitivities and total financed emissions. Banks' exposures decline over time primarily because credit shifts toward lower emitters (rather than a complete stop of lending to high emitters). The evidence further links transition-risk exposure to policy interfaces by showing that banks with growing exposures lobby to delay stricter climate regulation—highlighting how risk measurement, incentives, and real economy reallocation interact.

The Environmental Bias of Corporate Income Taxation (Forthcoming)

This paper studies how corporate income taxation interacts with CO2 emissions in the United States. It documents that CO2-intensive firms benefit more from the tax advantage of debt and pay systematically lower income taxes on their capital income. Building on these facts, the evidence suggests that a corporate tax rate cut leads to larger expansion of cleaner firms, and model-based quantification indicates that eliminating the tax advantage of debt could reduce aggregate emissions without reducing GDP—connecting fiscal design to transformation incentives.

Climate and Environmental Policy Risk and Debt (Working Paper)

This study examines how implemented climate policy and expectations of future policy stringency affect how carbon emissions are priced in corporate credit markets. The evidence indicates that the carbon risk premium in spreads and ratings rises with climate-policy stringency and is amplified by anticipated future stringency, particularly at longer maturities. Event-time evidence around the European Green Deal announcement shows spreads widening for high-carbon firms, illustrating how Europe's rules-and-risk architecture can transmit into financing costs and reallocation pressure.

Corporate Green Pledges (Working Paper)

This project constructs a new dataset of time-stamped corporate decarbonization commitments for U.S. public firms by classifying news with a large language model and validating by hand. Green-pledge announcements are associated with persistent positive stock-price reactions and predict subsequent declines in emissions and emissions intensity, particularly in high-emissions ("brown") industries. The results contribute to

CfET's measurement agenda by clarifying when corporate commitments are informative and how markets price transformation signals.

Fiscal Constraints, Disaster Vulnerability and Corporate Investment (Working Paper)

This paper studies how government fiscal constraints shape firms' disaster vulnerability and investment decisions in a global firm sample. It combines firm-level exposure (constructed from international sales shares) with earnings-call text measures of perceived risk and shows that greater exposure predicts larger increases in perceived fiscal-constraint risk during disasters. Even outside disaster episodes, higher exposure is associated with higher discount rates and lower capex and R&D investment, highlighting how public-balance-sheet constraints can propagate into private transformation investment.

SUPPORTING PIPELINE (SELECTED PUBLICATIONS & WORKING PAPERS)

- Deep uncertainty and the transition to a low-carbon economy (Published)
- Dealing with deep uncertainty in the energy transition: what we can learn from the electricity and transportation sectors (Published)
- Natural Disasters as Macroeconomic Tail Risks (Published)
- The impact of extreme weather events on the term structure of sovereign debt (Working Paper)
- Energy-saving technology shocks, emissions, and the macroeconomy (Working Paper)

Note on pillar consistency: Translation outputs (briefs, topical reports, and engagement formats) are documented in the Public Engagement chapter to keep this section focused on frontier academic research and the evidence base for implementable solutions.

PROPRIETARY EVIDENCE: CFET CAPEX INVESTMENT SCORE GERMANY

To strengthen the evidence base for financing Europe's transformation, CfET developed **proprietary measurement frameworks** that extract forward-looking investment expectations directly from corporate communications. Using earnings calls of German listed firms (2015Q2–2025Q3; ~4,130 firm-quarter observations), the Centre constructed the **CfET CapEx Investment Score Germany** – a forward-looking indicator of investment intensity – and a complementary **CfET AI Economy Score** capturing near-term business sentiment.

The CapEx score tracks established indicators such as the ifo business climate index, while CEO economic sentiment leads investment expectations by one to two quarters in the time-series evidence. Building on the same earnings-call "investment chunks," CfET also derives an AI-based **Green Investment Score** and a **green share** of investment announcements. Leveraging the German Constitutional Court ruling of 15 November 2023 and the associated freeze of the Climate and Transformation Fund as a natural experiment, the evidence indicates a marked decline in green investment expectations after the ruling – highlighting how fiscal uncertainty and perceived policy pull-backs can translate into pauses in private transformation investment.

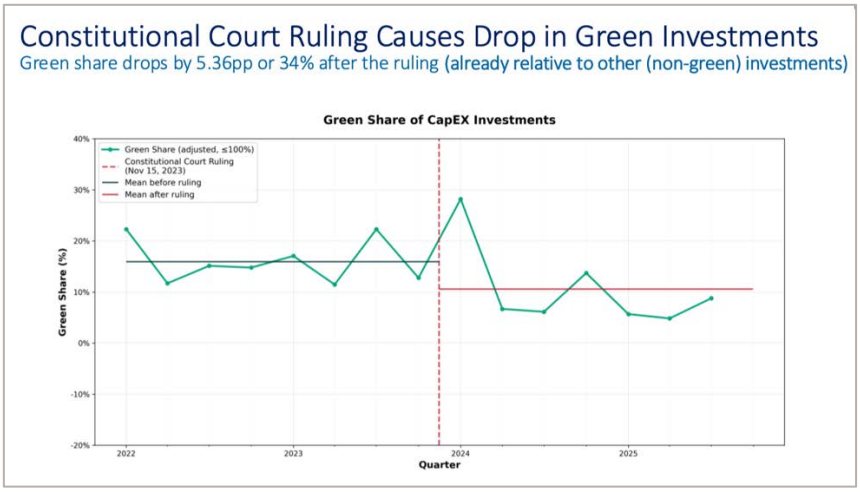


Figure 1: AI-based Green Investment Score

This figure shows the AI-based green share (or Green Investment Score) extracted from earnings-call investment segments for German listed firms. The vertical marker indicates the German Constitutional Court ruling on 15 November 2023 and the associated freeze of the Climate and Transformation Fund; the series illustrates a discrete decline in green investment expectations after the ruling, consistent with heightened fiscal-policy uncertainty translating into weaker transformation investment plans.

Together, these metrics document a broad and active research platform producing **frontier academic research** across the Centre's flagship workstreams, complemented by frequent academic engagement through seminars and conferences, supporting CfET's ambition to generate **implementable solutions** grounded in rigorous evidence.

ACADEMIC ENGAGEMENT & THOUGHT LEADERSHIP

CfET advances its research agenda through sustained engagement with the international academic community. During the reporting period (June 2024–December 2025), CfET researchers recorded 77 research engagements **– 42 conferences, 8 workshops, and 27 research seminars –** spanning 21 countries. These engagements disseminated frontier academic research and emerging proprietary evidence, and they strengthened CfET's academic thought leadership around Europe's financing architectures and the key interfaces between sources of capital, intermediaries/instruments, and the rules-and-risk architecture that governs risk transfer and market functioning.

CONFERENCE & WORKSHOP ENGAGEMENT

Across the period, CfET researchers participated in **50** conference and workshop engagements (**42 conferences** and **8 workshops**). This included presence in major finance and macro-finance communities (e.g., the American Economic Association and American Finance Association annual meeting ecosystem in early 2025), field-leading intermediation venues (e.g., the Financial Intermediation Research Society), and research-intensive conferences associated with National Bureau of Economic Research. In Europe, CfET also maintained visibility in the European Finance Association conference

community and specialist workshops that connect academic research to policy-relevant questions (including BIS/CEPR-linked formats and the CEPR–IMF programme workshop circuit through the Centre for Economic Policy Research and the International Monetary Fund). Substantively, these engagements mapped tightly to the flagship workstreams – private capital and non-bank lending mechanics, liquidity backstops and systemic risk propagation, and transformation/climate risk measurement – ensuring that CfET's stream-defining questions are consistently represented in agenda-setting academic fora.

RESEARCH SEMINARS & INVITED TALKS

In addition to conferences, CfET recorded **27** research seminar presentations during the period. These seminars provided an important channel for deeper discussion of topics, identification strategies, measurement choices, and interpretation, especially on questions at the **intersections** between market-based finance and bank-provided liquidity. Seminar presentations were geographically broad, including invited talks at institutions such as University of Hamburg, New York University, Peking University, National University of Singapore, University of Amsterdam, De Nederlandsche Bank, and Australian National University. A notable feature of the seminar sequence was the repeated discussion of CfET's private-credit work, particularly the paper on "PIK Now and Pay Later" (presented in **13** seminars during the period), complemented by seminars on related work such as Fragile Financing and Covenant AI.

Research Platform Metrics (July 2024 – December 2025)

- **Research publications**: 17 journal publication (14 published, 3 forthcoming).
- **Working paper pipeline**: 42 working papers.
- **New/released working paper versions during the period**: 25 new working papers have released between June 2024 and December 2025.
- **Major revisions during the period**: 16 working papers were "last revised" between June 2024 and December 2025.
- **Academic engagement:** 77 research talks in the period, comprising 42 conferences, 8 workshops, and 27 research seminars, spanning 21 countries.
- **CfET author base**: 11 distinct CfET-affiliated authors appear across the publications + working papers.

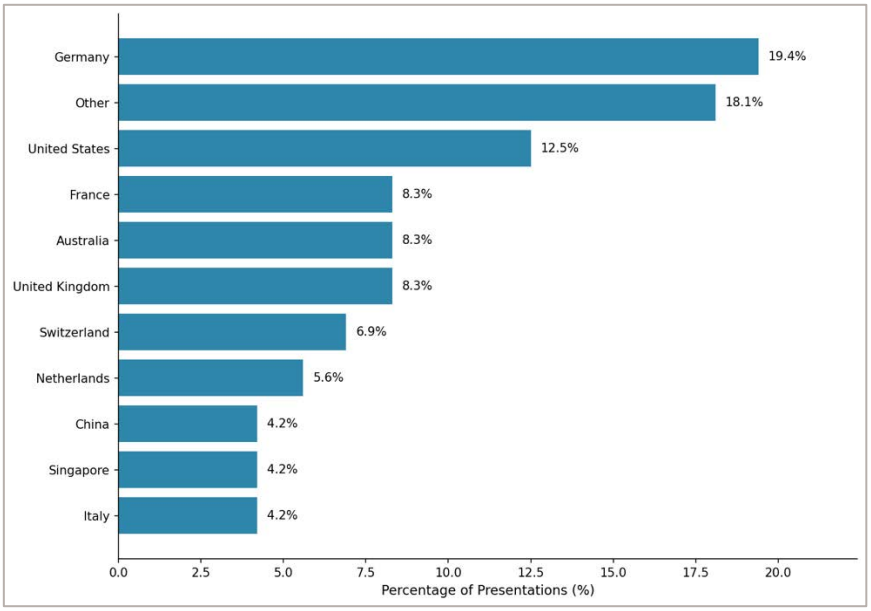
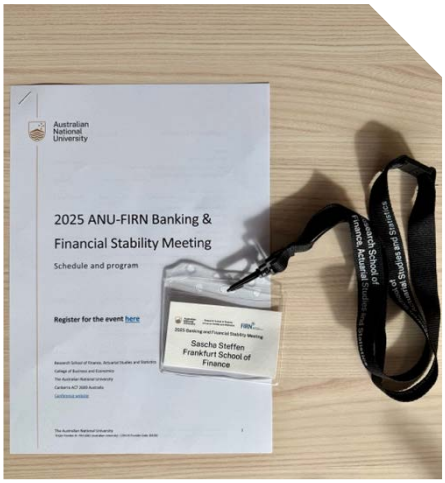


Figure 2: Presentations by country

Presentation activity was concentrated in Germany (19.4% of all presentations), reflecting the Centre's home base, but with a substantial international footprint led by the United States (12.5%) and a broad spread across France, Australia, and the United Kingdom (each 8.3%), as well as Switzerland (6.9%) and the Netherlands (5.6%). The long tail remains meaningful: China, Singapore, and Italy each account for 4.2%, while "Other" (18.1%) aggregates additional locations with fewer than three presentations each, that is Austria, Belgium, Canada, Denmark, Finland, Korea, Norway, Poland, Slovakia, and South Africa.

Overall, the distribution shows that CfET's academic thought leadership is anchored in Germany while consistently reaching the main global finance research hubs and thus a wide set of specialist audiences.

KEYNOTES & ACADEMIC THOUGHT LEADERSHIP



Beyond standard conference and seminar formats, CfET contributed to academic thought leadership through invited keynote presentations that synthesize and frame research agendas. The **academic keynote** delivered in Canberra (September 2025) articulated the "transformation of corporate lending" as a shift from siloed bank lending toward interconnected intermediation networks, where lending and liquidity provision are increasingly unbundled. This framing is consistent with CfET's strategic emphasis on financing architectures, and it reinforces the Centre's workstream structure by linking non-bank lending growth, contingent liquidity, and stress dynamics to the broader research agenda on implementable solutions grounded in rigorous evidence.

Highlight 1: ASSA/AFA + EFA + IBEFA conferences

In 2025, Centre for European Transformation maintained an active presence in agenda-setting finance conferences, positioning its workstreams in the venues where core debates on intermediation, risk transfer, and financial architecture are shaped. At the Allied Social Science Associations (ASSA) / American Finance Association (AFA) 2025 conference in San Francisco, CfET researchers presented work across the Centre's flagship topics, **combining frontier academic research with emerging proprietary evidence** approaches. The Centre also brought its market-based finance agenda to the European Finance Association (EFA) meeting 2025 in Paris, presenting "Fragile Financing?" on the interaction between shadow-bank reliance and access to bank liquidity under stress. In addition, CfET contributed to the International Banking, Economics and Finance Association (IBEFA) 2025 programme, reinforcing CfET's academic thought leadership across private capital and market-based finance, and the broader rules-and-risk architecture shaping financial intermediation.

Highlight 2: Asia Trip

A second focal point of CfET's **academic thought leadership** in 2025 was Sascha Steffen's Asia research trip, built around the flagship private-credit agenda "PIK Now and Pay Later." Across a sequence of invited seminars and research meetings in leading Asian finance hubs, the trip used the PIK paper as a unifying lens to discuss contract design, deferred-interest instruments, and the interaction between private credit growth and bank-provided liquidity backstops under stress.

This engagement directly advanced CfET's Stream 1 research on private capital and market-based finance, while reinforcing the Stream 2 interface perspective on how liquidity provision and risk transfer operate across banks and non-banks in adverse states.

ORGANISATION OR HOSTING OF WORKSHOPS & SEMINARS

A core part of CfET's Research Excellence pillar is to convene frontier academic research at the interfaces that shape Europe's financing architectures—between intermediaries, instruments, and the rules-and-risk architecture that governs risk transfer and market functioning. By hosting research conferences and workshops, CfET creates structured formats where academic insights and emerging proprietary evidence can be stress-tested, connected across disciplines, and translated into implementable research questions on regulation, intermediation, and transformation finance.

REGULATING FINANCIAL MARKETS (19-20 AUGUST 2024, FRANKFURT)

On 19-20 August 2024, CfET co-hosted the academic research conference "Regulating Financial Markets" at Frankfurt School. The conference brought together leading researchers and experts from academia, central banks, and financial institutions to discuss frontier questions in financial market regulation – directly aligned with CfET's work on Europe's rules-and-risk architecture and the interaction between regulation, competition, and risk transfer.

A highlight of the conference was the **keynote address by Gabriel Chodorow-Reich (Harvard University),** complemented by a dinner speech by Karlheinz Walch, Director General of Banking and Financial Supervision at the Deutsche Bundesbank. The programme covered topics including the effects of regulation on competition, the use of big data and machine learning in regulation and supervision, and climate-related financial regulation – reinforcing CfET's focus on evidence-based approaches and implementable insights.

The conference was organised by Rainer Haselmann (Goethe University), Thomas Kick (Deutsche Bundesbank), Sascha Steffen (Frankfurt School), and Tobias Tröger (Goethe University).

FINANCIAL REGULATION – GOING GREEN (29 APRIL 2025, HALLE)

CfET contributed to the interdisciplinary workshop "Financial Regulation – Going Green 2025," hosted in Halle and jointly organised with partner institutions from law, finance, and climate research. The workshop's focus sits squarely at the interface between climate policy, financial regulation, and market outcomes—connecting CfET's Stream 2 agenda on the rules-and-risk architecture with Stream 3 work on measuring transformation and the incentives and constraints shaping capital allocation.

The workshop was organised as a joint effort across institutions including LawFin, Frankfurt School, Goethe University Frankfurt, IWH Halle, Humboldt University Berlin, SAFE, and the Potsdam Institute for Climate Impact Research (PIK), among others, reflecting the inter-disciplinary approach required for credible and implementable research on green financial regulation.

3RD BONN–COLOGNE–FRANKFURT–MANNHEIM PHD CONFERENCE (13-14 JUNE 2025, FRANKFURT)

On 13-14 June 2025, CfET supported the organisation of the 3rd Bonn–Cologne–Frankfurt–Mannheim PhD Conference, co-organised by **Jana Schuster and Paulina Verhoff**.

The conference brought together more than 80 PhD students in Economics, Finance, and Accounting from leading universities in the region and provided a platform for presenting early-stage research, receiving structured feedback, and building durable research networks—an important component of CfET's research capacity building.

The conference opened with a keynote by Falko Fecht, Head of Research at the Deutsche Bundesbank, and featured a dense programme of paper presentations and discussions. The first day concluded with a panel discussion with recent PhD graduates, offering perspective on early career paths after the PhD.

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ACADEMIC MOBILITY & COLLABORATON

Academic mobility and collaboration are integral to CfET's research model: advancing **frontier academic research** and building **proprietary evidence** requires continuous interaction with leading research communities, access to complementary expertise, and rigorous feedback on identification strategies, measurement choices, and interpretation. Targeted research stays and international collaboration strengthen CfET's ability to work at the interfaces that define Europe's financing challenge—between sources of capital, instruments and intermediaries, and the **rules-and-risk architecture** that shapes risk transfer and market functioning—thereby supporting **implementable solutions** grounded in rigorous evidence

SPOTLIGHT: PHD RESEARCH EXCHANGES (FINANCE)

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Paulina Verhoff
at New York University
(Aug–Dec 2024)

During her research stay at NYU, Paulina Verhoff advanced her work on CovenantAI – New Insights into Covenant Violations,

strengthening CfET's proprietary-evidence agenda through scalable measurement of covenant violations and their resolution outcomes. The visit also supported active engagement with the research community through seminar and conference interactions; her CovenantAI work subsequently received recognition with a Best PhD Presentation Award at the Generative AI Conference in Montreal (see "Awards and recognitions" for details).

Faculty sponsor: Prof. Anthony Saunders (NYU)

"NYU taught me that boundaries between finance, tech, and culture aren't walls - they're launch pads."
– Paulina Verhoff

Sophie-Dorothee Rotermund
at Harvard Business School
(Sep–Dec 2024)

Sophie-Dorothee Rotermund completed a research fellowship at Harvard Business School, focusing on doctoral research on the evolving role of private capital in corporate lending dynamics. The fellowship deepened CfET's Stream 1 agenda on private capital and market-based finance by enabling intensive discussion with faculty and doctoral researchers on research design, data

construction, and interpretation in private-market settings.

Faculty sponsor: Prof. Victoria Ivashina (HBS)

"At HBS, I experienced how powerful it can be when drive and determination go hand in hand with curiosity and an infectious sense of enthusiasm for our work." **– Sophie-Dorothee Rotermund**

Felix Martini
at New York University
(Jan–May 2025)

Felix Martini undertook a research visit at NYU, strengthening CfET's collaboration base in empirical financial intermediation and corporate finance. The visit

supported progress on his doctoral research at the intersection of financial intermediation, investment banking, and geopolitics, and provided an additional platform for integrating methods and feedback from a leading research environment into CfET's workstream agenda.

Faculty sponsor: Prof. Philipp Schnabl (NYU)

"I study how firms and financial markets respond to transformative economic developments, aiming to integrate practical insights with academic research."
– Felix Martini

AWARDS, RECOGNITIONS, AND OTHER NOTABLE ACHIEVEMENTS

Recognition for CfET researchers and targeted research funding strengthen the Centre's capacity to advance frontier academic research and build proprietary evidence on Europe's financing architectures—supporting implementable insights at the interfaces between intermediaries, instruments, and the rules-and-risk architecture.

BEST PHD PRESENTATION AWARD — PAULINA VERHOFF (OCT 2024, MONTREAL)

Paulina Verhoff received the Best PhD Presentation Award at the Generative AI Conference in Montreal (October 23–24, 2024) for "CovenantAI – New Insights into Covenant Violations," co-authored with Sascha Steffen and Anthony Saunders. The paper contributes to CfET's proprietary-evidence agenda by developing an AI-based approach to measure and classify covenant violations and their resolution outcomes, thereby supporting research at the interface of contract design, monitoring, and risk transfer in corporate credit markets (Stream 1).

RESEARCH GRANT — FRANKFURT INSTITUTE FOR RISK MANAGEMENT (FIRM)

Sascha Steffen received a research grant of EUR 86,000 from the Frankfurt Institute for Risk Management (FIRM) for the project "The Social Costs of Strategic Default – Evidence from Oil & Gas Wells." The project starts in Q3 2025 and has a planned duration of 18-month duration. Part of the grant will be invested in new data that strengthens CfET's research infrastructure and supports additional work on climate finance and transformation-related investment constraints (Stream 3).

06 – PUBLIC ENGAGEMENT

POLICY ADVICE

Policy advice is a core delivery channel through which the Centre for European Transformation (CfET) advances its mission to develop implementable solutions for financing Europe's transformation. Guided by our strategic roadmap, CfET connects frontier research and proprietary evidence with the "rules-and-risk architecture" that ultimately determines feasibility, i.e., regulators and supervisors, central banks, finance ministries, EU bodies, development banks, and standard setters. This research-to-policy translation is designed to move decision-makers from diagnosis to implementation and to strengthen the resilience and efficiency of Europe's financing system in a period of profound economic, geopolitical, and technological change.

(1) FINANCIAL STABILITY AND BANKING ARCHITECTURE: RESILIENCE AS A PRECONDITION FOR TRANSFORMATION FINANCE.

In 2024, CfET contributed to international policy debates on banking resilience through the Geneva Report 27, ***Much Money, Little Capital and Few Reforms: The 2023 Banking Turmoil*** (Angeloni, Claessens, Seru, Steffen, Weder di Mauro). The report analyses how the rapid rise in interest rates after a prolonged period of accommodative monetary policy exposed structural vulnerabilities—banks holding sizeable portfolios of long-duration assets without sufficient capital buffers and a continued under-pricing and under-supervision of interest rate risk. It highlights how high shares of uninsured deposits, combined with digital banking and social media dynamics, can accelerate deposit flight and trigger destabilising runs. The report concludes that while the immediate turmoil was contained, it revealed deeper systemic issues (excess liquidity, too little capital, incomplete reform), and it calls for stronger capital standards and more robust risk management and resolution frameworks to reduce the system's exposure to future shocks.

Complementing this international perspective, CfET also contributed to the European and German debate on banking stability through an invited contribution in *ifo Schnelldienst* (07/2024). The article discusses how the 2023 turmoil (including Silicon Valley Bank and Credit Suisse) renewed calls to complete the reform agenda following earlier crises and underscores the need to assess bank resilience beyond headline ratios—especially against the backdrop of interest-rate shocks and market-based stress indicators.

These publication-based contributions are complemented by direct institutional engagement: in December 2024, Professor Sascha Steffen (Director of CfET) was appointed to the Advisory Scientific

Committee of the European Systemic Risk Board (ESRB) for a four-year term, strengthening CfET's channel to provide scientific input into systemic risk monitoring and macroprudential policy design in Europe.

"I am honoured to join the Advisory Scientific Committee. Ensuring financial stability is crucial for the resilience and prosperity of the European Union. At the Centre for European Transformation at Frankfurt School, we are dedicated to tackling these pressing issues, advancing research on sustainable growth and transformation in Europe. I look forward to contributing research-driven insights to support the ESRB's mission to identify and address systemic risks in the financial system"
- **Professor Sascha Steffen**

(2) SUSTAINABLE FINANCE AND TRANSITION PATHWAYS: MAKING INFORMATION AND STANDARDS DECISION-USEFUL.

A central bottleneck in financing the green transition is not only the availability of capital, but the ability of markets and supervisors to distinguish credible transition strategies from "green" narratives that are not backed by measurable plans. CfET researchers contributed to the Wissenschaftsplattform Sustainable Finance (WPSF) with policy briefs that link climate policy, risk and financing conditions.

a) **Capital costs and transition risk.** WPSF Policy Brief 1/2024 (*Klimarisiken und Fremdkapitalkosten*) highlights that as climate policy becomes more ambitious, debt financing costs for high-emission firms can rise; investors demand risk premia where transition strategies are unclear or exposures are high. The brief also emphasises the role of sustainable finance instruments—especially robust climate reporting and transition plans—in improving transparency and supporting capital allocation during the transition.

b) **Transition plans and risk assessment.** WPSF Policy Brief 2/2024 (*Transition Plans and Risk Assessment*) identifies transition plans as a "key instrument" for both corporate strategy and financial risk management, but stresses that their current heterogeneity and lack of standardisation limit comparability and decision-usefulness. It proposes a structured approach separating two use cases—(i) strategic planning of a net-zero transition and (ii) transition risk assessment—and points to concrete levers such as reference scenarios, transition indicators and common criteria to improve comparability and usability for companies, investors and supervisors.

c) **Policy statement on the coalition agreement.** In 2025, the WPSF statement "*Investieren, aber richtig!*" contributed to the policy debate on the coalition agreement, arguing for an "investment climate" rather than detailed micromanagement and warning that simplification of climate reporting should not undermine the information base needed to steer the transition; transition plans should remain a central instrument for credible implementation.

(3) MONETARY POLICY AND COMMUNICATION: REDUCING UNCERTAINTY IN VOLATILE MACRO-FINANCE CONDITIONS.

Because financing conditions for transformation investment are shaped by the macro-financial environment, CfET's policy engagement also addresses monetary policy and communication under uncertainty.

In 2025, a study requested by the European Parliament's ECON Committee, "*Wait and Watch: Steering Monetary Policy Under Balanced Inflation Risk"* (Born, Horn, Moench, Mustafi), assesses the euro-area outlook, the ECB's policy stance and policy communication. It notes that inflation is near target and risks are broadly balanced (with a mild upside tilt), and argues that a data-dependent, meeting-by-meeting strategy remains appropriate; clearer reaction-function guidance could help reduce uncertainty.

Complementing this work, the Bundesbank Research Brief *A KISS for central bank communication in times of high inflation* provides evidence that central bank communication has become longer and less readable as it expanded, and recommends a "keep-it-simple" approach—using simpler language and communicating key messages and uncertainty clearly—to strengthen public understanding and policy transmission in high-inflation environments.

Taken together, these policy outputs reflect CfET's strategic approach to public engagement: we translate rigorous research into concrete, decision-relevant guidance on the institutional levers – supervision and resolution, disclosure and transition standards, and monetary policy communication – that shape Europe's ability to mobilise capital at scale.

PLATFORM & OUTREACH

CfET's platforms and outreach are the Centre's main interface for turning research evidence into implementable solutions for financing Europe's transformation. In CfET's three-pillar approach, Public Engagement complements Research Excellence and Executive Education by stress-testing insights with stakeholders and connecting them to the institutional "rules-and-risk architecture" that shapes feasibility in Europe – regulators and supervisors, central banks, finance ministries, EU bodies, development banks, and standard setters.

Our formats therefore focus on the practical interfaces where financing constraints emerge mobilising capital at scale, designing intermediation and risk-transfer mechanisms, and matching instruments to sector-specific investment needs. Building on the formats established in 2024–2025, including the 2nd Annual Conference (150+ participants) and the AI Frontiers in Finance webinar series (10 sessions, ~1,000 participants worldwide), CfET's 2026-2027 roadmap concentrates on a disciplined and repeatable portfolio of flagship and recurring formats, each linked to concrete outputs and follow-up.

FLAGSHIP CONFERENCES & EXECUTIVE FORMATS

2ND ANNUAL CONFERENCE: POWERING EUROPEAN COMPETITIVENESS

The Centre's 2nd Annual Conference on 6 March 2025 marked a significant milestone in shaping Europe's sustainable future. Bringing together **over 150 leading experts, policymakers, and industry figures**, the event tackled the pressing challenge of financing Europe's transformation amid geopolitical uncertainties. Timed shortly after Germany's announcement of a major debt and spending package on defence and infrastructure, the conference sparked dynamic and optimistic discussions on harnessing Europe's resources—including its strong education systems and innovation potential—to drive competitiveness and resilient growth.

Key insights emphasised the need for decisive collective action, strategic investments, smarter regulation, and enhanced capital market mobilisation to enable Europe's transformation. Supported by partners including **DWS and Börsen-Zeitung**, the event fostered valuable networking and collaboration opportunities among stakeholders committed to Europe's future. The conference reinforced CfET's role as a catalyst for impactful dialogue and strategic action.

"The conference made clear that Europe's transformation will not happen by chance; it requires coordinated action across policy, markets, and industry. CfET's ability to convene this breadth of stakeholders is exactly what we need to move from diagnosis to implementation." **– Mirjam Pütz (member of CfET's Steering Committee)**

Five key learnings from the **2nd Annual Conference: "Powering European Competitiveness: Innovation, Finance, and Strategic Resilience":**

(1) Decisive Action is Crucial:

To regain competitiveness and address major challenges like climate change, energy transition, digitalization, and security & defence policy, Europe must act swiftly and collectively while creating better conditions for businesses through tax reforms and reduced bureaucracy.

(2) Capital Markets are Key:

Leveraging capital markets more effectively is essential to mobilise private investments that drive innovation and foster sustainable growth across Europe.

(3) Strategic Investments Drive Resilience:

Research-driven innovation combined with strategic investments can transform Europe into a more resilient region capable of navigating global uncertainties.

(4) Intelligent Deregulation is Needed:

Reviewing current financial regulations is necessary to channel capital efficiently into transformative projects while scaling risk capital to attract investors.

(5) Europe's Strengths Must Be Leveraged:

With its robust education systems, strong research capabilities, innovative potential, and large market size, Europe has sufficient resources to lead transformative change—if these assets are fully utilised.

AGENDA:
2ND ANNUAL CONFERENCE: POWERING EUROPEAN COMPETITIVENESS

CENTRE FOR EUROPEAN TRANSFORMATION
2. ANNUAL CONFERENCE 2025

Powering European Competitiveness: Innovation, Finance, and Strategic Resilience | Thursday, 6 March 2025, 13:30 – 19:00

Conference Moderator: Carolin Roth (International business journalist, freelance presenter and reporter)

13:30	**Registration** (30min)
14:00	**Welcome Address** (15min) ▪ Prof. Dr. Nils Stieglitz (President & CEO, Frankfurt School) ▪ Prof. Dr. Alexander Lorz (Finance Minister (Hesse))
14:15	**Opening Keynote Talk** (15min) ▪ Oliver Behrens (Chairman DWS) ▪ Carolin Roth (International business journalist, freelance presenter, and reporter)
14:30	**Panel 1** (50min) **Shaping the Future: Strategic Imperatives for European Transformation and Competitiveness** **Impulse:** ▪ Dr. Ingrid Hengster (CEO Germany, Barclays) **Speakers:** ▪ Nicola Beer (Vice President, European Investment Bank) ▪ Dr. Ingrid Hengster (CEO Germany, Barclays) ▪ Prof. Achim Wambach (President, ZEW)
15:20	**Coffee Break** (30min)
15:50	**CEO Talk** (20min) ▪ Dr. Tamaz Georgadze (CEO & Co-Founder Raisin) ▪ Dr. Eckart Windhagen (Board Advisor and former McKinsey Senior Partner)
16:10	**Panel 2** (50min) **Financing Transformation in a Geopolitically Uncertain World** **Impulse (video message):** ▪ Maria Luís Albuquerque (EU Commissioner for Financial Services and the Savings and Investments Union) **Speakers:** ▪ Hauke Burkhardt (Head Trade Finance & Lending DACH, Deutsche Bank) ▪ Prof. Dr. Sascha Steffen (Centre Director, Centre for European Transformation) ▪ Vincenzo Vedda (Global Chief Investment Officer, DWS)
17:00	**Closing Keynote** (30min) **Speakers (remote):** ▪ Prof. Ilya A. Strebulaev (Stanford University)
17:30	**Wrap-Up** (10min) ▪ Carolin Roth (International business journalist, freelance presenter, and reporter) ▪ Prof. Dr. Sascha Steffen (Centre Director, Centre for European Transformation)
17:40	**Get-Together** (80min) The event will conclude with an exclusive networking get-together – a great opportunity to connect with peers and industry leaders!

Any Questions? Reach out to

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www.frankfurt-school.de

IMPRESSIONS:

2ND ANNUAL CONFERENCE: POWERING EUROPEAN COMPETITIVENESS

"Partnering with CfET on the 2nd Annual Conference was a natural fit for us. The discussions showed how Europe can turn its deep pools of savings, talent, and innovation into the strategic investments needed to secure competitiveness and sustainable growth."

– Sebastian Krämer-Bach
(Global Head of Communications, Brand & CSR, DWS)

WANT TO LEARN MORE?

C-LEVEL INSIGHTS: SHAPING EUROPE'S TRANSITION

Launched in February 2025, "C-Level Insights: Shaping Europe's Transition" is a new lecture series featuring exclusive engagements with top industry leaders driving Europe's economic and societal transformation. In these sessions, prominent C-level executives share real-world experiences, strategic perspectives, and innovative approaches to tackling critical challenges such as financing sustainable growth, digitalization, and building strategic resilience.

KfW CEO Stefan Wintels Kicks Off New Lecture Series

The inaugural lecture on 17 February 2025 featured Stefan Wintels, CEO of KfW. Welcomed by Frankfurt School President Professor Nils Stieglitz and moderated by Centre Director Professor Sascha Steffen, Wintels highlighted KfW's evolving role in financing economic and societal transformations at national and international levels. Addressing a decisive decade marked by multiple crises, he emphasised urgent challenges facing Germany and Europe, including a shrinking labour force, high energy costs, underinvestment, and limited venture capital. KfW aims to expand beyond traditional banking functions to act as an enabler, crisis manager, and mobiliser of private capital supporting sustainable competitiveness and climate goals. The discussion underscored the critical importance of mobilising private capital alongside public funds.

"Our discussion underscored that mobilising private capital is not just an economic necessity but a strategic imperative for strengthening Germany's and Europe's competitiveness. Public capital is a much-needed catalyst, but private capital must follow, and we urgently need to change the framework to attract capital from outside and mobilise capital from within. And we need to start in Germany. The path forward is clear—but it hinges on our collective willingness to drive change. Two themes resonated most with me: We must embrace change and everybody can make a difference." **– Professor Sascha Steffen**

Silvia Carpitella, Citigroup, on Innovation Shaping Europe's Future

On 6 May 2025, CfET hosted the second session with Silvia Carpitella, CEO of Citigroup Global Markets Europe. In her lecture titled **"Innovate or Stagnate: Driving Change in Financial Services",** she explored how innovation is not merely a catalyst for change but a necessity for resilience and growth in the European financial sector.

The session was co-organised with the Money & Banking Bachelor course at Frankfurt School. Carpitella emphasised that transformation extends far beyond technology, requiring a fundamental shift in mindset crucial to maintaining Europe's competitiveness. The lecture sparked meaningful dialogue among students, faculty, and industry professionals about the role of leadership in shaping a more sustainable and forward-looking Europe.

> *"Innovate or stagnate; there's no middle ground!"*
>
> – **Silvia Carpitella**

EU Commissioner Maria Luís Albuquerque Visit

On 26 June 2025, CfET had the distinct honour of hosting EU Commissioner Maria Luís Albuquerque at Frankfurt School. Her visit sparked an engaging discussion focused on Europe's capital markets, innovation financing, and the critical challenge of mobilising savings for investment amid demographic shifts. Central to the conversation was the European Commission's initiative on the "Savings and Investment Union," with Commissioner Albuquerque emphasising the urgent need to overcome barriers that hinder the efficient flow of savings into productive investments across the EU.

> *"We need to tackle the barriers that prevent the flows of savings into investments."*
>
> – **Maria Luís Albuquerque**

The event was marked by vibrant interaction with students and faculty, who raised insightful questions about capital market integration, the role of private finance in supporting Europe's green, digital, and defence transitions, and the tangible benefits of the initiative for younger generations. The exchange further strengthened CfET's role as a hub for transformative policy dialogue.

THEMATIC & RECURRING SERIES

WEBINAR SERIES: AI FRONTIERS IN FINANCE

In September 2024, Sascha Steffen, Paulina Verhoff, and Birgit Frankenberg (hyPeak GmbH) launched the "AI Frontiers in Finance" webinar series. **Over ten sessions** through the end of 2025, the series brought together around 1,000 participants from diverse backgrounds and locations across the globe. Each 1-hour webinar featured a leading academic researcher presenting work on the latest developments in AI and finance, followed by an industry professional discussing how these AI techniques are applied in practice.

The series explored a broad spectrum of topics, ranging from real-time machine learning methods for financial markets to the implications of AI for corporate risk management and labour market outcomes. By combining academic and industry expertise, the webinar created a dialogue that added value to both communities. The format is designed to "open the black box" of AI in finance research, raising awareness of AI applications used in academic research and their potential for broader practical application.

DATE	PAPER	ACADEMIC	INSTITUTION	PRACTIONER	COMPANY
09/10/2024	Real-time Machine Learning in the Cross-Section of Stock Returns	Alberto Rossi	Georgetown University	Rohit Singh	Martini.ai
10/08/2024	Virtue of Complexity in Factor Pricing Models	Bryan Kelly	Yale School of Management	Maximillian Stroh	Quoniam Asset Mgmt
11/12/2024	Intellectual Property Protection Lost and Competition	Gordon Phillips	Tuck School of Business	Jan Kinne	ISTARI.AI
12/10/2024	Artificial Intelligence and Firms' Systematic Risk	Tania Babina	Columbia Business School	Xaver Kelbel	Advisor
02/11/2025	AI Personality Extraction from Faces: Labor Market Implications	Marina Niessner	Indiana University	Christos A. Makridis	Dainamic
03/11/2025	Deep Learning for Corporate Bonds	Oliver Giesecke	Stanford University	Robbert-Jan 't Hoen	Robeco
04/08/2025	Market Signals from Social Media	Tony Cookson	Leeds School of Business	Sascha Steffen	Frankfurt School
05/13/2025	Simulating the Survey of Professional Forecasters	Sophia Kazinnik	Stanford University	Miguel Faria-e-Castro	St. Louis FED
09/09/2025	ChatGPT and Corporate Policies	Michael Weber	Purdue University	Victor Roos	Rotrip Europe
11/11/2025	Can Large Language Models Trade?	Alejandro Lopez Lira	Purdue University	Federico Bianchi	Together AI

The series successfully positioned CfET at the frontier of the AI-finance dialogue and will continue with a revised format in 2026.

07 – OUTLOOK 2026

FROM INSIGHTS TO IMPLEMENTATION

In 2026, the Centre for European Transformation (CfET) will deepen its role as a research-driven platform for **implementable solutions** to finance Europe's transformation. Building on the Centre's first two years of flagship research, public engagement, and partnerships, our work has sharpened the diagnosis: **European capital markets remain fragmented; private capital markets are still underdeveloped and opaque; institutional investors are under-mobilised; and Europe lacks robust ways to measure transformation investment and impact.**

These constraints are not merely academic, they directly limit Europe's capacity to scale investment in strategic priorities such as energy security, defence and resilience, and technological competitiveness.

Against this backdrop, CfET's strategy is organised around a **three-pronged approach**: **Research Excellence**, **Public Engagement**, and **Executive Education**. Research Excellence builds frontier evidence (datasets, measurement frameworks, empirical insights). Public Engagement translates this evidence into a structured dialogue that moves decision-makers **from diagnosis to implementation**. Executive Education then converts validated insights into capabilities and tools that leaders can apply in real organisations.

2026 is the year of strengthening foundations. In line with CfET's roadmap, we will sharpen our thematic focus, establish a disciplined sequence of events, and build the first signature outputs that can scale in subsequent years. Substantively, CfET concentrates on the interfaces where Europe's financing constraints emerge – between **sources of capital**, **intermediation and risk transfer**, and **sector-specific investment needs** – to design "financing architectures" that are analytically rigorous and operationally feasible. This also means connecting evidence to the institutional "rules-and-risk architecture" (regulators, supervisors, central banks, finance ministries, EU bodies, development banks, standard setters) that shapes incentives, feasibility, and measurement.

To translate strategy into measurable progress, CfET will run 2026 around fewer initiatives with **clear outputs attached** – flagship convenings that produce synthesis notes, policy dialogues linked to concrete deliverables, and product milestones that strengthen CfET's evidence base and visibility.

SIGNATURE OUTPUT: THE TRANSFORMATION INVESTMENT COMPASS

A central milestone in 2026 is the launch and operationalisation of CfET's **Transformation Investment Compass (v.1.0)**, a firm-level "investment radar" that tracks transformative investment flows and identifies where capital is flowing, where financing gaps persist, and which sectors and regions are accelerating or falling behind. In 2026, the Compass will move from prototype to a disciplined release rhythm: a prototype launch (March 2026), iterative beta updates and methodological refinements through the year, and a first stable **v1.0 release later in 2026** (with quarterly data updates and short Compass briefs aligned to CfET communications).

The Compass is designed as an implementation tool: it anchors convenings, structures policy conversations around evidence, and provides partners with a shared reference point for prioritising and stress-testing financing approaches.

Transformation
Investment Compass

FLAGSHIP CONVENINGS WITH OUTPUTS ATTACHED

3RD ANNUAL CONFERENCE (12 MARCH 2026): "FINANCING EUROPEAN SOVEREIGNTY"

On **12 March 2026**, CfET will host its 3rd Annual Conference at Frankfurt School under the theme **"Financing European Sovereignty."** The conference shifts the focus from diagnosing challenges to executing solutions – mobilising public and private capital to strengthen Europe's defence industrial base and secure a more sustainable, autonomous energy future.

The programme will combine the **launch of the Transformation Investment Compass** with an opening impulse and a high-level panel on Europe's economic security in a fragmenting world. Two focused sessions will address **Defence, Security & Crisis Preparedness** and **Energy Security & Transition**, complemented by a keynote on Europe's strategic sovereignty and long-term competitiveness. A concluding reception will provide the setting to translate discussion into partnerships and next steps. Together with the Compass launch, the conference is designed to move from **insight to implementation** – turning the sovereignty agenda into bankable projects, robust partnerships, and concrete financing architectures.

PRIVATE CAPITAL SYMPOSIUM (16–17 JUNE 2026)

In 2026, CfET will add a new flagship format: a **two-day Private Capital Symposium** (planned for **16–17 June 2026**) with an industry perspective on day one and an academic lens on day two. In line with CfET's roadmap, the Symposium will be designed with outputs attached – a short synthesis note capturing evidence, points of consensus, and implementable options for market design and risk-sharing approaches.

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AI FRONTIERS IN FINANCE 2.0

CfET will continue its AI Frontiers in Finance series as a platform connecting cutting-edge research with real business applications. From 2026 onwards, the series will run on a **quarterly schedule** with a stronger implementation focus: academics present robust frameworks, practitioners demonstrate what works under real constraints, and moderated discussion distils actionable insights. This format also supports CfET's internal capability-building—especially on data infrastructure, AI governance, and AI applications relevant for credit and capital markets.

WE INVITE YOU!

Share Your Practices Cases from the Field:

- Are you applying AI in trading, risk, compliance, fintech, or similar?
- Have real-world lessons, challenges, or success stories?
- Know practitioners pushing AI boundaries in finance?

JOIN AS SPEAKER, PANELIST, OR NOMINATE COLLEAGUES!

- Contact us: AIFrontiers@fs.de

PUBLICATIONS, POLICY DIALOGUE, & CAPABILITY-BUILDING

To complement flagship events and strengthen CfET's research-to-policy transmission, 2026 will include a focused publication agenda and targeted institutional engagement. A priority is the delivery of a white paper in 2026 (planned for autumn). CfET will also structure engagement through theme-focused working groups and policy roundtables (including institutional dialogues on capital markets and regulatory topics), consistent with the roadmap's emphasis on linking outreach to concrete deliverables.

Finally, CfET will continue to build the infrastructure required to operate as a leading research institute – through fellowship touchpoints, targeted hiring (post-docs, research assistants), and investments in data infrastructure and AI capabilities. This capacity-building is central to the Centre's five-year ambition to become a European reference point for designing and validating financing architectures for transformation, grounded in frontier research and delivered through trusted data products.

08 – CLOSING REMARKS AND ACKNOWLEDGEMENTS

The period from July 2024 to December 2025 has been a formative phase for the Centre for European Transformation. CfET has built a robust research pipeline, expanded its evidence base, and established itself as a credible voice at the intersection of academia, markets, and policy. With the Transformation Investment Compass, flagship conferences, and focused working groups, we are now positioned to translate insights into implementable financing architectures that support Europe's transformation.

Looking ahead, our ambition is to become Europe's go-to centre for designing and validating financing architectures for transformation. Achieving this will require not only rigorous research and disciplined execution, but also stable, multi-year partnerships with public institutions, market participants, and philanthropic sponsors. We invite current and prospective partners to work with us in co-creating data products, policy dialogues, and executive formats that turn the sovereignty, climate, and competitiveness agenda into bankable solutions.

Our **thanks extend to our sponsor DWS** and the many partners and collaborators from central banks, supervisory authorities, ministries, EU institutions, development banks, universities, think-tanks, and market participants who have contributed their time and expertise to CfET's activities. Their engagement enriches our work and increases the relevance and impact of our outputs.

Finally, we would like to acknowledge the dedication and teamwork of our colleagues at Frankfurt School and within CfET. From faculty and fellows to PhD researchers and the Centre's coordination team, their commitment underpins every publication, event, and data product featured in this report. We look forward to building on this foundation in 2026 and 2027 and to continuing our shared effort to finance Europe's transformation.

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09 – APPENDICES

PUBLISHED & FORTHCOMING PAPERS

2025

Bauer, M. D., E. A. Offner, & G. D. Rudebusch. (2025). Green stocks and monetary policy shocks: Evidence from Europe. **European Economic Review**, published.

Buss, A., R. Uppal, & G. Vilkov. (2025). Dynamics of Asset Demands with Confidence Heterogeneity. **Review of Financial Studies**, forthcoming.

Chavleishvili, S., & E. Mönch. (2025). Natural Disasters as Macroeconomic Tail Risks. **Journal of Econometrics,** published.

Martin, T. (2025). Real Effects of Centralized Markets: Evidence from Steel Futures. **Review of Financial Studies**, published.

Martin, T., J. Sauvagnat, & L. Iovino. (2025). The Environmental Bias of Corporate Income Taxation. **American Economic Review**, forthcoming.

Mönch, E., & T. Stein. (2025). Equity Premium Predictability over the Business Cycle. **Journal of Financial and Quantitative Analysis**, forthcoming.

Saunders, A., A. Spina, D. Streitz, & S. Steffen. (2025). Corporate Loan Spread and Economic Activity. **Review of Financial Studies**, published.

2024

Acharya, V., R. Engle, M. Jager, & S. Steffen. (2024). Why did bank stocks crash during COVID-19? **Review of Financial Studies**, published.

Acharya, V., M. Jager, & S. Steffen. (2024). Contingent credit under stress. **Annual Review of Financial Economics**, published.

Bayer, C., B. Born, & R. Luetticke. (2024). Shocks, Frictions, and Inequality in US Business Cycles. **American Economic Review**, published.

Barrot, J.-N., T. Martin, J. Sauvagnat, & B. Vallée. (2024). The Labor Market Effects of Loan Guarantee Programs. **Review of Financial Studies**, published.

Born, B., F. D'Ascanio, G. J. Müller, & J. Pfeifer. (2024). Mr. Keynes meets the Classics: Government Spending and the Real Exchange Rate. **Journal of Political Economy**, published.

Born, B., Z. Enders, & G. J. Müller. (2024). On FIRE, News, and Expectations. **In Handbook of Economic Expectations in Historical Perspective**, book chapter, published.

Martin, T., & C. Otto. (2024). The Downstream Impact of Upstream Tariffs: Evidence from Investment Decisions in Supply Chains. **Journal of Financial and Quantitative Analysis**, published.

Menkveld, A. J., et al. (2024). Non-Standard Errors. **Journal of Finance**, published.

Pazarbasi, A., P. Schneider, & G. Vilkov. (2024). Dispersion of Beliefs Bounds: Sentimental Recovery. **Management Science**, published.

Spencer, K., Y. Ma, & K. Zimmermann. (2024). 100 Years of Rising Corporate Concentration. **American Economic Review**, published.

MEDIA MENTIONS

During the reporting period, CfET generated **300+ media mentions**, consisting of **200+ national placements** and **90+ international features,** reinforcing the Centre's growing role in shaping debates on financing Europe's transformation.

Wall Street Week with David Westin on Bloomberg TV: Are Central Banks Ready for AI to Rewrite the Rules of the Economy?

Coverage spanned international appearances and citations in the Financial Times, Bloomberg (including Bloomberg Television), Reuters, Bloomberg Law, Bloomberg Tax, The Globe and Mail, Mail Online, MarketScreener, and Yahoo! Finance, among others. National coverage included contributions to Handelsblatt, FAZ, Börsen-Zeitung, Tagesschau, Deutschlandfunk, WELT, Focus Online, manager magazin, ZDF, ARD, and numerous regional newspapers, reflecting both high-level policy engagement and broad public resonance.

Importantly, this visibility is not incidental. In line with CfET's roadmap, media engagement is treated not as standalone communication, but as a delivery channel for impact. Media platforms serve to stress-test ideas in real time and connect research insights to the institutional "rules-and-risk architecture" that ultimately determines feasibility in Europe's financing system. By consistently contributing evidence-based perspectives during periods of macro-financial volatility and structural transition, CfET strengthens its role as a research-driven platform at the interface of academia, markets, and policy precisely where implementable financing architectures must be designed.

300+
Total Media Mentions

125	116	13	45	4
Online	Newspaper	Radio	TV	Interviews

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