

# The Amegy Story

## An Interview with Steve Stephens, Chief Executive Officer, Amegy Bank

**EDITORS' NOTE** A founding executive of Amegy Bank, Steve Stephens began his banking career in 1980 at Texas Commerce Bank (Chase) where he joined the lending officer development program. Over a 10-year period of commercial banking experiences, Stephens became executive vice president in commercial lending for Texas Commerce – Reagan. Stephens joined Walter Johnson (Southwest Bank of Texas) in 1990 as executive vice president. During his tenure at Amegy, he has led the bank's commercial banking, retail and private banking activities. He also serves as Executive Vice President and a member of the Executive Management Committee of Amegy Bank parent Zions Bancorporation. Stephens currently serves as Board Chair and member of Boys & Girls Country, and on the boards of United Way of Greater Houston, Greater Houston Partnership, and Hobby Center Foundation. He supports Houston Methodist as chairperson of the President's Leadership Council and as a member of the Society for Leading Medicine. He is Senior Fellow of the American Leadership Forum. Previously, Stephens served on the 2016 advisory committee for the Export-Import Bank of the United States (Ex-Im Bank). Stephens attended Texas Christian University and received his B.B.A. in accounting from the University of Houston.



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**COMPANY BRIEF** Amegy Bank ([amegybank.com](http://amegybank.com)), a division of Zions Bancorporation, N.A., is a leading Texas bank with nearly \$13 billion in assets and approximately 1,600 employees. With more than 75 locations across Houston, Dallas-Fort Worth and Central Texas, Amegy is dedicated to serving Texas communities, families and businesses. Founded in 1990, Amegy has a strong tradition of relationship banking, local decision-making and financial knowledge. Amegy specializes in banking businesses of all sizes and has the resources to provide financing, treasury management solutions, international banking, as well as other specialized services. Amegy offers individuals and families a wide range of depository, lending and mortgage solutions.

### Will you highlight the history and heritage of Amegy Bank and how it has evolved?

We were originally Southwest Bank of Texas before we changed to Amegy Bank of Texas. Up until 1987, no out-of-state banks were allowed to do business in Texas. Texas was an intrastate

banking state. It was a unit banking state. There were no branches.

The energy sector had a tremendous downturn beginning in 1983, and the Texas economy essentially collapsed. The state legislation changed the state law and allowed out-of-state capital and out-of-state banks to come to Texas. The national banks – Chase Bank, Wells Fargo from California and others – entered Texas for the first time.

Walter Johnson, a Texas banking legend and founding chairman of Amegy, saw what was happening and

said, “We need to start a locally-owned commercial bank based in Houston.” He approached me and a few others to start the bank, as we had a good perspective of the business owners who needed our help while the new owners of Texas banks were hesitant to lend during this transitional period. The most significant reality in the aftermath of Houston's economic collapse was the demise of the city's legacy wealth. The wealth and economy of Houston was turned upside-down from 1983 to 1990. In hindsight, the opportunity to work hard, start/restart your own business and create wealth was unprecedented.

I've always been proud of Houston because you can be rewarded for hard work and an entrepreneurial mindset. This is an underlying story line, not only to our bank, but to this city. The reset of the Houston economy after the '80s collapse accelerated a broader and more diverse opportunity for a better life for Houstonians.

We were the first local bank that came out of the ashes in a meaningful way. We benefitted from the uncertainty of the economy, though we didn't realize it at the time. Everybody thought we were crazy, but it was the right time because the economy started recovering. The wealth creation in Houston, and the broad participation of that wealth, is unprecedented relative to other large, urban cities in the U.S.

### Will you discuss how Houston has diversified from being mainly an energy city to attracting other industries?

Houston evolved from an approximately 80 percent energy dependent town to 50 percent today. Things have diversified in a number of ways. One is the Houston Ship Channel, which handles the most foreign tonnage of any port city in the U.S., making Houston a critical logistics and shipping center. Of course, many of those shipped products are energy-related.

Houston has the world's largest health-care center, with much of its history influenced by the wealth of the energy sector, though its growth is influenced today by Houston's diverse population.

The other big change is the proliferation of the midstream and downstream sectors of energy. The upstream – the production of oil and gas reserves – benefited from fracking technology. The midstream sector is the transportation and storage of oil and gas reserves. Finally, increased production led to growth in the downstream sector, petrochemical and refining industries. The big boom in Houston over the past ten years has been the chemical side, which is very different than upstream energy because the chemical industry is driven by cheaper natural gas prices. The U.S. percentage of the petrochemical and plastics industry has gone from approximately 20 percent of the global market share to a projected 50 percent. The domestic chemical industry has been transformed, and it provides a lot of good, blue-collar jobs that pay well.

### Is there a strong public/private partnership in Houston to address the needs of the City?

A strong partnership starts with making sure you have organizations that are committed to convening the different sectors, and we are fortunate to have a variety of organizations dedicated to that effort in Houston. One is the Greater Houston Partnership (GHP), which is our version of the chamber of commerce. They've addressed many issues over recent years that impact good commerce, from immigration to pension plan reform. GHP has done an effective job of focusing on what's good for the community and for business and less on political partisanship. The whole community is well represented at GHP.

The second one is United Way of Greater Houston, which is very well-organized and convenes with other charities to jointly address issues in the community. They were instrumental when Hurricane Harvey devastated Houston and remained dedicated to a holistic approach to support and improve the lives of those either in poverty or impacted by events like Hurricane Harvey.

These organizations are two well-respected examples of fostering public/private sector cooperation in Houston. ●