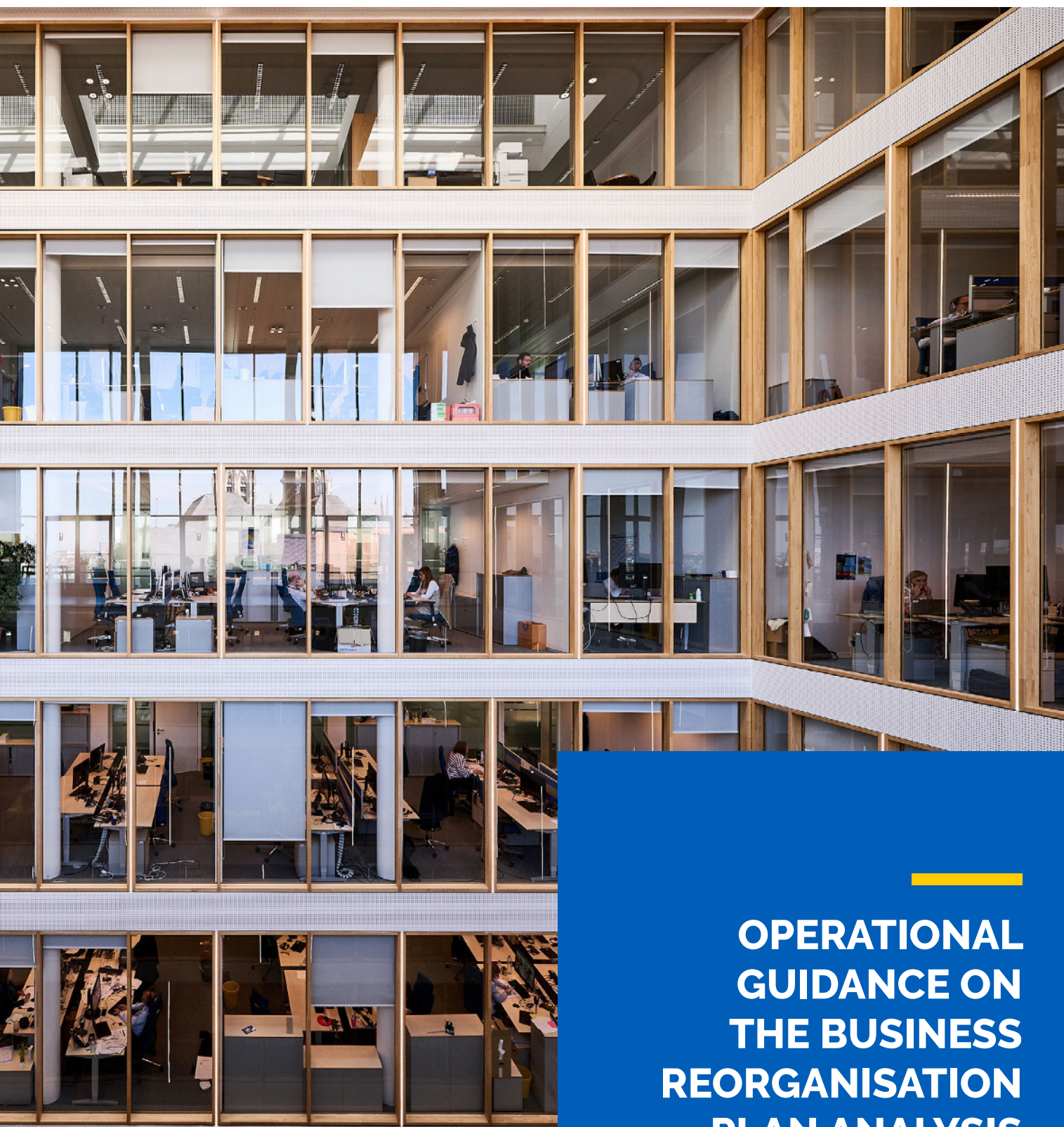




**OPERATIONAL
GUIDANCE ON
THE BUSINESS
REORGANISATION
PLAN ANALYSIS
REPORT**
**Version 1.1 –
July 2026**

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This publication sets out operational guidance for institutions to consider when implementing the expectations regarding business reorganisation plan analysis reports (**BRP ARs**) and when producing business reorganisation plans (**BRPs**). Depending on the specific situation and in line with the applicable legal framework, the SRB reserves the right to deviate from the actions and expectations described in this publication.

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The document has been developed by the SRB, in close collaboration with the national resolution authorities in the Banking Union.

BRP AR quantitative template can be found at:

https://www.srb.europa.eu/system/files/media/document/2026-07_BRP_AR_Quantitative_Template.xlsx

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Abbreviations

Abbreviation	Definition
BRP	Business reorganisation plan
BRP AR	Business reorganisation plan analysis report
BRRD	Bank Recovery and Resolution Directive 2014/59/EU
CIR	Cost to income ratio
EBA	European Banking Authority
ECB	European Central Bank
EfB	Expectations for Banks
EU	European Union
IRT	Internal resolution team
NRA	National resolution authority
MRC	Maximum reorganisation capacity
OBBI	Open-bank bail-in
OCIR	Operational continuity in resolution
ORC	Overall recovery capacity
RoE	Return on equity
SRB	Single Resolution Board
SRMR	Single Resolution Mechanism Regulation (EU) 806/2014

Source: SRB

Key definitions¹

Term	Definition
Business reorganisation measure	Either a recovery option or a complementary reorganisation measure that is expected to contribute to reaching the Core Bank or to enhancing the post-OBBI long-term viability of the institution by the end of the projection period.
Complementary reorganisation measures	The actions that are not recovery options but aim either to reach the Core Bank or to enhance the post-OBBI long-term viability of the institution by the end of the projection period.
Core Bank	The minimum set of viable activities and business lines that are likely to be performed by the resolved entity after the use of the OBBI tool at the end of the projection period.
Cost to income ratio (CIR)	The ratio between the administrative and depreciation expenses ² and the total net operating income ³ .
Maximum reorganisation capacity (MRC)	The largest effect in terms of RoE and CIR that can be derived from the implementation of the optimal combination of business reorganisation measures together with the sensitivity analysis impact at the end of the projection period.
Optimal combination of business reorganisation measures	The subset of compatible business reorganisation measures that best fulfils the objectives of the BRP AR.
Overall recovery capacity (ORC)	An indication of the overall capability of the institution to restore its financial position following a significant deterioration of its financial situation ⁴ .
Post-OBBI long-term viability	The capability of an Institution following the application of the OBBI tool to deliver, on a sustainable basis, an annual RoE of at least [8%-10%] ⁵ and a maximum CIR of [50%-60%] ⁶ , while being compliant with its prudential requirements ⁷ , covering all its costs including depreciation and financial charges and taking into account the risk profile of the Institution ⁸ .

¹ Please note that the terms 'resolved entity' and 'institution' are used interchangeably to refer to institutions or entities as per Article 43.2(a) of the SRMR.

² As per row 0360, 0385, 0390, 0430 and 0460 of FINREP F_02.00 [EBA ITS Supervisory reporting](#).

³ As per row 0355 of FINREP F_02.00 [EBA ITS Supervisory reporting](#). See the BRP AR Quantitative Template.

⁴ See the [Guidelines on overall recovery capacity in recovery planning](#) EBA/GL/2023/06.

⁵ See the minimum RoE and the maximum CIR levels required in past State Aid cases, for example, via the [Competition Case Search Tool](#) of the European Commission. Viability thresholds may be modified following the review of the EU Commission State aid banking communications.

⁶ Please see section 7.5 on the possibility of adapting the thresholds for the RoE and CIR metrics for the purpose of the BRP AR, subject to due justification and in agreement with the IRT.

⁷ In this regard, institutions are expected to assume capital and liquidity prudential requirements at least equivalent to those applicable prior to resolution.

⁸ See [Commission communication on the return to viability and the assessment of restructuring measures in the financial sector in the current crisis under the State aid rules](#).

Term	Definition
Recovery options	The actions that are set out in the (group) recovery plan to address a range of scenarios of severe macroeconomic and financial stress relevant to the institution's specific conditions, including system-wide events and stress specific to individual legal persons and to groups ⁹ .
Reorganisation period	The period starting after the application of the OBBI tool and ending at the moment when the institution is considered post-OBBI long-term viable within the maximum duration of five years ¹⁰ .
Return on equity (RoE)	The ratio between the net profit after tax ¹¹ for the period and the equity at the end of the period ¹² .
Sensitivity analysis impact	The impact of the implementation of a set of business reorganisation measures additional to the optimal combination of business reorganisation measures that contribute to reaching the MRC.
Projection period	The five-year period following the implementation of the OBBI tool.

1. Introduction

1. When an institution¹³ is declared failing or likely to fail and meets the conditions for resolution, the Single Resolution Board ('**SRB**'), in close cooperation with the relevant authorities, including the National Resolution Authorities ('**NRAs**'), prepares the resolution scheme outlining the resolution actions to be taken with the aim of meeting the resolution objectives and principles.
2. This may include the application of one or a combination of resolution tools to the institution under resolution. This document focuses on the application of the open bank bail-in ('**OBBI**') and reflects the relevant applicable legal

⁹ See Article 5(6) and Article 7(6) BRRD.

¹⁰ See the number of years of projections required in past State Aid cases, for example, via the [Competition Case Search Tool](#) of the European Commission.

¹¹ As per row 0630 of FINREP F_02.00 [EBA ITS Supervisory reporting](#).

¹² As per row 0300 of FINREP F_01.03 [EBA ITS Supervisory reporting](#). See the BRP AR Quantitative Template.

¹³ For the purposes of this document, the terms 'institution' and 'bank' refer to entities and groups that fall under the SRB's remit per Article 7(2), (4) or (5) of Regulation (EU) No 806/2014 (SRMR). The terms are used interchangeably.

framework¹⁴ and the related public documents published by the EBA¹⁵ and the SRB¹⁶.

3. The purpose of this document is to provide operational guidance on drawing up a BRP Analysis Report ('**BRP AR**') for institutions to develop and demonstrate their capabilities to (1) prepare and implement a business reorganisation plan ('**BRP**') following the application of the OBBI tool¹⁷ and (2) to provide reasonable prospects of their post-OBBI long-term viability¹⁸. This guidance facilitates the convergence of practices towards the highest standards (i.e. good practices) and aims to ensure compliance with the relevant applicable legal framework and guidelines and to support the SRB's testing objectives¹⁹.
4. This operational guidance is a continuation of the work already conducted by banks to demonstrate business reorganisation-related capabilities, and as such, it is expected to be implemented in the course of the normal resolution planning cycle. The document is a compilation of previously existing expectations communicated to banks while integrating lessons learned derived from the analysis of banks' submissions over years.
5. The OBBI tool may be applied for the purpose of recapitalising the failing entity or institution only if there is a reasonable prospect that the application of that tool, together with other relevant measures including measures implemented in accordance with the business reorganisation plan, will, in addition to achieving relevant resolution objectives, restore the institution under resolution to financial soundness and long-term viability.
6. When the OBBI tool is applied to recapitalise an institution that has entered into resolution, the management body, or the person or persons appointed to operate the institution, should draw up and submit a BRP to the resolution

¹⁴ See, for example, [Regulation \(EU\) No 806/2014 \('SRMR'\)](#); [Directive 2014/59/EU \('BRRD'\)](#); [Commission Delegated Regulation \(EU\) 2016/1075](#) regarding the regulatory technical standards specifying, *inter alia*, the content of recovery plans, resolution plans and group resolution plans, the minimum criteria that the competent authority is to assess as regards recovery plans and group recovery plans; and the [Commission Delegated Regulation \(EU\) 2016/1400](#) regarding the regulatory technical standards specifying the minimum elements of a business reorganisation plan and the minimum contents of the reports on the progress in the implementation of the plan ('**RTS on BRP minimum elements and progress reports**').

¹⁵ The [Guidelines on the minimum criteria to be fulfilled by a business reorganisation plan](#) EBA/GL/2015/21 ('**EBA BRP Content Guidelines**'), the [Guidelines on improving resolvability for institutions and resolution authorities under articles 15 and 16 BRRD](#) ('**EBA guidance on improving resolvability**') and the [Guidelines on overall recovery capacity in recovery planning](#) EBA/GL/2023/06 ('**EBA ORC Guidelines**').

¹⁶ The [Expectations for Banks \('EFB'\)](#), the [Operational Guidance on Operational Continuity in Resolution Update \('OCIR Guidance'\)](#), the [Operational Guidance on Solvent Wind-Down of Trading Books](#), the [Operational Guidance for banks on resolvability self-assessment](#), the [Operational Guidance on Resolvability Testing for Banks \('Resolvability Testing Guidance'\)](#), the [Update of the Operational Guidance on Separability and Transferability \('Separability and Transferability Guidance'\)](#) and the [Expectations on Valuation Capabilities \('Valuation Guidance'\)](#), the [SRM Vision 2028 \('SRM Vision 2028'\)](#) and the SRB Glossary.

¹⁷ See Article 27(16) SRMR, Article 52 BRRD and section 4.5.2. of the EBA guidance on improving resolvability.

¹⁸ See Article 27(2) SRMR, Article 43(3) BRRD and section 4.5.2. of the EBA guidance on improving resolvability.

¹⁹ See the Resolvability Testing Guidance and the SRM Vision 2028.

authority within one month²⁰ of the application of the bail-in tool, which fulfils the requirements laid down in paragraphs 4 and 5 of Article 52 BRRD.

7. The RTS on BRP minimum elements and progress reports sets out the minimum elements of a BRP and the minimum contents of the reports on the progress of the implementation of the plan. This is further detailed in the EBA BRP Content Guidelines.
8. According to Article 26 of the Commission Delegated Regulation (EU) 2016/1075, for the assessment of the feasibility of the resolution strategy, resolution authorities shall consider any foreseeable impediments to a business reorganisation which is required pursuant to Article 52 of Directive 2014/59/EU or otherwise likely to be required if the resolution strategy envisages all or part of the institution or group being restored to long-term viability.

In this respect, Principle 7.3 of the Efb sets out that institutions for which IRTs envisage the application of the OBBI tool as part of the resolution strategy should have identified and evaluated the measures available to restore their post-OBBI long-term viability and have detailed the measures that could be considered in a BRP. To this end, institutions should conduct a preliminary assessment of the key elements of a business reorganisation plan to ensure resolution readiness during the resolution planning phase²¹.

9. The objective of the BRP AR is twofold. Firstly, institutions within the scope of the exercise are expected to evidence their operational capabilities to draw up a BRP in case of resolution, demonstrating the governance arrangements and processes in place and conducting a preliminary assessment of their reorganisation capacities during the resolution planning phase. Secondly, institutions are expected to demonstrate how post-OBBI long-term viability could be restored through the application of a specific set of credible and feasible business reorganisation measures and to assess the potential costs and impact of these business reorganisation measures on a simulated profit and loss statement, including any potential proceeds or savings of costs from the divestment of assets, entities, business lines or the application of cost cutting measures.

Focus on capabilities

10. In a BRP, institutions should outline, as required by Article 52 BRRD, 1) a detailed diagnosis of the factors and problems that caused them to fail or to be likely to fail, and the circumstances that led to their difficulties; 2) how to restore financial soundness and post-OBBI long-term viability; and 3) a timetable for the implementation of these measures. The post-OBBI long-term viability should be outlined under a baseline and worst-case scenarios and with reference to relevant monitoring milestones throughout the reorganisation period. This may take place after the earlier application of crisis prevention measures.

²⁰ See Article 27(16) SRMR and Article 52 BRRD. In exceptional circumstances, the resolution authority may extend this period up to a maximum of two months. As an example, an extension could be granted if it is needed to align the procedure with that required for the notification of a restructuring plan within two months following the Commission's authorisation of temporary rescue aid/liquidity support measures under the State Aid framework.

²¹ Principle 7.3 of the Efb states the following: the SRB expects Institutions to prepare ex ante preliminary assessments of the key elements of a business reorganisation plan to ensure resolution readiness.

11. In a BRP AR, institutions are expected to evidence their capabilities relating to the preparation of a potential BRP, as well as to provide reasonable prospects of financial soundness and post-OBBI long-term viability. To this end, the BRP AR is expected, at a minimum, to describe the following elements:
- i. the institution's governance and operational arrangements to produce and implement a BRP in a timely manner, meeting the requirements set out in section 2;
 - ii. the institution's strategic views and preliminary analysis of its target business model, geographical footprint and internal organisation post OBBI;
 - iii. the identification of business reorganisation measures (considering both recovery options and complementary reorganisation measures) that would contribute to enhancing the post-OBBI long-term viability of the institution or to reaching²² the Core Bank;
 - iv. the provision of an initial evaluation of those measures, indicating the timelines needed for their preparation and their execution post OBBI, as well as a quantification of their effect to restore financial soundness and post-OBBI long-term viability;
 - v. the demonstration that post-OBBI long-term viability can be reasonably met at the end of the reorganisation period by means of the provision of financial projections; and
 - vi. the quantification of the maximum reorganisation capacity ('MRC').

The work on the BRP AR is an iterative process whereby institutions are expected to evidence their compliance with the objectives of the BRP AR as per paragraph 9. Once the IRT considers the objectives of the BRP AR to have been met, institutions would only be expected to update the BRP AR in the event of material changes affecting the institution; for instance, when relevant changes in its governance and internal process directly affect the BRP production process set up, when there are changes in the relevant elements for the demonstration of long-term viability²³ and/or when expressly requested by the IRT.

12. For the purposes of the description of the quantitative elements of a BRP AR, and as a complement to the BRP AR, institutions are encouraged to make use of the BRP AR Quantitative Template. This is a structured template intended to support consistency across BRP ARs, setting out expectations with regard to (i) the quantitative description of the Core Bank, (ii) the provision of reasonable prospects of achieving post-OBBI long-term viability, and (iii) the quantification of the MRC.

The provision of the BRP AR Quantitative Template may also help to evidence the institution's capabilities to produce the minimum elements of a BRP and of the reports on progress in the implementation of the BRP, as set out in the RTS on BRP minimum elements and progress reports.

²² Some business reorganisation measures may not contribute to enhancing post-OBBI long-term viability but will contribute to reaching the Core Bank. Such business reorganisation measures would support the achievement of the resolution objectives; meeting the targeted business model, legal structure, risk profile and/or service delivery model; and/or complying with the prudential requirements throughout the reorganisation period.

²³ That is, changes in Core Bank composition, variation of the available business reorganisation measures, modification of the business reorganisation measures included in the optimal combination of business reorganisation measures or the implementation sequence thereof.

2. Business reorganisation plan governance

13. The BRP AR should integrate a granular and exhaustive description of time-specific governance arrangements that are needed to produce, approve, submit, amend and monitor the BRP. Institutions are expected to add references to relevant handbooks and playbooks for all the elements mentioned below, as applicable. Where such reference is made, institutions would not have to duplicate the information, provided that key and minimum information is included in the BRP AR, which should read as a self-standing document. The governance section of the BRP AR is expected to include:

- i. an exhaustive list of stakeholders, in line with the OCIR Guidance, including all units, departments, committees and any other internal bodies involved in the production, review, validation, monitoring and update of the BRP, as well as the identified person responsible in each unit/department (the name of the person and the role are expected to be clearly mentioned, as well as an alternate²⁴).

If the institution envisages the involvement of external stakeholders, this is expected to be indicated, as well as the time needed to procure such service and potential tasks that may require their involvement (see also ii below);

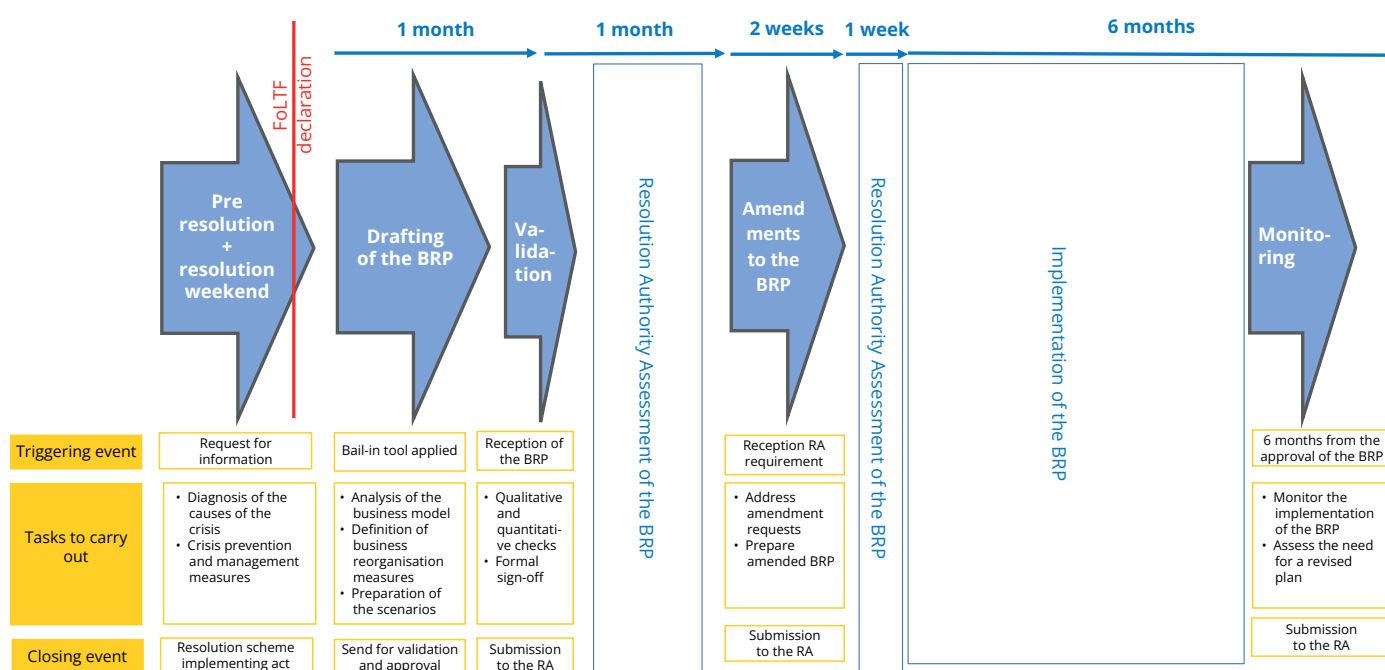
- ii. the interconnections/interactions between stakeholders, including units, departments, committees and any other internal bodies, including the communication arrangements, channels used and information exchanges (e.g. inputs/outputs, relevant meetings between units/departments and their frequency, information sharing, escalation of issues). The communication arrangements and the flow of information are also expected to include external stakeholders (at a minimum, relevant authorities and external advisers);
- iii. a description of the tasks and the operational steps to be conducted along the whole BRP process (production, review, validation, monitoring and update of the BRP), by indicating the time needed (i.e. duration of the relevant task/step), sequences of tasks/steps and their interdependencies, parties involved for each indicated task (including external/independent experts) and outputs to be produced in each step. These operational steps are expected to include, but are not limited to: data gathering processes, operation of Management Information Systems ('MIS'), drafting of the BRP, production of financial projections, interplay/alignment with recovery plans, potential appointment of external advisers, interactions with resolution authorities or supervisors, internal and external reporting, definition of Key Performance Indicators ('KPIs'), validations of the working assumptions and final deliverables, final sign-off, submission, possible amendments to the BRP, monitoring and reporting. The operational steps should also include

²⁴ See paragraph 11 for more details on the expected updates of the BRP AR.

the process to address the possible amendment request of the BRP by the Resolution Authority within two weeks, as per Article 52(9) BRRD;

- iv. the process to produce and present to the Resolution Authority the progress report on the implementation of the BRP at least every six months, as per Article 52(10) BRRD. Institutions are expected to provide a description of the operational steps, timelines, main inputs, relevant dependencies, MIS²⁵, intermediate and final outputs, communication arrangements with internal and external stakeholders, validation and sign-off.

Figure 1. BRP governance flowchart example²⁶



Source: SRB elaboration.

14. The BRP AR is, therefore, expected to address the following elements:

- i. **Drafting the BRP** – the BRP AR is expected to describe the process of drafting a BRP, providing details on at least the following elements and tasks:
 - a. How a comprehensive analysis of the institution's features after the application of the OBBI tool would be produced. The comprehensive internal analysis is expected to include an update of the business model and the risk profile of the institution, an update of the key indicators by business lines and legal entities (liquidity, non-performing exposures and asset quality, asset liability management, sources of funding, profitability and cost structure, productivity and efficiency), an identification of all existing vulnerabilities (regardless of whether

²⁵ Should MIS and procedures be the same under point iii), institutions can refer to the analysis already provided in the BRP AR, focusing on any differences relevant for the progress report.

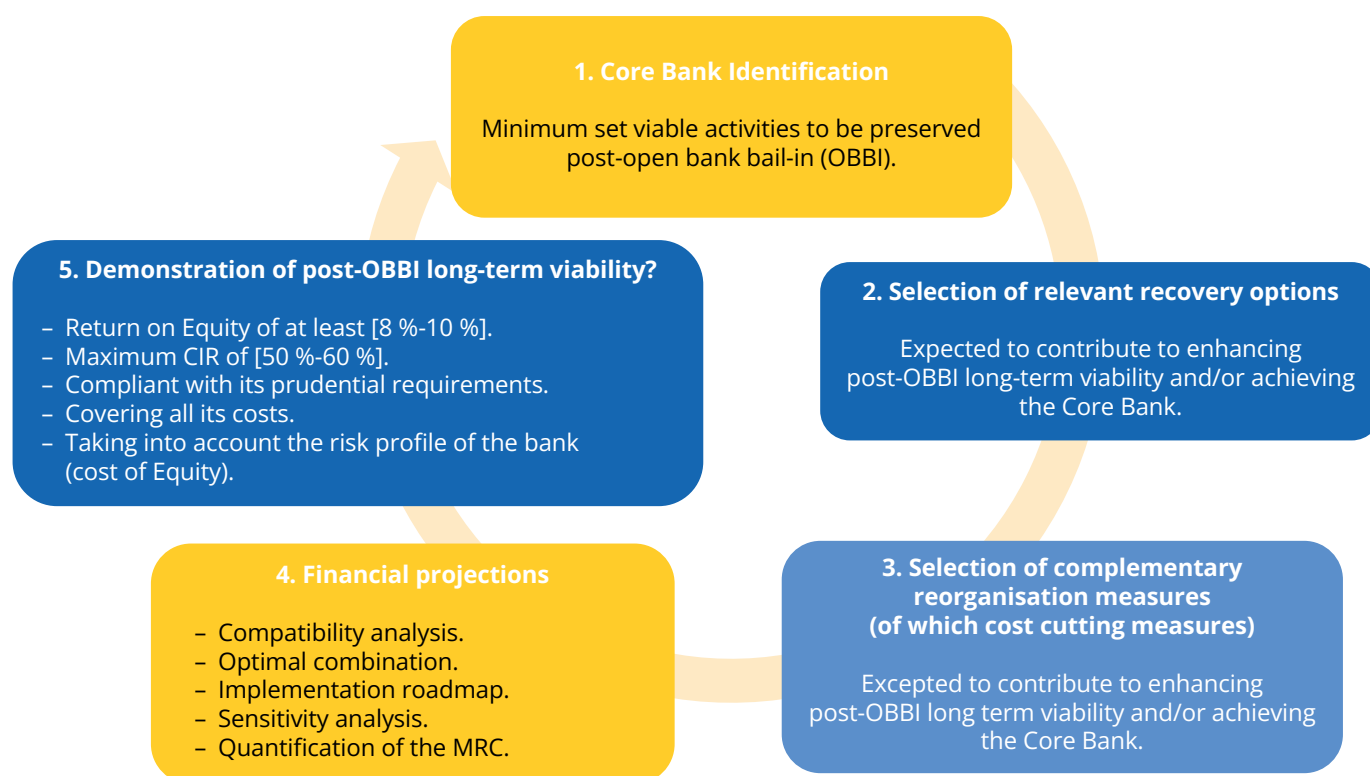
²⁶ Intended only for illustrative purposes in line with Article 52 BRRD and the RTS on BRP minimum elements and progress reports. See in conjunction with Figure 5.

- they triggered a resolution) and an interconnectedness assessment, in compliance with the Separability and Transferability Guidance, post resolution. The comprehensive internal analysis is expected to rely on the relevant valuations, in compliance with the Valuation Guidance, and will require the issuance of an updated balance sheet and a profit and loss statement
- b. How an analysis of the markets in which the institution operates and a general assessment of the situation of relevant peers would be performed. The institution is expected to describe how interactions with the authorities to discuss relevant benchmarks and market trends, risks and opportunities would be carried out. Should the services of any independent expert be required by the institution, the procurement of said services is expected to be included in the overall process
 - c. How projections and scenarios would be produced based on a comprehensive internal and external analysis. The relevant units of the institution are expected to be involved in the process of producing these projections and scenarios, and they are expected to take into account the inputs of the relevant valuations (particularly for the valuation of assets, entities and/or business lines). They could leverage on any available business plans (including medium- and long-term strategic plans, the (group) recovery plan, any existing contingency plans and the operational continuity capabilities) to define a viable business model and the necessary accompanying measures. The reorganisation of the institution aiming at restoring its post-OBBI long-term viability could imply separation of functions, business lines, activities and/or group entities. The Legal and Human Resources units are expected to be involved to ensure that the BRP and the proposed reorganisation is in line with labour law and other legal requirements
 - d. How internal reporting lines and external communication lines with the authorities are established. The process is expected to describe, as far as possible, the envisaged interactions with the relevant authorities. Interactions with resolution authorities are expected to occur both before and during the drafting process onwards
 - e. How alignment would be ensured between the institution's communication plan and the content of (i) the BRP and (ii) any possible existing restructuring plans transmitted to the European Commission
 - f. How the sign-off process by the management body or the person or persons appointed as per Articles 35 or 72(1) of the BRRD looks;
- ii. **Amendments to the BRP** – the BRP AR is expected to describe the process of amending the BRP in line with the conclusions of the relevant authorities, following the relevant control and approval steps in a timely manner;
 - iii. **Monitoring process** – the BRP AR is expected to identify the internal units, committees and any other internal bodies responsible for monitoring the institution's progress towards the targets foreseen in the BRP, including periodical reporting to senior management and interaction with resolution authorities and/or supervisors.

3. Key capabilities to produce a business reorganisation plan analysis report

15. As a pre-requisite for the application of the OBBI, the financial soundness of the institution post resolution should be ensured with the application of the OBBI tool in combination with the implementation of the measures described in the BRP²⁷. For the determination of the business reorganisation measures, institutions are expected to take into consideration the actions already set out in the (group) recovery plan ('**Recovery options**') and/or identify other complementary reorganisation measures not included therein, as long as they contribute to achieving post-OBBI long-term viability or the Core Bank. Institutions are expected to identify the optimal combination of business reorganisation measures that, when implemented, enable the demonstration of post-OBBI long-term viability (see paragraph 64 for the definition of these thresholds).

Figure 2. BRP AR iterative approach



Source: SRB elaboration.

²⁷ See Article 27(2) of the SRMR and Article 43(3) of the BRRD.

16. However, simply reaching the post-OBBI long-term viability thresholds for the RoE and CIR metrics may not be sufficient for the purposes of the BRP AR. The BRP AR work aims at identifying as many available business reorganisation measures as possible and generating an understanding of the maximum effect that may be achieved. In this regard, institutions are expected to provide the largest effect in terms of the post-OBBI long-term viability metrics that could be reached at the end of the projection period. For this purpose, a sensitivity analysis of business reorganisation measures is expected to be provided for the quantification of the MRC.
17. The financial projections may show that the first iteration of the MRC may not be sufficient to restore the post-OBBI long-term viability of the institution at the end of the reorganisation period. In such a case, the institution is expected either to 1) revisit the definition of Core Bank, and/or 2) consider alternative business reorganisation measures, and/or 3) consider an alternative combination of compatible business reorganisation measures that provides enough reorganisation capacity to ensure the post-OBBI long-term viability of the institution.

4. Core Bank identification

18. The Core Bank is composed of the minimum set of activities and business lines that are to be performed by the resolved institution at the end of the projection period, after the use of the OBBI tool. The identification of the Core Bank is intrinsically linked to the identification of potential business reorganisation measures that may be implemented following resolution, and to the achievement of the post-OBBI long-term viability thresholds at the end of the reorganisation period. The Core Bank composition is expected to be determined in agreement with the IRT and described in the BRP AR.
19. Even though institutions are expected to demonstrate post-OBBI long-term viability under a specific scenario (see section 5 for guidance on scenario identification), the definition of the Core Bank is expected to remain mostly stable and not scenario-dependent. The Core Bank composition partially justifies the implementation of the OBBI tool. For example, the reorganisation may support the preservation of critical functions, which are expected to be stable regardless of the scenario considered. However, the contribution of such critical functions may not be sufficient to reach the post-OBBI long-term viability thresholds (see paragraph 64 for the definition of these thresholds).
20. The analysis of the Core Bank is expected to elaborate on the targeted business model, the continuation of critical functions and core business lines, the geographical footprint, the legal structure (where relevant) and the service delivery model. The description of the Core Bank is expected to cover, at a minimum:
 - i. Critical economic functions ('CEFs' or 'CFs');

- ii. Core and non-core business lines ('CBLs');
- iii. Legal entities, including:
 - a. Material legal entities ('MLES')²⁸;
 - b. Relevant legal entities ('RLEs')²⁹;
 - c. Key liquidity entities ('KLEs')³⁰;
- iv. Service delivery model³¹, including:
 - a. Management information system ('MIS');
 - b. Financial market infrastructure ('FMIs');
- v. Geographical presence and legal jurisdiction;
- vi. Branches;
- vii. Number of full-time employees ('FTEs').

4.1. Key working assumptions

21. Since the root cause(s) and exact circumstances of resolution cannot be predicted, institutions are expected to consider the following two working assumptions as an analytical starting point for delineating the Core Bank.
 - i. Business Lines: any existing business lines (core and non-core) could be loss-making in the run-up to resolution (i.e. losses could come from any business line) and may need to be disposed of, discontinued, restructured or wound down in an orderly manner.
 - ii. Recovery Options: institutions cannot anticipate which of their recovery options, if any, would be implemented prior to entering into resolution. Therefore, institutions are expected to consider each and every one of them as available options following the resolution.
22. These working assumptions are designed to provide maximum flexibility in delineating the Core Bank, as well as when identifying the potential business reorganisation measures.

²⁸ As defined under Article 7(2) of the Commission Delegated Regulation (CDR) 2016/1075.

²⁹ As defined in the Liability Data Report Guidance. As per the 2024 RPC, these are entities which (i) provide critical functions, or (ii) represent more than 2% of the TREA, or leverage exposure or operating income of the resolution group. RLE identified as liquidation entities are also expected to be taken into account when describing the Core Bank.

³⁰ As defined in the [SRB Glossary](#). In principle, for an entity or organisational form to be classified as a KLE, at least one of the following three situations should be expected in resolution: the entity/organisational form is expected to provide liquidity to other resolution group entities in order for them to perform their activities; the entity/organisational form is expected to depend on liquidity received from other resolution group entities to perform its activities; or the entity/organisational form performs liquidity management functions for one or more entities of the resolution group.

³¹ The 'service delivery model' is understood in line with the [Operational Guidance on Operational Continuity in Resolution](#).

4.2. Identification of the Core Bank after the application of OBBI

23. The Core Bank is the result of the implementation of the set of relevant business reorganisation measures that together achieve the MRC. The resulting Core Bank needs to be a viable entity on a sustainable basis.
24. The identification of the Core Bank is considered a preparatory task, i.e. one of the steps of the iterative process described in Figure 2. Once defined, it does not imply that all identified business reorganisation measures would necessarily be implemented at the time of a crisis. It is a conceptual tool aiming at identifying available business reorganisation measures in the resolution planning phase, such that, at the time of crisis, institutions and resolution authorities have clear information and options to address it in a prompt and targeted manner.
25. To delineate the Core Bank, institutions are expected to take the following into account:
 - i. a prospective strategic analysis that establishes the basic perimeter of the Core Bank – definition of geographical presence post reorganisation, minimum legal entities to be kept and minimum activities to be performed by the institution post OBBI;
 - ii. an assessment of possible options for each entity (including subsidiaries and servicing entities), business line or portfolio of assets, rights and/or liabilities (including an assessment of challenges of operationalisation and a timeline for the measures). For instance, the options that institutions should consider in their analysis are as follows:
 - a. Option 1: restructuring (e.g. by applying cost reduction measures);
 - b. Option 2: separation and transfer;
 - c. Option 3: orderly and voluntary wind-down; or
 - d. Option 4: discontinuation.
26. The Core Bank is expected to remain mostly stable over time. The analysis of the Core Bank would only need to be updated in case of material changes to the institution (i.e. acquisition/merger/sale or change of legal structures, governance, business model, key liquidity entities, etc.) or substantial change in the content of the (group) recovery plan and, therefore, not automatically re-assessed for each resolution planning cycle.

4.3. Continuation of critical functions in the short, medium and long term

27. Following the use of the OBBI tool, the continuity of critical functions should be ensured, as well as the rest of the resolution objectives³². However, this does not imply that an institution would be required to maintain its existing critical functions in the Core Bank at all times. The continuity of these functions may also be achieved during the reorganisation period by selling the entity/business

³² See Article 14(2)(a) SRMR and Article 31(2)(a) BRRD.

line performing them to another provider (substitution), or by reducing them gradually over an appropriate period of time to the point of non-criticality as part of an orderly exit from, or wind-down of, the related exposures and/or business activity in question.

28. Additionally, non-critical functions are not expected to be excluded by default from the Core Bank if they contribute to the post-OBBI long-term viability of the institution. However, if this is the case, institutions are expected to provide a justification for the inclusion of non-critical functions in the Core Bank.
29. When defining the Core Bank, institutions are expected to provide a list of critical functions which would be preserved in the Core Bank. If the critical functions are not considered part of the Core Bank, they may be sold, discontinued or wound down in an orderly manner³³.
30. Institutions are expected to provide justification as to why a critical function would not be considered in the scope of the Core Bank (e.g. activities that cannot be restructured, activities that could easily be sold to a willing acquirer or a change of the geographical perimeter). There are a number of rationales that could motivate an institution to discontinue an entity/business line within its group, including for strategic, risk and profitability considerations.
 - i. If an entity/business line performing a critical function is assumed to be profitable (potentially following restructuring) after resolution, there would likely be market appetite from competitors to acquire it. The continuity of the critical function is not expected to be considered at risk, as it would merely change owners.
 - ii. If an entity/business line performing a critical function is expected to remain unprofitable throughout the reorganisation period, it could be challenging for the institution to identify potential bidders in the market and the disposal thereof might be unrealistic. Therefore, institutions are expected to try to apply business reorganisation measures to the unprofitable critical function in question and/or consider an orderly wind-down of the activity.
31. When either the sale, reorganisation, discontinuation or orderly wind-down of an entity/business line performing a critical function is proposed, a credibility and feasibility analysis is expected to be provided along with a description of the operational arrangements, timeline and potential risks for the successful implementation thereof, in line with the expectations related to the implementation of business reorganisation measures.

4.4. Business lines (core and non-core) post OBBI

32. Institutions are expected to provide an overview of the main business lines (core and non-core) in the BRP AR which would be carried over post OBBI, as well as

³³ That is, a reduction in the volume of a given critical function to the point of non-criticality that does not adversely affect financial stability in the jurisdiction in which it was performed.

the rationale for determining which business lines are part of the Core Bank. This could include, for instance³⁴:

- i. future main revenue drivers that are able to contribute to the post-OBBI long-term viability of the institution;
- ii. main cost drivers;
- iii. market share of the business segment maintained;
- iv. marketability of the business segment to be separated; possibility to reorganise the business segment (taking into account separability and transferability constraints, where applicable);
- v. business segments/entities expected to provide liquidity post resolution; and
- vi. growth potential when comparing with sector-wide benchmarks or driven by historic data.

4.5. Legal entities, subsidiaries and branches

- 33. Compared to the pre-resolution institution, the Core Bank may have a different geographical footprint and could also differ in terms of presence in its home market (e.g. size and type of business activities).
- 34. Institutions are expected to describe their geographical footprint and legal structure prior to resolution and after the OBBI at the end of the projection period, notably considering access to liquidity/currencies, profitability of markets and business lines. Where applicable, institutions may also consider any possible closure, reorganisation or phase-out of certain business areas in any jurisdiction, in line with considerations made in the (group) recovery plan.
- 35. Similarly, institutions are expected to elaborate on possible rationalisations of legal entities in line with the Core Bank, leveraging on the work of the (group) recovery plan and interactions with the IRT.

4.6. Service delivery model

- 36. Institutions may assume in their BRP AR that the Core Bank keeps the pre-resolution service delivery model in place, or that it might be altered, as appropriate, to achieve post-OBBI long-term viability (e.g. where certain services performed 'in house' could be externalised or vice versa).
- 37. Under both scenarios, the institution is expected to describe the impact, if any, of the business reorganisation measures on the post-resolution service delivery model in the BRP AR.³⁵

³⁴ For some of the elements below, institutions are invited to make use of the work on separability and transferability.

³⁵ For instance, institutions could argue that they plan to divest one or more subsidiaries that actually perform certain critical or essential services with the aim of achieving an ad hoc gain, or that they consider themselves to have a competitive advantage in providing a given service which should, therefore, be included in the Core Bank.

5. Scenario identification

38. The BRP AR describes an assumptions-based analysis whereby institutions are expected to demonstrate post-OBBI long-term viability at the end of the reorganisation period. Institutions may leverage on their work carried out in (group) recovery plans, notably the work on the Overall Recovery Capacity ('**ORC**'). Nevertheless, the Core Bank is expected to remain mostly stable and independent from the assumptions and the scenarios used.
39. Unlike the analysis to determine the ORC in the (group) recovery plan, the analysis underlying the BRP AR does not require the use of several scenarios. A single adverse scenario is expected to suffice, which is expected to meet, at a minimum, the following criteria:
- i. a sufficient level of stress applied so that the institution can be determined to be failing or likely to fail³⁶;
 - ii. effective implementation of the OBBI tool whereby the Institution will, at a minimum, meet its pre-resolution solvency requirement;
 - iii. no restructuring action or structural measures are assumed to have taken place during either the recovery phase or via the resolution decision, meaning that:
 - a. all recovery options remain available for the BRP, including solvent wind-down for trading and banking portfolios³⁷, and their application may be contemplated as a business reorganisation measure
 - b. no transfer options have been part of the resolution decision (i.e. no combination of resolution tools);
 - iv. structural losses are expected to be envisaged which may give rise to reorganisation needs. This means that any business lines (core and non-core) may be loss-making in the run-up to resolution (i.e. losses could come from any business line) and would need to be immediately discontinued, fully or partially disposed of, gradually wound down or restructured;
 - v. the driving factor of the crisis cannot be a one-off event which would not necessitate the reorganisation of the institution.
40. Institutions may decide not to fully align the scenario with that adopted for other resolution-related work. The BRP AR is based on a simulation of a plausible, although extreme, situation, aimed at verifying the capability of institutions to support the production of financial projections that demonstrate post-OBBI long-term viability at the end of the reorganisation period.

³⁶ See Article 18 SRMR and Article 32 BRRD.

³⁷ See the [Operational Guidance on Solvent Wind-Down of Trading Books](#).

6. Identification of business reorganisation measures

41. Institutions are expected to develop a 'catalogue of business reorganisation measures' in the BRP AR that contains the business reorganisation measures that may be implemented following the application of the OBBI tool.

6.1. Selection of recovery options

42. Institutions are expected to select the recovery options from the latest (group) recovery plan that are relevant for being considered as business reorganisation measures. Following the iterative approach (Figure 2), a recovery option would be considered a business reorganisation measure if it is expected to enhance the post-OBBI long-term viability of the institution or to contribute to reaching the Core Bank by the end of the projection period. In this regard, the rationale for the selection is expected to be provided.

6.2. Identification of complementary reorganisation measures

43. Institutions may identify complementary reorganisation measures that are expected to contribute to the post-OBBI long-term viability of the institution or to reaching the Core Bank by the end of the projection period.
44. Complementary reorganisation measures may include, but are not limited to³⁸:
- i. reorganisation/restructuring of existing activities (e.g. staff and/or branch reductions);
 - ii. changes to the operational systems and infrastructure (e.g. engagement of new service providers);
 - iii. withdrawal from non-core or loss-making activities;
 - iv. sale of assets, subsidiaries or business lines; and
 - v. solvent wind-down of activities, where relevant.

6.3. Provision of timelines

45. Institutions are expected to provide the expected timelines for the preparation and implementation of each and every business reorganisation measure, including

³⁸ See Article 52(6) BRRD and Principle 7.3 of the EfB. See also Annex III for further examples of complementary reorganisation measures.

the time it takes to generate their individual effects. The timelines are expected to be consistent with the resolution context post OBBI.

6.4. Estimation of the annual financial effects

46. Institutions are expected to estimate the financial effects of each and every business reorganisation measure³⁹ in terms of profitability (at a minimum, RoE and CIR), solvency (at a minimum, CET1, Total Capital Ratio and Risk Weighted Assets) and liquidity (at a minimum, LCR) over the projection period⁴⁰. Institutions can provide additional metrics in the BRP AR; however, they are expected to provide all of the elements listed above.

6.5. Identification and mitigation of implementation obstacles, barriers and constraints

47. Institutions are expected to identify potential obstacles, barriers or constraints (including financial, legal, operational and business⁴¹) that could materialise when implementing each and every business reorganisation measure.
48. Institutions are expected to propose credible and feasible mitigating actions to reduce the impact of the potential obstacles, barriers or constraints. Institutions are further expected to draw up an implementation plan that describes the effectiveness of the mitigating actions, their estimated costs and an implementation timeline.
49. Institutions are expected to rate (low, medium or high) and justify the credibility and feasibility of the implementation of each and every business reorganisation measure. In this context, credibility is defined as how likely a business reorganisation measure is to be implemented under the resolution scenario developed for the purposes of the BRP AR. Feasibility is defined as the operational capacity of the institution to implement the business reorganisation measure.

³⁹ For the business reorganisation measures that are also recovery options, the effects envisaged in the (group) recovery plan may be different to those in the BRP AR because of the different nature and severity of the scenarios considered.

⁴⁰ See the BRP AR Quantitative Template.

⁴¹ See the 'Separability and transferability' chapter of the [Operational Guidance for Banks on Separability and Transferability for Transfer Tools](#), where relevant.

7. Maximum reorganisation capacity determination

7.1. Compatibility analysis

50. Institutions are expected to identify constraining factors related to the simultaneous or sequential implementation of the business reorganisation measures. For this analysis, institutions are expected to consider the factors listed in the EBA Guidelines on the overall recovery capacity⁴²:

- i. mutual exclusivity: some business reorganisation measures are fully or partially exclusive, i.e. one business organisation measure cannot be implemented if another is implemented. For example, a portfolio which would be sold cannot be securitised (again) at a later date;
- ii. interdependencies: whether activating one reorganisation measure could affect the subsequent or simultaneous implementation of another or limit the financial impact thereof;
- iii. operational capability to implement a multitude of business reorganisation measures simultaneously;
- iv. reputational effects: whether implementing several business reorganisation measures in combination could reduce their impact and lead to impediments or negative reputational effects;
- v. consequences for their business model or profitability when one business reorganisation measure (that alone does not have a significant impact) is applied together or sequentially with others (combined consequences).

51. Institutions are expected to determine whether the simultaneous or sequential implementation of the business reorganisation measures included in the 'catalogue of business reorganisation measures' is (1) fully compatible, (2) partially compatible or (3) incompatible. In this context, two business reorganisation measures are partially compatible when their simultaneous or sequential implementation requires specific conditions and/or circumstances beyond those required for their implementation on an independent basis. Institutions may illustrate compatibility in a matrix format, for example, showing the analysis of the combination of business reorganisation measures.

7.2. Optimal combination

52. Institutions are expected to identify the optimal combination of fully and partially compatible business reorganisation measures.

⁴² See the [Guidelines on overall recovery capacity in recovery planning](#).

53. Institutions are expected to explain the conditions and/or circumstances under which partially compatible business reorganisation measures would be simultaneously or sequentially implementable. Should the compatibility analysis conclude that a specific business reorganisation measure is incompatible with others, or has limited effects, it may be excluded from those considered in the optimal combination of business reorganisation measures.
54. The optimal combination of business reorganisation measures is defined as the subset of compatible business reorganisation measures that best meets⁴³ the objectives of the BRP AR, including the demonstration of the post-OBBI long-term viability of the institution at the end of the reorganisation period or its contribution towards achieving the Core Bank.

7.3. Implementation roadmap

55. Institutions are expected to present the sequential implementation of the optimal combination of business reorganisation measures in a single implementation roadmap.
56. Institutions are expected to justify the sequential order by, for example, referring to their operational capability to implement the business reorganisation measures and taking into account market appetite considerations. Institutions shall also analyse whether the time to prepare, implement and benefit from each measure together with those in the optimal combination may change when compared with the sole implementation of a single business reorganisation measure.

7.4. Demonstration of post-OBBI long-term viability in the scenario for the analysis

57. The optimal combination of business reorganisation measures in their sequential order of implementation is expected to be included in the financial projections for the profit and loss ('P&L') account for the demonstration of the post-OBBI long-term viability of the institution at the end of the reorganisation period.
58. The reorganisation period is defined as the period after the application of the OBBI tool and ends at the moment when the institution is considered post-OBBI long-term viable within the maximum duration of five years⁴⁴.
59. A resolved institution would be considered post-OBBI long-term viable as of the moment it displays i) an annual return on equity ratio ('RoE') of at least [8%-10%]⁴⁵,

⁴³ To consider whether the optimal combination of business reorganisation measures best fulfils the objective of the BRP AR, institutions are expected to consider implementation obstacles, barriers and constraints, in line with Section 6.5 of this guidance, as well as the time required for the implementation.

⁴⁴ See the number of years of projections required in past State Aid cases: for example, via the [Competition Case Search Tool](#) of the European Commission.

⁴⁵ See the minimum RoE levels required in past State Aid cases: for example, via the [Competition Case Search Tool](#) of the European Commission. Viability thresholds may be modified following the review of the EU Commission State Aid banking communications.

and ii) a maximum Cost to Income ratio ('CIR') of [50%-60%]⁴⁶, on a sustainable basis, while being compliant with its prudential requirements⁴⁷, covering all its costs, including depreciation and financial charges, and taking into account the risk profile of the institution.

60. These post-OBBI long-term viability thresholds have been calibrated taking into consideration the levels required for past crisis cases. The tables below provide more granular and indicative information on the average levels split by business model classification for the two metrics.

Table 1. Average CIR and RoE levels for business model classification

	Cost to Income Ratio (CIR)	Return on Equity (RoE)
Corporate/wholesale lenders	56.29%	5.73%
Custodian and asset managers	54.78%	11.17%
Development/promotional lenders	54.67%	2.55%
Diversified lenders	50.02%	11.04%
G-SIBs ⁴⁸	59.56%	8.98%
Retail and consumer credit lenders	56.65%	7.02%
Small market lenders	47.23%	14.02%
Universal and investment banks	51.64%	10.46%

Source: Q4 2025 ECB Supervisory Banking Statistics for significant institutions⁴⁹

On average, at Q4 2025, for the significant institutions, the CIR reached 54.95% while the RoE was at 9.53%⁵⁰.

61. The post-OBBI long-term viability thresholds may be adapted upwards or downwards for the purposes of drafting the BRP AR considering the existing market conditions, as well as the size, business model, national specificities and/or other features of the institution.

Any deviation from the post-OBBI long-term viability thresholds is expected to be justified in agreement with the IRT.

62. Institutions are expected to assume that, after the application of the OBBI tool:

⁴⁶ See the maximum CIR levels required in past State Aid cases: for example, via the [Competition Case Search Tool](#) of the European Commission. Viability thresholds may be modified following the review of the EU Commission State Aid banking communications.

⁴⁷ In this regard, institutions are expected to assume prudential requirements at least equivalent to those applicable prior to resolution.

⁴⁸ G-SIBs: global systemically important institutions. Data based on the last available list of G-SIBs, as published by the Financial Stability Board (FSB) and reported by the ECB.

⁴⁹ Significant institutions at the highest level of consolidation for which common reporting (COREP) and financial reporting (FINREP) are available.

⁵⁰ See [Supervisory Banking Statistics for significant institutions Fourth Quarter 2025](#).

- i. they meet the capital and liquidity requirements from day 1 after the resolution action and/or the exercise of resolution powers; and
- ii. they would implement the business reorganisation measures without undue delay, following a predetermined sequence, subject to the circumstances of the crisis.

The fact that capital and liquidity requirements are expected to be met after the implementation of OBBI implies that capital and liquidity measures are not the main focus of the BRP AR⁵¹. Instead, business reorganisation measures are expected to focus on post-OBBI long-term viability, which may be measures aiming at improving the profitability of the institution, including cost reduction measures.

7.5. Sensitivity analysis impact

- 63. Reaching both RoE and CIR minimum thresholds would be necessary to demonstrate post-OBBI long-term viability within the five-year time horizon but not sufficient for the purposes of the BRP AR⁵². To identify the maximum reorganisation capacity, institutions are expected to provide a sensitivity analysis of business reorganisation measures (notably the cost-cutting measures).
- 64. The business reorganisation measures to be considered for the sensitivity analysis may be a) business reorganisation measures not included in the optimal combination of measures and/or b) business reorganisation measures included in the optimal combination, both stressed to the maximum extent possible to produce the maximum impact on both relevant profitability metrics⁵³.
- 65. In the same way as for the implementation roadmap, institutions are expected to assess their ability to execute the measures considered for the sensitivity analysis taking into account their operational capabilities for the simultaneous or sequential implementation, the market circumstances in a post-resolution context and the potential reputational risk that such implementation might entail.

⁵¹ Such assumptions apply for the purposes of the BRP AR; the assumptions related to scenarios developed for liquidity in resolution remain unaffected by those of the BRP AR.

⁵² As per Article 27(2) SRMR, 'The bail-in tool may be applied ... only if there is a reasonable prospect that the application of that tool, together with other relevant measures including measures implemented in accordance with the business reorganisation plan ... will, in addition to achieving relevant resolution objectives, restore the entity in question to financial soundness and long-term viability.'

Article 43(3) BRRD: 'Resolution authorities may apply the bail-in tool ... if there is a reasonable prospect that the application of that tool together with other relevant measures including measures implemented in accordance with the business reorganisation plan required by Article 52 will, in addition to achieving relevant resolution objectives, restore the institution or entity ... in question to financial soundness and long-term viability.'

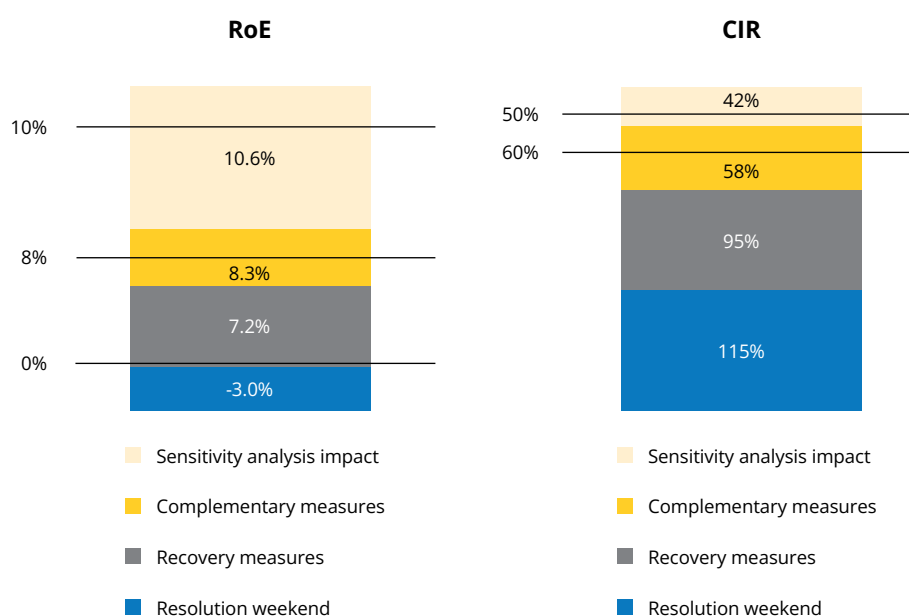
Compliance with the thresholds for the relevant viability metrics would serve to demonstrate post-OBBI long-term viability in the scenario considered for the BRP AR. However, such a scenario is likely to be different from the actual scenario in resolution. To provide reasonable prospects of the capacity of institutions to be viable in any scenario, institutions are expected to provide enough leeway in addition to the minimum viability thresholds as a way to cope with the uncertainties stemming from the features of an actual crisis and/or the availability or the effect of the reorganisation measures.

⁵³ As an example, for the sensitivity analysis, institutions may consider the closure of an additional number of branches when they demonstrate that it represents the most impactful number for such a measure in terms of both relevant profitability indicators.

7.6. Quantification of the MRC

66. The MRC would be determined as the largest effect, expressed in terms of RoE and CIR at the end of the projection period, of the implementation of the optimal combination of measures together with the measures identified for the sensitivity analysis, considering the sequence of implementation, as well as the time for each measure and their combination to produce effects.

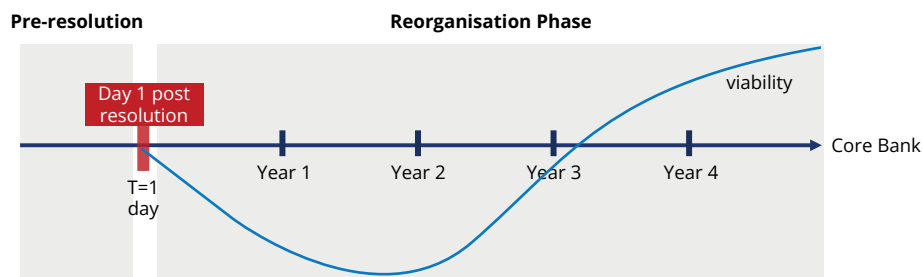
Figure 3. Example of RoE and CIR impact analysis (for illustrative purposes only)



Source: SRB elaboration

67. The MRC would then represent the total improvement of the RoE and the CIR indicators following the implementation of the business reorganisation measures from day 1 post resolution to the end of the projection period, as shown in the graph below:

Figure 4. Representation of the expected trend of the MRC (expressed as RoE)⁵⁴



Source: SRB elaboration

⁵⁴ This graph has been developed for indicative purposes.

ANNEX I. Comparison between the MRC and ORC

	MRC	ORC
Identification of measures (criteria)	Credible and feasible.	Credible and feasible.
Time horizon for the measure to be effective	End of the reorganisation period (maximum five years). The reorganisation period is defined as the time span starting after the application of the OBBI tool and ending at the moment when the institution is considered viable, within a maximum duration of five years.	18 months for capital measures and 6 months for liquidity measures.
Main focus of the effect of the measures	Achieve the Core Bank and restore post-OBBI long-term viability.	Restore the capital and liquidity position.
Starting point	Post implementation of OBBI.	Activation of the recovery plan.
Scenarios	Resolution context post OBBI implementation, whereby the institution suffers from structural losses, i.e. any business lines (core and non-core) may be loss-making, and would, therefore, necessitate a reorganisation.	Systemic, idiosyncratic and combined scenarios.
Set of compatible measures	One set.	One per scenario.
Impact assessment	Overall improvement of RoE and CIR at the end of the reorganisation period and subsequent effect on capital and liquidity metrics (e.g. CET1, TCR, RWAs, LCR). Annual effect of each of the business reorganisation measures on key financial metrics related to profit and loss, capital and liquidity (e.g. RoE, CIR, RWAs, CET1, TCR, LCR).	CET1, Total Capital Ratio, Leverage ratio. LCR, NSFR.

Source: SRB

ANNEX II. Indicative list of complementary reorganisation measures

Complementary reorganisation measure	Describe the assumptions made to estimate the financial effects / sensitivity analysis:
HR staff reduction/implementation costs and net costs savings	Based on the reduction of X00 Full Time Equivalent (FTE) per year and average cost of EUR XX,000 per FTE on an annual basis
Reduction in the branch network	Probably in combination with FTE adjustments
Reduction in innovation costs	Innovation budgets totals X
Reduction in commercial staff private and business clients/business lines reduction	The gross cost saving is based on FTE reduction of ~X00 in Private Clients at an average cost of XX.000/FTE and ~X00 in Business Clients at an average cost of XX.000/FTE. The FTE reduction is approximately XX% on average
Reduction in internal staff costs: the reduction in the cost or compensation per FTE (through or outside the collective labour agreement)	Year 1: includes restrictions to travel, employee expenses budget, compensation internet, the learning budget and the end of all expenses unless necessary for direct consumer service Year 2: reduction of budget allocated for benefits to employees to 0% Year 3: abolition of the 13th month: - Based on average budget per employee (Learning budget, etc.) - Based on run rate and forecast of FTE
Reduction consultancy costs	Assumptions are based on budget
Reduction in publicity costs (FTEs/ administrative expenses in communication, corporate affairs and marketing)	Assumptions are based on budget and potential reductions
Sale and lease back of central head office	Positive in terms of cash flow. Regarding profit and loss, it will depend on the book value vs. market prices and estimated rental prices vs. current depreciation costs
Termination of corporate insurance activities in case of termination of a business line	Estimated direct/indirect costs saving
Reduction in IT costs/standardisation	Based on budget
Limiting sponsoring (sports, arts events, etc.)	Assumptions are based on budget

Source: SRB own elaboration and the results of the EC's Evaluation of State Aid rules for banks in difficulty.

ANNEX III. Overview of the applicable legal framework

The legal provisions governing BRPs are mainly laid down in: 1) Articles 51 and 52 BRRD and Articles 27 and 28 SRMR; 2) the RTS on BRP minimum elements and progress reports; and 3) the EBA BRP Content Guidelines. See the Introduction section for references to the key documents.

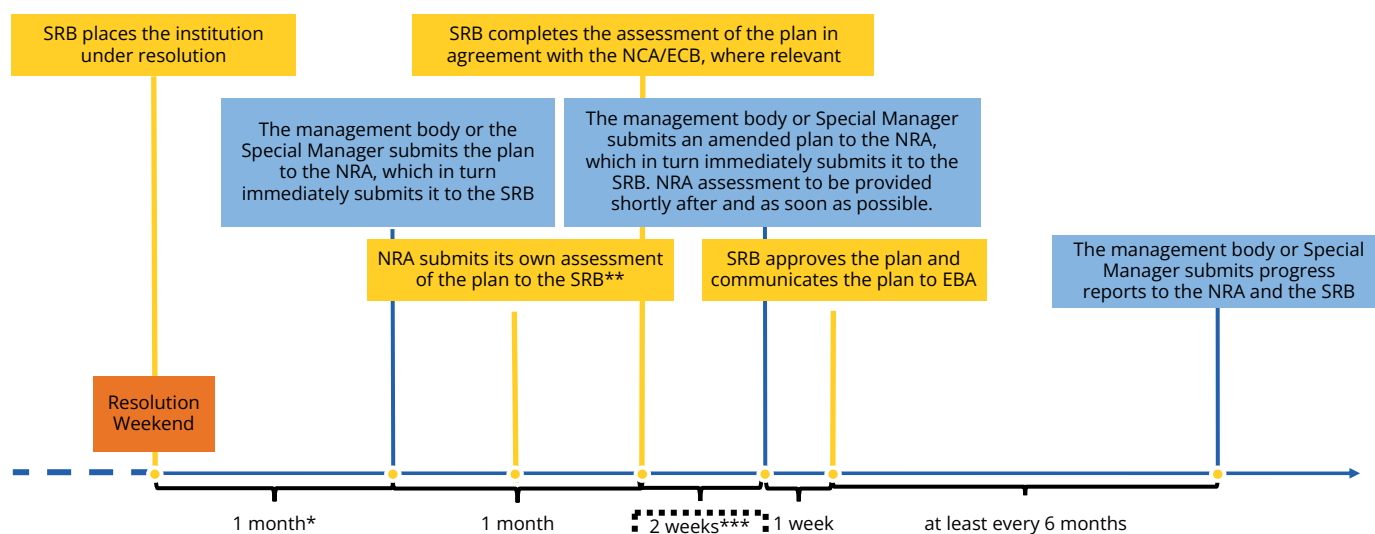
The SRB, working together with the National Resolution Authorities, is in charge of: 1) the approval of BRPs post OBBI, in agreement with the competent authority; and 2) the monitoring of their implementation during the reorganisation period.

Procedure and timeline for the approval of a BRP

The procedure and timeline for the submission and approval of the BRP are described in Article 27 SRMR and Article 52 BRRD, and summarised in the figure below.

Given the time necessary to prepare a BRP and the tight deadline to submit the BRP following the adoption of the resolution scheme, institutions may be requested to launch the work on a BRP well in advance of the 'resolution weekend'.

Figure 5. Business reorganisation plan – procedure and timeline



* In rare cases, the resolution authority may extend this period up to a maximum of two months.

** Within two weeks of the date of submission of the plan.

*** Only if the SRB requires amendments to the plan.

Source: SRB

Interplay with recovery plans

Article 5 BRRD requires institutions to prepare and maintain a recovery plan with the measures to be taken to restore the financial position following a significant deterioration of the institution's financial situation. Furthermore, pursuant to Commission Delegated Regulation 2016/1075, recovery plans should specify the measures that institutions would adopt to restore their viability in the event of a material deterioration of their financial situation.

Despite the different objectives and underlying rationales of the BRP and of the recovery plan, there are some elements in the recovery plans that could be relevant for the BRP and that can be used to prepare the BRP Analysis Report.

Notably, in accordance with the RTS on BRP minimum elements and progress reports, Recital (3) and Article 2(6), institutions should be able to use information contained in their recovery plans while drafting their BRPs, to the extent that such information is still relevant to the restoration of the post-OBBI long-term viability of the institution following the application of the bail-in tool.

Therefore, when preparing the BRP Analysis Report, institutions are expected to leverage on the work already completed on their recovery plans. In this regard, further details are provided in section 3 of this guidance.

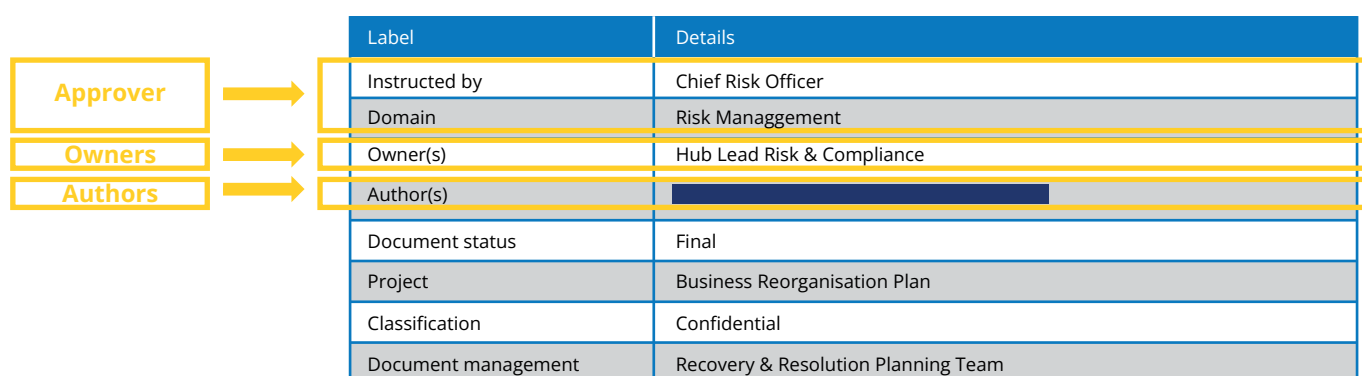
ANNEX IV. BRP AR document management

Institutions are invited, where relevant, to give due consideration to the following focus points:

A. Indication of document author(s), reviewer(s) and approver(s)

The BRP AR may clearly indicate the list of the author(s), owner(s), reviewers (where applicable) and approvers of the document, with an indication of their respective business units.

Figure 6. Example of the representation of the authors, reviewers and approvers



Label	Details
Instructed by	Chief Risk Officer
Domain	Risk Management
Owner(s)	Hub Lead Risk & Compliance
Author(s)	
Document status	Final
Project	Business Reorganisation Plan
Classification	Confidential
Document management	Recovery & Resolution Planning Team

Source: SRB

B. Change log

The BRP AR may contain a table listing the modifications with respect to the previous version.

The table may include the following:

- i. the section that has been updated; and
- ii. a list of the changes that have been made.

Figure 7. Example of the representation of the changes compared to the previous versions

Updated sections	Description of the change	Reason
Paragraph	Content of the change	Reason
Governance	- Inclusion of flowcharts. - Further granularity on the operational steps.	IRT request
Core Bank	- Further explanation of restructuring measures for the CBLs in the Core Bank. - Provision of the KLEs in the Core Bank.	IRT request
Reorganisation measures	- Recovery option sale of subsidiary AAX not available.	Sale subsidiary AAX
Sensitivity analysis	- Complement sensitivity analysis with additional cost cutting measures.	Bank's improvement of the document

Source: SRB

C. Indication of the document versioning

The BRP AR may indicate the version number of the document and list all the previous versions. For each version, the person/unit/committee with the highest hierarchical level that approved the document, as well as the date of its approval, may be indicated. Furthermore, the expected approval date of the next version of the document may also be reported if new version is envisaged.

Figure 8. Example of the representation of the document versioning

Version			Approver	Approval date
Version	Summary of changes	Approved (Y/N)	Approved by	Date of approval
2022 v.1	- Core Bank determination and analysis of applicability of recovery options as per the working priorities letter for 2022. - Additional flowcharts in the governance section.	Y	Comprehensive Risk Commission	11.12.2022
2023 v.1	- Inclusion of complementary business reorganisation measures and preliminary determination of long-term viability as per working priorities for 2023. - Further complement features Core Bank. - Inclusion effect of the recovery options in RoE. - Further explanation tasks and responsibilities of the relevant stakeholders for producing a BRP.	Y	Comprehensive Risk Commission	04.06.2023
2023 v.2	- Further justification of the CFs in the Core Bank. - Further justification of the time to prepare, implement and benefit from the reorganisation measures. - Improvements to the compatibility analysis.	Y	Comprehensive Risk Commission	10.12.2023
2024 v.1	- Further complement the effects of business reorganisation measures. - Provision of additional complementary measures. - Sensitivity analysis.	Y	Comprehensive Risk Commission	06.06.2024
2024 v.2	- Provision of additional cost cutting measures. - Improvements to the sensitivity analysis. - Justification of long term viability in the financial projections.	Y	Risk committee	10.12.2024
2025 v.2	- Improvements in the sensitivity analysis calculations. - Calculation of the MRC in terms of RoE and CIR.	N	Resolution Planning office	

Source: SRB

D. List of related documents

The BRP AR may include a 'bibliography' of all related documents that the report refers to (e.g. FMI contingency plans, Separability Analysis Report, Transfer Playbook, OCIR Playbook, SWD plan, Outcome Reports of past testing activities, etc.), noting their date and version number and referencing the relevant chapters/pages. Furthermore, whenever any such documents are mentioned, it is considered good practice to include the related IRIS hyperlink (and, if applicable, the page reference in the footnotes).

Figure 9. Example of the representation of the list of related documents

Version and date		Document	Section / page	
Version	Date	Document	page	Author
2024 v.2	15.12.2024	FMI CP	34	Resolution planning office
n/a	02.10.2023	Working priorities letter for 2024	2	SRB
n/a	30.09.2024	IRT feedback to the 2024 v.1 BRP AR	n/a	IRT
2024 v.1	08.01.2024	SAR	36	Resolution planning office
2024 v.1	08.01.2024	Transfer Playbook	24	Resolution planning office
2023 v.1	30.04.2024	Recovery plan	from 23 to 50	Resolution planning office

Source: SRB

E. Description of the process for regular and ad hoc updates of the document

Institutions may include a description of the governance processes for the maintenance and update of the BRP AR. Institutions may, in particular, provide information for both (i) regular updates and (ii) ad hoc updates. As an alternative, the institution may cross refer to the documents that provide this information.

With respect to regular updates, institutions may provide information on the team(s) responsible for the update (including authors and approvers), the frequency of the planned update, sources of information used and the process to retrieve the necessary information, and may update process steps (including envisaged timeline – please see example below).

As for ad hoc updates, institutions may provide information on triggers for ad hoc updates, team(s) responsible for the update, sources of information used and the process to retrieve the necessary information, and may update process steps (including envisaged timeline). It is good practice to specify any differences between the ad hoc and the regular update process in particular.

Figure 10. Example of the representation of the process for the regular and ad hoc updates of the document

Steps		Responsible	Timeline
Step	Description	Responsible	Estimated time
1	Analysis Working Priorities letter	IRPO	1 week
2	Analysis IRT feedback	IRPO	2 weeks
3	Review of Expectations for Banks	IRPO	1 week
4	Review letter on the adoption of the resolution plan	IRPO	2 weeks
5	Review of the Resolvability Progress Report	IRPO	2 weeks
6	Design of the bank's Work Programme	IRPO	3 weeks
7	Review IRT feedback resolvability progress report and Work Programme	IRPO	2 weeks
8	Contact relevant bank's units for the provision of input	IRPO	1 week
9	Gathering of the input and inclusion in the BRP AR	IRPO	4 weeks
10	Review of the BRP AR	Risk Management	1 week
11	Submission to the Resolution Planning Committee	IRPO	1 week
12	Adoption by the Resolution Planning Committee	Resolution Planning Committee	1 week
13	Sending to the IRT	IRPO	1 week
14	Managing the feedback from the IRT	IRPO	3 weeks

Source: SRB

F. Inclusion of flowcharts, diagrams and hyperlinks

To enhance the readability/usability of such documents, institutions are encouraged to include flowcharts and diagrams whenever considered useful (e.g. to visualise workflows and/or to describe the interactions between different stakeholders, processes and systems). In this respect, institutions may also consider embedding hyperlinks to IRIS and a public website, and cross references in their flowcharts/diagrams. Such hyperlinks and cross references would ease navigation through the document, leading the reader to the relevant section(s) of the BRP AR (or of other related documents, as per Figure 9 above), where the specific process step or task visualised in the chart/diagram is described further.

G. Indication of past and planned testing activities

For the part(s) of the document that have been subject to testing exercise(s), the BRP AR may report their key outcomes and lessons learnt. In this respect, however, institutions are encouraged to focus only on the main insights drawn from the testing activities and to refer to the tests' Outcome Reports for further details. When such reference is made, the relevant Outcome Reports may be included in the List of related documents, as per Figure 9 above.

The outcome of the testing exercises performed (if any) and the follow-up discussions with the IRT should inform institutions' multi-annual resolvability work programmes. In addition, it is good practice to update the BRP AR to reflect lessons learnt from the testing. In such cases, the BRP AR should clearly indicate which sections have been updated/amended following testing.

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