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LaSalle Saga Aids Rivals

**Banks Seek Business,
Talent From ABN Unit
As Takeover Drags On**

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A side effect of the prolonged takeover fight for **ABN Amro Holding NV**: Rival U.S. banks are circling ABN's LaSalle Bank to hire away talent and business.

As **Royal Bank of Scotland Group PLC** and **Bank of America Corp.** seek a way to divide LaSalle and bring an end to litigation, competing U.S. banks are trying to take advantage of the stalemate, although it is unclear how successful they have been. Recruiters also are increasingly taking calls from LaSalle managers considering exiting the Midwestern bank.

LaSalle, based in Chicago, is at the center of a three-month bidding contest for ABN between Britain's **Barclays PLC**, which has offered €64.65 billion (\$86.92 billion), and a European bank consortium led by RBS, which has offered €71.1 billion. ABN agreed to sell LaSalle to Bank of America in a side deal to selling itself to Barclays, sparking litigation in the Netherlands.

RBS is seeking LaSalle's 17,000 commercial clients, and Bank of America is eager to gain access to LaSalle's 140 branches in Chicago.

The two banks tried to negotiate a way to divide LaSalle but talks ended last week, people familiar with the matter say. There aren't current plans for a meeting, according to a person familiar with the talks. When negotiations ended, the two hadn't agreed on some financial details of a deal, people familiar with the matter say.

That said, if the two sides come to terms, a deal could be reached quickly, people familiar with the matter say.

Today, RBS is scheduled to report interim financial results and give investors an update on progress in the first half of the year. Barclays this week began briefing European investors on the advantages of ABN for its retail and commercial business.

The disruption at LaSalle is coming at a time when Chicago competitors are boosting operations.

At Chicago-based Harris Bankcorp Inc., a unit of BMO Financial Group, Chief Executive Officer

Ellen Costello said, "disruption creates opportunity and that's how we're looking at it," in response to a question during a call with analysts last month.

Executive recruiter Caroline Ballantine in Chicago said she rarely hears from LaSalle employees. But lately, the Heidrick & Struggles International Inc. recruiter says, "We've had lots of calls" from middle and senior-level managers. Ms. Ballantine says she is mainly hearing from executives in operations such as wealth management and commercial lending.

However, Ms. Ballantine and other recruiters, including Peter Crist, chairman and CEO of Crist Associates, a search firm in Hinsdale, Illinois, say many managers seem willing to wait for the completion of a deal.

An ABN spokesman said the bank's priority is to maintain the high level of service that it provides to clients and that it remains business as usual at the bank.

The LaSalle situation underscores concern about the future for all ABN employees. To get a better idea about the potential severance employees will get from any deal, Hans Westerhuis, chairman of ABN's European Staff Council, which represents 48,000 employees, will meet representatives of Barclays in London today. Yesterday the European Staff Council requested a meeting with the consortium to discuss the same issues.

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