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The Treasury boys are shrewd to take advantage on both sides of the book — declining cost of debt and rising returns on earning assets. They also exploited opportunities for massive swaps with profitable decisions on the choice of currencies as well as markets.

The mighty market-makers show their skills

FUND/BANK '86

GIVEN THE PILE of liquid assets (over US$20 billion) which he plays in the market, and the average profits that he earns (a little over 10%) **Eugene Rotberg**, the World Bank treasurer, should be reckoned as one of the world's mighty market-makers — a super-tycoon even by Wall Street standards. Nobody will blame him for a good-size ego, or financial showmanship.

In fact, however, the articulate and witty lawyer-turned-money manager warns himself (and others too) precisely against those two perils. "The bottom line," he says, "is that our egos, our fears of potential punishment or rewards, the extent to which accounting conventions permit us to cover up or look better than we are, have nothing to do with interest rates, currency movements, or the availability of resources."

Rotberg is one treasurer who views the awesome force of interest rates and currency movements with due respect.

Enviable record

That, perhaps, is one of the key elements of the World Bank treasury's style of operation — humility where it's due — that enabled the team to claim at the end of fiscal 1986 (ended 30 June), a 9.44% return on all earning assets, including disbursed and outstanding loans to member countries (and IFC) and the liquid investments. Neither is it the Bank's first or the most impressive year of performance. The net of interest incomes and expenses has been healthy for several years now, and in FY 1986, the net return rose to 0.71%. Similar[illegible] [illegible]89% spread between the return on e[illegible]g assets and cost

"Our job is to develop a financial policy that makes sense."

Treasurer Eugene Rotberg