

Rome, 27 October 2016

**Decision not to reciprocate a macroprudential measure applied by Eesti Pank
concerning the exposures of credit institutions to Estonia
pursuant to Recommendation ESRB/2016/4 of the European Systemic Risk Board (ESRB)**

Recommendation ESRB/2016/4 of the European Systemic Risk Board invites the competent authorities of the Member States to reciprocate a macroprudential measure adopted by Estonia's central bank (Eesti Pank). The measure, which has been in force since 1 August 2016, imposes on credit institutions a systemic risk buffer (SRB) equal to 1 per cent of risk-weighted exposures to Estonia. The ESRB Recommendation asks the national authorities to reciprocate the Estonian measure by applying an equivalent risk buffer to their own banks' exposures to Estonian residents. This applies both to banks operating through local branches and to those performing cross-border activities. The national authorities may decide to exempt credit institutions that do not have significant exposures in the country.

Italian banks do not have branches in Estonia and cross-border exposures to that market are modest. The Bank of Italy has therefore decided not to reciprocate the measure applied by Estonia. It will, in any case, continue to monitor annually the exposures of Italian credit institutions to Estonia, and will review its decision if necessary.