

Burkhard Balz: Welcome address – Sibos 2025 Conference

Welcome speech by Mr Burkhard Balz, Member of the Executive Board of the Deutsche Bundesbank, at the central bank reception on the occasion of the Sibos 2025 Conference, Frankfurt am Main, 30 September 2025.

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Check against delivery

1 The next frontiers of global finance

Ladies and gentlemen,

Sibos 2025 is taking place under the motto The next frontiers of global finance. Of course, in this context, the word "frontier" should not be understood in an exclusionary sense, but rather as an invitation. The word frontier implies, that this is the forefront—the place to be for cutting-edge discussions about transaction banking, for meeting leading financial experts and practitioners, and for professional networking.

To my mind, Swift is exactly the right organisation to host such a huge get-together. Swift is a global community of more than 11,000 banks, a truly unique structure that serves as an ideal basis for innovation and further development.

This makes Swift itself to one of the most pioneering and respected players in finance. This collaborative network not only drives progress but also fosters a spirit of partnership that is essential in navigating the complexities of the financial world. The success of Swift over the decades and the huge response to Sibos are impossible to ignore.

Could there be a more fitting place than Frankfurt to talk about shifting frontiers? Frankfurt am Main has long been a crossroads of commerce and politics in Europe. From the late Middle Ages, the emperors of the Holy Roman Empire were traditionally elected and later also crowned here in Frankfurt. And throughout its history the city has leveraged its central position to host major trade fairs, making it a hub of exchange and diplomacy.

Today, although it is not the capital of Germany, Frankfurt is still a powerhouse of finance in Europe. It is the only city in the world which hosts two central banks at the same time. And so, what better place to hold a central bank reception? We are delighted that so many of you have chosen to join us tonight.

2 The frontiers are moving

The term "central bank" comes from the world of transaction banking. The central bank is the bank in the middle, the hub for the payment system, so to speak. By providing central clearing and settlement, the central bank provides key services to the world of finance. Even nowadays, the good old hub-and-spoke model, as leveraged in RTGS systems, for example, is the superior form of transactions settlement in terms of speed

and costs. Take T2 as an example: 957 direct participants and 71 ancillary systems settle their transactions in central bank money.^{[1](#)}

But the frontiers of finance are moving. You are all aware of signals of potentially significant ongoing changes: CBDC, stablecoins, tokenisation, instant payments, artificial intelligence, BIS Innovation Hubs, Fin-Techs, BigTechs, unified ledgers—and so on. What's more, the current geopolitical situation presents other challenges.

However, looking back, it is clear that despite many adversities, continuous work by financial market infrastructures, regulators, market participants and not least by central banks has improved transaction banking significantly over the last five years.

These achievements are the result of our efforts both as overseers and policymakers. At the same time, we are directly contributing to the development of safer and more efficient financial market infrastructures. This holds true, in particular for the RTGS systems that are still and will remain at the core of payments and settlements.

Let me briefly mention a selection of remarkable developments taking place in many parts of the world to underline my statement: We are seeing a great deal of ongoing efforts to connect RTGS systems across borders or even to develop new regional RTGS systems. Launched in 2020, the BUNA payment system, connecting 22 countries in the Arab world, provides multi-currency safe settlement services to foster exchange, trade and regional integration.

Two years later, the Pan-African Payment and Settlement System started to provide these services for the African Union in local currencies. In the meantime, it serves at least 18 countries. In the south of Africa, the Southern African Development Community RTGS system, was founded as far back as 2013. However, it gained momentum as more and more countries were able to access it. At least 16 are participating actively now.

A similar development can be seen in East Africa, where the East African Payment System continues to attract participants. In Latin America six countries formed SIPA—the Sistema de Interconexión de Pagos—to connect their national RTGS systems in 2017, which is also a fairly recent development.

Fast payment systems hold a pivotal role in the interlinking of modern payment infrastructures. By enabling instant cross-border transactions, they not only enhance efficiency but also make a meaningful impact on people's daily lives. These systems promote financial inclusion, bridge gaps between communities, and bring us closer to realizing a truly integrated global economy.

Looking to Asia, we have the Regional Payment Connectivity Plan of ASEAN, which encompasses a whole range of interlinkages between instant payment systems in South Asia and beyond.

Many countries in South America operate instant payment systems. The most prominent of these is PIX in Brazil founded in 2020. Discussions are currently taking place under the working title "PIX-internacionales" to connect various instant payment systems in Latin America, involving countries such as Mexico and Colombia.

And there is more. Across the globe, we are seeing endeavours to improve interlinkages and interoperability to enhance efficiency and safety of payments. And central bankers are at least supportive of, if not responsible for, these improvements. The global implementation of ISO 20022, along with the discussion on extending opening hours and access to central bank-owned systems, also plays a crucial role.

To make the international network of payments safer and more efficient, every additional connection counts. This is true as long as interoperability to the global system is ensured. The Bundesbank, together with the Eurosystem, remains strongly committed to supporting these improvements in payment, settlement and liquidity provision. We support the Global Road Map for improving cross-border payments, we aspire to interlink TIPS with others, and we are working to modernise our own systems. To mention just one example, our new European Collateral Management System went live this year.

And last but not least, we are breaking new ground in RTGS systems by enhancing our TARGET services. With Pontes, we aim to provide a settlement service in central bank money for DLT-based transactions, starting—hopefully—from next year's SIBOS.

3 Let's cooperate at the frontier

I have mentioned the geopolitical situation which has become much more turbulent. However, at the same time, we can see that all countries are and remain interested in trade and exchange. All countries wish to reap the huge benefits that stem from international trade. It follows that all countries must have an intrinsic interest in operating efficient and safe cross-border payment and settlement systems.

In addition, this is an aim that we as central bankers support anyway. After all, well-functioning and securely operated cross-border systems support financial and monetary stability. This is, what I call, our heritage. And that's why we have gathered here at Sibos and at this central bank reception tonight.

I warmly welcome you all to this event. Relax, enjoy, chat to your colleagues and let's try to speak at least to one unfamiliar person. At the frontier, every connection counts.

Thank you.

¹ Source: TARGET annual report 2024.