

Press Coverage | May 3, 2023

US Regional Banks Circle the Wagons

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James Stevens, co-leader of the Financial Services Industry Group at Troutman Pepper, was quoted in the May 3, 2023 *Euromoney* article, “US Regional Banks Circle the Wagons.”

“I don’t think this is a banking crisis,” says James Stevens, banking and fintech partner at Troutman Pepper in Atlanta, speaking before the JPMorgan takeover of First Republic. “Once you’ve lived through the great recession “” we lost 80 banks in three or four years here in Georgia, and we’re talking about losing two banks in the entire country “” then this doesn’t feel like it constitutes a crisis. Back in the great recession I was having daily meetings with regulators, we were negotiating enforcement actions, we were desperately trying to raise capital from anyone that we could. I was working in a banking crisis environment for three years, four years: that’s just not what we’re doing right now.”

...

“There were multiple M&A transactions that were not done in 2022 because acquirers would have to realize these losses from an accounting perspective,” says James Stevens, banking and fintech partner at Troutman Pepper in Atlanta. “This year AOCI is going to accelerate deal flow because any time there is a large fluctuation in the value of banks there is greater interest in M&A. It can take time for buyers to be willing to accept these lower valuations at first, but there is going to be more regulatory pressure on the banks with significant AOCI losses to either raise capital or find a partner.”

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