

WORLD BANK BUYBACK PROGRAM



THE WORLD BANK

Treasury | IBRD • IDA

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Client Buyback Program

IBRD BUYBACK PROGRAM

Objectives of IBRD Buyback Program

- ✓ **Enhance the brand of the IBRD Funding Program**
 - **by providing effective, back stop liquidity to investors**

- **How do buybacks support Funding Program?**
 - ✓ **Support for illiquid bonds (MTNs, structured bonds, special circumstances)**
 - ✓ **Enhance attractiveness of IBRD bonds**
 - ✓ **Promote efficient pricing of IBRD bonds in the secondary market**
 - ✓ **Support innovative financing**
 - ✓ **Reinforces investor confidence in IBRD as a funder**

IBRD BUYBACK PROGRAM

IBRD Buyback Procedures

- **Receive buyback enquiry**
 - Reverse inquiry, relationships with dealers
- **Internal Due diligence**
 - Eligibility, pricing, guidelines
- **Provide buyback mandate to approved counterparty**
- **Choice of execution**
- **Settlement and post-trade considerations**

IBRD BUYBACK PROGRAM

IBRD Buybacks at a glance

Average buyback volume/year	USDeq 1.5 bln
Avg # of trades/ year	100
Average trade size	USDeq 15 mln
Avg # of currencies/year	10-15

BUYBACK PROGRAM

Some Key Considerations for Buybacks

- **Objective : Clarity of objective**
- **Managing the message and investor expectations**
- **Consistency**
 - **Pricing**
 - **Procedures**
 - **Useful to have guidelines**