

Time to loosen up a bit

Many thought World Bank treasurer Eugene Rotberg would be a hard act to follow. But Donald Roth is bringing his own style to the job, as DAVID FRANK reports

When Eugene Rotberg was treasurer of the World Bank, he used to tell his friend Donald Roth (who turned out to be his successor) that his job "was the most interesting financial executive position" in the world. As the man now at the helm of today's largest borrowing programme in the international capital markets, Roth has no reason to doubt him.

Roth took over the reins in January, after Rotberg had moved to Merrill Lynch in the middle of last year. He says his "very high expectations" of what it would be like working for the World Bank have been surpassed on every level "in terms of the quality of the people, the challenge of the job and the nature of the work." He told THE BANKER: "On an intellectual level the professional calibre of the people who work in this institution is quite extraordinary. I literally don't think there is another financial institution in the world which has such brainpower and excellence under one roof."

Few doubted that Rotberg's successor would have a tough act to follow. Rotberg had been a World Bank servant for some 19 years and had built up a formidable reputation in financial circles as one of the sharpest people around. Although the World Bank is rated AAA by both main rating agencies, it has such a massive annual borrowing programme that it needs skill in the treasury department to ensure that it can command the finest terms available, despite the volume of paper it issues to investors.

Rotberg oversaw a period during which the World Bank's call on the international capital markets increased dramatically and financial engineering snowballed. Bankers who dealt with him say it was his intellectual grasp of markets and the latest product developments which enabled the bank to keep its position as the premier borrower in the Euromarket. Above all, he managed to build broad support for his bank as a borrower in a wide variety of markets.

But he left under something of a cloud. World Bank president Barber Conable decided to overlook him for promotion last May in a major reshuffle of personnel in Washington. Rotberg had been hoping to become senior



Rotberg — razor-sharp

vice-president in charge of the bank's financing (the post of treasurer is at vice-president level and has responsibility for actually executing the bank's borrowing and investing plans).



Roth — a careful listener

Conable instead decided to put Ernest Stern in charge of financing and offered Rotberg the job of co-ordinating the bank's policy on Third World debt. Given that this was the subject of intense debate, Rotberg concluded that his "task would have been impeded by the absence of a firm mandate from the parties concerned to the World Bank to perform this function." So, clutching "an exciting and challenging offer from Merrill Lynch" to head the firm's worldwide securities trading, he left.

Razor-sharp

Bankers who regularly do business with the World Bank say Rotberg and Roth are fundamentally different characters. But so far the differences have not translated into a dramatic change

WELCOME HOME, SON

Donald Roth's appointment as the new treasurer of the World Bank was nice for him in more than one way. "I'm a Washingtonian," he says, "and I love the city." It was also the second time he had bidden farewell to Merrill Lynch, the Wall Street giant with which he had spent most of his career.

Roth had been with the "thundering herd" for 12 years when he left in 1977 to work for Chase Manhattan in Hongkong and London. In 1981 he returned to Merrill to become managing director in London in charge of investment banking. After two-and-a-half years he became chairman of Merrill Lynch Europe-Middle East. Under Roth, Merrill in London expanded rapidly, aggressively hiring staff to try to establish itself as a major global securities firm. In January 1984, for example, 10 key people joined from Credit Suisse First Boston (CSFB) — a move that many thought would see CSFB's star move into the descendency. It did not; and now two of those most senior recruits, Caleb Watts and Steven Licht, have themselves moved on.

Roth returned to New York in mid-1985, making way for Stanislas Yassukovich to become chairman of Merrill Lynch Private Capital, in London. Roth is a Princeton graduate with an MBA from Chicago and a masters degree in international economics from the London School of Economics. When not studying, Roth played basketball, American football and lacrosse to Ivy-league standard.

Now sitting on the other side of the desk to the one he occupied as a banker, he describes the transition as exhilarating. "It's great fun to see many of my old friends come in and discuss the markets — and what's best for the World Bank." □