Safe Bank 1(98) 2025

DOI: 10.26354/bb.2A.1.98.2025

Anna Dobrzańska*
ORCID: 0000-0002-8243-9716

Transfer strategy as an effective resolution method – theoretical considerations and lessons learnt so far

Abstract

The experience gathered in recent years has shown that the dominant method used in bank resolution is the transfer strategy which involves transfer of all or selected assets and liabilities from the problem bank to the new, market acquirer. The analysis outlined in this article indicates a number of advantages of the transfer strategy compared to the alternative bail-in strategy or a standard insolvency proceedings. In particular, the transfer strategy allows for setting lower requirements in terms of the bank's internal loss absorbing capacity, which makes it particularly suitable for smaller deposit-funded banks. However, the success of a transfer strategy depends on several factors and its implementation requires adequate preparation. The article attempts to outline the most important determinants of a successful transfer strategy.

Keywords: transfer strategy, bridge bank, bail-in strategy, resolution, crisis management

JEL Codes: G01, G21, G28, H12

Strategia transferu jako skuteczna metoda *resolution* – rozważania teoretyczne i wnioski z dotychczasowych doświadczeń

Streszczenie

Doświadczenia ostatnich lat pokazują, że dominującą metodą stosowaną w ramach restrukturyzacji i uporządkowanej likwidacji banków jest strategia transferu polegająca na sprzedaży wszystkich bądź wybranych aktywów i zobowiązań banku problemowego do nowego, rynkowego nabywcy. Przedstawiona w niniejszym artykule analiza wskazuje na szereg zalet

* Anna Dobrzańska – holds PhD in Economics and is employed at the National Bank of Poland. The views expressed in this article are solely of the author and do not represent views of the institution where she works.

strategii transferu w porównaniu do alternatywnej strategii *bail-in*, jak i klasycznej procedury postępowania upadłościowego. W szczególności, strategia transferu pozwala na określenie mniejszych wymagań w zakresie wewnętrznej zdolności do absorpcji strat banku, przez co może być szczególnie przydatna wobec banków mniejszych, finansujących się w znacznym stopniu depozytami. Jednakże powodzenie strategii transferu jest uzależnione od szeregu czynników, a jej wdrożenie wymaga odpowiedniego przygotowania. W artykule podjęto próbę przedstawienia najważniejszych determinant powodzenia strategii transferu.

Słowa kluczowe: strategia transferu, bank pomostowy, strategia bail-in, restrukturyzacja i uporządkowana likwidacja, zarządzanie kryzysowe

Kody JEL: G01, G21, G28, H12

Introduction

The global financial crisis of 2007–2009 contributed to a significant shift in the crisis management approach for the banking sector. Promoted by the *Financial Stability Board* (FSB), the concept of resolution, the essence of which is to wind down a problem bank while maintaining its critical functions and without involving public funds, gained popularity. One way of conducting resolution is to transfer selected or all balance sheet components of a problem bank to a sound market buyer. Depending on the jurisdiction, terminology adopted to describe this *resolution* method varies. The two best-known examples are: (i) *the sale of business tool* introduced by the BRRD[1] in the European Union (EU), and (ii) the *Purchase & Assumption* (P&A) used successfully for several decades by the Federal Deposit Insurance Corporation (FDIC) in the United States (US). The term 'transfer strategy' is used in the article to describe this way of resolving banks.

There are two types of transfer strategies: (1) in which selected or all assets and liabilities are transferred (*asset deals*) and (2) in which shares are transferred (*share deals*) (Baudino et al. 2023). A share deal means that a new buyer becomes the owner and takes over all assets and liabilities of the bank in question, so that it can recapitalise and restructure it. It can be said that in transfer strategies, assets of the bank under resolution constitute compensation for the new acquirer for the assumed liabilities (mainly deposits). When the assets for the transfer are of a higher value than the liabilities, there is a surplus (*positive bid*) and the buyer has to pay a premium as it takes over a business that offers prospects for further growth and value enhancement. On the other hand, when the value of assumed liabilities is greater than the value of transferred assets, then there is a funding gap (*negative bid*) and the buyer expects financial support to complete such a transaction. Most

[1] Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU of the European Parliament and of the Council and Regulations (EU) No 1093/2010 and (EU) No 648/2012 of the European Parliament and of the Council, OJ. EU L 173/190 of 12.6.2014.

often, such external financial support in transfer strategies is provided by the deposit guarantee scheme (DGS), for which this form of intervention is an alternative option to the deposit payout.

It is worth noting that there is a certain difference between transfer strategies conducted in the EU and the US. Under the BRRD, the sale of business tool allows for the transfer of shares and other ownership instruments as well as the transfer of all or selected assets, rights and liabilities of the bank under resolution to a sound market acquirer. Thus, in the EU transfer strategies can take the form of both *share deals* and *asset deals*, and it is up to the resolution authority to choose which one to apply. In contrast, in the US only *asset deals* are conducted, whereby there is a *purchase* of assets and *assumption* of liabilities (mainly deposits) of a problem bank by another healthy bank – hence the name *Purchase and Assumption* (P&A).

The BRRD includes also two other resolution instruments under which assets, rights or liabilities are transferred. These are: the bridge institution tool and the asset separation tool. The bridge institution tool (in other words, a bridge bank) is used as an alternative solution when the application of the sale of business tool is not possible due to the lack of a willing buyer. The BRRD clearly states that a bridge bank is a temporary solution[2], and that assets and liabilities transferred to it from the bank under resolution should ultimately be taken over by a market buyer, otherwise the bridge bank is wound up. Whereas, in the case of the asset separation tool, assets (usually of poor quality which burden the balance sheet of the bank and adversely affect its financial performance) are transferred to an asset management vehicle. The purpose of such an operation is to clean up the balance sheet of the bank under resolution, thus facilitating the resolution process. According to the BRRD, the asset separation tool cannot be used on its own, but only in combination with another resolution tool, which indicates its ancillary (supportive) nature. In addition, the asset management vehicle is also a temporary structure. It follows from the above that both the bridge institution tool and the asset separation tool are not stand-alone resolution tools, but rather these instruments should be seen as "additional" or "supportive" tools in the conduct of the resolution procedure. For this reason, the term "transfer strategy" as used in the article – in the context of the BRRD – refers only to the sale of business tool.

Apart from the transfer strategy, so-called bail-in strategy could also be distinguished within the resolution framework. This approach is based on the bank's internal loss-absorbing capacity through the write down or conversion of its liabilities. The execution of bail-in allows to absorb losses and recapitalise the bank which continues market operation but with a restructured balance sheet (so-called *open-bank bail-in*). The experience gathered so far shows that due to the uncertainty of its actual effects the bail-in tool is not applied very willingly. Also during the banking turmoil

[2] According to the BRRD, the operation of the bridge bank should be terminated after 2 years from the date on which the transfer to the bridge institution was effected. In special cases, this period may be extended by one year.

in the spring of 2023 in the US and Switzerland[3], financial safety net authorities were more willing to resort to share deals or transfers of assets and liability than to use the bail-in tool. In addition, in the European Union the legislative works on the revision of the BRRD, underway since April 2023, also aim to increase the potential for the use of transfer strategies in crisis management, particularly towards small and medium-sized banks (Dobrzańska 2024).

The purpose of this article is to analyse the advantages and disadvantages of a transfer strategy as a way of resolving banks and to identify the key determinants for its successful implementation. It should be noted that in order to provide a comprehensive analysis the pros and cons of a transfer strategy are contrasted not only with the alternative bail-in strategy, but also with standard bank liquidation accompanied by deposit payout. This approach is motivated by the fact that in the European Union, despite the existence of the formal resolution framework, most cases of problem banks have so far been handled outside the resolution (European Commission 2023). It is therefore reasonable to indicate the benefits attached to transfer strategies as compared to liquidating a bank under standard insolvency proceedings. The following structure of the article serves this objective. The first part of the article discusses the advantages of a transfer strategy versus both (i) a bank liquidation together with deposit payout and (ii) a bail-in strategy. The second part of the article identifies the key determinants of a successful transfer strategy as well as the preparatory steps to be taken by both the resolution authority and the bank concerned. The final part of the article provides conclusions. In addition, the article is accompanied by an annex presenting the most recent resolution cases where transfer strategies were applied, including the use of a bridge bank.

1. Advantages of a transfer strategy

The literature points to a number of advantages of a transfer strategy as a way to resolve a problem bank, not only within resolution, but also in the event of its bankruptcy as an alternative to deposit payout. The main benefits a transfer strategy include:

- maintaining critical functions of the problem bank,
- preventing potential banking panic,
- maintaining business relationship between the problem bank and its clients/counterparties,
- preserving the asset value of the problem bank,

[3] In March 2023, the state-arranged takeover of Credit Suisse by UBS took place. Although bail-in strategy was planned for Credit Suisse, Swiss authorities did not decide for resolution and bail-in, fearing that this could trigger greater market turmoil or even a financial crisis not only in Switzerland but also globally. Additionally, there were also legal obstacles related to bail-in of debt instruments issued under US law, which constituted a significant part of Credit Suisse's TLAC. More in: FSB (2023) and Swiss National Bank (2023).

- limiting the role of public authorities in managing the assets of the failed bank,
- lower requirements in terms of bank's internal loss-absorbing capacity (which translates into lower funding costs),
- protecting deposit insurance funds,
- flexibility.

Firstly, the application of a transfer strategy preserves critical functions of the bank subject to resolution. A critical function should be understood as an activity performed by a bank to third parties (its customers, counterparties) that is important for the functioning of the real economy and financial system stability. The failure or disruption in the availability of a critical function leads to significant negative consequences of a systemic dimension, which is most often due to the size of the bank, its market share, its interconnectedness, as well as the complexity and cross-border scale of its operations (FSB 2013). Critical functions, although often associated with the largest banks, are not peculiar to systemically important banks at the global or national level but can also be performed by smaller banks locally/regionally[4], which further increases the potential for the application of transfer strategies. It is the task of the resolution authority to assess whether a bank performs critical functions or not[5]. Deposit taking or lending are examples of critical functions. The bank failure disrupts these functions, i.e. deposits become unavailable and lending comes to the sudden halt which, as a consequence, leads to financial problems of bank customers, e.g. businesses that are suddenly cut off from the their deposit accounts or credit lines. While it is not always advisable to rescue a bank that has run into financial difficulties, it is reasonable to preserve its critical functions by transferring them to another healthy market buyer. In such a situation, the acquirer takes over deposit portfolio as well as assets of good quality, including loans. In turn, the problem bank itself (the so-called residual entity) is liquidated and exits the market.

Second, a transfer strategy, whereby not only covered deposits but also those not covered by DGS are transferred, contributes also to preserving financial stability by preventing possible banking panic. This issue can be particularly important when a bank with a large share of uninsured deposits in its liability structure runs into financial difficulties. For example, in March 2023, information about the financial problems of Silicon Valley Bank (SVB), which had an exceptionally high share of uninsured deposits in total deposits, as high as 94%, triggered a massive and immediate run on this bank which led (in a short period of time) to its insolvency. Initially, the bank was not considered systemically important, so due to the small amount of insured deposits, the least costly option for the US Deposit Insurance Fund (DIF) was to pay out deposits and liquidate the bank. However, it soon became

[4] For example, in 2020 the resolution of Podkarpacki Bank Spółdzielczy in Sanok, a small cooperative bank, was motivated by the fact that the bank performed critical functions at the local level, by serving local government entities that had significant funds deposited with this bank.

[5] It is also worth mentioning that EU regulations use the concept of a *public interest assessment* (PIA), which is closely related to critical functions. Indeed, in the EU, the decision to initiate *resolution* is conditional on the existence of a public interest.

apparent that depositor anxiety was growing and other regional banks with a similar profile began to experience increased deposit outflows, among them was Signature Bank, with 90% of its total deposits being uninsured. In order to contain a further spillover of the banking panic, the US financial safety net authorities were forced to implement non-standard measures, such as the activation of the so-called *systemic risk exception*[6]. This allowed the FDIC to take action which was not in line with the least cost test but helped to prevent banking panic and stabilised the situation in the banking sector quickly. Ultimately, SVB and Signature Bank were placed under resolution (P&A), whereby deposits[7] and their selected assets and liabilities were acquired by the willing market buyers (FDIC 2023a; Fed 2023).

Thirdly, the use of a transfer strategy allows to maintain relationship between the bank and its customers, which is often a very important aspect. This applies to both depositors and borrowers. The transfer of a deposit portfolio ensures that depositors have uninterrupted access to their deposit accounts. In the event of insolvency the DGS is obliged to disburse covered deposits in accordance with the regulations[8]. In the event of bank failure and deposit payout customers covered by the DGS do not suffer any losses but nevertheless have to make an effort to find a new bank to place their savings. The use of a transfer strategy, whereby the entire deposit portfolio is assumed by another sound bank, relieves depositors in this respect as they do not have to look for a new bank (although they can of course change a bank, if they wish). An extremely important advantage of transfer strategy is that it provides uninterrupted access to deposits. In contrast, in case of bail-in strategy, there is a risk that bail-in may theoretically involve uninsured deposits which, as the US example has shown, affects financial stability negatively. In transfer transactions, the new market buyer also takes over good assets such as performing loans, thus preserving the relationship between the bank and its borrowers, which can be particularly important for smaller companies for which the relationship with their bank is of significant importance.

---

6 The *Federal Deposit Insurance Corporation Improvement Act of 1991* introduced the so-called "least cost test", under which the FDIC is required to take resolution actions against failed banks that generate the least cost to the deposit insurance fund (DIF). However, the Act allowed for an exception, the so-called '*systemic risk exception*' (SRE) exempting the FDIC from the application of the least cost principle when the financial stability is at risk. The decision to trigger the SRE is made by the Secretary of the Treasury after consultation with the US President and on a written recommendation from the central bank (Fed) and the FDIC. (FDIC, 2017)

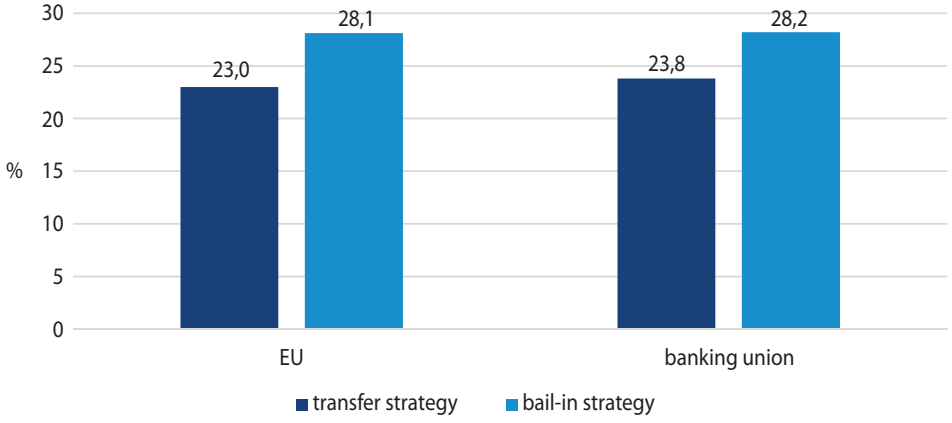
7 In the case of Signature Bank, approximately USD 4 billion of deposits linked to cryptocurrencies were excluded from the transaction.

8 Different jurisdictions have adopted different regulations in this respect, although there is a general trend towards a progressive shortening of the payout period and increasing the coverage level. For example, in the EU the DGS covers deposits up to EUR 100 000, while in the US it is USD 250 000 (approximately EUR 228 000). DGS in EU have to pay out covered deposits within a maximum of 7 working days from the determination of the unavailability of deposits. The US regulations only specify that payout must be done "as soon as possible", but practice shows that the FDIC generally needs an average of 2 business days to pay out covered deposits.

Another advantage of the transfer strategy is the preservation of the value of bank assets that are not liquidated but remain in the banking sector. Bank liquidation causes greater loss of asset value than a transfer to another entity (Stopczynski 2020). Thus, resolution via transfer strategy is a more favourable solution than piecemeal liquidation. This combines with another positive feature of a transfer strategy, namely the limited role of public authorities in managing assets of a failed bank (Baudino et al. 2023). A market buyer that acquires good assets has both more experience in asset management and greater incentive to manage them more efficiently.

Compared to other crisis management methods transfer strategies are also significantly more financially beneficial, both from the perspective of the problem bank and the system as a whole. In case of a transfer strategy, having a high internal loss-absorbing capacity is not as important as in case of a bail-in strategy. Successful implementation of a transfer strategy requires that the bank has eligible liabilities in an amount sufficient to absorb losses. In case of both *asset deals* and *share deals* once losses of the bank under resolution are covered, its (all or selected) assets and liabilities are taken over by a market acquirer which can restructure the acquired business. In transfer strategies it is therefore not necessary (as in case of *open-bank bail-in*) that there are also additional eligible liabilities to recapitalise the bank, so that it is able to continue to operate its business. Consequently, the requirements in terms of internal loss-absorbing capacity are clearly lower for banks with transfer strategies. This is particularly evident in the EU where minimum requirement for own funds and eligible liabilities (MREL) has been introduced. Restoy (2023) points out that the calibration of MREL should target expected funding gap in transfer strategies, so as a minimum, MREL should close the gap between transferred liabilities (mainly deposits) and transferred assets, after considering external support (e.g. from the deposit insurer).

Chart 1. Average MREL for banks with transfer strategies and bail-in strategies



Explanation: MREL is expressed as a percentage of total risk exposure amount (TREA). Data at the end of 2Q2024.

Source: own work based on EBA (2024), SRB (2024c).

The MREL methodology used by the EU resolution authorities assumes an MREL adjustment for banks with transfer strategies. For example, the Single Resolution Board[9] (SRB), whose approach serves as a benchmark for other resolution authorities in the banking union, tailors the recapitalisation amount[10] by applying a scaling factor in the range of 15%–25% which is determined on a bank-by-bank basis and depends on a number of criteria, i.e. bank size, assets quality, covered deposits, as well as the level of uncertainty related to assets valuation (SRB 2024a). Also the Polish resolution authority, the Bank Guarantee Fund (BFG), adjusts the recapitalisation amount (and thus MREL) to the resolution strategy adopted. For banks with transfer strategies, the BFG applies a 25% or 50% scaling factor, depending on the bank's size measured by total assets (BFG 2024). Such an approach to MREL calibration by the resolution authorities results in a significantly lower requirement for banks with transfer strategies than for banks with a bail-in strategies (see Chart 1). As a result, banks with transfer strategies hold correspondingly less MREL-eligible debt (so-called eligible liabilities), the issuance of which is more costly and may also be more difficult for smaller banks operating locally or in countries with less developed capital markets. EBA data (2024) shows that transfer strategies are envisaged for the majority of EU banks (63%), however, these banks represent only 7% of risk-weighted assets which indicates that these are smaller institutions (see Chart 2). This trend is also clearly visible in the banking union where resolution competences are shared between the SRB and national resolution authorities. The SRB is responsible for resolution of the largest EU banks which are in scope of the ECB supervision, while the national resolution authorities are in charge of the remaining banks, referred to in the EU as *less significant institutions* (LSIs). While bail-in strategies are envisaged for the vast majority (82%) of banks under the SRB's remit, only half (53%) of LSIs are planned to be restructured using bail-in tool (SRB 2024b). The potential of transfer strategies is, therefore, much greater for smaller banks (LSIs) than for the largest ones.

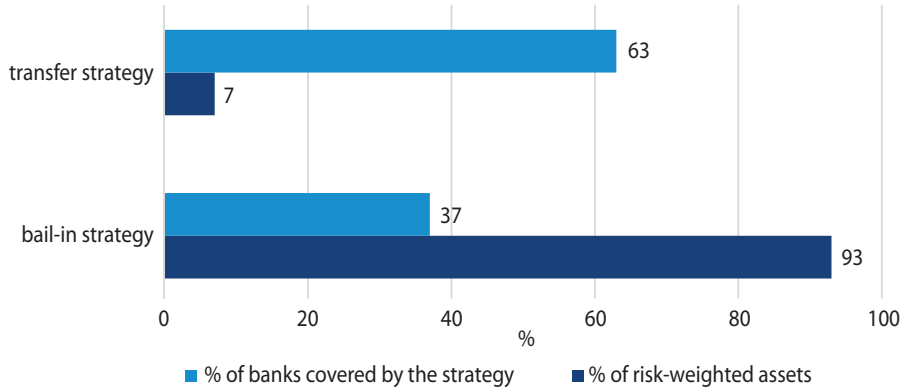
Transfer strategies may also prove to be less costly from the financial system perspective, especially if the alternative solution would be bank failure with deposit payout, which generally constitutes a considerable expense for the DGS and may lead to a significant depletion or even exhaustion of the deposit guarantee fund. The subsequent need to replenish this fund via the collection of additional *ex-post* contributions burdens the banking sector and may reinforce pro-cyclicality. Admittedly, the application of transfer strategies may also require DGS funding (especially when the value of deposits assumed exceeds the assets value for transfer), but on a smaller scale. It is worth noting that DGS financial support is generally conditioned by the least cost test (LCT), according to which DGS engages

[9] The Single Resolution Board is the centralised resolution authority for the banking union area.

[10] MREL consists of two components, i.e. the loss-absorption amount and the recapitalisation amount. According to Article 45c of the BRRD, the loss absorption amount should be sufficient to fully cover the expected losses of the bank, while the recapitalisation amount should allow to recapitalize the bank, so that it is able to continue its functioning and complies with all the regulatory requirements.

in interventions which are least costly from its point of view. The outcome of LCT depends on, inter alia, the DGS ranking in the creditor hierarchy and whether the LCT methodology takes into account only direct or also indirect costs.[11]

Chart 2. EU banks subject to transfer and bail-in strategies (data as of end 2Q2024)



Source: own work based on EBA (2024).

Finally, transfer strategies are characterised by considerable flexibility as they can be tailored to a given situation and the financial capabilities and preferences of the buyer (Baudino et al. 2023). A good example is the US experience where the FDIC developed various options of transfer transactions (P&A) that differ in assets transferred. It should be emphasized that in each variant deposit portfolio is assumed as safeguarding depositors' access to their deposits is one of the main resolution objectives. The simplest option is so-called *basic* P&A, whereby the most liquid assets, i.e. cash, cash equivalents and marketable securities, are transferred to an acquirer, in addition to deposits. Alternatively, the purchaser may choose to acquire all (or almost all) of the assets at a discount (*Whole Bank* P&A). A more flexible but also more complicated solution is to group and transfer the homogeneous loan pools (*P&A with Loan Pools*) where bids are submitted separately for each pool. *Loss-Share P&A*, in which the FDIC shares losses on the acquired assets with the acquiring bank, are also very popular (FDIC 2017; Szczepańska et al. 2015).

Summarising the above discussion, it can be concluded that transfer strategies embody the most important objectives of the resolution procedure. The comparison provided in Table 1 shows that transfer strategies have a clear advantage over a bank liquidation combined with deposit payout. In contrast, when juxtaposed with the bail-in strategy the only major difference emerges with regard to the internal loss-absorbing capacity which must be significantly higher for a strategy based on the bail-in tool than in case of transfer strategies. Hence, bail-in strategies are more suitable for large banks that do not have any major problems with issuing eligible debt and are too big to quickly find a market buyer for them.

[11] More on this in Part 2 of the article.

Table 1. Comparison of transfer strategies with alternative methods

Advantages	Transfer strategies	*Bail-in* strategy	Bank liquidation with deposit payout
Maintaining critical functions of the problem bank	✓	✓	×
Preventing a bank run	✓	✓/× (*depending on the circumstances, including the need to bail-in uninsured deposits*)	✓/× (*depending on the circumstances, including the share of uninsured deposits in the bank's total deposits*)
Maintaining relationship with customers/counterparties	✓	✓	×
Preserving asset value of the problem bank	✓	✓	×
Reducing the role of public authorities	✓	✓	×
Lower requirements in terms of internal loss-absorbing capacity	✓	×	✓
Protecting DGS funds	✓	✓	×
Flexibility	✓	✓	×

Source: own work.

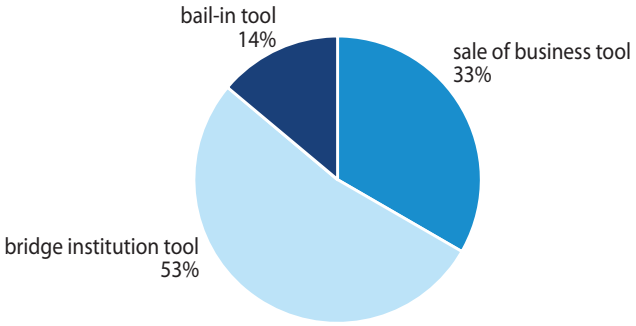
In addition, it is worth noting that some disadvantages or challenges related to a bail-in strategy do not arise with transfer strategies. Firstly, in case of bail-in strategy sufficient liquidity in resolution needs to be ensured, as the bank under resolution is expected to continue market operation and therefore needs to maintain the ability to settle its liabilities on an ongoing basis (Ringe 2017). Hence, banks with a bail-in strategy are expected to be able to estimate their liquidity needs in resolution, and to identify and quickly mobilise adequate collateral that can be used to obtain liquidity both during and after the resolution (SRB 2020). In case of transfer strategies, the 'liquidity in resolution' aspect is less relevant as the problem bank is taken over by a sound market acquirer that provides it with liquidity. Secondly, the use of the bail-in tool involves a number of challenges and uncertainties, which are of operational, legal and psychological nature, ranging from the prompt determination of the scope of liabilities subject to bail-in, including any possible exemptions, through the need to ensure business continuity of the bank and its access to the necessary market infrastructure during resolution, and the recognition of the bail-in effect in case

debt instruments are governed by the laws of a third country, and ending with the issues related to market reaction and the impact of bail-in on financial stability, including the possibility of negative developments such as contagion risk (Zhou et al. 2012; Ringe 2017; Tröger 2018).

Finally it is worth noting that the application of a transfer strategy, understood as the transfer of all or selected assets, rights and liabilities of the bank under resolution to a sound market buyer, may be supported by additional resolution tools of a supportive and temporary nature. The first such instrument, which is also provided for in the BRRD, is the asset separation tool[12], under which assets, rights and/or liabilities burdening the bank's balance sheet are transferred to an asset management vehicle whose objective is to maximise the value of the assets received. This operation allows for the cleaning up of the balance sheet which should increase the attractiveness of the bank under resolution and facilitate its sale to a market buyer (Szczepańska et al. 2015).

A second instrument that can support the transfer strategy is the use of a bridge bank (bridge institution tool). A bridge bank is usually used when there is a problem with finding a suitable and willing market purchaser. In this case the resolution takes place in two stages. In the first step, on the basis of the bank under resolution, a bridge bank is created which is owned by the resolution authority. In the second stage, the bridge bank is sold to a market buyer. Therefore, the bridge bank can be used as a variant resolution strategy when the preferred resolution strategy is based on a sale of business tool is. SRB reports (2023, 2024b) on resolution planning for banks under its remit as well as for LSIs confirm that resolution authorities use such an approach (see Chart 3).

Chart 3. Alternative resolution strategy for LSIs



Comments: When bail-in is the preferred resolution strategy then a transfer strategy, i.e. a sale of business tool, is most often planned as the alternative strategy (11 cases). In contrast, when a transfer strategy is the preferred resolution strategy, then the alternative strategy is most often a bridge bank (19 cases) and rarely the application of bail-in tool (5 cases).

Source: own work based on (SRB 2024b).

[12] Under the BRRD, the asset separation tool is not a stand-alone resolution tool and can only be used in combination with another resolution tool.

All or only selected assets and liabilities of the bank under resolution may be transferred to a bridge bank. It is also acceptable to transfer 'good' assets to a bridge bank, while 'bad' assets to an asset management vehicle. This helps to establish a bridge bank that is easier to manage and more attractive for potential market buyers. Supporting the transfer strategy with other instruments is not just a theoretical concept. For example, in Poland, a bridge bank tool was applied in resolution of Bank Spółdzielczy in Sanok and Getin Noble Bank S.A. (GNB). In case of the GNB resolution in order to facilitate the sale of the bridge bank, the asset separation tool (which concerned a portfolio of leasing receivables) was also applied in a supportive manner. Bridge banks were also used in the US in the resolution of Silicon Valley Bank and Signature Bank, nevertheless it is worth noting that in the US the time needed for marketing bridge banks was much shorter than in the aforementioned Polish experience. It took the FDIC only one week to find a willing buyer for Signature Bridge Bank N.A.[13] and two weeks in case of Silicon Valley Bridge Bank N.A.[14] In contrast, bridge banks in Poland, i.e. Bank Nowy BFG S.A.[15] and Velobank S.A.[16], were sold almost two years after their creation.

2. Conditions for a successful transfer strategy

The advantages of the transfer strategy discussed above can emerge fully only if the entire transaction is carried out efficiently and effectively. One of the key conditions for a transfer strategy is the presence of a suitable market purchaser. However, in a crisis situation or in case of financial market tensions finding such a buyer can be challenging. Therefore, resolution planning is extremely important, including developing of an alternative solution (for example, a bridge bank), in case there is no willing buyer.

The actions necessary for the efficient and smooth implementation of the transfer strategy must be taken *ex ante*, i.e. at the preparatory stage, both by the resolution authority and by the bank for which the transfer strategy is planned as the main (preferred) resolution strategy. On the side of the resolution authority, key actions include: (i) monitoring the market for potential acquirers, (ii) preparing possible external financing options for transfer transactions, (iii) cyclical resolvability assessment and monitoring the bank's progress in removing obstacles to the implementation of the planned resolution strategy. Whereas the most important measures that the bank should take to support the effective implementation of the transfer strategy include: (i) ensuring the separability of its balance sheet and/or

[13] Signature Bridge Bank N.A. was acquired by Flagstar Bank.
[14] Silicon Valley Bridge Bank N.A. was acquired by First Citizens Bank.
[15] Bank Nowy BFG S.A. was a bridge bank created by the BFG within the resolution of Podkarpacki Bank Spółdzielczy in Sanok, and was sold to Wielkopolski Bank Spółdzielczy, operating under the neoBank brand.
[16] In the resolution of Getin Noble Bank S.A., the BFG established a bridge bank – Bank BFG S.A. – operating under the name Velobank S.A., which was eventually sold to Cerberus Capital Management.

business lines, (ii) building adequate internal loss-absorbing capacity, (iii) adapting the management information system (MIS) and building internal capacity to quickly produce data and documents needed for the purpose of the virtual data room.

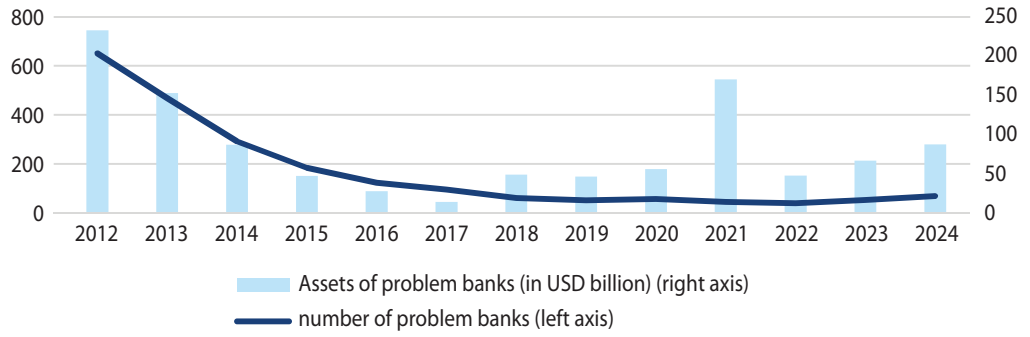
As the presence of a suitable buyer constitutes a key condition for a successful transfer strategy, the resolution authority should prepare a preliminarily list of potential acquirers who not only may be willing to take over a bank under resolution, but also meet the relevant conditions, in particular in terms of their capital and liquidity position (Baudino et al. 2023). Depending on the size of the banking sector finding such an acquirer may be relatively easy or challenging, especially when resolution takes place during the broader financial stress or higher uncertainty in the financial system. Hence, it is good practice to identify potential acquirers before a transfer strategy is actually conducted. In the European Union, the EBA (2022) and SRB (2021) guidelines recommend that, during the preparatory stage, the bank should actively cooperate with the resolution authority in drawing up such a list of potential buyers, as well as in analysing how the transfer perimeter attracts the market interest, or how to make such a transaction more attractive and less risky. Also in the US, the FDIC develops *ex ante* a list of potential buyer and undertakes a number of steps to prepare for the marketing process within resolution (see Box 1).

Box 1. The preparations for the P&A transaction by the FDIC

As the FDIC website provides the marketing process generally takes around 50–70 days for banks failing due to capital shortages. If bank failure is caused by the liquidity problems, then the marketing process must be accelerated. For this reason, it is necessary to start preparations for a P&A as soon as the first signs of a bank's deteriorating financial situation appear.

The FDIC maintains a *Problem Bank List*, which includes banks with CAMELS rating of 4 and 5. This list is not publicly available and the FDIC provides only general data on the number of problem banks and their total assets. At the end of Q3 2024, there were 68 banks on the aforementioned list with total assets of USD 87.3 billion.

Chart. 4. Number of problem banks and their assets in the US from 2012 to 2024



Note: For 2024, data at the end of the third quarter.

Source: Own work based on FDIC data.

Box 1 (continued)

The confidential nature of the list not only aims to prevent possible runs on weaker banks but also allows the FDIC to start preparing for resolution discreetly. Generally, the decision to close a bank rests with the chartering authority. However, before such a drastic decision is made a bank has usually 90 days to take *Prompt Corrective Action* (PCA). At this stage, the bank is still given a chance by the supervisor to remedy its situation. While the preferred option for US regulators is that the bank's own effort is successful, this is not always the case and therefore it is necessary to prepare for the probable bank failure. Hence, during the same 90-day period, the FDIC is conducting intensive preparatory works for the initiation of a (likely) resolution procedure. In this respect, the FDIC carries out in-depth analyses of the financial situation of the bank in question, the structure of its balance sheet (so-called *asset liability mix*), taking into account its geographical area of operation (branch network) and the prevailing economic conditions. This information is used to draw up a marketing plan, identify potential buyers and determine which assets to transfer. If the PCA fails, the bank is closed and subject to the FDIC receivership, which, depending on the results of the least-cost test, either pays out insured deposits and liquidates the bank or conducts a P&A transaction. For the latter option, the FDIC contacts potential pre-selected buyers to determine whether they would be interested in acquiring the bank in question. Interested bidders, after signing confidentiality agreements, are given access to the bank up for sale and the details of the transaction that the FDIC is offering. After due diligence, potential buyers submit their bids indicating how much they are willing to pay for the acquired assets and whether they want to assume all or only insured deposits. Bidders must also have supervisory approval to take over a failed bank. The FDIC then evaluates the bids submitted to select the one that best meets all the requirements of the transaction and also generates the lowest cost to the deposit insurance fund (DIF).

Financing is another important aspect which should be taken into account in the preparatory process for the implementation of a transfer strategy, both in the context of the bank's internal loss-absorbing capacity[17] as well as necessary external funding. It should be clarified that the internal loss-absorbing capacity is not only important for a successful bail-in strategy but matters for transfer strategies as well (FSB 2024) which was proved by the events in the US banking sector in the first half of 2023. An analysis by Feldberg and Mott (2023) indicates that the US deposit insurance fund (DIF) could have saved USD 13.6 billion if SVB, Signature Bank and First Republic Bank had been subject to internal loss-absorbing capacity

[17] In order to ensure that a bank has adequate internal loss absorption capacity, a *total loss absorbing capacity* (TLAC) requirement has been introduced at a global level, which applies only to the largest global systemically important banks (so-called *global systemically important banks*, G-SIBs). As of January 2022, this requirement is fully phased-in, i.e. TLAC-eligible instruments must represent at least 18% of *risk weighted assets* (RWA) and 6.75% of leverage ratio denominator (LEM). However, these are minimum requirements, hence individual jurisdictions may tighten them. For example, in the US, the TLAC for G-SIBs is 18% RWA and 7.5% LEM. US G-SIBs are also required to hold at least 1/3 of the TLAC in long-term debt instruments. In the EU, on the other hand, the TLAC concept has been extended to all banks by introducing MREL, which is set by the *resolution* authority individually for each bank depending on the size of the bank. Minimum Pillar I MREL for G-SIBs corresponds with TLAC (i.e.18% RWA and 6.75% LEM) while for so called to-tier banks a minimum MREL is set at 13.5% RWA and 5% LEM.

requirements at the same level as the EU MREL for top-tier banks. Indeed, this could have allowed to impose more losses on bank creditors (other than depositors) limiting the funding from DIF in these resolution procedures. The authors present data showing that, at the time resolution was triggered, all three banks held a small amount of long-term debt with lower ranking in the creditors hierarchy than uninsured deposits. As noted by Gruenberg (2019), in case of a bank which heavily relies on uninsured deposits for funding and, at the same time, holds little unsecured debt to cover losses, carrying out resolution in accordance with least cost test may require imposing losses on uninsured depositors. This, in turn, may trigger banking panic and require the intervention of public authorities to maintain financial stability. That is what happened in the US in March 2023.[18]

Hence, it seems there is an international consensus that smaller banks (i.e. those to which transfer strategies are most often applied) should also maintain a certain pool of eligible debt instruments to absorb losses before uninsured depositors (FSB 2023). In the statement issued in November 2024 the FSB (2024) encourages national authorities to impose an internal loss-absorbing capacity requirement also on banks that are not systemically important in a global context but may prove to be systemically significant if they fail (*banks systemic in failure*). In the US, TLAC applies only to G-SIBs but on a wave of lessons learnt from the banking turmoil of 2023 it is planned to introduce a similar requirement for large regional banks with assets of at least $100bn (FDIC 2023b). Such banks would be required to hold a certain minimum level of long-term debt (LTD). This requirement is intended to improve safety and resolvability of these banks as well as to reduce the costs of likely crisis management measures taken by the deposit insurance fund. It is worth noting that the EU's approach to this issue is more conservative as under the BRRD MREL is imposed on all banks and its amount is set by the resolution authority for each bank on a case-by-case basis.

Building up a bank's internal loss-absorbing capacity is necessary but may prove insufficient, particularly if a funding gap occurs during the transfer (i.e. when the value of the assets transferred is lower than the value of the liabilities assumed). In such a situation external financial support needs to be provided, most often from a deposit guarantee fund. However, the availability as well as the scale of DGS financial engagement depends on two key elements: the least cost test (LCT) methodology and the DGS ranking in the creditor hierarchy. According to the least cost test, a DGS, faced with the choice of whether to pay out deposits or to take an alternative intervention (e.g. support of a transfer strategy), should decide for the least costly option. This means that the costs of supporting transfer strategy are compared with the costs of the deposit payout and insolvency proceedings which serves as the baseline scenario. Costa et al. (2022) point out that the outcome of the least cost test depends on a number of factors, such as: DGS ranking in the creditor hierarchy and the resulting recovery rate for the deposit insurer, the categories

[18] For more of the events in the US banking sector in the first half of 2023, see, among others: Adrian et. al. (2024), Michalewicz (2023) and FSB (2023).

of costs that are included in the methodology, in particular whether indirect costs related to the wider impact of the deposit payout are taken into account, i.e. collection of *ex-post* contributions to replenish the deposit guarantee fund or the possible contagion effect. Since indirect costs can be significant (because they concern systemic effects) including them in the LCT makes the deposit payout more costly than supporting a transfer strategy. In contrast, Doubler et al. (2020) analysed the advantages and disadvantages of different types of deposit preference in the creditor hierarchy and concluded that, in the context of transfer strategies general depositor preference under which all depositors rank *pari passu* and at the same time they rank higher than ordinary unsecured creditors, is the most beneficial. Such a ranking of deposits in the creditor hierarchy means that in a hypothetical situation of insolvency proceedings and deposit payout the DGS subrogating into the rights of covered depositors has to share recoveries *pari passu* with other categories of depositors, which results in a lower recovery rate than in case of super-preference of covered deposits. Consequently, in case of general preference of depositors deposit payout becomes more costly than alternative interventions, so a DGS has strong incentives to provide financial support for transfer strategies. This is confirmed by De Aldisio et al. (2019) who showed that the super-preference of covered deposits (and therefore of DGS) – assuming the application of the least cost test – makes deposit payout a solution more preferred by a DGS, as it becomes simply less costly for it. Nevertheless, at the same time, the system-wide costs of bank liquidation are much higher[19] than the costs of alternative DGS-supported interventions.[20]

Financial support for the resolution procedure and therefore for the implementation of transfer strategies can also be provided by a resolution fund. The establishment of separate resolution funds financed by banking sector contributions was one of the recommendations included in the FSB *Key Attributes* which was introduced in the EU[21]. The resolution fund can be used in order to support the implementation of resolution tools, i.e. also for subsidies to a market acquirer in case the value of the liabilities (mainly deposits) assumed exceeds the value of the assets acquired. Resolution funds may also be used, for example, to make capital contributions to a bridge bank or an asset management vehicle, to provide loans or guarantees or to finance other actions aimed at maintaining critical functions of the bank under resolution and protecting financial system stability (Croitoru et al. 2018).

[19] The super-preference of covered deposits (and therefore of DGS) causes that unsecured bank creditors suffer significantly greater losses during insolvency proceedings than they would have suffered in case DGS did not have a super-preference status.

[20] This effect of super-preference of covered deposits, which impacts the DGS engagement in resolution, is one of the reasons for the review of the crisis management framework. More in: Dobrzańska (2021, 2024).

[21] In the EU, resolution funds are financed based on a hybrid model, i.e. via both *ex-ante* and *ex-post* contributions paid in by banks. Any use of the fund necessitates the resumption of *ex-ante* contributions to replenish the fund to the minimum target level. *Ex-post* contributions, on the other hand, are collected in an extraordinary situation, when resources available in the fund are not sufficient to finance the ongoing resolution.

It is worth noting that the use of resolution fund resources should be constrained to prevent moral hazard risk. For example, the following restrictions on the use of resolution funds have been introduced in the EU. The first condition to tap the resolution fund is that losses of the bank under resolution must be covered by its owners and creditors in line with the general resolution principle that shareholders and unsecured creditors of the bank bear the losses first. Importantly, the BRRD requires that losses amounting to not less than 8 per cent of the total liabilities and own funds (TLOF) of the bank under resolution are absorbed in this way. The aforementioned MREL introduced by the BRRD is intended to ensure that this condition is met once resolution is initiated (Restoy et al. 2020). However, smaller banks, funded mainly with equity and deposits and which do not possess sufficient amount of long-term debt to absorb losses, may find it difficult to meet this condition[22]. The second constraint imposed by that the BRRD is that the maximum contribution of the resolution fund cannot exceed 5% of the total liabilities and own funds of the bank under resolution. Given these conditions as well as the limited resources of the resolution fund[23], it seems optimal that the resolution authorities have sufficient flexibility to use both resolution fund and DGS fund depending on the circumstances of a given resolution procedure. However, the pecking order needs to be defined.

Finally attention should also be paid to the operational preparation of the transfer transaction itself and the activities supporting it, including in terms of separability[24] and transferability as well as the capacity to provide on the *ad-hoc* basis data necessary for the valuation and due diligence. At the preparatory stage a transfer perimeter should be identified, indicating portfolios of assets and liabilities to be transferred, while taking into consideration both objectives of the resolution procedure and critical functions performed by the bank as well as the interconnections within the bank (EBA 2022). It is worth noting that a bank should be actively involved in the preparatory works and should support the resolution authority in analyses. For example, the SRB (2021) requires banks with transfer strategies to prepare two documents: (i) a separability analysis report (SAR) and (ii) a transfer playbook. The former one is intended to describe and analyse thoroughly all relevant aspects (legal, financial, operational and business) of the transfer transaction. The latter one aims at operationalization of the transfer strategy. This operational document should describe processes, concrete actions and organisational units required: i) to define the transfer perimeter, ii) to draft documents and to produce data for the purpose of the virtual data room, as well as iii) to effectively implement the resolution strategy, both in the bank's IT systems and in legal terms. The bank should also review all contracts in order to ensure

[22] In order to facilitate resolution of such banks European Commission proposed in April 2023 amendments to the EU crisis management and deposit insurance framework.

[23] The target level for resolution funds is set at 1% of covered deposits of all banks authorized in the given jurisdiction.

[24] The SRB (2021) defines separability as the ability of a bank to transfer: (i) legal entities, (ii) business lines or (iii) portfolios of assets and liabilities at the short notice to a third party.

that the transfer strategy is feasible, i.e. access to key service providers or financial market infrastructure is ensured and possible tax implications taken into account (EBA 2022; SRB 2021). On the basis of the analyses carried out, obstacles to the smooth implementation of the transfer strategy should be identified and then measures should be taken to eliminate or reduce them. The resolution authority should prepare for the sale process, i.e. a timeline of the sale process, key deadlines, processes and sub-processes with a clear division of tasks and persons responsible for them as well as draft documentation supporting the sale process (EBA 2022). Due to the nature of the resolution procedure it is also important to ensure confidential communication channels with potential buyers and to adopt an overall communication strategy with various stakeholders.

3. Conclusions

The recent experience shows that the predominant method used in bank resolution (see Annex 1) is a transfer strategy involving the transfer of all or selected assets and liabilities from the problem bank to a new market buyer. During the resolution planning stage the resolution authorities takes an initial decision to use a transfer strategy (in case resolution is triggered), which allows both the resolution authority and the bank concerned to take appropriate preparatory steps. The analysis presented in this article has identified a number of advantages of a transfer strategy compared to the alternative bail-in strategy as well as the standard insolvency proceedings. The lower requirements in terms of internal loss-absorbing capacity make transfer strategies particularly suitable for smaller deposit-funded banks. As a rule, all deposits are transferred which ensures that all depositors have uninterrupted access to their deposits, which enhances financial stability. However, a successful transfer strategy depends on a number of factors, among which the most essential is finding a suitable buyer to acquire all or selected balance sheet components of a problem bank. The engagement and financial support of the deposit insurer and/or the resolution fund is equally important. A successful transaction requires also both the bank and the resolution authority to take necessary preparations in order to operationalise the transfer strategy. Outlining an alternative strategy, such as a bridge bank, which could be implemented in the absence of a willing buyer is considered a good practice.

Bibliography

Adrian T., Abbas N., Ramirez S.L., Dionis G.F. (2024), *The US Banking Sector since the March 2023 Turmoil: Navigating the Aftermath*, Global Financial Stability Note, Note 2024/001, International Monetary Fund.

Baudino P., Johnston Ross E., Van Roosebeke B., Vrbaski R. (2023), *Bank transfers in resolution – practices and lessons*, FSI Insights on policy implementation, No 55, Financial Stability Institute, December.

BFG (2024), *MREL Methodology*.

Costa N., Van Roosebeke B., Vrbaski R., Walters R. (2022), *Counting the cost of payout: constraints for deposit insurers in funding bank failure management*, FSI Insights on policy implementation No. 45, Financial Stability Institute, Bank for International Settlements.

Croitoru O., Dobler M., Molin J. (2018), *Resolution Funding: Who Pays When Financial Institutions Fail?*, Technical Notes and Manuals 18/01, International Monetary Fund.

De Aldisio A., Aloia G., Bentivegna A., Gagliano A., Giorgiantonio E., Lanfranchi C., Maltese M. (2019), *Towards a framework for orderly liquidation of banks in the EU,* Notes on Financial Stability and Supervision, No. 15, Banca d'Italia, August.

Dobrzańska A. (2021), *Unijne ramy zarządzania kryzysowego w sektorze bankowym – główne problemy do rozwiązania,* Bezpieczny Bank, 84(3), 9–42.

Dobrzańska A. (2024), *Towards a greater role for deposit guarantee schemes in the EU crisis management framework*, Safe Bank, 93(4), 7–30.

Doubler M., Emre E., Gullo A., Kale D. (2020), *The Case for Depositor Preference*, Technical Notes and Manuals, International Monetary Fund, December.

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU of the European Parliament and of the Council and Regulations (EU) No 1093/2010 and (EU) No 648/2012 of the European Parliament and of the Council, OJ. EU L 173/190 of 12.6.2014.

EBA (2022), *Final Report, Guidelines for institutions and resolution authorities to complement the resolvability assessment for transfer strategies (Transferability guidelines),* EBA/GL/2022/11.

EBA (2024), *MREL Dashboard, Q1 and Q2 2024*.

European Commission (2023) *Commission Staff Working Document, Impact Assessment Report* Accompanying the Proposals for a Directive of the European Parliament and Council amending Directive 2014/59/EU as regards early intervention measures, conditions for resolution and financing of resolution action, Regulation of the European Parliament and Council amending Regulation (EU) 806/2014 as regards early intervention measures, conditions for resolution and financing of resolution action, Directive of the European Parliament and Council amending Directive 2014/49/EU as regards the scope of deposit protection, use of deposit guarantee schemes funds, cross-border cooperation and transparency, SWD(2023) 225 final.

Fed (2023), *Review of the Federal Reserve's Supervision and Regulation of Silicon Valley Bank*, April.

Feldberg G., Mott C. (2023), *The 2023 Banking Crisis: Lesson about Bail-in*, Yale School of Management.

FDIC (2017), *Crisis and Response: An FDIC History, 2008–2013*.

FDIC (2023a), *FDIC's Supervision of Signature Bank*, April.

FDIC (2023b), *Fact Sheet on Proposed Rule to Require Large Banks to Maintain Long-Term Debt to Improve Financial Stability and Resolution*.

FSB (2013), *Recovery and Resolution Planning for Systemically Important Financial Institutions: Guidance on Identification of Critical Functions and Critical Shared Services*, July.

FSB (2023), 2023 *Bank Failures, Preliminary lessons learnt for resolution*, October.

FSB (2024), *The importance of resolution planning and loss-absorbing capacity for banks systemic in failure*, Public Statement.

Gruenberg M. (2019), *An Underappreciated Risk: The Resolution of Large Regional Banks in the United States*, speech at The Brookings Institution Center on Regulation and Markets, October 16.

Michalewicz, J. (2023), *Fala kryzysowa w systemach bankowych USA i Szwajcarii w marcu 2023 roku*. Bezpieczny Bank, 91(2), 109–140.

Restoy F., (2023), *MREL for sale of business resolution strategies*, FSI Briefs No 20, September.

Restoy F., Vrbaski R., Walters R. (2020), *Bank failure management in the European banking union: What's wrong and how to fix it*, Occasional Paper No 15, Financial Stability Institute, July.

Ringe, W.-G., (2017), *Bail-in between Liquidity and Solvency*, Legal Research Paper Series, Paper No 33/2016, University of Oxford.

SRB (2020), *Expectation for banks*.

SRB (2021), *Operational Guidance for banks on separability for transfer tools*.

SRB (2023), *Resolvability of banking union banks*: 2022, September.

SRB (2024a), *Minimum requirement for own funds and eligible liabilities (MREL)*.

SRB (2024b), *Small and Medium-sized banks: resolution planning and crisis management for less significant institutions in 2023 and 2024*, September.

SRB (2024c), SRB MREL Dashboard 2Q2024.

Stopczyński A. (2020), *Banki na progu upadłości – refleksje nad postępowaniem*, Bank i Kredyt, Vol. 51, No 5.

Swiss National Bank (2023), *Financial Stability Report*.

Szczepańska O., Dobrzańska A., Zdanowicz B. (2015), *Resolution czyli nowe podejście do banków zagrożonych upadłością*, NBP.

Tröger T.H. (2018), *Too Complex to Work: A Critical Assessment of the Bail-in Tool under the European Bank Recovery and Resolution Regime*, SAFE Working Paper No. 179.

Zhou J., Rutledge V., Bossu W., Dobler M., Jassaud N., Moore M. (2012), *From Bail-out to Bail-in: Mandatory Debt Restructuring of Systemic Financial Institutions*, IMF Staff Discussion Note, SDN/12/03, International Monetary Fund.

Annex 1. Examples of the application of transfer strategies after 2016

Table 1. Bank resolution based on a transfer strategy

L.p.	Country	Year	Name of bank subject to *resolution*	Name of the acquiring entity	Type of transfer transaction
1	Spain	2017	Banco Popular Español S.A.	Banco Santander S.A	*share deal*
2	Poland	2020	Idea Bank S.A.	Bank Pekao S.A.	*asset deal*
3	Croatia	2022	Sberbank d.d Zagreb	Hrvatska Poštanska Banka	*share deal*
4	Slovenia	2022	Sberbank banka d.d	The bank is Nova Ljubljanska Banka d.d..	*share deal*
5	Poland	2022	Bank Spółdzieczy in Przemków	SGB-Bank S.A.	*asset deal*
6	USA	2023	First Republic Bank	JPMorgan Chase Bank	*asset deal*

Source: own work.

Table 2. Bank resolution based on a bridge bank

L.p.	Country	Year	Name of bank subject to *resolution*	Name of bridge bank	Name of ultimate market purchaser	Type of transfer transaction
1	Poland	2020	Podkarpacki Bank Spółdzielczy in Sanok (PBS)	Bank New BFG S.A.	Wielkopolski Bank Spółdzielczy, operating under the brand name neoBank	*share deal***
2	Poland	2022	Getin Noble Bank S.A.	Bank BFG S.A., operating under the name VeloBank,	Cerberus Capital Management, L.P.	*share deal***
3	USA	2023	Silicon Valley Bank	Silicon Valley Bridge Bank N.A.	First Citizens Bank	*asset deal*
4	USA	2023	Signature Bank	Signature Bridge Bank N.A.	Flagstar Bank	*asset deal*

** Selected assets and liabilities of the bank under resolution were transferred to the bridge bank. In contrast, the sale of the bridge bank constituted a *share deal* where the market acquirers purchased the shares of the bridge bank.

Source: own work.