



RETHANY BAKER

Paul Burdiss, left, talks about his new role as CEO and president of Zions Bank. He is succeeding Scott Anderson, right, who retired after 33 years leading the regional bank based in Salt Lake City.



TRENT NELSON / THE SALT LAKE TRIBUNE

Zions Bank

investment in its community has kept it afloat through more than a century of turbulence, that same investment will guide Burdiss through this next chapter, he said.

LOCAL BANK CALCULUS: RISK + RELEVANCE = REWARD

In spring 2023, banks across the country faced a crisis. Silicon Valley Bank was the first to collapse in March, followed by Signature Bank and First Republic. Five banks failed between March and November 2023, according to the FDIC.

Burdiss said he never lost sleep. "I was not awaried, from a financial stability [standpoint] at all," he said.

The turbulence was one of a long string of storms Zions has faced in its 150 years — the bank opened in the midst of "The Panic" of 1873, one of the country's biggest financial crises, and has survived two world wars, the Great Depression and the financial collapse of 2008. It has weathered every storm, Burdiss said.

"When a bank is around for 150 years, the bank has survived a lot of things," he said. "We've got a lot of legacy and organizational memory here. That helps to keep our risk-taking very prudent."

Zions Bancorporation, the publicly-traded parent company of Zions Bank, lost some of Wall Street's confidence during last year's market. Share prices dropped to \$19.25 on May 4, 2023 — the lowest on record. But they have climbed gradually since then, hovering at around \$40 per share since December 2023. On Tuesday, the stock closed at \$43.81 a share.

The corporation also had less long-term debt by the end of 2023 than it did in any of the five previous years. It had fewer total assets last year than in 2022, but maintained \$3.1 billion in reserves.

Zions Bank, specifically, lost income in 2023, thanks to a decrease in interest income and an increase in expenses, according to financial statements. Deposits also decreased slightly, though the parent corporation's overall deposits increased.

And Zions' loan portfolio grew. The corporation at-large is focusing more on "the value smaller, insured deposits play in providing a solid foundation for a regional bank such as Zions," according to an annual "year in review" report.

Anderson told The Tribune in October, ahead of the bank's 150th anniversary, that the bank's diverse portfolio and "granular" deposits keep it safe.

So Burdiss is not worried about the bank's future, he said; he does want Zions to grow.

"We've got our arms around risk, that's not an issue for us," he said. "I really believe now, we need to remain vigilant, but that there's nothing to fix. And so, [the question] for me is, 'so we look ahead to the next three, or five, or 10 years, in an environment that is increasingly fast and competitive, [are we] making sure that we are remaining current and relevant?'"

Like his predecessor, Burdiss points to Zions' community involvement to explain its relevance and its continued strength.

"Independence is not guaranteed," Burdiss said. "We need to earn a right every day to be independent. And that really starts with our customers. The relationships we have, and the deep trust, we have with our customers."

COMMUNITY BANKING

Asked about the defining moments of his tenure, Anderson, who led the bank for nearly 34 years, does not have to travel too far in his memory: The pandemic, he said, defined what Zions is as a bank.

"Businesses were just failing," Anderson said. "They were just closing their doors."

Anderson said Zions employees worked overtime, as many as 20 hours a week, processing loan applications and helping struggling businesses navigate the turmoil. Harris Simmonds, CEO of Zions' parent company Zions Bancorporation, personally called a business owner after learning he did not get a PPP loan from a different bank.

Zions became one of the country's top lenders in the Payroll Protection Program. Once the program was introduced, the "floodgates" opened, Anderson recalled. And Zions bankers, he said, rose to the challenge. Anderson said he was "horrified" to see how dedicated our employees were, and the sense of purpose [they had] trying to get this money to people."

That dedication, Anderson said, is the legacy he stepped into, and has now passed on to Burdiss. Zions' story, Anderson said, is one

Zions Bancorporation stock over time

Zions stock lost Wall Street confidence during last year's regional banks turmoil, but has since recovered.



Source: Google Finance

GRAPHIC BY MEGAN BANTA AND TODD ADAMS / THE SALT LAKE TRIBUNE



FRANCISCO KJOSSETH

Scott Anderson looks through the bank's original deposit book, once used to keep the signatures of the first customers. First name on the list from Oct. 1, 1873, was Brigham Young.

of community.

Utahns interact with the Zions Bank regularly, customers or not. It sponsors hundreds of events and nonprofits (it was one of the biggest donors to the Salt Lake Tribune in 2022). It is the "official bank" of the Utah Jazz. Its employees donate hundreds of hours of their time to community service or local nonprofit boards. Anderson personally sits on more than 90 nonprofit boards and committees during his three decades as the bank's leader.

Zions also invests in hundreds of local businesses, said Al Landon, a bar-tending professional, professor and former dean at the University of Utah's Eccles School of Business. Banks are the economic engines of the communities they serve, Landon said, and Zions has fueled Utah, and the Mountain West, for more than a century.

"Banks play an important part in keeping an economy and community strong," Landon said. "Part of that is proximity to the markets they serve."

Zions is not the only bank to think about its community footprint. Banks have an "obligation" to invest in their communities, said Scott Maxfield, managing director of Goldman Sachs' Urban Investment Group.

The Urban Investment Group has invested more than \$1.5 billion in affordable housing projects, mixed-use development and education-related projects since 2009, according to Maxfield. It was the principal financier of Project Open, the city's first carbon-neutral affordable housing development.

National banks like Goldman Sachs have the advantage of a broadened perspective, said Sherry Wong, co-head of the Urban Investment Group. They can observe national trends and bring them to local markets, she said.

On the other hand, Landon said, local banks understand the "nuance" of their communities' needs.

Zions' value, Burdiss and Anderson both said, is its legacy and its employees — some of whom, Anderson observed, have worked for the bank longer than Anderson led it. There is a sense of community and belonging among Zions' employees and customers, Anderson said.

But while Zions is proud of its past, Anderson said, it does not dwell in it.

"When I think of Zions, it's really the story of the future," he said. "We make loans and provide capital to individuals and businesses, so that they can build their future. And I think that's what's exciting for me about having been here is that we're not looking back."

Burdiss said his last role as Zions Bancorporation's chief financial officer was a more private one: he crunched numbers and talked to shareholders. His new job is an "opportunity to be in a leadership role, facing the community and [to] really help drive the decisions [about] how the bank is invested in the community," he said. "Not watching, but actually having a first-hand involvement in helping the community to grow. And it's really, really exciting."

Burdiss doesn't know, or doesn't want to

say, exactly how he plans to drive those decisions, and if his direction will deviate from Anderson's. His first task, he said, is to listen: to his employees, to the bank's customers, and to the community at large. They will tell him what's working, and what needs to change, Burdiss said.

PASSING THE TORCH

It was Utah philanthropist Gail Miller who suggested that it was time for Anderson to hand over the reins.

"Gail said, 'You know, it's time to let others have a chance,'" Anderson said. "And I really thought about that, and she is absolutely right. I had a chance when Troy Simmons, [Anderson's predecessor], stepped down. It's a new set of eyes, a new vision, a new enthusiasm."

Anderson said he feels confident whatever direction Burdiss chooses to take the bank next.

"I think [Burdiss] will take it to a whole new level," Anderson said. "And I think that's what's exciting. The people who step into your shoes are not going to do what you've done, and they shouldn't. You don't want them to be a carbon copy. You want them to lead out in a different way — in their way — and to achieve greater good than you would have."

Anderson will continue to serve as the bank's non-executive chair. He will also spend time on new endeavors, he said, like ranching and farming. Landon said in banking, it's usually a "real sign of strength" when executive leaders are promoted from the inside.

"A lot of experienced bankers will tell you that job number one is to prepare their successor," Landon said. "Good companies develop management and move forward from within. Challenged companies turn to the outside."

Burdiss spent his first month mostly on the road, visiting Zions branches across Idaho, Wyoming and Utah. He said he's following a lesson he learned, at least in part, from Anderson — that banking doesn't happen "sitting in your desk chair."

Shannon Sollett is a Report for America corps member covering business accountability and sustainability for The Salt Lake Tribune. Your donation to match our RFA grant helps keep her writing stories like this one; please consider making a tax-deductible gift of any amount today.

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