

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

- The bank is **failing** or likely to fail
- 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

