

## Joachim Nagel: Remarks at the "Bell ringing ceremony"

Remarks by Dr Joachim Nagel, President of the Deutsche Bundesbank, at the "Bell ringing ceremony" to celebrate the European Commission joining the European repo market at Deutsche Börse/EUREX, Frankfurt am Main, 7 October 2024.

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### *Check against delivery*

Ladies and gentlemen,

It is a great pleasure to be here today to celebrate the European Commission joining the European repo market at Deutsche Börse/EUREX. This is a significant milestone, and I am happy to share this moment with all of you.

The Bundesbank will act as a General Clearing Member for the Commission. Having provided similar services to several other public entities for many years, the Bundesbank brings experience to the table. With this robust track record, we are happy to provide our services to the Commission. I can assure you that you are in good hands.

EUREX already supports a wide range of repo transactions and is a major player in Europe's financial landscape. Since 2021, the Commission has been issuing bonds under the temporary NextGenerationEU programme, and this will continue until 2028. In total, bonds worth approximately €800 billion will ultimately be issued. The EU is therefore set to become an important player in the euro bond market for some time to come. The repo facility introduced today will significantly enhance liquidity in the secondary market for these bonds.

Ladies and gentlemen, today's event not only highlights the attractiveness of Frankfurt as a financial hub, it also helps strengthen it further. This is particularly important as much investment will be needed in the areas of digitalisation and decarbonisation in the future. Of course, bank loans will likely continue to play a vital role in financing these investments. But there is also substantial potential for more financing through capital markets.

As many of you probably already know, I have long been an advocate of greater integration of European capital markets. I firmly believe that advancing the Capital Markets Union is essential, particularly in the areas of securitisation, insolvency laws, and venture capital.

A transparent and high-quality securitisation market would enable banks to transfer parts of their loan portfolios to the capital market. This would relieve their balance sheets and create scope for additional loans. An effective and harmonised insolvency regime would facilitate cross-border investment and the reallocation of scarce resources to innovative firms striving to build a digital and carbon-neutral future. Finally, better access to venture capital would help young European firms turn innovative ideas into marketable products.

For now, I look forward to implementing our newly established partnership and to the benefits it will bring to our financial system.