

# AMERICAN BANKER

On Focus and In Depth

## Zions Says Hispanic Push Is Translating to Growth

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By Jennifer Gordon

Zions Bancorp. said that a five-year-old Zions Bank marketing initiative targeting Hispanics is bearing fruit and that the company is adding new features to the effort.

Last year the Salt Lake City company had significant increases in both deposits and loans from Hispanic customers. LeeAnne Linderman, the Zions Bank retail executive vice president spearheading the marketing drive, said Hispanics account for 12% of Utah's population, and that number is expected to climb to 20% by 2010.

In some communities where Zions operates, Hispanics make up more than 24% of the population, said Ms. Linderman, who oversees a team of 13 bankers, including retail executives, and relationship managers.

The 13 include Joe Reyna, a prominent Utah politician and business owner who joined Zions early on in the marketing effort as multicultural retail region president. He advises the company on how to reach Hispanic customers and helps it recruit Hispanic employees.

The investment in people and systems is starting to pay off, Ms. Linderman said. "It's wonderfully rewarding already and will only get more so as we have more time with it," she said in an interview last week. In 2007 commercial loans to Hispanic-owned businesses increased 700%, while business deposits from those customers rose 80%, no-interest deposits grew 49%, and money market accounts rose 165%, she said.

"The dollars are still small, but that's not going to last for long with this kind of percentage growth, and also, frankly with the growth" of the Hispanic population in Utah and Idaho, Ms. Linderman said. The \$18 billion-asset Zions Bank has 138 branches in Utah and Idaho.

Zions launched a Spanish-language version of its Web site this month. Ms. Linderman said the site's content is not a straight translation, but is designed to capture nuances of Hispanic culture.

In January, Zions began hiring bilingual relationship managers in Utah, and it plans to add more of them throughout the year. The four it has hired so far work at 27 branches in the Salt Lake Valley, Provo, Orem, St. George, Park City, and Ogden areas. They are given sales goals but also create community outreach activities and develop educational programs.

In those 27 branches, deposits from Hispanic customers rose 8% in the first quarter from a year earlier, Ms. Linderman said.

Zions plans to add more bankers in Utah over time and will hire two individuals in Idaho to extend the program there, she said.

James Abbott, an analyst at Friedman, Billings, Ramsey & Co., said Zions' push in Utah makes sense because it has retail business there and Salt Lake City has "a lot of immigrants." But Wall Street is focusing more on credit quality right now, he said.

Tony Davis, a bank analyst at Stifel Nicolaus & Co. Inc., agreed that credit quality is a priority, but he said it is a good idea for Zions to seek a more diverse customer base considering it is in states where the Hispanic population is growing, such as Texas, Arizona, and California, in addition to Utah. "That really has to be an area of focus for them at the bank level," he said.

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