

Public interest assessment: SRB approach

Identifying public interest is a necessary pre-condition for taking resolution action in respect of a failing bank.



Certain **conditions for resolution** should also be met



- An alternative private sector measure or supervisory action is unlikely to prevent the failure of the bank within a reasonable timeframe
- A resolution action is necessary in the public interest



A resolution action is in the public interest when it achieves one or more **resolution objectives**

- Ensure the **continuity** of critical functions
- Avoid significant adverse effects on financial stability
- Protect public funds by minimising reliance on extraordinary public financial support
- Protect depositors and investors
- Protect client **funds** and client **assets**



Public Interest Assessment Framework

Are resolution objectives at risk upon failure?



Objectives at risk



The selected resolution strategy and tools should be:

- necessary and proportionate
- credible and feasible

Would winding up under normal insolvency proceedings meet the resolution objectives to the same extent?

Yes No
Outcome:
resolution

Objectives not at risk

Outcome: no resolution