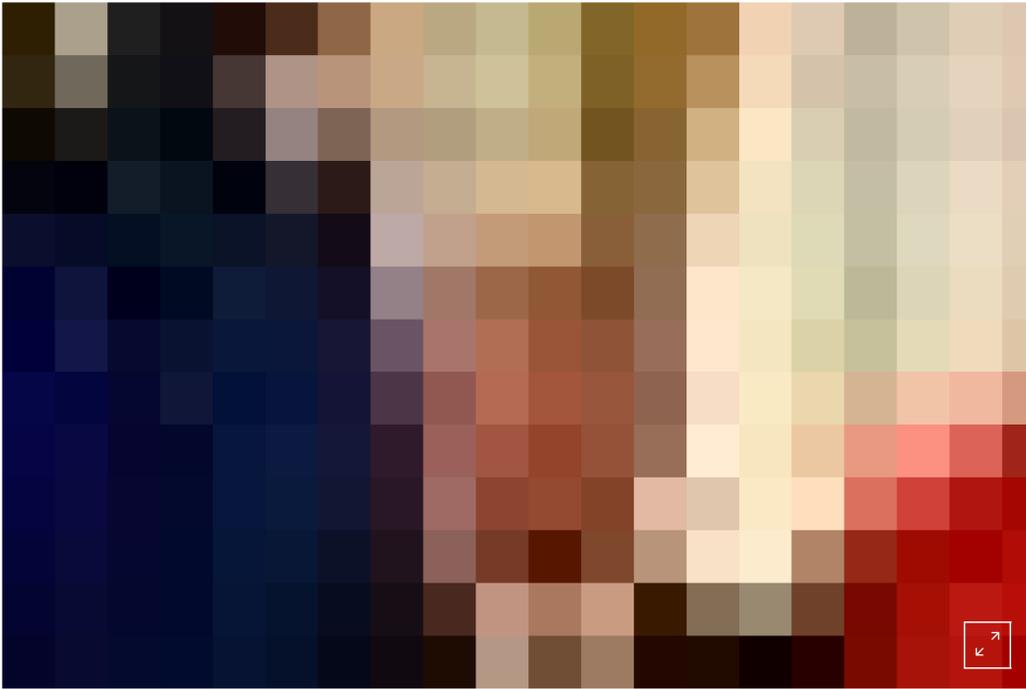


CYBER RISK FEBRUARY 13, 2019 / 1:33 PM / 3 DAYS AGO

Cyber attack on Malta bank tried to transfer cash abroad

3 MIN READ

VALLETTA (Reuters) - Bank of Valletta which accounts for almost half of Malta's banking transactions, had to shut down all of its operations on Wednesday after hackers broke into its systems and shifted funds overseas.



FILE PHOTO: Malta's Prime Minister Joseph Muscat at his office in Valletta, Malta January 9, 2019. REUTERS/Darrin Zammit Lupi/File Photo

Prime Minister Joseph Muscat told parliament the cyber attack involved the creation of false international payments totaling 13 million euros (\$14.7 million) to banks in Britain, the United States, the Czech Republic and Hong Kong.

The funds have been traced and the Bank of Valletta is seeking to have the fraudulent transactions reversed.

Muscat said the attack was detected soon after the start of business on Wednesday when discrepancies were noticed during the reconciliation of international transactions.

Shortly after, the bank was informed by state security services that it had received information from abroad that the company had been the target of a cyber attack.

To minimize risk and review its systems, the Bank of Valletta suspended operations, shuttering its branches on the Mediterranean island, closing ATMs and disabling its website.

Muscat said the fact such an important financial institute had gone off line had impacted the economy and caused problems abroad for credit card holders who needed to make payments, such as to hotels.

Alternative arrangements were being made with credit card companies to help those affected.

Muscat said the Bank of Valletta was also considering how to resume its operations gradually to make sure that such an attack could not be repeated. He told lawmakers that depositors' funds had not been touched.

"The money did not come from people's (accounts) and the amounts have been traced," he said.

The bank earlier told customers that their accounts and funds were "in no way impacted or compromised" and that it was working to resume normal services.

The bank is also carrying out an internal review to establish where exactly the attack originated from and how it was instigated.

Maltese banks have in the past reported cyber attacks but this was the first time that a lender had to shut down all of its operations as a result.

Reporting by Chris Scicluna; Editing by Crispian Balmer and Jane Merriman

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