

A Day in the Life of an Investment Banker

Monday

The good thing about living 10 minutes walking distance from work is that I can afford to get up at 7am with enough time for breakfast and get into work by 7.30am. I tend to get in slightly earlier on Monday mornings to read up the weekly market summaries ahead of the 7.45am Monday morning meeting.

I am part of the Corporate Risk Advisory group, which mainly involves advising clients on risk management issues and structuring derivatives solutions to help clients mitigate their market risks. My clients are mainly FTSE 100 corporates, private equities and hedge funds.

7.45 am

The Monday morning meeting usually starts off with the in house economists giving their views on the recent market activities and where they think the market is likely to go. After that, each of the business areas will also provide a summary of the deals they have done in the previous week, as well as the upcoming transactions that are currently in the pipeline.

8.30 am

Head back to the desk and start going through the emails that have accumulated overnight. Typically I spend about an hour to hour and a half in the morning sorting out the emails and the trade confirmations on the trades I have closed on the previous day. Trade confirmations are legal documents that confirm all the commercial and legal aspects of the trades and therefore it is vital that all the information on the confirmations is correct before we send them out to the clients.

10.00am

I have a meeting at 12.00pm with a hedge fund client in the West End so I have to get ready for the meeting. The client is currently in the process of buying another company and the bank is providing several billion pounds of loan to finance this acquisition. The problem the client is facing is that the interest they will be paying on the loan is dependent on the prevailing market interest rate and hence they are exposed to interest rate risks. Therefore my job is to work out some structures using interest rate derivative products to help the client mitigate this interest rate risks. This involves modeling in Excel as well as putting a couple of power point slides together to give the client an update on the market activities.

12.00pm to 1.30pm

The exciting nature of this business is that even as an analyst I am given huge responsibilities and client facing opportunities at the very early stage of my career. During the meeting, myself and two other directors explain the interest rate risks involved in the acquisition and then provide a few risk management solutions to the client. At the end of the meeting the client expresses interest in proceeding with one of the proposed strategy and wish to look at some updated pricings this afternoon.

1.30pm to 2.00pm

On the way back to the office I have decided to grab some soup and sandwiches which I eat at the desk just in case any client calls. I usually read a bit of news and take some time out to relax during this quick 30 minutes lunch. One thing I really like about this business is that there are no fixed working hours and therefore I am in charged of my own schedule.

2.00pm to 3.00pm

We have promised to get some pricing updates back to the hedge fund client by this afternoon so I start working on the pricing models to come up with the prices. Once I have the prices I send them out in an email and then follow up with a conference call together with the other two directors. The

clients say that they wish to deal at 11am tomorrow so we have agreed to set up a conference at that time.

3.00pm to 4.00pm

Besides dealing with hedge fund clients, I deal with property clients as well. Today one of the property clients is getting a loan from our loans department and they wish to fix their borrowing cost using an interest rate swap. (think along the line of fixing your mortgage). A trade will usually start off with me getting patched into a call by the colleagues from the loans department. Here is a snap shot of how a trade works over the conference call.

Me: "Alright shall I kick start by giving you a little background about the market? I will start by talking a bit about what had happened recently, and then I will follow that with where we think rates will be going forward. Is that okay with you?"

Client: "That's fine with me."

(I talk about where we think interest rates will go, market conditions, etc)

Me: "Shall we run through the trade details quickly now?"

Client: "Sure."

(runs through the trade details, usually the amount, tenor and other payment details)

Me: "okay I will get a live quote from the trader, please hold on a second."

(At this moment I put the client on hold and speak to the trader for a live price – traders trade in the market and sales people like me are essentially the bridge between the client and the market)

Me: "The fixed rate is X% at the moment"

Client: "I am okay with that rate, please proceed."

Me: "Okay you are done at X%. I will send out an email confirming the trade details shortly. Many thanks for your time."

That's pretty much what I usually do for a trade, obviously for a more complex trade it involves a lot more explanation as to how the structure works but they largely fall within this same framework.

4.00pm to 6.30pm

I start putting another risk management presentation together for this other deal which involves a private equity house buying a company. Typically there will be at least 3 to 4 deals running in parallel so it is very important to know how to prioritise.

6.30pm

A typical day ends usually at around 6.30pm to 7pm. I usually head off to the gym but today I am attending a yoga class with a couple of other colleagues. It is very important to find a work life balance working in such a fast pace industry and exercises are often the best ways to release your stress!

Career Progression

I graduated from Imperial College London with a First in Electrical and Electronics Engineering and went on to do a Masters in Finance in Tanaka Business School in Imperial College London. I spent two summers in Barclays Capital as a summer intern working for the Corporate Risk Advisory group.