

Press Coverage | January 12, 2023

Slow Pace of U.S. Bank M&A Will Persist in 2023 as Dealmaking Headwinds Intensify

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James Stevens, co-leader of Troutman Pepper's Financial Services Industry Group, was quoted in the January 12, 2023 *S&P Global Market Intelligence* article, "[Slow Pace of U.S. Bank M&A Will Persist in 2023 as Dealmaking Headwinds Intensify](#)."

"We'll continue to see very few deals getting done until somehow people feel like they can see what the future looks like," said James Stevens, a partner at Troutman Pepper Hamilton Sanders LLP. "Uncertainty is really kind of like a wet rag on the whole M&A scene in banking right now."

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In 2022, Stevens had more bank deals in his pipeline called off than those that made it to the finish line, largely due to the impact of unrealized losses in banks' securities portfolios and the subsequent hits to accumulated other comprehensive income, or AOCI, he said.

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"It makes people less interested in doing M&A to the extent that either they have a currency that's not as valuable because they have AOCI issues or they're looking at a target and they don't want to buy a target that's got a big securities portfolio that's going to take further hits," Stevens said in an interview.

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"A buyer reaching that conclusion or a seller reaching that conclusion, that's a tough hill to climb," Stevens said.

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"While people are worried about what their own loan books look like in a down environment, they're going to be hesitant to take on somebody else's loan books," Troutman Pepper's Stevens said.

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Once the uncertainty surrounding interest rates and the economic and regulatory environments clear, "you'll see the dam break, and there'll be a lot of M&A," Stevens said.

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