

THE BILLION

IT IS a Wednesday night at Charlie's Bar in Crosswall, at the heart of the Square Mile, and a group of eight sharp-suited men in their late 20s are gathered round a table. Egging each other on as they down pint glasses filled to the brim with Dom Perignon champagne, they cheer as each is swiftly emptied.

Earlier that day, the moment they and all the other traders at their investment bank had been waiting for had finally arrived: their annual bonuses had been announced. And, just as they had confidently predicted, each of them had been awarded a staggering £1million for their contribution to the vast profits the company had pulled in.

Like thousands of other young men – and rather fewer women – across the City, they are celebrating in style. After warming up for their big night out in Charlie's, an Italian restaurant and disco teeming with other young traders and financiers, they head to Spearmint Rhino, the gentlemen's club in London's West End, to blow some more of their windfall on lap dancers and yet more bottles of £300 champagne.

"On the day the bonuses are announced, the club is packed from late afternoon until 4am," says a member of staff at the venue in Tottenham Court Road. "The banks



by Polly Dunbar

phone ahead and book VIP rooms for their staff. Last night, one gentleman spent £40,000 of his bonus in one night, paying for private dances, for which he tipped each girl £2,000, and several bottles of Cristal. He even tipped the DJs, doormen and bar staff generous sums."

Such stories of extraordinary extravagance have been emerging from the City since the "loads-a-money" Eighties but they are no longer confined to a handful of high-fliers at the top of the tree.

Last year, there were cries of disbelief when 3,000 bankers and fund managers received at least £1million each in record bonuses; but this year, it is predicted their annual rewards will double last year's figures.

According to Stewart Lansley, author of Rich Britain: The Rise and Rise Of The New Super-Wealthy: "A total of £19billion will be paid out in bonuses in 2006 and the lion's share will be the big City bonuses. The very top few will scoop £10million each, while thousands of others can expect between £1million and £1.5million. And this is on top of their already hefty salaries."

In return, all that's expected is the very highest level of performance for each of the endless, stressful hours they put in at the office; no semblance of a normal life outside work; and the constant knowledge that, should they slip up, they could cost the company millions and be out on their ear by the end of the day.

It is a Faustian pact many are prepared to make because they believe they can make it to the top. For the biggest winners of the bonus bonanza, the multi-millionaires of the City, the rewards are great.

THESE are such men as Michael Sherwood and Richard Gnodde, the European co-heads of the American investment bank Goldman Sachs. Sherwood, the 41-year-old hailed as "the most powerful trader at the most powerful bank in the Square Mile" crossed the seven-figure barrier in his 20s and received an estimated £10million bonus last year to add to an already enormous personal fortune. This year, it could be £20million.

"These men are worth between £50 and £100million each – phenomenal sums when you consider that 20 years ago, even bank directors wouldn't have been millionaires," says Lansley.

The likes of Sherwood, Gnodde and Bob Diamond, the head of investment for Barclays Capital, own £30million estates in the Home Counties, along with land and properties abroad. When they're not working 80-hour, six or seven-day weeks, they are relaxing in the Hamptons or, in the case of Gnodde, watching the Rugby World Cup from the very best private box.

The bonuses earned by these men are the result of the big corporate deals their bank has pulled off over the course of the year. The past year has been a good one, in which the stock market has been buoyant and active and there have been a lot of mergers and acquisitions by the major banks, which have earned them huge sums. In turn, the banks and brokers reward their staff for bringing in the profits by giving them a generous cut.

They may seem preposterous to us but Ronnie Fox, an employment lawyer who often repre-

More than 3,000 City workers are getting ready this week to pick up their biggest ever bonuses – some as much as £10million. Here, we reveal the extraordinary lust for money, power and hedonism that fuels London's square mile



HIGH TENSION: The stress is as great as the rewards on the trading floor

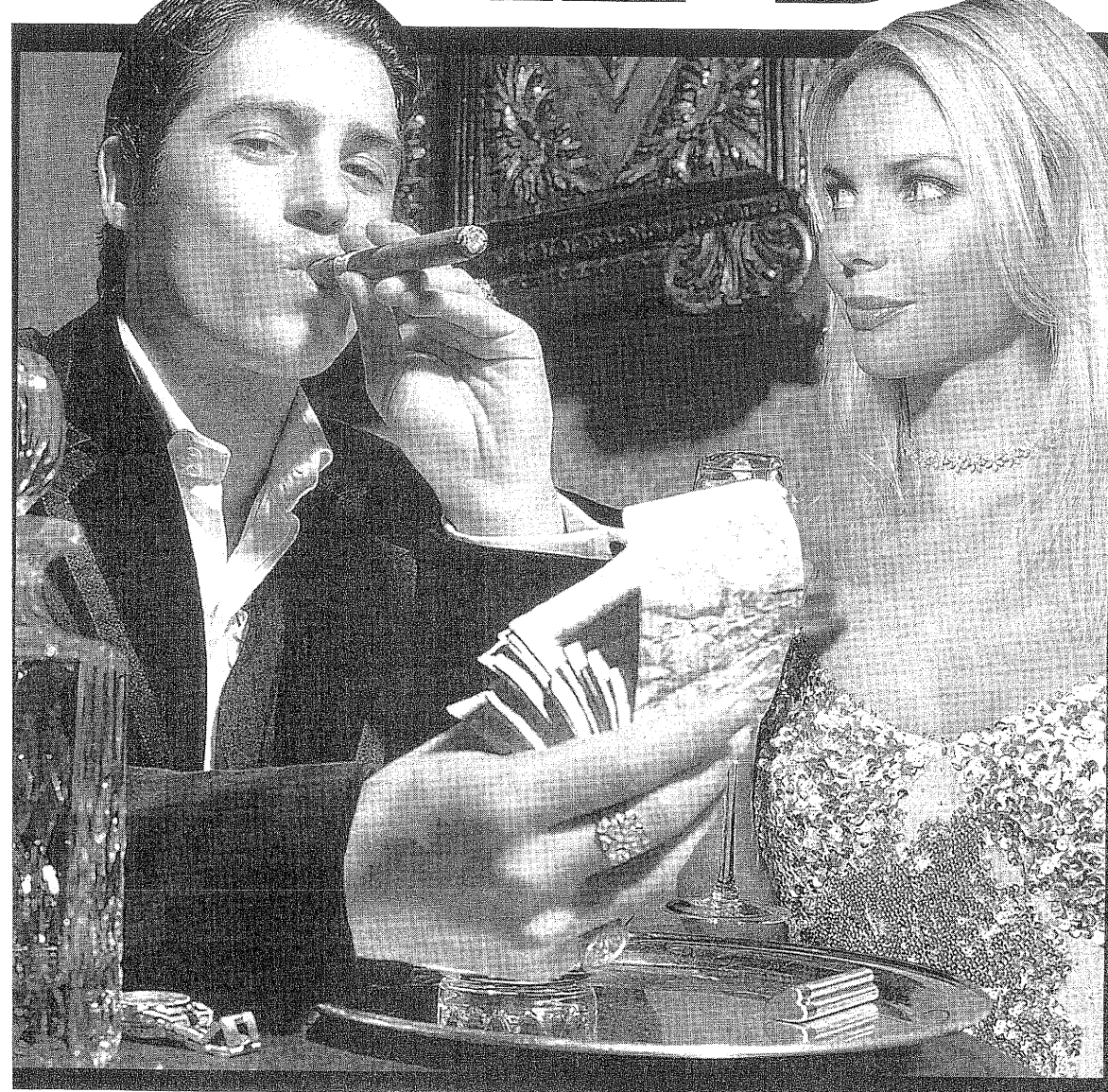
sents senior executives in the financial market, insists the sums are perfectly reasonable. "The first time I was asked to get someone's bonus increased, I was stunned to discover they had been awarded £7million – but then I learned he had earned the bank £140million."

"Bonuses are given purely on the basis that a member of staff

has made a sizeable contribution to the bank's profits. They are a reward – an incentive, and a way of keeping the best staff."

The effects of a good year for the markets will be felt by workers in many different areas of finance, so fund managers, stock-brokers and traders, corporate financiers and lawyers alike will feel the benefits when it comes to bonus time. And despite the

NAIRE BOYS



Pictures: GETTY CREATIVE; DAVE CAULKIN/AP

banks' claims that their workers are worth it, over the past few years, the culture of the City has become so divorced from ordinary people's reality that a payment of merely £1million can be deemed an insult.

receiving fat bonuses this year will have worked for their money. Every day, those in the City face a huge degree of pressure as they juggle vast sums of money, often in high-risk deals.

Fund managers, for instance, spend much of their working lives "short selling", whereby, thanks to a

'Life as a trader is stressful but exhilarating'

POLLY COURTNEY, who has written a novel exposing the cut-throat culture in the Square Mile, joined a London investment bank days after her colleagues received what they regarded as a disappointing annual bonus.

"The market was slow so instead of their usual £1million, they got a couple of hundred thousand," she says. "I remember hearing them complain that working for the bank was like working for charity. They had no concept of the fact that £200,000 was an awful lot of money."

But without question, all those

wrong, the results can be disastrous – and it's our pension money and savings contracts he's risking.

"In many of the top City jobs, it's necessary to be analytical and able to assess risks and be prepared to take them," explains Christopher Clark, a former top-rated City analyst and now an associate of the UK Society of Investment Professionals. "It's very stressful because the expectations on you to perform are so high. If you make a bad mistake, the client whose money you are looking after will take it away from you and give it to a competitor, and if it's bad enough, you will be sacked."

On the floor of one of the City's top banks, the pace is lightning-fast and anyone who isn't quick-witted enough to keep up stands no chance of making it. Kris Maguire, 30, has worked as a City trader since he was 17 and is now an account director for the Hansard

Group. He says: "Life as a trader can be extremely stressful but also exhilarating. There is a lot of bravado on the trading floor and a lot of testosterone around. And when you lose – as we all do sometimes – it really hurts. Only the best people make it to the front of house."

MAGUIRE adds: "But being good at the job is like being good at poker. The adrenaline is pumping through your veins and it's about having a bit of luck, a bit of skill and a lot of bottle. You have to stay ahead of the game at all times because that's how you make your money. We live on our nerves."

The downside can be burnout at an early age, and many people turn to alcohol or suffer broken marriages as a result of the stress and hours. For many, particularly those

recruited by an investment bank while still at university and seduced with promises of a fantastic lifestyle, the reality – being stuck behind a desk for up to 20 hours at a time – is an enormous disappointment.

City workers are now drinking so much in order to cope with stress that Alcoholics Anonymous has to hold 22 meetings a week across the Square Mile at 6am, 7.30am and lunchtimes. Dr Mike McPhillips, a psychiatrist specialising in addiction, says: "The Priory hospital now sees an increasing number of clients who work in the City and they are younger than before. The City has a culture which encourages excessive use of alcohol."

Christopher Clark says he witnessed many people burn out during his years as an analyst. "People are doing their job feeling totally exhausted all the time, because of the hours they work, and many people can't cope. If you're never at home, even if you're earning fantas-

'Success is like a drug and people get hooked'

tic money, your wife is bound to be upset if she never sees you."

Those who do stick with the City are driven by a desire to reach its upper echelons and gain the huge wealth that comes with it. The younger ones, who have often hit the big money just a few years out of university, let off steam by spending vast sums on lavish homes, flash cars and extravagant nights out in clubs such as Mo'Vida, the exclusive Mandrake Club, which meets monthly in Mayfair, and gentlemen's clubs such as Spearmint Rhino, Stringfellows and White's.

"To the average bloke on the street, City boys' nights out are bound to seem vulgar – but spending £30,000 on champagne is just a drop in the ocean when you consider how much these people take home every year," says Maguire. "We all need to unwind somehow."

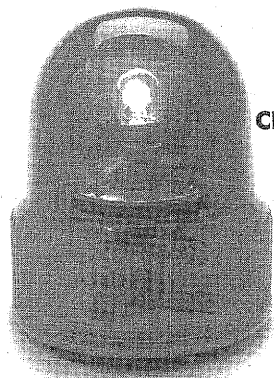
Lansley sees the City lifestyle as a drug on which people quickly get hooked. "People are seduced by the promise of power, success and huge pay cheques," he says. "They're prepared to sacrifice everything to get there. Their bosses phone them at 10pm on a Saturday night and they have to come into the office and finish a report."

"There's no such thing as a work-life balance – it's just work, work, work, money, money money, and in the end, many people crack under the pressure."

So although we might feel envious of their fabulous wealth, perhaps, for most of us, the price they must pay in return is simply too great.

Additional reporting by HELEN DOWD and RACHEL PORTER

HIGH
BLOOD
PRESSURE



RAISED
CHOLESTEROL

A deadly combination?

If you have high blood pressure you probably already know how important it is to treat it and to lead a healthy lifestyle. However, as recommended by leading UK heart doctors, it is also important to know your cholesterol numbers (or levels) as these may also require treatment to reduce your risk of having a heart attack or stroke.

So, if you've been diagnosed with high blood pressure and you don't know your cholesterol number, it's time to get serious. Call ChoLESSterol for a free booklet which contains further information about cholesterol and what to do next.

For your free booklet, call ChoLESSterol now on freephone 0808 101 6245. Alternatively, you can write to ChoLESSterol, Dept 21, FREEPOST NEA 10820, Rotherham S63 9BR, or visit our website.

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