BRIEFING

Public hearing with Andrea Enria, Chair of the ECB Supervisory Board

ECON on 27 October 2020

This note is prepared in view of a regular public hearing with the Chair of the Supervisory Board of the European Central Bank (ECB), Andrea Enria, which will take place on 27 October 2020.

The briefing addresses (i) recent supervisory measures in response to the COVID-19 crisis, including an overview of the ECB's COVID-19 vulnerability analysis and a discussion on the effectiveness of certain capital relief measures; (ii) the SSM's response to the European Parliament's 2019 Banking Union Report; (iii) short-term risks for the banking sector (low profitability, NPLs and Brexit); (iv) longer-term challenges, including consolidation in the banking sector and completing the Banking Union; and (v) supervisory issues, namely anti-money laundering and addressing cyber and IT risks.

1. COVID-19 and recent supervisory measures

Supervisory measures

In response to the COVID-19 crisis, the ECB Banking Supervisor has adopted a number of measures, aimed at ensuring that banks can continue to support the economy and fulfil their role to fund households and corporates:

Providing capital relief: In March 2020, the ECB announced that it would allow banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G), the capital conservation buffer (CCB) and the liquidity coverage ratio (LCR). Banks were also be allowed to partially use capital instruments that do not qualify as Common Equity Tier 1 (CET1) capital, to meet the Pillar 2 Requirements (P2R). In a press statement, the ECB clarified the expected pace for banks to restore capital and liquidity positions, allowing banks to operate below the P2G and the combined buffer requirement until at least end-2022, and below the LCR until at least end-2021, without automatically triggering supervisory actions. The ECB estimated that altogether, this capital relief could potentially finance up to €1.8 trillion of loans to households and corporate customers in need of extra liquidity.

As a complement to these temporary relief measures, the ECB in March asked banks to refrain from dividend payments and share buy-backs, extending that recommendation later on until 1 January 2021. In a speech in September, ECB Executive Board Member and Vice-Chair Yves Mersch indicated this decision would be reviewed in December 2020.

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More recently, in September, the ECB announced that banks under its direct supervision would be allowed to exclude certain central bank exposures from the calculation of the leverage ratio[1] (until 27 June 2021, when a 3% leverage ratio becomes binding). The ECB estimates that the exclusion can raise the calculated aggregate leverage ratio by about 0.3 percentage points.

Mitigating credit risk: The ECB announced in March 2020 that it would use supervisory flexibility in the treatment of non-performing loans (NPLs), and recommended banks to adopt the transitory regime on IFRS 9 to avoid procyclical assumptions in provisioning (see section 3 below)

Maintaining banks' provision of market liquidity: In response to the high levels of volatility in financial markets, the ECB announced in April 2020 a temporary reduction in capital requirements for market risk, by temporarily reducing the qualitative market risk multiplier. That decision is scheduled to be reviewed after 6 month (i.e. in October 2020) on the basis of observed volatility.

For a full overview of all EU/EA measures to address the pandemic, see here.

Box 1: Has the reduction of capital buffers worked as a crisis measure?

The ECB Macroprudential Bulletin October issue features three articles related to the question whether the temporary reduction of capital buffers actually worked.

Andreeva, Bochmann and Couaillier in particular found in their sample that only about one-third of the banks lowered their targets capital ratios or withdrew them, while **two-thirds of the banks kept the target capital ratios unchanged**.

Banks are obviously reluctant to make use of the room for manoeuvre they were given, which suggests that the financial markets demand higher capital levels than what the supervisor asks for in times of crisis.

The article also highlights that "*Importantly, the largest banks, which benefited most from the opportunity to partially cover their P2R with Additional Tier 1 (AT1) and Tier 2 (T2) capital, account for the major part of the group that lowered their targets*".

Please note in this context that two briefing papers by external experts on the question whether the relaxation of capital and liquidity buffers has worked in practice will soon be published on the EP homepage, namely a briefing paper by Steven Ongena and Alexandra Matyunina, and a briefing paper by Rafael Repullo and Jorge Abad (please be aware that the papers will a be made available during week 44).

COVID-19 vulnerability analysis

At the early stages of the lockdown caused by coronavirus pandemic and following the postponement of bank sector stress testing exercise, the ECB performed a Covid-19 vulnerability analysis. During the period of April - July 2020, 86 banks were assessed in order to evaluate the impact of the Covid-19 pandemic on their financial and prudential positions. Three scenarios were tested under that exercise: the European Banking Authority (EBA) 2020 stress test baseline scenario was taken as a benchmark scenario to measure the impact of coronavirus crisis, and an additional two scenarios (Covid-19 central and Covid-19 severe scenarios) based on ECB projections (see graph 1)

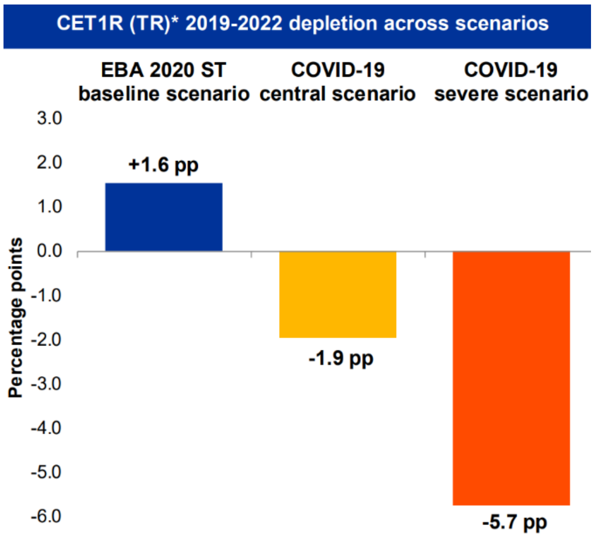
The results of this analysis suggests that under the baseline scenario, the euro area banking sector is resilient enough to withstand the shock and continue lending to the economy (CET1 ratio depletion of -1.9pp). Under the severe scenario, *"several banks would need to take action to maintain compliance with their minimum capital requirements, but the overall shortfall would remain contained"* (CET1 ratio depletion of 5.7pp). The ECB concluded that *"the banking sector is well capitalised to withstand the pandemic-induced stress, but if the situation worsens and the severe scenario materialises, authorities must stand ready to implement further*

[1] The exclusion under Article 500b(2) Regulation (EU) No 575/2013 requires the determination of "exceptional circumstances", in consultation with the ECB Governing Council. The Governing Council confirmed that COVID-19 qualifies as exceptional circumstances on 17 September 2017.

measures". Credit and market risks was found to be the key drivers of the increased capital depletion under both Covid-19 central and severe scenarios.

Nevertheless, as the ECB points out, that exercise was performed using existing supervisory data and existing (adjusted) ECB top-down models - but without interactions with banks. In that exercise, capital depletion was moreover not uniform across different banks, where some business models were more strongly impacted than others (in particular small lenders would experience a sharp capital depletion).

Graph 1: Real GDP growth assumptions in the COVID stress test - and expected capital depletion



Source: ECB.

2. SSM response to the EP Banking Union Report 2019

In its 2019 Banking Union Report, the EP made certain direct calls to the ECB Banking Supervisor for action. Specific requests relate to climate change and sustainability, Brexit preparedness, Level 2 and 3 assets, transparency and anti-money laundering (AML). On 8 September, the ECB Banking Supervisor responded to most of the points raised in the 2019 report. However, some points made in the EP 2019 Banking Union report were not fully addressed, notably as regards:

Increased transparency in banking supervision standards: In paragraph 34, the EP resolution requests increased transparency from supervisors, including in the outcomes of the supervisory review and evaluation process (SREP). While the ECB Banking Supervisor's response highlights the improvements in how it communicates to the public over the past year, no mention is made for how transparency can be reinforced going forward.

Alignment of prudential and anti-money laundering supervision: In paragraph 40, the EP highlights the need for prudential and AML supervision to be better aligned. The report also points to the ECB having *"a role to play in combatting money laundering"* (see paragraph 41). The ECB Banking Supervisor agrees that better coordination is important and mentions how it has made efforts to enhance and further develop its internal methodologies to ensure that AML/CFT-related concerns are *"systematically factored into its prudential assessment"*. However, no public information of how this is done is available. Moreover, no mention is made of the upcoming review of this methodology (see also section 5 below).

Bank recovery and resolution directive (BRRD) provisions on consumer protection: Paragraph 26 calls on supervisory and resolution authorities to vigorously enforce the newly introduced BRRD provisions on consumer protection[2], in particular regarding MREL. While not calling on EU-level supervisors specifically,

[2] See Article 44a as introduced by Directive (EU) 2019/879, which amended the BRRD.

the ECB Banking Supervisor did not make reference to this point or clarify their mandate in regards to consumer protection issues in their response.

The ECB Banking Supervisor's response touches on areas beyond those where it was explicitly called to act, including outlining the ongoing risks related to low profitability in the banking sector, and that of the shadow banking sector. Regarding the latter, the ECB notes that *"...the recent pandemic shock illustrated that the non-bank sector can amplify market volatility and price dislocation, particularly when market liquidity comes under pressure..."* and reiterates its commitment to monitor such risks.

3. Short-term risks for the banking sector

Low profitability (and losses)

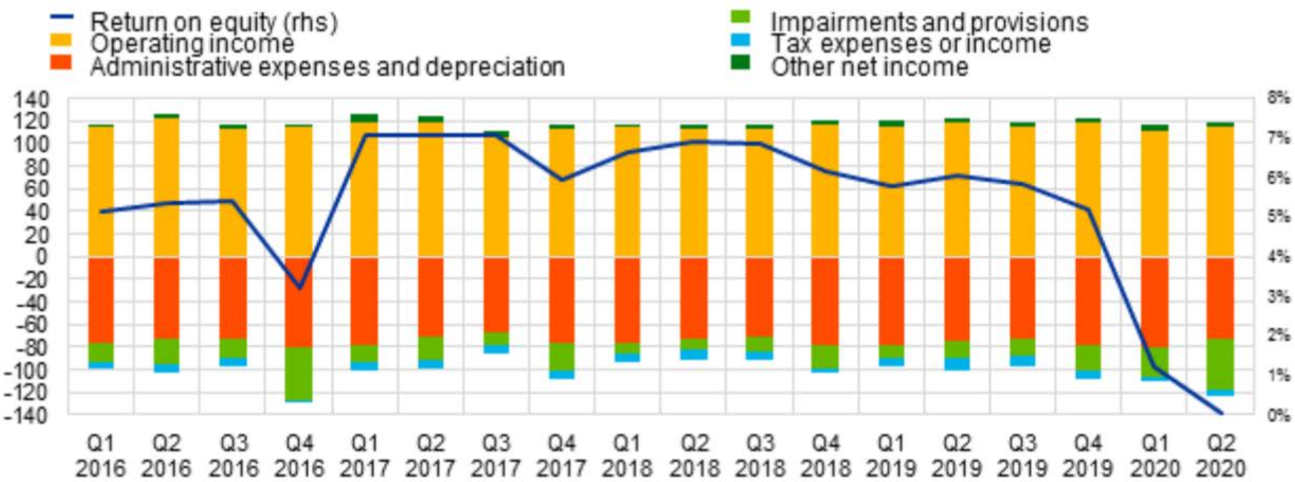
"[...] the recent trends in bank performance may nonetheless indicate what could be in store for the banking system as a whole. For example, ***the structurally low profitability of European banks, which was already an issue before the outbreak of the pandemic, has taken a turn for the worse****: European banks' return on equity stood at zero in the second quarter of 2020, having decreased sharply in the first quarter due to higher credit impairments and lower net interest and fees and commissions income."*

Quote from a "fireside chat" between Kerstin af Jochnick, Member of the Supervisory Board of the ECB, and Tuba Raqshan, Journalist for Asset News, at L'AGEFI Global Invest Forum, on 9 October 2020.

The structurally low profitability of directly supervised banks mentioned above has been a matter of concern for some time. Already in 2016, the ECB started an in-depth review of profitability drivers and published the outcome of that exercise in 2018, see "SSM thematic review on profitability and business models", and related comments by Farina, Krahnen, Pelizzon, and Wahrenburg; Resti; Bertay and Huizinga; Bruno and Carletti). Even before the current crisis took its toll, Andrea Enria already pointed out that banks need to improve their profitability (see, for example, a presentation on "*Post-crisis repair and the profitability malady*").

The supervisory banking statistics show that the widely used indicator to measure profitability, Return on Equity (RoE), fell in the second quarter of 2020 on average to a level of zero, down by six percentage points in a year-on-year comparison, a historically low since the ECB took over its role as bank supervisor in 2014 (also see graph 2).

Graph 2: RoE and composition of net profit and loss by reference period (2016-2020; EUR billions)

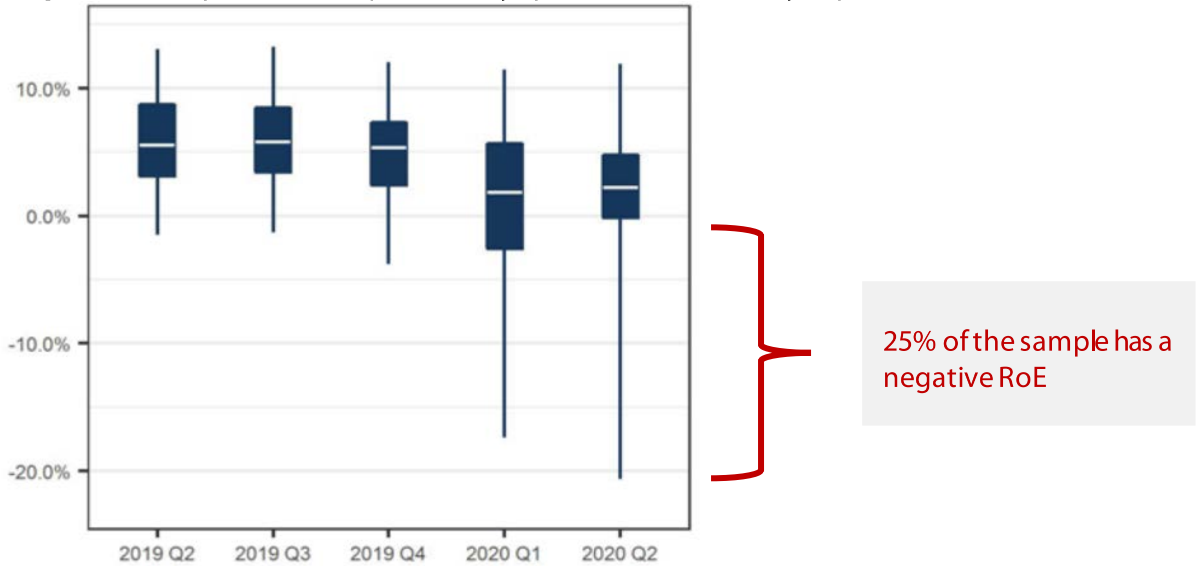


Source: ECB.

The Q2 2020 supervisory banking statistics moreover reveal not only that the average profitability of banks has significantly dropped, but also that the spread has considerable widened between those banks that still perform well and those that do not. Focussing only on averages can be somewhat misleading; in fact, at

least **a quarter of the directly supervised banks have actually recorded losses** in the second quarter of 2020 (indicated by the lower leg (whisker) of the box-plot, which represent the lower 25% of the sample values, see graph 3).

Graph 3: Development of the profitability spread (RoE) of directly supervised banks



Source: EGOV based on ECB.

Non-performing loans

On 20 March, as a reaction to the COVID-19 crisis, the SSM issued a statement addressing the prudential treatment of loans backed by public support measures. Such statement recognises that the COVID crisis will increase corporate and retail defaults and proposes three concrete steps to ensure banks can still continue financing the economy: supervisory flexibility in classifying debtors as "unlikely to pay", on preferential prudential treatment on loss provisioning for guaranteed loans that become non-performing and on banks implementation of their NPL reduction strategies. The ECB has also decided to postpone the submission of banks' updated NPL strategies by another 6 months, to end-March 2021.

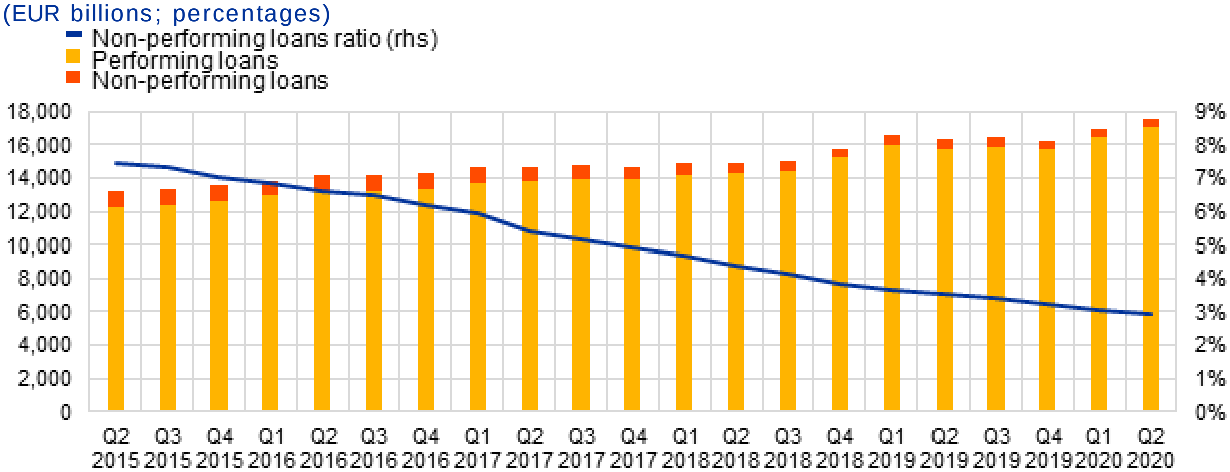
In a recent ''fire chat'', Kerstin af Jochnick, member of the ECB Supervisory Board, recognised expectations of "*a rise in non-performing exposures, particularly once the effects of the mandatory payment moratoria decreed by several euro area governments expire. We are already seeing the cost of risk increasing for many banks relative to 2019.*" and cautioned against delaying for too long recognition of such risks[3]. She also recommended banks to have in place "*tight loan deterioration monitoring and management strategies which enable them to identify risks at an early stage.* Andrea Enria in another interview, focused on the same recommendation: "*The banks need to make a start on this* [assessing their loan book and clients' ability to repay] *now, so that the wave of bad loans doesn't have a chance to get too big.* (...) *It is not wise for a bank to put off such a step until the last moment and wait for moratoriums to expire*".

It is still early to fully assess the impacts of COVID in NPL levels, as Andrea Enria points out in the above interview. The most recent SSM statistics on NPLs (with data until 2Q 2020) still show no significant increase in NPLs, on the contrary, levels of NPLs seem to continue their decreasing trend, even if with some minor variations on the coverage ratios[4].

[3] "*For now, many banks seem reluctant to formally recognise any significant increases in credit risk on their exposures. There is a risk of significant cliff effects at some point in the future; research shows that during the previous financial crisis, banks took a long time to fully recognise NPLs and NPL levels peaked at a much later stage.*"

[4] An ECB study dated of June 2020 assesses "Trends and risks in credit underwriting standards of significant institutions in the Single Supervisory Mechanism", providing additional data to evaluate NPLs build-up.

Graph 4: Non-performing loans by reference period



Source: ECB.

The full impact of unwinding EBA measures on moratoria are still not reflected in current levels of NPLs and will take time to materialise, as will the full effects of all payment holidays and support measures for households and firms. In any case, possible reactions for a growth in NPLs are being devised. Speaking at an industry roundtable in September 2020[5], Vice President Dombrovskis urged for further action to tackle and prevent growing levels of NPLs by acting around two areas - secondary markets for NPLs (where a Commission proposed Directive is currently pending negotiations by Parliament and Council) and reform of insolvency and debt recovery frameworks. He also announced the Commission would be gathering views for a new NPL action plan. An asset management company at EU level (or a network of national asset management companies (AMCs)) has been hinted as useful instrument to tackle NPLs at the current juncture[6]. As part of its CMU-COVID related measures, the Commission already put forward proposals aiming at facilitating securitisation of non performing exposures.

Brexit

The question of how well banks in the euro area are prepared for the fallout from Brexit continues to be high on the SSM's supervisory agenda. As expressed in its response to the 2019 Banking Union Report, "*preparations [for a hard Brexit] continues to remain valid, but the ECB has recently reassessed that, in certain cases, further action is still required ahead of the end of the transition period.*" As such, it has recently reintensified its supervisory dialogue around Brexit preparations with supervised banks. Nevertheless, in an interview in late September, Chair Enria stated that *"We think that we have done everything possible in preparation for Brexit, as supervisors. We asked the banks to make all the necessary preparations and we think that they have moved significantly in the right direction. They are now ready to take the hit, to some extent."*

In a July 2020 blog post, Yves Mersch, Member of the ECB's Executive Board, highlighted the current state of banks' preparedness for the end of the transition period. He pointed out that the ECB identified three priority areas that banks have to pay particular attention to, namely (a) contingency planning in the event that funding and trading markets come under stress, (b) the soundness of risk management and governance arrangements, and (c) reducing remote booking of EU activities. Mersch reiterated the objective that there shall be no "empty shell institutions", and that the ECB therefore "*might tighten our measures to ensure banks finish building up fully fledged capacities, in terms of both business activity and risk management*".

[5] There is limited public information available on the roundtable results/conclusions. Industry and media reports can be found here and here.

[6] The issue was mentioned at the Commission Roundtable on NPLs on 25 September 2020 by Vice President Dombrovskis and has been consistently supported by A. Enria (see here and here). It was also brought up for the previous A. Enria hearing in ECON (see specific EGOV briefing).

Making reference to the Commission's decision regarding temporary equivalence of UK central counterparties, Mersch cautions that equivalence does not constitute a sustainable basis for banks' business model, as the conditions for equivalence decisions may fall away and the decisions may be withdrawn.

Also with regards to the third-country equivalence framework, the ECB suggests in its response to the 2019 Banking Union Report, that "*...in the absence of a unified EU-level framework, the current patchwork of national frameworks for the cross-border provision of services gives rise to regulatory arbitrage, as firms circumvent host supervision and EU regulatory requirements. In this context, the authorisation and supervision of third-country branches could be further harmonised at the EU level*".

4. Longer term challenges

Consolidation in the banking sector

> *"There is one mistake that we shouldn't repeat, though. [...] After the last crisis* ***we pumped a lot of taxpayer money into the European banking sector, but we didn't decisively restructure it*** *at the same time. Despite receiving stimulus equal to 13 per cent of European GDP, the banking market came out of the crisis with* ***significant structural weaknesses: excess capacity, limited profitability, excessive costs*** *and in many cases institutions without sustainable business models"*
>
> Quote from an interview of Andrea Enria by Yasmin Osman and Kathrin Jones, published in Handelsblatt on 12 October 2020

Andrea Enria's above assessment of the status quo of the European banking crisis is very straight-forward, it makes clear that the required decisive restructuring cannot be achieved just by the obligation to have restructuring plans for ailing banks approved by the Commission's DG Competition. State Aid control alone was apparently not sufficient to remove overcapacities to the required extent or restore profitability across the board. Financial assistance might often have been a lifeline for individual ailing banks; for the sector, it was a burden. The impact of the current crisis, which did not originate in the financial sector, may now uncover shortcomings of the past.

Already in 2014, the Advisory Scientific Committee of the European Systemic Risk Board (ESRB) published a report that addressed the question whether Europe is overbanked; its policy suggestions, however, pointed to rather moderate steps, arguably not to a decisive restructuring.

More recently, there are at least signs that a privately-driven consolidation process gains momentum in some countries: In Spain, for example, CaixaBank is set to become the country's largest lender after agreeing in September to take over its smaller rival Bankia, and in Italy Intesa Sanpaolo, already the country's largest retail lender, even achieved the majority support for a hostile takeover bid for its smaller rival UBI Banca, though the board of UBI Banca initially rejected that bid.

To support consolidation procedures, the ECB published a draft Guide in July that clarifies its prudential supervisory approach to consolidation in the banking sector, setting out the principles that are applied to determine whether a consolidation would ensure the sound management and coverage of the risks of the banks involved. The public consultation on the that Guide ended on 1 October.

Completing the Banking Union

Completing the Banking Union (BU) has been a continuous endeavour since the prior Commission and was outlined as a priority for Commissioner von der Leyen in her political guidelines, reinforced at her State of the European Union speech given at the EP and the Commission's initial 2020 Work Programme. While the adjusted Commission Work Programme does mention the Banking Union, the German Presidency has stated in its work programme that it supports *"the continued development of the banking union in order to increase the stability of the financial system and to strengthen the European single market"*. The aim of completing the Banking Union was also reiterated by Andrea Enria (and Edouard Fernandez-Bollo) in the

recent publication by the SSM, where he stated that *"the ultimate aim should be to complete the banking union and have a fully integrated Single Market"*, as well as introduction of intragroup support arrangements, potentially by linking the granting cross-border liquidity wavers to existence of adequate intragroup financial support agreements included in the recovery plans. There are few missing elements of the BU outlined below.

European Deposit Insurance Scheme (EDIS). Following the setup of a High Level Working Group on EDIS (HLWG) by the Eurogroup (December 2018) and an initial report in June 2019, the Chair of the HLWG reported back in December 2019 through a letter that proposes a programme for actions in the various dimensions necessary for a fully-fledged Banking Union. Ministers mandated the HLWG to continue working and report back by June 2020. However, this deadline has been pushed to December 2020 in light of the pandemic crisis. For further information see a specific EGOV briefing.

ESM Reform Package and Liquidity in Resolution. Following the financial crisis and the establishment of the Single Resolution Mechanism, the Eurogroup has developed the main elements of an ESM credit line to backstop the Single Resolution Fund (RSF) as an amendment to the current ESM Treaty and agreed on the final design of such backstop in December 2019. Early introduction of the backstop is foreseen[7], in line with the draft Backstop Guideline. This amendment of the ESM Treaty will be signed to reflect the necessary changes[8] and national procedures (namely in parliaments) are expected. No clear timeline for fully implementing the instrument is available.

Having this backstop will not address one pending issue on the resolution framework: how to ensure sufficient liquidity to orderly resolve a systemic bank. As such, the Single Resolution Board Chair has been consistently calling for solutions (see here, here and here). The Eurogroup has committed to address the issue but so far there are no tangible results (please see a dedicated EGOV briefing for more details).

Safe assets. A "common safe asset" solution to breaking the so called 'doom-loop' was presented by the Commission already in 2017 as a "*pragmatic solution to reduce the bank-sovereign loop*" (please see a dedicated EGOV briefing for more detail). Various proposals have been put forward over time on such a common safe asset, including a Commission legislative proposal for the so called Sovereign Bond-Backed Securities (SBBS) [9]. Parliament already adopted a position on the file, which is pending in Council. The proposal is identified as high priority in the Commission's 2020 initial work programme.

5. Supervisory issues

Anti-money laundering

In recent years, a number of EU banks have been involved in possible cases of money laundering (see here and here for previous briefings discussing various cases), prompting a strengthening of the AML framework. Under the umbrella of completing the Banking Union, the Commission adopted in May 2020 an action plan for a comprehensive EU policy on preventing money laundering and terrorist financing. The ECB has stated that it has *"taken note"* of the Action Plan, and considers that "*the proposals to establish a single EU rulebook for AML/CFT and to confer AML/CFT supervisory tasks on an EU authority or body can be mutually reinforcing and contribute to addressing the current regulatory and supervisory fragmentation*".

[7] The Guideline establishes that the decision on the early introduction of the backstop will be taken in 2020 and be informed by the risk reduction assessment of the institutions and competent authorities and be reflected in limited changes to the Intergovernmental Agreement (IGA), which would bring forward the mutualisation of ex-post contributions to the SRF. The Guideline further specifies the path towards full mutualisation among national compartments.

[8] Therefore, maintaining the ESM as an intergovernmental arrangement. For further details on the amendments to the ESM Treaty, see specific EGOV briefing.

[9] For a more detailed assessment of the pros and cons of common safe assets, see the EGOV briefing "Are Sovereign Bond-Backed Securities (SBBS) a 'self-standing' proposal to address the sovereign bank nexus?" of September 2018.

In its feedback to the European Parliament's 2019 Banking Union Report, the ECB states that *"while the AML/CFT and prudential supervisory authorities need to cooperate closely, it is important to acknowledge that their respective supervisory mandates are different"*. Nevertheless, as of 6 August 2020, the ECB had shared information with 24 AML/CFT authorities in 188 cases and has set up a regular exchange of information with the AML/CFT supervisors of significant institutions.[10] However, in a letter dated 30 April 2020, Chair Enria indicated that the finalisation of the Fifth Anti-Money Laundering Directive was necessary before certain authorities could sign up to the AML Agreement.

As explained in a November 2019 speech by Yves Mersch, such information exchange between the SSM and AML/CFT supervisors feeds into the SREP process. According to a letter dated 22 April 2020, **more than 70 of the 109 SREP decisions issued in 2019 contained issues with potential relevance for AML/CFT supervision**. Furthermore, the SSM indicated that it will work on enhancing its SREP methodology to better identify concerns in this area.

In terms of other avenues in which the SSM can address AML concerns, the ECB has stated it is *"strongly in favour of integrating the fit and proper requirements into the CRR to ensure direct application throughout the SSM"*, so as to better incorporate AML concerns into its fit and proper assessment and to ensure a level playing field across the euro area. Lastly, in its 2019 Annual Report on supervisory activities, published in March 2020, the ECB confirmed that it had setup a new AML coordination function *"consisting of a small team"*.

Addressing cyber and IT risks

During recent years, given a strong progress in and reliance on technological innovations, increasing digitalisation and interconnectedness in the global financial system, more and more attention had been drawn to the related cyber risks. For several years in a row and also in their most recent annual report, the ESRB had pointed out that cyber risks is an emerging systemic risk[11] and have analysed the topic in more detail in their report overviewing cyber risks properties, historical events and regulatory responses. Various media outlets have reported that in the wake of the COVID-19 virus, malicious cyber-attacks have intensified; on 24 March, the president of the European Commission, Ursula von der Leyen, also warned that cybercrime in the EU has increased due to the coronavirus outbreak.

In their recent annual report on the outcome of the SREP IT Risk Questionnaire, the SSM has highlighted five broad categories where further strengthening is needed:

- *"IT governance, which is characterised by overly optimistic self-assessment by the institutions;*
- *"Data quality management" and "IT risk management", which were reported as the weakest amongst all areas;*
- *IT security, where the use and management of "end-of-Life" systems (EOL) for critical processes is still particularly challenging for many institutions;*
- *IT outsourcing, a higher concentration of which was observed at the level of individual institutions and several institutions have reported losses due to the unavailability or poor quality of outsourced services;*
- *IT audit and examinations, the large majority of critical findings which had not been addressed for more than one year – stemming from all types of investigations – were related to IT security risk."*

[10] Under the Multilateral Agreement on the practical modalities for exchange of information pursuant to Article 57a(2) of Directive (EU) 2015/849.

[11] There are no official data on total costs of cyber incidents, but industry estimates range from USD 45 billion to USD 654 billion for the global economy in 2018.

Given the ever-growing importance of IT systems, a number of initiatives have already been launched by standard-setting bodies and authorities[12] in the attempt to tackle cyber risks, among them the recent initiative by the ESRB to enhance the exchange of information on cybersecurity threats and best practices[13]. It remains to be seen how well the financial institutions and supervisors alike are prepared for cyber threats.

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This document is available on the internet at: www.europarl.europa.eu/supporting-analyses

[12] To name a few: the Financial Stability Board has developed a Cyber Lexicon to help foster the discussion and communication on cyber risk; the ESAs (EBA, EIOPA and ESMA), as well as BIS, have issued guidelines on best practices to be followed; the ECB has established a Cyber Incident Reporting framework. In mid-2019 the G7 started conducting cross-border cyber-attack exercises.

[13] Institutions that participate in this initiative are members of the ESRB, a group of Europe's largest and most important financial infrastructures, Europol and Europe's cybersecurity agency.