

ZIONS Bancorporation

Affiliate brands to share a single platform for consumer lending, commercial lending, and deposits

By Jim Washburn, Senior Relationship Executive, TCS Financial Solutions

Zions Bancorporation recently completed the second phase of an ambitious three-phase plan to consolidate consumer loans, commercial loans, and deposits onto a single core banking solution — TCS BaNCS.

The first phase went live in May 2017, covering consumer loans.

The second phase was completed in February 2019 for commercial and consumer construction loans.

Typically, large multistate banks in the U.S. use separate product-specific systems for each individual bank brand. Previously, Zions followed that business model with its seven legal bank charters, six affiliate banks, and five core banking systems, a situation that led to a high degree of customization and complexity that was becoming increasingly difficult to support.

By moving to a single solution for consumer loans and commercial loans across multiple affiliates under a single bank charter, Zions Bancorporation has standardized processes and procedures, leading to higher levels of back-office efficiency. The transformation acted as a catalyst for making

operational changes to processes and procedures that had been in place for multiple decades.

“With the conversion, we’ve brought all of our teams onto the same system and the same processes.” says Kristiane Koontz, EVP and Director of Banking Transformation at Zions Bancorporation.

The new solution has already improved the customer experience. “Instead of waiting for overnight batch processes, our users now have real-time processing and real-time results,” says Koontz. “For example, if an employee needs to reverse a loan payment or waive a fee, we can do that instantaneously on TCS BaNCS.”

“Customers are excited about having questions answered faster and simple requests done more quickly, and it’s having a positive effect on customer service and customer satisfaction,” says Koontz.

Employees also find the new system much easier to use. “The user interface is so much more intuitive,” says Koontz. “Now, because it’s so easy to use, our branch employees are able to provide instant answers for a large number of inquiries on our loan portfolio.



cover story

Instead of taking 20 minutes to resolve a question, they can do the research and provide an answer, right then and there.”

“Our branch employees have a level of visibility into customer accounts that they never had previously,” adds Koontz.

The third phase of the transformation will cover deposits for six divisions of Zions Bancorporation, with expected completion in 2022.

The TCS BaNCS deployment for deposits will include core deposit processing, teller systems, account opening, account maintenance, and some of the branch platform assets.

Foremost among the benefits of the next-generation TCS BaNCS architecture is the ability to enable real-time posting and reconciliation of deposits, which will improve the speed in

resolving posting exceptions while also improving customer service.

Furthermore, the real-time architecture of TCS BaNCS works smoothly with the broader API-based open banking ecosystem, enabling Zions and its customers to adapt to future changes in the marketplace with less effort and greater speed.

Zions has prepared for the transition by rationalizing deposit product offerings. “We’ve gone from more than 540 different products across our affiliates down to 130,” says Koontz. “The improved simplicity is allowing us to take full advantage of the TCS BaNCS solution.”

“We are the only bank of our size in the United States that’s putting most loans and deposits onto a unified core banking solution to this degree,” says Koontz.

BANKING FOR TOMORROW

From Zions Bancorporation 2018 ‘Year in Review’

One of the most notable features of our endeavor to build a strong foundation can be found in our technology investments. Facing a future in which digital banking capabilities and data analytics will be critically important, we’re building a strong technology architecture with a focus on replacing our aging core loan and deposit systems.

After an exhaustive evaluation of every major vendor, we entered into a partnership with Tata Consultancy Services, one of the world’s premier information technology organizations, to deploy their TCS BaNCS platform. The TCS BaNCS core banking system continues to be rated as one of the two or three leading digital core banking software solutions in the world by some of the industry’s most reputable technology consulting firms.

We are in about the sixth inning of the ballgame, having successfully implemented two of three phases: consumer loans, in 2017; and commercial & industrial and commercial real estate loans in mid-February 2019. We have embarked on the final phase of the project, replacing our deposit systems, with implementation expected to be complete in 2022.

Replacing any core system is a massive, complicated and expensive undertaking. Replacing all of them, in a single integrated project, is nearly unheard of. This is an infrastructure investment that should serve us well for the next 20 years or more.

It will provide us with a highly modern technology foundation capable of operating in real time and integrating easily with a wide variety of digital product offerings. We also believe it will provide us with data assets that are second to none in the industry. At the same time, the project has been the catalyst for modernizing and simplifying our data environment, which should lead to continuing opportunities to streamline the way we do business.



Having had a front-row seat to the intensive planning and the seemingly endless testing that goes into ensuring that thousands upon thousands of details in such a major program are executed perfectly, I couldn’t be prouder of our team of professionals that continues to work tirelessly to ensure the success of this project.

—Harris H. Simmons, Chairman and CEO
February 28, 2019

AT A GLANCE

Company: Zions Bancorporation

Headquarters: Salt Lake City, Utah, USA

Business Challenge: Commercial loans, consumer loans, and deposits on a single platform for the affiliate brands of a large multistate bank.

Solution: TCS BaNCS for Core Banking



FAST FACTS

Zions Bancorporation is one of the premier financial services companies in the United States, with total assets exceeding \$65 billion.

Zions operates under local management teams and distinct brands in 11 western states: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, Washington and Wyoming.