

BANKING '90

RENAISSANCE BANKER

CHEMICAL BANK NEW JERSEY'S ARISTIDES GEORGANTAS BRINGS OLD-WORLD CHARM TO THE BRAVE NEW WORLD OF FINANCE.

BY BILL GLOVIN

The group assembled at the Nassau Club in Princeton on a Wednesday afternoon last spring was a banker's dream: graying businessmen in \$500 suits chatting noisily over lunch. Seated strategically near the speaker's podium and holding court was club member Aristides Georgantas, gesticulating like the spokesman for Crazy Eddie. With a voice that was clearly distinguishable above the din, the president and chief executive officer of Chemical Bank New Jersey was warming up for his post-luncheon address on the topic of business ethics.

At first it might seem surprising that someone like the 46-year-old Georgantas, who views himself as a "seeker of the light," was a willing participant in a club that bans women from its Wednesday speaker luncheons. But banking is still, in many ways, an old boys' business, and if one is to be successful at it, one needs to be able to command the kind of private setting where informal million-dollar commitments are made under the guise of "brotherhood."

Few would argue that communication is Georgantas's strong suit. Tall, lanky, and demonstrative, he will, if left unencumbered, steer a conversation about banking in the direction of Dickens, fatalism, the Red Sox, opera, or just about anything else one could hope to talk about. He has a tendency to wander from the point and confesses that subordinates often scold him for it. Georgantas's colleagues in New Jersey's banking industry, however, use words like "refreshing" and "offbeat" to describe him. But they are also quick to point out that Georgantas can be shrewd and demanding when push comes to shove. It's certainly no accident, they say, that he is at the helm of the fifth-largest com-

mercial bank in the state in an increasingly competitive marketplace—at a time when sound management means the difference between survival and extinction. He's one of those fortunate few to whom people take an immediate liking.

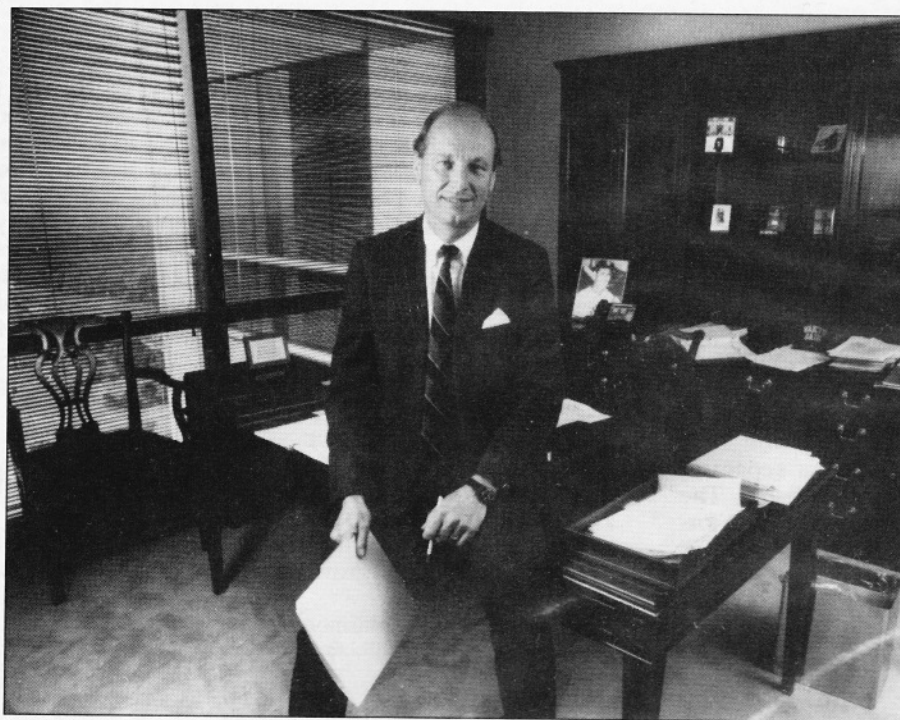
"That's partly why he's gotten where he is," says William J. Shepherd, who, as chairman of Chemical Bank New Jersey in East Brunswick, handpicked Georgantas for the job. "He also has a high energy level and a good imagination."

In a business that is still dominated, for the most part, by men whose interests never stray far from the balance sheet, Georgantas—art lover, opera buff, student of philosophy—brings a unique perspective, as well as a European accent, to New Jersey banking. In fact, Georgantas often sounds more like the professor of European intellectual history he set out to be than someone who manages a \$5 billion bank. He came to the United States as a thirteen-year-old boy with his father, William, a physician who was working on the use of streptomycin as a treatment for tubercular meningitis. Shortly after their arrival, his father died. His mother and sister, who had planned to join them, never did. Instead, the boy was sent to live with an aunt and

uncle in the Boston area. Georgantas is proud to say he put himself through the University of Massachusetts working as a roofer and a dishwasher. Later, he earned a graduate degree in business from Columbia University.

Much of Georgantas's perspective had already been formed in Greece, when, as a young child, he witnessed the devastating effects of the Greek Civil War and post-World War II Europe. "The first thing I noticed when I came here [the United States] was an incredible access to a materially satisfying life,"

Continued on page 87



"WE PAY PEOPLE TO GIVE US THEIR BEST THINKING," SAYS GEORGANTAS. "THE DAY THAT IS NOT POSSIBLE, YOU'RE GOING TO HAVE A VERY BAD DAY FOR THE ORGANIZATION."

RENAISSANCE BANKER

Continued from page 74

he says. "We were comfortable in Europe, but the family had been through a lot. Most people have no idea what destruction means, to have a city raided and to have no food, no clothes, no supplies. It's made me very philosophical and, to this day, gives me a sense of how truly fortunate I am. Things are not nearly as bad as they sometimes appear, and you simply cannot despair, because things change. It also works in reverse. Smugness is never appropriate when things are going very well, because they can turn very quickly. Look at the current economic climate in New Jersey."

In 1986, when Chemical Banking Corporation of New York—the sixth-largest banking institution in the United States, with \$75 billion in assets—announced its intention to acquire Horizon Bancorp in Morristown, antennas went up all over the state. In the wake of new banking regulations, which allowed banks to cross state lines to buy or merge with other banks, Chemical was the first Big Apple bank to move into New Jersey.

“With his European charms and sales skills, Georgantas brought in a lot of new business.”

Executives on both sides of the Hudson have followed that transition carefully.

Already having successfully expanded into Texas, Chemical took a similar tack in New Jersey. It has allowed what was essentially a successful commercial bank to continue to run itself. Shepherd, who was chairman of Horizon, remained as chairman of Chemical New Jersey. What Chemical brought to Horizon and its subsidiaries were its vast loan capabilities and a host of expanded services, such as its international banking network and its much ballyhooed ChemPlus package. Since its introduction here last October, ChemPlus, a liquid relationship account offering interest rates comparable with CD rates, has already generated \$1.5 billion, much of it in new deposits.

At the time of the merger, Georgantas was president and CEO of Princeton Bank and Trust Company. He had risen steadily on the corporate ladder since 1972, when he walked across Nassau Street from his Princeton apartment and coolly approached Chairman William Cosby for a job. Hired on the eve of the bank's merger with Horizon and starting out on the ground floor in the lending department, Georgantas worked there for eight years before temporarily leaving to take other corporate assignments. He returned to

RENAISSANCE BANKER

Princeton Bank in 1983 as an executive vice president with considerably more clout, which he wasn't afraid to use.

"Aristides simply took the bank into new areas of lending," says Arthur Palmer Moran, former executive vice president of Princeton Bank and now a principal at Tucker Capital Corporation in Princeton. "With his European charms and sales skills, he brought a lot of new business and helped us move into new areas. We were pretty well known as the carriage trade bank that dealt only with rich people. He changed all that, putting us on the map as a broad-based financial institution. It was a very fast-growing time in Mercer County, and it was very important to have someone like him out front."

It's hard to imagine the gregarious Georgantas ever keeping a low profile, but he did in state banking circles. Michael Horn, a banking specialist with the law firm McCarter and English in Newark and a former state banking commissioner, had never heard of Georgantas until he was named president of Chemical Bank New Jersey. And despite Georgantas's tendency to downplay his accomplishments, Shepherd points to two substantial achievements: leading the successful merger between Princeton Bank and trust and the Bank of New Jersey in 1983, and taking over as CEO of the troubled Horizon Credit Corporation, a boat finance company and nonbanking subsidiary. Georgantas led it back to solvency and negotiated what Shepherd calls "a very satisfactory sale."

In the corporate culture of Chemical Bank New Jersey, an organization that has 2,500 employees at 129 banking locations, Georgantas sees himself as primarily a delegator and motivator. If there have been achievements, they resulted from others' hard work and diligence, he says. If Chemical Bank New Jersey is to prosper in the future, it will be because of the entire work force, from the new teller right out of high school to the private banking recruitment officer responsible for bringing in millions of dollars of new business each quarter.

"Guys like me are often so full of puffery; you'd think we must have created the earth," he says. "You can hear the most wonderful strategies in some chairmen's offices, things that have powerful meaning and are expressed in powerful terms; but unless you have the right people to implement them—which often simply translates to the goodwill of the individual worker—they are not going to be effective. And you can have the most stupid idea inspired by senior management in the hands of very supple minds, avoiding disaster at every turn, and things may work out beautifully. We pay people to give us their best thinking, and the day that is not possible, you're going to have a very bad day for the organization. We want people to speak up. I can't tell you how many times that philosophy has gotten me into trouble."

The role of the individual in the workplace

and community is among Georgantas's favorite topics. It's the responsibility of the individual to give something back to society, he believes, and friends say he is someone who gives as much time as money to philanthropic causes, such as the Red Cross and the United Way. In his hometown of Princeton, he is active in the Community Foundation and at the Medical Center. He and his wife, Patricia, have lived in Princeton most of their adult lives and have raised a daughter, Susie, who is at Yale University, and a son, William, who is president of the Student Council at Princeton High School.

His childhood in war-ravished Europe prepared him well for the changes he has had to endure as a banker. Where many of his colleagues are despondent over various mergers and consolidations that have occurred through the years, he sees it as a natural and inevitable part of what is essentially a national banking system that would be better served by fewer banks.

"I accept them [mergers] as new challenges and new life experiences," he says. "On the question of our merger, we have not had a single bad experience, partly because things were done with great sensitivity and



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partly because we worked very hard to explain to people the reasons for the change."

When the conversation turns to specific banking issues, he is considerably more to the point. Private banking, which offers individualized service to large depositors, has gained enormous popularity in recent years, and Princeton Bank and Trust, an affiliate of Chemical Bank New Jersey, is the only bank in New Jersey now dedicated exclusively to private banking.

As for competition from overseas and other New York banks, Georgantas welcomes it.

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Chemical Bank New Jersey itself has expanded its international efforts, going from a one-person business-development department to a five-person operation. He admits to not being particularly well versed on legislative or lobbying efforts but says he was impressed with Governor Florio's appointment of Geoffrey Connor as state banking commissioner. Connor, whom Georgantas says has a depth of knowledge of the industry and a positive attitude, "was a wonderful appointment."

He is cautious, however, about the overall state of New Jersey's economy. He believes that it has worsened to the point where a deal between Chemical Bank and Horizon would be far different if consummated today. That downturn has, for the time being, put a hold on what was a hot topic among the state's bankers last year: international banking. The question was whether foreign banks should be allowed to purchase New Jersey banks. "What has occurred in the last two years has had a keen effect on others coming into the marketplace," he says. Still, he maintains, "the world is becoming very close-knit, and I think the idea of putting barriers up is so artificial. Barriers are not something I'm intellectually comfortable with."

If there is a goal, it is to make his bank "the best" in New Jersey. Part of the strategy is to become known as the primary lender to middle-market businesses. "By 'best,' I don't necessarily mean biggest," he says. "Recognition of achieving that status can only come from the customer." Whether other big guns from the Big Apple move into New Jersey in the future may very well depend on his success. ■