



## Imposition of an administrative penalty on EBS d.a.c.

The EUROPEAN CENTRAL BANK,

pursuant to Article 18(1) of Council Regulation (EU) No 1024/2013, decided on 30 July 2021 to impose an administrative penalty on EBS d.a.c. in an overall amount of EUR 195,000. This penalty is imposed in respect of a breach of the capital requirements provisions set out in Article 133(2) of Regulation (EU) No 575/2013 of the European Parliament and of the Council in conjunction with Article 49(4) of Regulation (EU) No 575/2013 committed by miscalculating the risk-weighted exposure amounts for equity exposures on an individual level for seven consecutive quarterly reporting periods in the period from 2014 to 2016.

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 impact of the breach, the degree of the misconduct of EBS d.a.c., the size of the entity, the applicable mitigating factors and other exceptional circumstances outside the remit of the entity.

The ECB assessed the impact of the breach as 'medium' based on the effect that the breach had on the prudential situation of the entity, as determined on the basis of the extent of the entity's deviation from the legal requirements and the duration of the breach. The degree of the entity's misconduct was also assessed as medium taking into account, on the one hand, its misinterpretation of a clear and unambiguous legal provision which remained undetected over a long period of time and, on the other hand, the proactive behaviour of EBS d.a.c.. As both the impact and the misconduct were determined as 'medium', the ECB classified the breach as 'moderately severe'. In addition, the ECB considered several mitigating factors, in particular, the cooperation shown with the ECB as well as the remedial actions taken on its own initiative, also to prevent similar breaches in the future. In addition, the ECB took into account, on an exceptional basis, the time that had elapsed since it granted the right to be heard to the entity.

The administrative penalty is published in accordance with Article 18(6) of Regulation (EU) No 1024/2013 and Article 132 of Regulation (EU) No 468/2014 of the European Central Bank (ECB/2014/17).

The ECB's decision to impose an administrative penalty on EBS d.a.c. 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.