The Single Resolution Mechanism is made up of the Single Resolution Board and the National Resolution Authorities in Eurozone countries, Bulgaria and Croatia. It protects financial stability and the taxpayer by planning for and managing bank failures. The SRM is the second pillar of the Banking Union, providing centralised and independent decision-making on bank resolution, ensuring that the public interest and critical economic functions are protected.

**Resolution scheme**
Within 24 hours of bank being declared failing or likely to fail:

1. **STEP 1**
ECB determines that bank is failing or likely to fail

2. **STEP 2**
Private measures/supervision actions exhausted

3. **STEP 3**
Public interest assessment

- If not in public interest, bank is wound up
- If in public interest, bank goes into resolution

4. **Resolution tool**
SRB selects best resolution tool

5. **SRB determines whether to use the privately-financed Single Resolution Fund**

6. **Relevant National Resolution Authority implements resolution scheme**