

## Who's the next Norm?

By Steve Daniels  
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The race is on to succeed Norman Bobins, CEO of LaSalle Bank Corp. and dean of business banking in Chicago.

Two years ago, Mr. Bobins said 2006 would be the year someone would emerge as a front-runner for the top job at Chicago's leading business bank. That hasn't happened yet, but Mr. Bobins has positioned four senior executives as potential successors.

They are: LaSalle Chief Operating Officer M. Hill Hammock; commercial banking chief Larry D. Richman; retail boss David J. Rudis, and John R. Newman, who oversees commercial real estate lending. But all four could be out of luck if LaSalle's Dutch parent, ABN Amro N.V., decides to send a new CEO from Amsterdam.

The choice of who comes after Mr. Bobins, 62, will say much about the future of the largest locally run bank, which finances many of the medium-sized, often privately owned companies that underpin Chicago's economy.





"This is the last indigenous real bank in Chicago," says Peter Crist, president of Hinsdale-based executive search firm Crist Associates. "The issue in the case of LaSalle is, do they have someone who is capable of growing up to be Norm? That's an open question."

Though owned by ABN Amro since 1979, LaSalle still is overseen by homegrown executives. Traditional rivals J. P. Morgan Chase & Co. (formerly Bank One Corp. and First Chicago NBD) and Harris Bank are more closely controlled by their out-of-town owners.

Friends say Mr. Bobins has mused privately about retirement, but he hasn't laid out a specific time frame. He declined to be interviewed for this story. His four top lieutenants also declined comment, were out of the country or didn't return calls.

"Any speculation on Norman Bobins' retirement plans and timing is premature," a bank spokesman says. "Succession planning is an important part of our management of the organization and something we take very seriously. It is, however, an internal process on which we do not publicly comment or discuss."

### INSIDERS ON TRACK

 <b>David Rudis, 52</b> President, personal financial services After years in commercial lending, now is charged with revitalizing a sluggish retail franchise.	 <b>Larry Richman, 52</b> President, commercial banking The bank's most visible presence other than Mr. Bobins has run the bank's most profitable business for years.	 <b>M. Hill Hammock, 59</b> Vice-chairman, senior executive vice-president, COO, CIO Mr. Bobins' right-hand man handles administrative work that Mr. Bobins disdains in favor of wooing customers.	 <b>John Newman, 57</b> President, specialty banking Oversees commercial real estate, made LaSalle a dominant financier of downtown condo high-rises.
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### TOUGH ACT TO FOLLOW

Mr. Bobins' successor will have very large wingtips to fill. When he took over as LaSalle's president in 1992, the American National Bank unit of First Chicago had dominated business lending in Chicago for decades. In less

than 10 years, LaSalle had snatched the crown.

But LaSalle's next CEO will face different challenges. The bank needs to beef up a retail operation that's a distant second to J. P. Morgan in the Chicago area and expand beyond Chicago and Michigan to become a truly regional Midwestern bank.

That will require an acquisition, as LaSalle has rejected branch-building as a means to enter markets.

For now, a deal isn't even possible. Federal banking regulators have forbidden LaSalle's parent from doing U.S. deals because of lax anti-money-laundering controls in ABN Amro's New York office.

Those shackles still are in place, although they could be loosened following an \$80-million settlement ABN Amro reached with regulators in December.

## **MORTGAGE BIZ SLIPS**

In addition, LaSalle's large home mortgage business, a big earnings generator during the refinance boom a few years ago, now is losing marketshare and showing declining profits. Regulators also cited the unit for poor record-keeping. Net income from mortgages fell 8% last year to \$267 million.

Overall, LaSalle's net operating profit was up 22% last year on strong commercial loan volumes, improving retail results and lower reserves for loan losses.

Bank insiders and observers say Messrs. Richman and Rudis — both relatively young at 52 — would have the edge if LaSalle is looking to name a CEO for the next decade or so. The former runs LaSalle's most profitable business and the latter has experience in both retail and commercial banking.

However, the older Mr. Hammock, 59, could serve as a transitional CEO while a younger colleague gains seasoning. Most peg Mr. Newman, 57, as a dark horse.

It's rare for a bank to have so many potential CEOs in a competitive market where top executives are in high demand.

"I think it's an unusual thing, especially in an environment like this where everybody is in a constant search for talent, that Norm has been able to keep these guys with him," says Mitchell Feiger, CEO of Chicago-based commercial bank MB Financial Inc.

Handing the top job to any of the LaSalle executives would be seen as a signal of continuity. Far more unsettling would be the choice of a Dutch executive, a move many would interpret as a sign that Amsterdam intends to exert more control at LaSalle.

"Who wants another outpost of a foreign bank?" says executive recruiter Mr. Crist.