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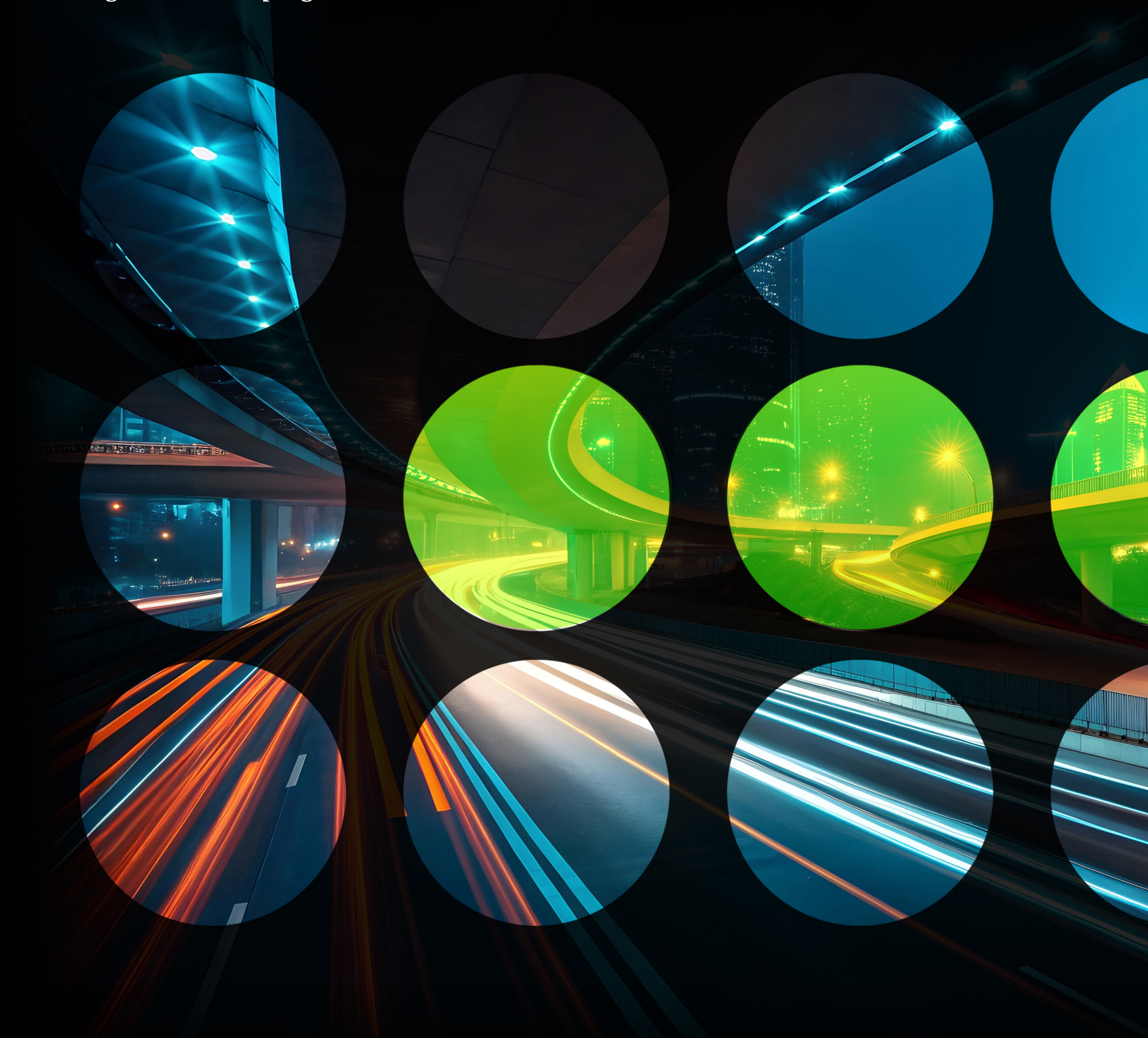

The banking M&A deal accelerators you may be missing

Contents

Introduction

In banking and capital markets M&A, effective technology and data planning are essential for securing deal approvals, facilitating a smooth deal execution, and achieving cost and synergy targets.

What distinguishes highly successful mergers and acquisitions (M&A) deals in the banking sector from those that fall short of expectations? The answer lies in technology and data planning for close (Legal Day 1) and conversion. Tackling key data and technology questions early on can propel a deal toward a stronger Legal Day 1, smoother integration, and expedited synergy realization.

No matter how critical, data and technology may not always be top of mind when a deal is brought to the table. Business leaders, not technology specialists, typically drive the M&A process, with their sights set on other key metrics. However, addressing key tech decisions up front in the process can help meet those business goals. Leading practices include earlier integration of technology professionals into the planning process, more rigorous mock exercises and dress rehearsals, and other steps.

This insight stands against a backdrop of renewed banking M&A activity. Banking M&A slowed in 2023, but as reported in Deloitte's *2025 US banking and capital markets M&A outlook*,[1] M&A activity in the sector was on the upswing in 2024. These trends continued in 2025, with a notable uptick in activity.

With the new presidential administration in 2025, M&A regulatory review is expected to pivot toward potentially streamlining approvals while retaining many of the structural reforms and areas of regulatory focus introduced in recent years. M&A participants face a dynamic and evolving approval landscape that requires greater preparation and strategic foresight.

How is this significant to a technology discussion? Regardless of the regulatory environment, organizations are well advised to work early in the process to document their readiness to merge. Demonstrating robust pre-integration planning for technology and data is necessary to receive regulatory approvals for the transaction.

Why tech and data matters in M&A

Accelerated and robust data and technology planning for both Legal Day 1 and conversion has a large impact—and for some, a surprising one—on the fate of the overall transaction. There are three principal reasons behind this assertion.

Time is not your friend

If the period from deal announcement to full conversion is a journey, think of it as one you're taking in a taxi—with the meter running. Deloitte research[2] shows technology makes up an average of 19% of one-time integration costs, and the longer the process goes on, the less likely the organization will be able to achieve the deal strategic rationale and cost targets. Fortunately, a deliberate approach to data conversion and technology is also one of the levers that can shorten the timeline.

Synergy capture

A Deloitte analysis[3] of 30 M&A transactions in banking and capital markets found that information technology was the key driver of more than half the synergies those deals achieved. Knowing this, it follows that merging organizations should strive for the earliest technology and data integration they can achieve.

However, Deloitte research shows almost half of financial services industry deals (48%) took four to five years to reach full integration and the synergy realization that came with it. Only 38% accomplished it in less than three years.[4]

Customer disruption

If a retail bank data conversion goes wrong over the weekend, Monday could find ATMs unable to dispense cash, customers unable to log into their accounts, call centers out of action, or branches that can't access systems—in other words, a bank's worst nightmare. What starts as a data problem can cascade quickly into a customer experience, reputational, and competitive problem whose effects will last long after the tech issue is resolved. Effective planning is the only way to avoid these outcomes.

Winning the sign-to-close window

In recent years, the sign-to-close window—the duration from announcement of a proposed merger to Legal Day 1—has been growing longer due to regulatory scrutiny, while the following close-to-conversion period has shortened. However, in 2025, we have seen this shift with the sign-to-close window starting to trend shorter. In either case, it's imperative to the deal's success to use this window productively.

That's because it is time a merger team should use to carry out technology and data planning for both Legal Day 1 and conversion in parallel. There are elements to this timing that may appear counterintuitive, but they aren't contradictory. On one hand, tech and data teams should plan to arrive at Legal Day 1 with only a "minimum viable product" (MVP). So much is likely to change after close that a prematurely comprehensive technology implementation might go partially to waste. However, teams should not wait until after Legal Day 1 to begin thinking through the details of a full conversion. By balancing these parallel planning tracks, deal teams can adjust to a shifting deal timeline.

Figure 1. Banking transactions: Sign-to-close timelines

Sign-to-close timelines had previously lengthened but recently started to shorten; integration strategy still influences time-to-convert, and accelerating planning while still pre-close is critical

Description	Announcement date	Deal size	Deal timing–key milestones (in days)
Midwest regional bank acquired peer bank to deepen presence in Northeast	October 30, 2015	$4.1B	273
Merger of equals combined to form large US commercial bank	February 7, 2019	$28.4B	305
Two regional banks merged, forming leading regional financial firm	November 4, 2019	$3.9B	241
Regional bank acquisition, forming superregional in Northeast, mid-Atlantic	February 21, 2021	$8.3B	404
Regional banking acquisition, expanding West Coast presence	September 21, 2021	$8.0B	436
Midwest regional bank acquisition to accelerate presence across US	December 20, 2021	$16.3B	408
Canadian bank deal to acquire southeast-based US bank	February 28, 2022	$13.4B	430
National bank/credit card issuer acquired leading digital banking company to expand payments reach	February 19, 2024	$35.3B	454
Midwest regional bank acquired Texas-focused bank	July 14, 2025	$1.9B	98
Regional bank acquisition to expand in Southeast	July 24, 2025	$8.6B	
Large national bank acquiring midwest regional bank	September 8, 2025	$4.1B	
Midwest regional bank acquisition of Texas-based bank	October 6, 2025	$10.9B	

Key

Announcement date · Legal Day 1 · Legal Day 1-Not yet closed · Did not close

Source: Deloitte analysis, November 2025

A recipe for action

To help realize the benefits—for integration timeline and costs, synergy capture, and reduced customer disruption—the experience of many completed transactions has led Deloitte to develop a set of tested, repeatable techniques for data and technology M&A planning.

1. **Engage technology teams from the outset** of the M&A integration program so they can align on strategic priorities and overall planning—and play a more influential role in decision-making. The blueprinting exercise that maps out an acquisition or merger from announcement to close to conversion is typically driven by business-oriented teams who keep business processes in focus, with limited technology inputs. As a result, the technology outcomes that business teams are counting on might not be feasible in the deal time frame. Instead, organizations that bring data and technology specialists into the core blueprinting process can avoid these costly disconnects.

2. **Leverage secure clean rooms** to analyze sensitive data prior to Legal Day 1, so early strategic planning can make progress without violating anti-gun-jumping regulations. Until the moment of close, the two parties to a deal are legally separate and considered to be in competition, which can impede their ability to share data that is important to integration planning. A clean room for data and technology can allow deal planners to get ahead of planning activities like assessing overlaps in customers, products, and vendor relationships. It can also facilitate a gap assessment of the two organizations' technology and data policies, so planners can craft unified standards and procedures that will address requirements and risks upon close.

3. **Don't start from scratch.** Employ standardized and pre-built M&A technologies, data methodologies, and industry knowledge to help jump-start Legal Day 1 preparation. Integrations should not be approached as entirely new; much of the reporting needs for Legal Day 1 are known, and solutions can be derived from past transactions using industry experts.

   Accordingly, standard solutions and data sets can provide a quicker path than building new approaches. For example, Data-as-a-Service (DaaS) and automated/metadata frameworks exist that can help accelerate system of record (SOR) onboarding and the merger of core platforms. In addition, Generative AI can provide even more accelerated solutions.

4. **Choose the simplest possible method** that meets the minimum Legal Day 1 requirements, understanding (as noted above) that much of the technology integration at Legal Day 1 is temporary and striving for perfection at this stage may waste resources.

   Legal Day 1 joint reporting is complex and requires early planning and joint mobilization. To meet the Legal Day 1 requirements for financial, regulatory, and risk analysis reporting, etc., the two organizations will need to bring data together using interim pipelines that aren't likely to remain in place after conversion. In some previous M&A deals, banks have established single end-to-end data supply chains that identify, mask, and share data through interim pipelines that undergo extensive testing to be ready for Legal Day 1.

   It's more important to start early, identify the right sources of data, and spend time on quality than to spend time building needlessly complex structures. With the complexity that already comes from data-sharing, anti-gun-jumping rules, data masking, customer overlap, stack mismatches and other factors, there's no need to add even more complexity at this point. The path of least resistance can be the right choice here.

5. **Engage key vendors early** to lock in conversion timelines, setting clear expectations for their roles and performance as a precursor to maintaining close coordination throughout the integration process.

   Many of the core steps that will make integration work are likely to depend on on-spec, on-time contributions from vendors. For example, if two banks that have announced a merger both have their own loan platforms, and intend to maintain only one after the join, the data and integration work to reconcile those platforms may depend on a contractor. Vendors may also play meaningful roles in mock or dress rehearsal exercises. Securing their availability as much as 18 months in advance can help avoid delays later, especially if critical conversion steps are scheduled to take place on weekends. When vendors are locked in, they can support the technology team early on with the very effort-intensive data mapping that contributes to building and testing conversion scripts.

   Even the process of completing the necessary multiparty agreements can require time and discussion, which is another reason to start early. It is advisable to clearly identify the required vendor resources, establish escalation paths and service-level agreements (SLAs), and, where possible, set up vendor-specific war rooms that co-locate with the deal's principal command center.

6. **Conduct multiple mock and dress rehearsal exercises** as part of your test strategy to troubleshoot potential issues and promote a smooth cutover for Legal Day 1 and conversion day.

   Take a holistic approach to testing that incorporates both business testing and technology components, strategically front-loading and sequencing Legal Day 1 and conversion-related testing needs. Because data security protocols are a top priority, it is important to closely involve cyber and risk and compliance teams in the testing process: If the mock exercise or dress rehearsal doesn't mirror real life as much as possible including simulated handoffs, its results will be of limited use at best.

   A clear strategy for mocks and dress rehearsals should define the scope and success factors for each, and teams should clearly articulate the critical path for the Legal Day 1 and conversion event so they can test timing and data flows effectively. It may take multiple mocks to prepare for a dress rehearsal. With converted data from acquired sources, including balancing and reconciliation, it is important to perform rigorous validation to overcome potential challenges with data quality, inconsistencies, and customer experience.

7. **Minimize disruption for customers** with a relentless focus on delivering a seamless transition during conversion. All the other details in a deal are ultimately in service of that goal—reducing disruption for team members is also very valuable, but the customer comes first.

   For example, an effective integration of two banks' back-end systems might still leave customers dealing with front-end logins and passwords that remain separate. A dedicated workstream just for customer experience and communications, built into Legal Day 1 planning, can help avoid outcomes like that by bringing the customer point of view into all the changes integration requires, including structures, systems, and processes. It can also help make outreach to customers accurate and comprehensive.

   A possible source of customer disruption is the pursuit of solutions that are otherwise "pure" from an internal view. Instead, teams should make reducing impact on service levels a central goal—and where disruptive changes are necessary, they should manage expectations surrounding them. Understanding and managing the key customer interaction points can minimize customer attrition, blunt competitor threats, and keep the highest-value customers happy.

8. **Maintain employee experience.** The focus on avoiding customer disruption is and should be paramount, but in some deals, that focus can crowd out attention on the employee experience. A team member who can't log into systems is just as disrupted as a customer who can't, and one such internal failure may affect multiple customers. Unlike customers, employees are often able to engage manual workarounds—but that still slows their productivity. Employee experience is even more significant as retaining technology and engineering talent, in particular, is important until the integration is completed.

9. **Focus on data retention and decommissioning activities** that will help support business continuity, risk reduction, and synergy capture.

   In addition to the data and technology teams that have been included in the process, partners from legal and compliance functions can also contribute by helping to develop guidance materials and educate the workforce on record retention rules. This interdisciplinary approach can also help set up and roll out annual data review processes that will continue as part of business as usual after conversion. Data retention and decommissioning should begin with a comprehensive inventory of all data sources and assets. Assess and comply with legal, regulatory, and contractual requirements for data retention. Identify critical records to archive and securely store them, while planning the systematic decommissioning of redundant data, systems, and applications. Ensure sensitive data is irreversibly deleted using secure methods. Throughout, document each step and maintain close collaboration between legal, compliance, and IT teams to ensure risk mitigation and regulatory alignment.

Forethought, not afterthought

When a banking and capital markets M&A transaction is signed and announced, the clock begins to tick on a staggering list of priorities and tasks, many of them squarely in the middle of the relevant business model and value proposition. It is correct to pay those elements all the attention they require—but not to lose sight of other needs that may lie outside the spotlight.

Technology and data may not be in the headlines that follow a signing, but they are at the heart of what can make the announced deal deliver on its promises—or fall short. Without the proper integration of technology and data planning, it can be much more difficult to achieve intended outcomes for the M&A deals that banking and capital markets organizations are turning to once again to achieve their strategic objectives in greater numbers.

By implementing effective technical and data integration strategies during the sign-to-close period, organizations can set the stage for a smooth Legal Day 1 execution and pave a path beyond that to an integration and conversion process that significantly reduces integration costs, accelerates synergy capture, enhances customer experience, and mitigates risk. The trends are there; the value is waiting. The most important steps are the earliest ones.

How Deloitte can help

M&A is interdisciplinary, and so is Deloitte, with experienced professionals in finance, technology, organizational change, and other elements that effective deals require. Our teams can provide a comprehensive overview of the essential steps in an M&A technology transformation, from cost management to contract separation through application elements of privacy protection and service delivery components of infrastructure. By providing the building blocks for a clearly-articulated, defined, and institution-wide approach to M&A technology implementation, Deloitte clients can free up technology executives for the more important and highest value-add role they can play in the M&A transaction—driving the core technology strategy in tandem with revenue growth and cost-curve optimization.

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Endnotes

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2. Deloitte, *Merger and acquisition one-time integration cost playbook*, November 2024.
3. Deloitte Consulting analysis of more than 30 prior mergers of equal transaction; Ansgar Schulte, *IT primer on mergers and acquisitions*, Gartner, February 2015. *See* Deloitte's "Accelerating IT synergies."
4. Deloitte, 2025 M&A Trends Survey, February 2025.

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