

Imposition of an administrative penalty on ABANCA Corporación Bancaria, S.A.

The EUROPEAN CENTRAL BANK,

pursuant to Article 18(7) of Council Regulation (EU) No 1024/2013, decided on 07 December 2022 to impose an administrative penalty on ABANCA Corporación Bancaria, S.A. in the amount of EUR 3,145,000. This penalty is imposed in respect of a breach of an ECB Decision of 23 May 2017 committed by not reporting a significant cyber incident to the ECB within the prescribed deadline of two hours in February 2019.

When determining an administrative penalty, the ECB follows the principles set out in the ECB's Guide to the method of setting administrative pecuniary penalties pursuant to Article 18(1) and (7) of Regulation (EU) No 1024/2013. In determining the amount of the administrative penalty, the ECB considered all the relevant circumstances of the case, in particular the degree of the misconduct of ABANCA Corporación Bancaria, S.A., together with the impact of the breach, the size of the entity and the applicable mitigating factors.

The degree of the entity's misconduct was assessed as 'high' taking into account, in particular, that the entity knowingly failed to submit the required report on a significant cyber incident to the ECB until 46 hours after the prescribed deadline. This occurred despite the entity's knowledge of the reporting requirement and its awareness of the significant nature of the incident. The delay in reporting thereby hindered the ECB from obtaining a comprehensive picture of the prudential situation of the entity. The ECB assessed the impact of the breach as 'medium' based on its duration, the implications of the cyber-incident for the operations of the entity and its client base, and the potential consequences the breach could possibly have had on the reputation and the stability of the banking sector as a whole stemming from the ECB's inability to react in a timely manner to potential threats to other banks. Out of the severity categories 'minor', 'moderately severe', 'severe', 'very severe' and 'extremely severe', the ECB classified the breach of the reporting obligation as 'severe' since the misconduct and the impact were determined, respectively, as 'high' and 'medium'. In addition, the ECB took into account the principle of proportionality and considered certain mitigating circumstances, in particular, the very active cooperation shown by the entity with the ECB in the aftermath of the breach and the remedial actions taken on its own initiative, including to prevent similar incidents from occurring in the future and to ensure timely reporting to the ECB. The entity promptly addressed the effects of the cyber-incident at the time it occurred.

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The administrative penalty does not entail any assessment of the soundness of the entity's existing IT systems.

The administrative penalty is published in accordance with Article 1a(3) of Council Regulation (EC) No 2532/98.

The ECB's decision to impose an administrative penalty on ABANCA Corporación Bancaria, S.A. may be challenged before the Court of Justice of the European Union under the conditions and within the time limits provided for in Article 263 of the Treaty on the Functioning of the European Union.