

Copyright 2006 The New York Times Company
The New York Times

December 20, 2006 Wednesday
Correction Appended
Late Edition - Final

SECTION: Section C; Column 1; Business/Financial Desk; Pg. 2

LENGTH: 524 words

HEADLINE: Goldman Chairman Gets a Bonus of \$53.4 Million

BYLINE: By JENNY ANDERSON

BODY:

Goldman Sachs paid Lloyd C. Blankfein, its chairman and chief executive, a **bonus** of \$53.4 million in 2006, the highest ever for a Wall Street chief executive.

Added to his \$600,000 salary, the **bonus** means that Mr. Blankfein will make \$54 million this year, up from \$38 million last year. The bank's compensation committee awarded him \$27.3 million in cash, \$15.7 million in restricted stock and options to buy **Goldman** stock valued at \$10.5 million.

The payout comes a week after **Goldman** reported a record profit of \$9.5 billion, or \$19.69 per diluted share, in 2006. Its stock price is up almost 60 percent for the year, and the firm's market capitalization is nearly \$90 billion, more than triple its value when it went public in May 1999.

Mr. Blankfein took over as chairman and chief executive in June, when President Bush named the former chief, Henry M. Paulson Jr., to be Treasury secretary.

Goldman's co-presidents, Gary D. Cohn, 46, and Jon Winkelried, 47, each received \$25.7 million in restricted stock and options. John L. Weinberg, co-head of investment banking, was awarded \$15.2 million in restricted stock and options.

It has been a good year to be on Wall Street and an even better one to be running the show. John J. Mack, chief executive of Morgan Stanley, received a \$41.1 million **bonus** last week -- also a record, but a record that lasted less than a week. He is also entitled to \$5.2 million in 2006, part of a five-year signing **bonus**, bringing his total 2006 compensation to \$46.6 million.

Richard S. Fuld Jr., chairman and chief executive of Lehman Brothers, is also having a good year. The bank recently disclosed that he would be paid \$189 million over 10 years as a result of changes in options grants precipitated by the firm's stock appreciation. He was also awarded \$11 million in options last week.

Bolstered by record trading, banking and asset management profits, Wall Street banks are tripping over themselves in press releases to avoid using the word "record" too many times.

The soaring revenues, profits and per-share earnings will also benefit New York.

Securities industry employees in New York City will receive almost \$24 billion in compensation this year, up 17 percent from a year ago, according to data provided by Alan G. Hevesi, New York State comptroller. That will translate to \$1.6 billion in tax revenue for New York State and \$500 million for New York City.

The \$24 billion represents only what New York employees have earned. Globally, individual banks are paying record amounts in compensation. Investment banks generally pay about 48 percent to 50 percent of net revenue in compensation.

Goldman paid its 26,467 employees \$16.5 billion in compensation in 2006, an average of \$622,000 per employee. Lehman Brothers paid \$8.67 billion, or \$334,000 per employee, and Bear Stearns, \$320,000. Employees at Morgan Stanley earned \$264,715 per person.

Top-flight investment bankers earned \$20 million to \$25 million; traders earn a percentage of what they make for the firm, and those who performed well could take home as much as \$50 million, compensation specialists estimated.

URL: <http://www.nytimes.com>

CORRECTION-DATE: December 22, 2006

CORRECTION:

An article in Business Day on Wednesday about a **bonus** paid to the chief executive of **Goldman** Sachs, referred incorrectly to part of the compensation paid to another chief executive, Richard S. Fuld Jr., of Lehman Brothers. He was awarded \$11 million in restricted stock last week, not \$11 million in stock options. He also received \$186 million in stock, not \$189 million in options, to be paid over 10 years -- the result of changes to bonuses earned under programs put in place in 1996 and 1997. Because of an editing error, the article also misstated the middle initial for **Goldman's** co-head of investment banking, who was awarded \$15.2 million in restricted stock and options. He is John S. Weinberg, not John L.

GRAPHIC: Photo: Lloyd C. Blankfein of **Goldman** made \$38 million last year. (Photo by Stefan Zaklin/European Pressphoto Agency)

LOAD-DATE: December 20, 2006