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Rampant US debt puts cracks in the dollar's crown

By Steve Gilmore

For decades, speculation about the dollar losing its supremacy among world currencies proved baseless. But as the US federal debt soars, its government is beset with gridlock and the Federal Reserve's independence has been attacked, international holders, especially central banks, are quietly seeking alternatives.

US politicians of both parties have been sounding the alarm on debt for years. But the situation has only got more and more dire. "Every fiscal warning light there is just flashing bright red right now," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget, at the

Institute of International Finance's meetings on Wednesday.

The US budget deficit shrank 2.3% in the fiscal year to September 2025, after President Donald Trump's tariff policies raised customs revenue by 150%. But that chipped only \$118bn off a deficit that is still \$1.775tr.

At 5.9%, the US budget deficit as a share of GDP has never been this high outside a crisis.

JP Morgan Asset Management said that without a "some-what artificial \$234bn reduction" from changes in the capitalised value of student loan programmes, the deficit would have grown.

Surprisingly, under Trump's



influence the 2025 result was a 6% increase in revenue to \$5.2tr, the highest ever, and a 4% rise in spending to a record \$7tr.

"The question I am asked most frequently by investors and financial advisors is when

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Floods and droughts tighten debt vice on developing countries

By Frank Jackman

Weather disasters are forcing developing countries further into debt to rebuild damaged infrastructure, pushing up interest costs and slicing money out of future budgets for urgent social needs like education.

Uganda had to borrow more this year because of extreme weather events, Ramathan Ggoobi, permanent secretary in the Ministry of Finance, Planning and Economic Development, told *GlobalMarkets*.

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Who will pay for Gaza reconstruction?

By Frank Jackman, Francesca Young and Steve Gilmore

With a ceasefire agreed in Gaza and shakily holding, there is a big gap in the plan — funding to pay for the reconstruction of the territory, which has been estimated by the UN to cost \$70bn.

The UN Development Programme said on Tuesday it had "very good indications" of support from potential donor countries in the Middle East and Europe, as well as the US and Canada.

Oil-rich countries in the Persian Gulf region are expected to be called on for support, but what form

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Qatar
A new energy

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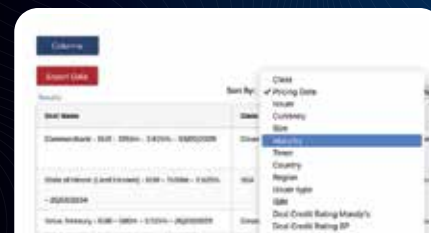
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Beginnings never end

Emerging markets forced to borrow more to repair extreme weather damage

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“On average, our budget financing requires about \$500m [of borrowing] a year,” Ggoobi said. “But this year, I am going to borrow \$800m to address infrastructure challenges because roads have been swept away by floods.” Much of this will be borrowed internationally, he added.

“Climate change is already affecting every inhabited region across the globe,” according to the World Meteorological Organisation, “with human influence contributing to many observed changes in weather and climate extremes.”

Heavy rain and flooding in Uganda in April to June destroyed many roads and bridges and impacted almost 20,000 people, particularly women, data from the UN’s International Organization for Migration show.

But it is not just extreme rain impacting Uganda’s funding programme. During periods of drought, Ggoobi said the country needed to find funds to purchase food and aid, while at the same time not receiving tax revenue from the affected regions. “This leaves a shortfall, and I have to find a way to balance it out,” he added. “And the only result I have is borrowing.”

Dealing with the fallout of severe weather is “something we can’t run away from,” Ggoobi said.

Because of extreme weather, African countries are losing on average 2% to 5% of their GDP, the World Meteorological Organisation said. Some countries are spending up to 9% of their annual budgets responding to extreme weather events.

This is driving more African sovereigns towards unsustainable increases in borrowing, said Hailemariam Desalegn Boshe, former prime minister of Ethiopia, on a discussion panel hosted by the Atlantic Council this week.

“Interest rate payments are one of the key challenges we face, as they eat into subsequent years’ resources,” said Ggoobi. “If I borrow money today to fill such gaps, I have to budget for interest repayments.”

Uganda’s interest bill has now topped Ush11tr (\$320m) annually. “That’s quite a massive amount of money to be paying in interest cost,” he continued. “And that definitely has an impact on the resources



Hailemariam Desalegn: weather is driving African countries to unsustainable borrowing

available to finance other critical needs, not including building resilient infrastructure.”

To avoid these events putting unbearable strain on African sovereigns’ debt, work is needed — both investment and fostering a greater understanding with creditors.

“There is a need to understand these mega-shocks,” Hailemariam said. This understanding “needs to be integral” to any analysis of debt stress, he said. “Climate, for developing countries, is an issue of macroeconomic stability.”

During times of economic shock exacerbated by extreme weather, “there should be room given to countries to respond, either by [creditors] suspending debt servicing” or by providing solutions to countries to address climate shocks, Hailemariam said.

The WMO estimates adapting for climate extremes will cost sub-Saharan Africa \$30bn to \$50bn annually, some 2% to 3% of the region’s GDP.

Private sector expected to help rebuild Gaza but states may have to go first

Continued from page 1

that takes and when and how they are willing to provide it is unclear. There are many obstacles — above all, the devastation of the enclave, home to 2m people.

The peace plan mediated by the US provides for the territory to be governed by a “technocratic, apolitical Palestinian committee” including international experts, supervised by a Board of Peace chaired by President Trump. In due course the Palestinian Authority is expected to take over government.

Meanwhile a “Trump economic development plan to rebuild and energise Gaza will be created by convening a panel of experts who have helped birth some of the thriving modern miracle cities in the Middle East”.

But there is no plan yet, and it is a long way from Gaza’s current state, with at least 70% of buildings damaged, according to the Hebrew University of Jerusalem, to “miracle cities”.

“Rebuilding Gaza will require a collective effort among multilateral and regional financial institutions,” Muhammad Al Jasser, president of the Islamic Development Bank, told *GlobalMarkets*.

The Bank is working with fellow multilaterals to conduct damage assessments and design an integrated, long

term recovery plan. But willing funders like the IsDB need the right conditions before they can help.

The recovery plan was contingent on the degree of security that could be maintained, Al Jasser said.

James Hoobler, humanitarian policy adviser at Oxfam America, reeled off a long list of acute priorities. “Water, sanitation, hygiene, health-care, shelter, [unexploded ordnance] and rubble removal and road clearance [and] fuel are some of the most urgent — and of course food and nutrition foremost,” he said. Even with a ceasefire in place, getting materials and supplies into Gaza is likely to be difficult.

STABILITY NEEDED

Political viability will be crucial. “Reconstruction will come down to the political situation at the time, as no one is going to want to get involved without some kind of backing, for fear that there’s another coup in a month’s time,” said an investment banker in the Gulf.

One senior emerging market economist said obtaining funds would require “a lot of confidence” in the ceasefire holding.

Any support “will probably come

with conditionality, for instance that Hamas demilitarises and, possibly, that there’s progress towards a two state solution,” he said.

When rebuilding can finally begin, this will be “a really different type of reconstruction,” said Joel Hellman, dean of Georgetown University’s Walsh School of Foreign Service and a former World Bank chief institutional economist. “The assumption is, if it goes to plan, that very dynamic economies in the Gulf are going to be invigorating their private sectors to extend out to Gaza.”

PRIVATE SECTOR WILL WAIT

Even though banks and firms in the Gulf Cooperation Council region will likely play a large role, they will stay on the sidelines for some time.

“The reconstruction of Mosul [in northern Iraq] took a huge amount of cash and time,” said the banker. “It’ll be two years before [Palestine can] clear the rubble and start to build. That means that right now there is no room at all for private sector investment — it has to be governmental aid and funding from the MDBs for relief financing.”

He expected Gulf sovereigns to lead the reconstruction funding efforts, as they had a vested interest in making sure Gaza’s recovery went well. “There’s been this perception that Gulf states have flip-flopped in their support for Palestine, and now they will want to reassert themselves,” he said.

That support may take the form of financing, but it also means lending expertise. The investment banker suggested that Saudi Arabia, which has been undergoing its own physical transformation in recent years, had engineers and contracting firms that would be of great use. But this transformation has also pushed the Kingdom into budget deficits and increased its debt.

“It will be tricky for Saudi,” said the emerging markets economist. “With oil prices at their current level, the government will be running a large deficit and is already cutting back [its own] investment projects.”

Other Gulf states like the United Arab Emirates, Qatar and Kuwait still have very strong balance sheets, even with low oil prices, he added. The question will be whether these sovereigns provide direct grants to reconstruct Gaza, or lend in exchange for assets.

He pointed to Abu Dhabi’s \$35bn deal with Egypt to develop the Ras Al-Hekma city, in which the emirate achieved substantial land rights, as a potential example.

“But one of the issues for Gaza is there is nothing there — no resources, no trade,” said another senior banker based in the Gulf. “There’s no opportunity for external partners to say: let’s invest so we can build a relationship for the future. Ideally there would be a way to move the focus away from pure aid to something with more commercial aspects attached to it.”

Global central banks look for alternatives to dollar amid Fed freedom fears

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is the federal debt going to blow up in all of our faces,” wrote David Kelly, chief global strategist at JP Morgan Asset Management, in a recent blog post. “My usual answer is that, while we are going broke, we are going broke *slowly*.”

Interest payments are now the second largest item in the federal budget and two major trust funds — Social Security’s Old-Age and Survivors Insurance and the Medicare Hospital Insurance — are projected to be insolvent within the next seven years.

Despite this bleak outlook, there appears to be “nobody who’s able to convince policymakers to make the hard choices that we need,” MacGuineas told *GlobalMarkets*. “Instead, it’s a competition for who can give away more.”

LOCKING UP DOLLARS

Another shock to international confidence in the dollar came when Russia invaded Ukraine in 2022. The US used its currency and payment channels to sanction Russia.

That unsettled some central banks, which have traditionally seen dollar reserves as the safest haven.

So far, although the dollar has weakened this year, it remains fairly stable, thanks to robust economic growth and a resilient stockmarket.

But Beth Anne Wilson, director of international finance at the Federal Reserve Board, said this did not mean there were no shifts beneath the surface.

She likened investors reconsidering their dollar holdings to dissatisfied employees looking for a better job. “We’ve all had those bad days at the office when we think, ‘Oh, I should just quit this job,’” she told a panel on dollar dominance. “Most of the time, we don’t — but it may start us thinking about brushing up our résumé, looking at other options.”

The US has given investors no shortage of reasons to think about shifting. The more central banks insist on running economies hot, the more likely are runs on fiat currencies.

“The dollar might or might not be the most vulnerable,” said Pablo Goldberg, head of research and



MacGuineas: warning lights are ‘flashing bright red’

portfolio manager for emerging market debt at BlackRock.

A new risk brought by Trump is the Fed losing its independence. He has repeatedly browbeaten Fed chair Jerome Powell and sometimes talked of ousting him, even though Trump has tended to cool his rhetoric when markets got jittery. This is clearly bad for trust in the dollar.

Lori Heinel, global chief investment officer at State Street Investment Management, said that although the majority of global flows still went to the US, there were signs of a shift in fixed income. “You’re not seeing the same buying pattern you used to,” she said. China and Japan were no longer “stalwart investors” in US debt and “even emerging markets [are] becoming less interested in [the] US,” she said.

This may be contributing to strange signs emanating from the capital markets. A 2027 bond from Microsoft — which boasts triple-A ratings — recently traded 1.9bp inside Treasuries, Bloomberg reported.

The US government, of course, has no triple-A ratings left and credit risk is becoming an issue. “There’s quite a lot of evidence that the market is getting more worried about this,” said Brian Coulton, chief economist at Fitch Ratings, at a panel on the US economy. He pointed out that Treasury spreads had widened after both the US’s

last two downgrades — by S&P in 2023 and Moody’s earlier this year.

“We’ve seen where the Treasury announces revised borrowing schedules the market moves,” Coulton said. “We’ve seen the 30 year yield stay very high and the term premium revert to nearly 1%.”

GOLD RUSH

Salman Ahmed, global head of macro and strategic asset allocation at Fidelity International, said there had been signs of stress in official reserve data since 2022 — the year sanctions began to cut Russia out of the dollar-based financial system.

“Central banks are actively diversifying, and we know which ones of them are doing that the most — China and Russia,” he said.

The dollar could also be vulnerable as a store of value, Ahmed added. “That’s where gold has played an important role — its share of central bank reserves has risen from 14% five or six years ago to about 20% now,” he said. “I don’t see any force on the planet stopping these central banks adding to this.”

Kelly at JP Morgan pointed out the US could still borrow for 30 years at 4.6%, suggesting it had plenty of leeway to borrow more. “That being said, there is a danger that political choices lead to a faster deterioration in the federal finances, leading to a back-up in long term interest rates and a lower dollar,” he said. “Based on current allocations and valuations alone, many investors should likely consider diversifying their portfolios by adding alternative assets and international stocks. The risk that we move from going broke slowly to going broke quickly adds an important reason to make this move today.”

The erosion of the dollar’s dominance may already have started — even if investors are still hesitating before handing in their notice.

“Because in the end, the dollar isn’t a burger-flipping job,” said Wilson at the Fed. “It’s a really good job. You’re going to think long and hard before you leave it.”

Additional reporting by Jon Hay

Non-bank lenders raise ‘spectre’ of risk, warns IMF

By Arthur Bautzer

Financial stability faces high risks, with asset prices strained and value accumulating in private, less regulated institutions, the International Monetary Fund has warned.

“While financial conditions are easy, macrofinancial risks remain somewhat elevated,” said Tobias Adrian, financial counsellor and director of the IMF’s monetary and capital markets department. “Asset prices are stretched.”

After falling steeply in April when the US imposed swingeing tariffs, global stockmarkets have rebounded strongly, while corporate credit spreads have tightened.

The IMF’s Global Financial Stability Report warned that valuation models indicated risk asset prices were “well above” fundamentals, “increasing the probability of disorderly corrections when adverse shocks occur”.

The IMF expressed concern about the rapid growth of non-bank financial institutions.

“While helpful in facilitating capital market activities and channelling credit to borrowers, their expansion raises the spectre of risk-taking and interconnectedness in the financial system,” the report said.

Several banks in the US and eurozone have exposures to NBFIs greater than their tier 1 capital. This increases the risk of contagion to the banking system if NBFIs assets face downgrades or falling collateral values.

Julia Symon, head of research and advocacy at Finance Watch, told *GlobalMarkets* the IMF’s warnings on NBFIs had “important policy implications”.

“While systemic risk in the banking sector has been recognised as a risk to financial stability and the real economy since the global financial crisis, the scale and potential impact of the NBFIs sector remain largely unaddressed,” she said. “There is still a strong belief, particularly evident within the EU Savings and Investments Union agenda, that financial risks can simply be spread across the financial sector and absorbed by the capital markets.” Yet for Symon, “the inherent complexity and opacity of the NBFIs sector are the fundamental cause of regulatory and supervisory gaps”.

The IMF said effective supervision of NBFIs required “improved data collection, coordination and analysis, including across borders”. Symon argued this “raises the possibility of new, unidentified concentrations of systemic risk”.

“This calls for adequate macroprudential and regulatory policies, which would go beyond a narrow sectoral view and adopt a comprehensive, system-wide perspective,” she added.

FISCAL CONCERNS

The IMF also highlighted potential interactions between rising longer term bond yields and the financial system. “It’s important to look at the fiscal side,” said Adrian.

While the IMF’s report said bond market functioning had been “stable to date”, it warned “abrupt yield increases” could put strain on bank balance sheets and open-ended funds.

However, Adrian made a clear distinction between rising yields in France and the euro crisis of the 2010s.

“At that time, you saw spillovers across European countries,” he said. “That was one of the key features of that sovereign debt crisis. That is quite different to the situation today. Spreads have been widening to some degree, but it’s fairly contained and we haven’t seen a spread to other countries. There’s some repricing, but at the same time a fairly contained price action.”



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THE BANK TO TRUST

Gems sparkles with new light on obscure development finance



New download of Global Emerging Markets Risk Database is most detailed ever

“
The goal is that we want the general public to have access to exactly the same information that Consortium members have access to”

—Federico Galizia, vice-president for risk and finance of the International Finance Corp



By Jon Hay

The long effort to encourage mainstream investors in rich countries to lend more willingly to emerging markets took another step forward last week, with the publication of the latest Gems report on development banks' lending — giving potential investors the fullest set of information yet.

Gems — the Global Emerging Markets Risk Database — is a collaboration between 29 multilateral and national development finance institutions (DFIs), in which they share information on how their loans perform.

The Gems Consortium's latest annual statistical digest adds several dimensions of information it had never revealed before, including how loan performance varies between the internal rating categories used by DFIs themselves.

“The goal is that we want the general public to have access to exactly the same information that Consortium members have access to,” said Federico Galizia, vice-president for risk and finance of the International Finance Corp in Washington. “We are achieving that with [this] report.”

Galizia is co-chairman of the Gems steering committee — chief risk officers of seven major multilateral development banks.

OUT OF REACH

Policymakers have wrestled for years with how to tap the vast pools of investable wealth in the Global North, to meet the acute development needs in many emerging markets.

The basic problem is most asset owners and asset managers do not want to take the risk of investing in emerging markets. Moreover, many of the critical investments needed in developing countries are small and cannot reach investment grade ratings — and they may require long term loans.

This is where DFIs specialise, but their capital is strictly limited, and a fraction of what private sector investors have. DFIs strive to ‘mobilise’ private capital to increase their firepower, but progress is limited by investors' reluctance to accept the risks DFIs take, at the returns they receive.

One of the most effective ways to tackle that resistance is education — convincing investors that the risks are not nearly as bad as they think. This education is the public purpose of Gems.

In an IFC research note last year, Galizia and his colleague Susan Lund compared the Gems data on some 15,000 loans since 1994 with Moody's and S&P default rates for global single-B bonds, including a large proportion from advanced economies.

Over the whole period, the average annual default rate of the Gems loans was 3.6%, against 3.3% for bonds rated B by S&P and 4% for those rated B3 by Moody's.

Losses were comparable, but occurred at different times — the correlation was 0.46

with the S&P cohort and 0.33 with Moody's. That means investors could reduce the risk of loss spikes by holding development finance loans in their portfolios.

When loans default, the DFIs recover 72% of the principal, compared with 70% on Moody's global loans, 59% on Moody's global bonds and 38% on bonds in the JP Morgan Emerging Market Bond Index.

BEING SPECIFIC

These strong characteristics have many causes — DFIs make loans carefully; often keep tabs on borrowers and support them during the loans' lives through in-country staff; and borrowers try hard not to default on DFI loans.

But it is one thing to present this case to an investor — it's another to convince them to invest. Offered the chance to plough \$20m into a power station project in Cameroon, an investor is unlikely to be swayed by knowing that development finance loans in general are a decent bet. It will ask about the track record of power financing in Cameroon.

Gems has been trying, bit by bit, to fill that knowledge gap.

Started in 2009 as a channel for DFIs to share information among themselves, the Gems Consortium began in 2021 to make some of its data public — what Galizia calls “Gems 2.0” — starting with aggregate default rates.

DFIs have been cautious about opening up, but have been urged to do more by the G20, especially since its Capital Adequacy Framework report in 2022.

Investors have continually demanded more detailed information, and the Consortium has gradually revealed more in its annual digests.

The October 2024 report added recovery statistics for the first time. Investors could see default and recovery rates on a grid of sectors and regions — for example, utilities in sub-Saharan Africa. And not just simple averages, but 90% confidence ranges.

Still, investors wanted more. As part of its outreach efforts to draw attention to the data and get it used, the Consortium commissioned last year a survey of asset managers, banks and other investors.

Forty-seven percent of those asked refused to participate; 63% of the rest had never heard of Gems. But 81% of all respondents said DFI credit risk statistics were relevant to the private sector — and 80% of those who had heard of it said they wanted to make better use of it.

GETTING GRANULAR

A year on, the Consortium's new study has delivered much of what investors asked for. Readers can see how recoveries differ by seniority, from senior secured to subordinated — though only on a global basis.

And for the first time, default and recovery data are broken down by country and sector. You can also see how defaults in a given country have evolved over time.

“We are satisfying the key requests from the investor survey, which was the most scientific attempt to date to collect a consensus on where Gems needs to go,” said Galizia.

So, what is the track record of power loans in Cameroon?

There's a catch. That cell in the grid is empty. In fact, Cameroon does not appear at all in the table of defaults by country and sector. Although the database contains 59 loans in Cameroon over 31 years, there are not enough in any sector for the Gems Consortium to publish the breakdown. Even at a regional level, there are some empty sectoral cells.

In general, there have to be 10 examples in a given category, over at least five years, for the Consortium to consider the information safe to publish. It wants to avoid two risks: accidentally revealing the identity of the borrowers; and giving out misleading statistics.

“If it were up to me, anything below 100 observations would come with a massive health warning,” said Galizia.

Asked whether investors should be trusted to evaluate this kind of data them-

selves, Galizia said there was too much risk of them drawing conclusions that were not statistically justified.

“Investors take signals very seriously, even if the signals are not statistically and econometrically well grounded,” Galizia said, “because investors are hungry for information.”

One improvement could be for Gems to declare — for example in the empty cell for energy in Brazil — whether there have been any such loans, and how many, even if their outcomes are not disclosed.

SHOW ME THE MONEY

Many investors are still holding back. Do they need to be tempted further?

More information on cumulative default rates and the volume of defaulted debt, as opposed to numbers of borrowers, might be helpful. But next on some users' wishlist is the other side of the risk/reward ratio that portfolio managers always consider.

“The more the MDBs can provide data on returns as well as risk, the more investors will get confident,” Manfred Schepers, CEO of ILX, told *GlobalMarkets*' sister publication *GlobalCapital* in May.

Their wish may be answered — one day. “I believe returns are key for Gems 3.0,” said Galizia. “We haven't had a structured discussion about Gems 3.0, but you can imagine it's been a lot of work to get to Gems 2.0. But to me, returns should be a fundamental feature.”

This would take a considerable time, he said. “Data quality will be an issue for a while. But to me that is the single most important dimension that can help investors — much more than filling in more empty cells in the tables.”

GOOD RISKS

What investors would see if the returns data were published, Galizia said, “is that not only are there creditworthy projects in all places — as demonstrated by the relatively moderate default rates and significant recoveries — but... You can actually

From triple-A to... Gs10

Another new feature in the latest Gems report is the revelation of Gems's own credit rating scale, similar to those used by major rating agencies.

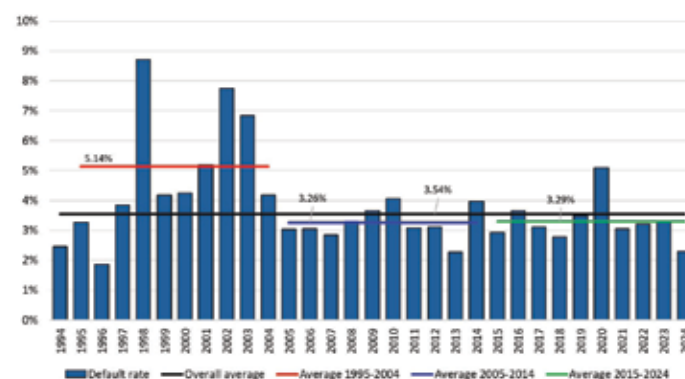
The point is to harmonise the internal rating systems of the Gems members. The scale runs from G11 at the top down to G10 and then into 10 notches of the Gs band, analogous to speculative grade.

At Gs1 the annual probability of default is 0.8% and at Gs6 still only 4.6%, but it rises steeply after that to 25.5% for Gs10.

“Investors can easily take the Gems rating scale, which is calibrated on probability of default, and convert it to their own rating scales,” said Galizia. “This makes the scale usable.”

price loans reasonably if it is a good loan with good security.”

Better information about how DFIs price their loans “will help set pricing expectations,” Galizia said, “in a way that's going to maximise the impact we have on the ground. If you only invest at 15% [internal rates of return] you are not going to create many jobs. You should be able to invest in 5% or 3% IRRs — then you are going to create jobs. We should re-anchor price expectations toward single digit returns,” he said. “Emerging markets are able to provide a good risk/return profile with single digit returns.” **GM**



Default rates by year

World Bank region	Counterparties	Observed years	Number of defaults	Number of observations	Signed amount C million	Lower of 90% confidence interval	Average default rate	Upper of 90% confidence interval
East Asia & Pacific	927	31	184	4 732	41 675	2.89%	3.89%	4.89%
Europe & Central Asia	3 543	31	573	20 888	141 719	2.29%	2.74%	3.20%
Latin America & Caribbean	2 305	31	372	12 771	94 130	2.28%	2.91%	3.55%
Middle East & North Africa	704	31	148	4 361	31 100	2.61%	3.39%	4.18%
South Asia	898	31	158	4 823	33 902	2.20%	3.28%	4.36%
Sub-Saharan Africa	1 800	31	626	10 348	75 299	5.46%	6.05%	6.63%
Overall, including omitted categories	10 476	31	2 101	59 361	446 361	3.19%	3.54%	3.89%

Default rates by World Bank region

Source for graphs: *Gems Default and Recovery Statistics, Private Lending 1994-2024*

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Special Report

QATAR

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ABDULLA MUBARAK AL-KHALIFA

CHIEF EXECUTIVE OFFICER, QNB GROUP

How is the bank supporting Qatar's long-term development goals, particularly in areas like infrastructure, education or entrepreneurship?

QNB's purpose is to promote prosperity and growth in the societies where we operate. Our mandate is to act as a financial intermediary to support the economic and social development of the State of Qatar. Over the decades, QNB has been pivotal in driving progress, supporting national strategic projects through infrastructure and investment financing. This has helped Qatar become one of the richest, most secure and stable countries in the world, with ample financial resources, a business-friendly environment and state-of-the-art infrastructure.

Since its inception, QNB has been a major contributor to the development of the supply chain that enabled Qatar to become one of the largest liquefied natural gas exporters globally. QNB also supported the inception and growth of national champions such as Qatar Energy, Qatar Airways, Ooredoo, Qatar Foundation and others. Furthermore, QNB has financed the country's infrastructure build-up including roads and the railway network, airport and port, utilities, as well as social infrastructure such as healthcare and education.

What role is the bank playing in supporting SMEs and expanding financial inclusion across Qatar?

The banking sector plays a crucial role in supporting this transition. Banks like QNB act as a one-stop shop through their various financing services, transaction banking services — such as trade finance and cash management — payments, merchant banking and e-commerce-related services. QNB is committed to providing the necessary financial resources and expertise to support the development of new industries and innovation. This involves facilitating investments in sectors such as manufacturing, tourism, healthcare and education, logistics, technology, smart cities and renewable energy.

We at QNB believe that financial inclusion is essential to achieve social equality and economic empowerment. Across the Group, we play a key role in bringing affordable and accessible financial services and products to underserved segments. QNB is committed to promote inclusion for all, starting with the unbanked, the youth and other customer focus areas.

What initiatives has the bank launched to develop Qatari talent and strengthen the future leadership of the banking sector?

Aside from financial capital, we consider human capital essential for value creation. Our strategy is to be an employer of choice. Despite our international growth, we remain faithful to our Qatari roots and heritage, serving Qatari society and supporting the growth trajectory of our country.

Today, our Qatarisation ratio is in excess of 60%, the highest within the financial services and private sector of the country. As part of our ongoing training and development, we have introduced several transformative initiatives designed to equip future Qatari talent with essential skills and knowledge. Our succession planning process ensures continuity to develop an in-house leadership bench. Furthermore, we are committed to supporting the next generation of Qatari university graduates as well as talented young professionals through our dedicated national leadership programmes.

What progress has the bank made in offering sustainable finance products or integrating climate-related risks into its operations?

As one of the largest financial institutions in the Middle East and Africa, we recognize the importance of environmental, social and governance issues and have consequently embedded the topic of sustainability in our purpose, strategy, business, operating model and enterprise risk management framework.

Our sustainable financing activities are supported by our market-leading QNB Group Sustainable Finance and Product Framework. The SFPF allows us to structure financial instruments such as green loans, bonds, deposits, sustainability-linked loans and transition finance opportunities. This will enable us to promote ESG-themed opportunities.

Several years ago, we started to reflect the topic of climate risk as a new emerging risk category, which we integrated into our overall risk appetite and enterprise risk management framework. Since then, we regularly perform climate risk assessments to understand our climate exposure and have modelled climate risk scenarios until 2050. Furthermore, we have just this year concluded our group-wide climate change strategy that addresses the topic of climate risk as well as our commitment to



"Despite [the] drive of technological advancement across our business, we value the personal relationships and the human element of banking"

climate transition. The strategy also captures how we internally integrate the topic of climate risk in our operating model to continuously reduce our greenhouse gas emissions and carbon footprint.

How is the bank enhancing the customer experience, and what technologies or services are you excited about introducing in the near future?

As part of our efforts to leverage innovation as a strategic enabler, we decided to further emphasise our digital transformation to move from physical to digital channels and reduce physical interaction to improve the customer experience across all touchpoints.

To date, 90% of our customer interfacing processes are already digitised. We are investing in our IT capabilities as an enabler for further digitisation through the adoption of new technologies and application modernisation, while also uplifting our IT and system security. We will further leverage digitisation to drive efficiency and automation through robotics, artificial intelligence, machine learning and the ongoing streamlining of our processes and systems.

Despite this drive of technological advancement across our business, we value the personal relationships and the human element of banking. Even in an increasingly digital and automated world, we believe that personal touch and technology can co-exist and complement each other. ●



PRIVATE ENTERPRISE TAKES THE LEAD IN QATAR'S GROWTH AND INVESTMENT

Qatar is using its gas wealth to diversify its economy at remarkable speed. Massive growth in industries like logistics, leisure and tourism is being driven by entrepreneurial private businesses. They are supported by Qatar's banks, as well as an emerging ecosystem of venture capitalists

The history of Qatar's economic growth is inseparable from hydrocarbons. Natural gas deposits have propelled the country to the top of global energy markets and national per capita income rankings.

But the city state has also built a reputation for long-sighted strategy. Its government is pushing hard to transform Qatar into something more than simply a major energy exporter. Crucial to this transformation is building a more dynamic private sector to reduce reliance on state-led, hydrocarbon-fuelled investment.

The effort has already begun to show results. The non-hydrocarbon sector accounted for 61% of GDP in 2024, up from 48% in 2010, according to the International Monetary Fund. Tourism, property and services are all major contributors to that growth. Over five million foreign visitors arrived in 2024 — a 25% rise on the year before.

“Major policy reforms under the Third National Development Strategy

[known as ND3] and National Vision 2030, focusing on improving business conditions and fostering public-private partnerships, have contributed considerably to reducing Qatar's reliance on the oil and gas sector,” says MR Raghu, CEO of Marmore MENA Intelligence, a research firm.

Launched in early 2024, the government's ND3 is designed to support economic diversification and the transition to what the IMF calls a “more sustainable and knowledge-based economy”. The state may be the enabler of this transition, but behind the shift are banks and investors working together to create an ecosystem where private businesses can thrive.

Qatari bank lending to the private sector has soared, from less than QR200bn (\$55bn) a decade ago to over QR900bn (\$247bn) as of July 2025, according to QNB Financial Services data.

Local banks are positioning themselves as partners for small and medium-sized enterprises,

entrepreneurs and major corporates. Venture capital investors argue there has never been a better moment for start-ups to take root in Doha.

ENERGISING ENTREPRENEURS

Qatar's diversification drive is in part about redirecting capital from the state-owned to the private sector. But it is also about creating the partnerships and support structures that will transform the country's entrepreneurial businesses into engines of growth.

In this sense, the country's banks are emerging as critical architects of a broader ecosystem. By aligning with state priorities under Vision 2030, they are helping to channel funds into sectors such as healthcare, tourism and technology — industries expected to form the backbone of the new, more resilient economy.

Leading lenders are collaborating with national agencies such as the Qatar Development Bank and the Qatar Financial Centre to better support non-hydrocarbon industries. It

“Major policy reforms under the Third National Development Strategy... have contributed considerably to reducing Qatar's reliance on the oil and gas sector”

—MR Raghu, CEO of Marmore MENA Intelligence

Picture: Financial centre in Doha

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Marmore MENA Intelligence on reforms:

"Qatar's non-hydrocarbon diversification is slightly behind that of GCC peers such as UAE and Saudi Arabia. Both have been more aggressive in their approach to private sector reforms that include lowering foreign ownership restrictions, updating regulations to make them more business-friendly, relaxing visa restrictions for expats, providing support to the SME sector, providing incentives for foreign companies to set up their regional headquarters and widening their capital markets."

is these partnerships that allow banks to back SMEs and mid-sized firms with a mix of financing, advisory services and export support.

At the same time, they are embedding sustainability and green finance into their strategies, ensuring that emerging businesses can grow in ways that align with Qatar's long term goals.

Diversification is no longer a side project — it is hardwired into the city state's financial sector strategy. The result is an institutional effort to provide clients with more than just credit lines. Qatari banks are helping the private sector digitalise, innovate and compete on the global stage.

FINANCING SME INNOVATORS

Grand national strategies grab headlines, but for many smaller businesses, survival and growth hinges on affordable working capital, smoothing cash flows and digitising their services.

That is why Qatar's banks are sharpening their focus on SMEs as a policy and financial priority. SMEs account for a growing share of non-hydrocarbon activity. They are vital to job creation, innovation and resilience. For the financial sector, supporting these firms means going beyond conventional corporate lending and creating products that address specific pain points.

Liquidity support tools such as receivables financing, invoice discounting and credit guarantees are becoming more widespread. Banks are also embracing digital-first service delivery — end-to-end onboarding, e-KYC and dedicated SME platforms are now standard.

Banking View Continuity and transformation



What role does QNB play in connecting Qatari companies with international capital, expertise and markets?

QNB plays a key role in bridging Qatar's established strengths with its future ambitions.

We remain the trusted partner for energy, infrastructure and trade, while increasingly financing and enabling emerging sectors such as digital infrastructure, fintech, logistics and green industries.

We are also at the forefront of innovation. We became a long term strategic partner of Qatar's first Web Summit, which gathered more than 15,000 global entrepreneurs, founders and investors. During the Summit, QNB signed memorandums of understanding with QDB and the Qatar Financial Centre, and we have onboarded around 10 local fintech companies into our business

model, further strengthening our role in fintech and embedded finance.

At the same time, we embed sustainability across financing. From clean transport and renewable energy to affordable basic infrastructure and sustainable food systems, we ensure traditional industries generate pathways for green and social progress through our Sustainable Finance and Product Framework.

Coupled with spillover opportunities from the North Field Expansion, this dual approach sustains legacy strengths, while accelerating diversification. In this way, QNB delivers both continuity and transformation, safeguarding the foundations that built Qatar, while catalysing its diversification into inclusive, knowledge-driven and future-ready industries, in line with Qatar National Vision 2030.

At the same time, sustainability is increasingly part of the equation: green loans for solar installations or electric vehicles show how banks are aligning small business finance with environmental priorities.

Partnerships with accelerators and government-backed programmes extend the reach of these efforts, ensuring SMEs are not just borrowers but participants in a wider ecosystem of innovation. Advisory services, networking opportunities, and

technical assistance now sit alongside lending, reflecting a new model in which banks position themselves as long term partners for SME resilience.

RISKS AND RESILIENCE

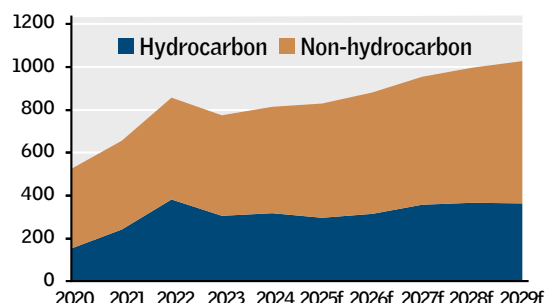
Any open, trading economy is vulnerable to external shocks, and Qatar is no exception. As with its neighbours in the Gulf Cooperation Council, swings in hydrocarbon prices filter quickly through to national income, government budgets, the private sector and household spending.

Oxford Economics' associate director Azad Zangana says his firm's analysis shows that in the event of a 10% fall in the price of oil and gas, Qatar would feel the second largest hit to consumer spending across the GCC.

But the country fares somewhat better on private investment, facing only the fourth highest impact — a 1.5% decline.

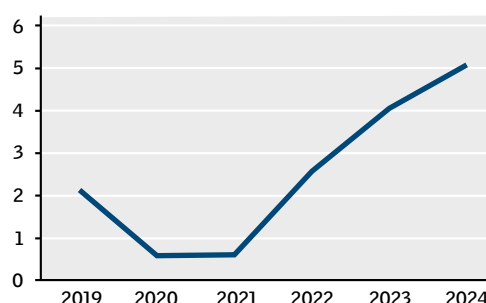
Beyond volatility in energy markets, structural factors could also weigh on the private sector's ability to expand. As the IMF has cautioned, banks' large holdings of public sector assets

Qatar's nominal GDP (QR bn)
actual and forecast



Source: National Accounts

Tourism in Qatar soars
International visitor arrivals (million)



Source: Qatar National Tourism Council

— around 30% of total assets — could crowd out credit to the private sector and slow the transition to private sector-led growth.

Much needed reforms could help make private sector momentum more unstoppable.

Capital Economics points to the business environment as an area where progress is still needed. “Across the Gulf — outside the UAE, particularly Dubai — there’s work to be done on transparency and making markets more attractive to foreign investors,” says James Swanston, senior emerging markets economist at Capital Economics. “Investors want assurance that if they put money in, they can take it out without lengthy court battles.”

Saudi Arabia has already begun reforming its judicial system, offering proceedings in English and drawing on Western legal practices to reassure international investors. While Qatar has not yet moved as far, adopting similar measures could help it attract more foreign direct investment and strengthen its private sector base.

PwC highlights another route to resilience: expanding the role of public-private partnerships. By drawing on private capital and expertise for infrastructure projects, the government can share financial risk, while tailoring investments to business needs.



© Hasan Zaidi/Alamy

Automated cargo handling systems at ports and next generation warehouses are examples of how PPPs can align infrastructure with private sector priorities, creating efficiency gains and encouraging innovation.

At the same time, building a competitive ecosystem is seen as essential for sustaining long term diversification. Entities such as the Qatar Financial Centre and Qatar Free Zone Authority already act as gateways for investors, offering incentives, regulatory guidance and support frameworks.

PwC suggests that further reforms — easing business set-up, expanding tax incentives, strengthening bilateral

trade agreements and improving financial protections — could substantially increase Qatar’s appeal to international capital.

Katara Cultural village
Childrens Mall and
Galleries Lafayette

ENTREPRENEURSHIP AND START-UPS

If banks are the anchors of diversification, venture capital is its engine. For entrepreneurs in Qatar, momentum is building, thanks to new investment programmes and the visibility generated by the Qatar Investment Authority Fund of Funds initiative.

Investors argue that entrepreneurship should not be seen as just another sector under Vision 2030. Instead, it is best seen as an enabler for several of the Vision’s pillars, from economic to social development. This broader role has helped create space for start-ups to emerge in areas that cut across industries.

“There has never been a better time to start a company in Qatar,” says Alexander Wiedmer, founder and partner at Rasmal Ventures. “Investment programmes developed over the last two years are attracting fund managers and entrepreneurs — the ecosystem is becoming wider and more international.”

Wiedmer describes GCC venture capital as “generalist and opportunist” — necessary in a relatively young market that lacks the depth of the US or Europe.

That means backing a mix of business-to-business and business-to-consumer companies across sectors, while paying particular attention to strategic areas

Capital Economics on diversification:

“Compared to Saudi Arabia or the UAE, where diversification is about getting away from oil, Qatar sees liquefied natural gas as a transition fuel. It’s setting itself up as a global leader in LNG for decades to come. There’s been strong interest from Europe and Asia to secure access to the North Field. Once that’s online, it will create the fiscal space to further support non-hydrocarbon and private sector growth.”

Continued on page 9

Banking View

Flexible financing for SMEs



What role is the bank playing in supporting SMEs and expanding financial inclusion across Qatar?

Doha Bank recognises the important role that small and medium-sized enterprises and entrepreneurs play in fostering innovation and generating employment.

To support their growth, the bank offers a comprehensive suite of financing and transaction banking services. These include flexible credit solutions, such as working capital and asset-based lending, tailored to meet the operational needs of SMEs, including invoice financing and equipment loans.

Through partnerships like Qatar Development Bank’s Al Dhameen programme, the bank also provides credit guarantee schemes that offer guaranteed loans, reducing risk for both the bank and the borrower, while enhancing access to finance.

In addition, Doha Bank has streamlined SME services through digital platforms, offering mobile banking, payroll solutions and real time account management tools. These initiatives are designed to help SMEs navigate evolving economic conditions and build resilience in an increasingly competitive market environment.

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AHMED I. HASHEM, ACTING GROUP CHIEF EXECUTIVE OFFICER, DUKHAN BANK

How do you see the Qatari economy evolving in the next few years and what will drive growth?

As Qatar progresses toward Qatar National Vision 2030, the economy is set for substantial growth — primarily driven by the increase in liquefied natural gas production from the North Field expansion. This positions Qatar as a key player in the global energy landscape, and enhances its economic strength and resilience. Qatar's commitment to diversifying its economy through tourism, advanced infrastructure and full digital transformation initiatives will be crucial in driving growth even further.

Qatar's financial and capital markets are set to lead the region in innovation, sustainability, efficiency and investor protection. These strategies exemplify Qatar's unwavering dedication to fostering sustainable prosperity and being a global economic powerhouse.

How is the banking sector handling challenges such as shifting energy prices and geopolitical instability?

The evolving economic landscape presents both challenges and opportunities for Qatar's banking sector. Well regulated by the Qatar Central Bank, the financial sector has taken a proactive approach to strengthening risk management — through adopting Basel III standards and embracing FinTech innovations. The country's strategy places strong emphasis on financial services as a critical component of its broader economic diversification goals, with a focus on digitalization and technological innovation.

Qatar's banking sector is therefore well equipped to navigate the complex challenges posed by global instability. At Dukhan Bank, our customer-first strategy and an emphasis on digital transformation have underpinned our strong financial performance amid fluctuating global conditions. Our commitment to continuous product innovation, designed to enhance the customer experience, ensures resilience and growth. The use of state-of-the-art technology and other initiatives, such as fostering a highly tech-savvy talent pool, have proved successful in maintaining stability and achieving targets.

What are some of the highlights from the bank's financial performance over the last year?

Dukhan Bank has achieved several exceptional milestones over the last year, exemplified by

a historic net profit of QAR1.34bn (\$368m) for the year of 2024. During the first nine months of 2025, the bank continued to build on this success, with a net profit of QAR19bn.

We continue to push our drive for digital banking innovation, while consistently launching new services that cater to the dynamic needs of customers. This includes CEMEA's first-of-its-kind cash bonus program, launched by Dukhan Bank and Visa, which uses advanced spending analytics to provide cardholders with personalized offers. These innovations were complemented by the declaration of Dukhan Bank's interim dividend of 8% — equivalent to QAR0.08 per share.

How is the bank addressing sustainability and ESG, and what role do these play in your strategy?

Dukhan Bank's ESG strategy is closely aligned with Qatar's National Vision 2030 and promotes the integration of sustainable practices across every facet of our operations. We have established a dedicated ESG Committee to oversee the implementation of our sustainability efforts, focusing on three core pillars: sustainable finance, sustainable operations and community. Our strong governance practices ensure transparency and accountability, reinforced by regular ESG reporting.

Notably, we have launched several 'green' products, such as electric car financing, which underscore the bank's commitment to driving sustainable financial solutions. Our digital transformation strategy also plays a pivotal role in reducing our carbon footprint through increased digitalization, minimized waste and environmental exclusion screening.

How is digital transformation shaping the evolution of banking in Qatar, and what technological innovations is the bank prioritizing?

Digital transformation is reshaping Qatar's banking landscape, enabling institutions to remain competitive in a rapidly changing global environment. Dukhan Bank is at the forefront of this evolution, leveraging cutting edge technology to deliver innovative and Shariah-compliant solutions.

Our artificial intelligence-powered virtual assistant 'Rashid', alongside advanced services such as 'Fawran', the Smart Kiosk and contactless payment, highlight our commitment to leading the sector by



"We continue to push our drive for digital banking innovation, while consistently launching new services that cater to the dynamic needs of customers"

integrating seamless, secure and innovative banking solutions that enhance the customer experience.

By focusing on FinTech and our award-winning mobile banking app, as well as our best-in-class financial services, Dukhan Bank is ensuring it remains agile and well positioned to continue pioneering the increasingly competitive banking sector, particularly in the digital realm.

What are the bank's strategic priorities over the next three to five years, and how do you plan to achieve them?

Dukhan Bank's priorities revolve around our commitments to digital transformation and sustainability, both of which align with Qatar's National Vision 2030 and aim to enhance the bank's market position.

We plan to invest heavily in advanced technologies — including AI, digital payment platforms and advanced mobile banking services — to offer seamless, innovative and secure financial solutions to our customers.

Through robust ESG reporting and adherence to the UN Sustainable Development Goals, Dukhan Bank is dedicated to responsible business practices that contribute to long term value creation, contribute to Qatar's wider economic objectives, and ensure that the bank remains a key player in the development of the region's financial sector. ●

BASSEL GAMAL, GROUP CEO, QIB

How does the bank see its role in bridging the gap between traditional industries and emerging sectors like tech, logistics and green infrastructure?

QIB has been proud to play a central role in supporting Qatar's economic transformation, particularly during the unprecedented phase of growth leading up to the FIFA World Cup 2022.

We have partnered across all major sectors — from energy and infrastructure to logistics, tourism, education and manufacturing — by providing tailored financial solutions that enabled both national projects and private initiatives to scale successfully. This period was a testament to the bank's role as a trusted financial partner in advancing Qatar's development.

Looking ahead, our commitment continues in line with Qatar National Vision 2030. We are focused on bridging traditional industries with emerging growth sectors such as technology, logistics, tourism, education and green infrastructure.

By integrating digital innovation, ESG-aligned finance and sector-specific products, we enable businesses to embrace diversification and long-term sustainability. Initiatives such as the QIB Auto Marketplace, Green Car Finance, Sustainable Corporate Deposits and collaborations with fintechs demonstrate how we are building the ecosystems needed for future growth.

Through these efforts, QIB supports the country's transition towards a diversified, knowledge-based economy, while contributing to national priorities in sustainability and economic resilience.

What initiatives has the bank launched to develop Qatari talent and strengthen the future leadership of the banking sector?

QIB recognises that human capital development is essential for long-term national growth. It has implemented comprehensive leadership development and upskilling programmes designed to prepare employees for the future of banking.

In 2024, QIB delivered over 46,000 hours of training and expanded Qatarisation efforts through internships, student sponsorships and leadership development programmes. The Emerging Banker Programme grew to 32 interns, while student sponsorships increased to 44. These initiatives are designed to build a skilled, agile workforce and prepare Qatari nationals for leadership roles in banking. By investing in local talent, we contribute

to national development and ensure the sustainability of the financial sector.

How is Islamic finance evolving at the bank, and what new opportunities are emerging locally or internationally?

Islamic finance is evolving in alignment with global banking trends, customer expectations and fast technological innovation. At QIB, we are embedding Shari'a-compliant solutions into digital platforms to reimagine Islamic banking through technology, inclusivity and global relevance.

New opportunities are emerging in areas such as digital Islamic wealth platforms for younger, tech-savvy investors; SME financing through fintech models like crowdfunding and embedded finance; and innovative Takaful solutions including micro and digital insurance.

What progress has QIB made in offering sustainable finance products or integrating climate-related risks into its operations?

Sustainability is a core pillar of our strategy and a natural extension of our Islamic values. We are proud to be the only bank headquartered in Qatar to adopt the Equator Principles, which has enabled us to embed a robust ESG Risk Assessment process into our credit review for all new finance requests.

ESG considerations are now fully integrated into all corporate finance decisions, guided by international standards and our proprietary ESG Due Diligence Toolkit.

In 2024, we launched the Sustainable Corporate Deposit, allowing institutional and corporate clients to invest in green and social assets within our portfolio, underpinned by QIB's Sustainable Products Framework.

Meanwhile, we continue to embed climate risk assessments into our enterprise-wide risk management architecture, evaluating the impact of both physical and transition risks on our portfolio.

On the retail side, we've introduced Qatar's first Carbon Emissions Tracker within the QIB Mobile App — developed in collaboration with Visa and Clarity AI — to help customers monitor the carbon footprint of their card transactions and make informed, eco-conscious purchasing decisions. We've complemented this with a range of eco-friendly cards made from recycled plastic, and accelerated our transition to paperless banking through digital onboarding, e-statements and smart printing.

Our Green Auto Finance offering has also



"We are embedding Shari'a-compliant solutions into digital platforms to reimagine Islamic banking"

expanded to include newer electric vehicle models, supporting the shift toward sustainable mobility. Our partnership with DHL under the GoGreen Plus initiative further demonstrates our commitment to reducing logistics-related emissions. These integrated efforts reflect our dedication to building a resilient, responsible and future-ready financial institution.

How is the bank enhancing the customer experience, and what technologies or services are you excited about introducing in the near future?

Customer experience is at the heart of QIB's strategy. Our mobile app, now the primary banking channel, offers over 320 features and sees more than four million logins monthly, with 99% of transactions completed digitally.

We have introduced QIB Lite for low-income earners and the QIB Junior programme for youth engagement.

Artificial intelligence-powered features such as product recommendations and optical character recognition-based document verification enhance personalisation and speed. Looking ahead, QIB plans to expand its AI-driven services and automation to deliver more personalised advice and seamless engagement. At the same time, it will uphold its reputation for secure, Shari'a-compliant banking with excellent service. ●

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SHEIKH ABDULRAHMAN BIN FAHAD BIN FAISAL AL THANI

GROUP CHIEF EXECUTIVE OFFICER, DOHA BANK

How is the bank supporting Qatar's long-term development goals, particularly in areas like infrastructure, education or entrepreneurship?

Economic development is one of the key pillars of Qatar National Vision 2030. Over the years, the State of Qatar has focused on economic diversification, to ensure long-term prosperity and competitiveness. Doha Bank has contributed to this goal by actively lending to priority sectors such as health, tourism and infrastructure development.

In infrastructure, we participate in financing major projects and public-private partnerships, enabling sustainable urban and economic growth. In tourism, we support investments in aviation and real estate developments. For entrepreneurship, we have launched targeted support initiatives for small and medium-sized enterprises that foster innovation and help build a resilient private sector. As part of our transformation, we will continue aligning our actions with the national development agenda.

What role is the bank playing in supporting SMEs and expanding financial inclusion across Qatar?

Doha Bank has been an active supporter of SME growth for many years. We provide tailored lending solutions, trade facilitation and transaction banking services, designed to meet the specific needs of SME clients in Qatar.

While the bank already had a robust online banking channel, the recent introduction of our Corporate Mobile Banking platform offers a state-of-the-art solution to help SME clients manage their banking needs seamlessly.

Doha Bank's payroll proposition is one of the leading solutions in the market, acting as a catalyst for financial inclusion. We have a strong track record of developing customer-focused, inclusive solutions for SME clients, and we will continue to enhance our product suite to serve this segment.

What initiatives has the bank launched to develop Qatari talent and strengthen the future leadership of the banking sector?

Developing Qatari talent is central to our human capital strategy and is treated as a high priority. We have established a dedicated career centre exclusively for Qatari nationals, streamlining access to tailored opportunities and ensuring visibility into leadership tracks.

Our graduate training and leadership programmes are designed to transition high-potential Qatari professionals into key roles, with



"We have launched targeted support initiatives for small and medium-sized enterprises that foster innovation and help build a resilient private sector"

structured mentorship and rotational exposure across critical business areas. Internal mobility is actively encouraged, supported by personalised development plans and career coaching. In addition, we collaborate with leading universities and institutes to align academic learning with industry needs, creating a robust pipeline of future banking leaders.

Is the bank pursuing any international expansion or partnerships that support Qatar's economic diplomacy and regional presence?

Doha Bank's international presence is a key element of our growth journey. We leverage our global network to support funding and grow the balance sheet, while also strengthening our role in Qatar's economic diplomacy.

We maintain robust financial institution relationships and engage in regional banking alliances, offering cross-border trade finance solutions that facilitate economic connectivity. Our involvement in diplomatic and sovereign

partnership financing underscores our role in advancing Qatar's regional and global presence.

What progress has the bank made in offering sustainable finance products or integrating climate-related risks into its operations?

Doha Bank's commitment to sustainable finance is deeply rooted in the progressive vision of the State of Qatar and the strategic guidance of the Qatar Central Bank. Their leadership continues to inspire our efforts to embed robust ESG principles across our operations and align our financial practices with national and global sustainability goals.

Key initiatives include the development of a Sustainable Finance Framework to facilitate the issuance of green bonds, social bonds and sustainability-linked loans, effectively channelling capital into projects with measurable environmental and social benefits. We have also integrated a comprehensive Environmental and Social Management System into our risk management processes, ensuring the systematic identification and management of environmental and social risks within our lending practices.

How is the bank enhancing the customer experience, and what technologies or services are you excited about introducing in the near future?

Enhancing the customer experience is at the heart of our strategic transformation programme. We have a long history of introducing customer-centric products and digital solutions that redefine the bank-customer relationship. Our commitment to this has earned us industry recognition, with our newly launched Corporate Banking App named the Best Corporate Banking App in Qatar by *Global Banking & Finance Review*.

While we are proud of these achievements, we recognise the need to continually develop digital-first solutions to drive customer engagement and stay competitive. We have a clear agenda to improve customer onboarding and deepen engagement through modern, disruptive technologies. We are also focused on enhancing our self-service proposition, empowering customers to bank whenever they need.

In parallel, we are placing special emphasis on strengthening payment solutions to ensure seamless access to finance. Equally important, we are committed to maintaining the highest levels of reliability, information security and data privacy across every solution we offer. These principles are embedded into our design and delivery processes from the outset. ●

Banking View

Broadening banking



What role is QIB playing in supporting SMEs and expanding financial inclusion across Qatar?

Financial inclusion is a core pillar of QIB's strategy to build a more equitable and digitally empowered economy. The bank provides access to Shari'a-compliant financial services that support the needs of all customers in Qatar, across all segments. This commitment is embedded across QIB's operations, product design and digital innovation roadmap.

For SMEs, which are vital to Qatar's private sector diversification, QIB provides tailored finance solutions, streamlined onboarding and digital tools such as SoftPOS, Corporate Internet Banking, the Corporate Mobile App and

the Corporate Credit Card.

These services simplify access to finance, strengthen expense management and improve operational efficiency, helping SMEs scale sustainably.

QIB's financial inclusion strategy also extends to underserved and emerging audiences. The launch of our QIB Lite App, available in eight languages, supports low income earners and domestic workers with simplified banking and international transfer capabilities.

The QIB Junior programme introduces children to financial literacy in a secure, engaging environment, while Bedaya, the university student account, helps young adults begin their banking journey with tailored benefits and easy digital onboarding.

finance or find equity backers.

"There are starting to be non-dilutive funding vehicles for start-ups in the region and this will likely only grow, but they are typically for later stage start-ups," says Wiedmer. "Thankfully there is some help from the Qatar Development Bank, which has products designed to support SMEs, and the Development Bank does work closely with VCs."

Landmark exits are beginning to shift perceptions. The sale of 77% of local shopping delivery platform Snoonu to Saudi Arabia's Jahez Group for \$245m in July marked Qatar's first major venture-backed exit. Wiedmer suggests this will encourage more investors to take Qatari startups seriously.

Still, structural challenges persist, such as slow payments by large corporates and government clients. In other markets, policymakers have introduced quick payment obligations for contracts with start-ups. Similar reforms in Qatar could make a tangible difference.

Ultimately, attracting more international capital and cross-border investment will be critical for Qatar's start-up and SME landscape.

"No innovation ecosystem can exist in a silo," says Wiedmer. "Young Qatari companies have to be able to attract outside investors to be taken seriously. This is why the QIA Fund of Funds programme is so important: it puts Qatar on the map." ●

“There has never been a better time to start a company in Qatar. Investment programmes developed over the last two years are attracting fund managers and entrepreneurs — the ecosystem is becoming wider and more international”

—Alexander Wiedmer, founder and partner at Rasmal Ventures

Continued from page 5

such as logistics, fintech, digital health and agritech. AI and deeptech are beginning to surface, but remain less prevalent than in other regions.

Qatar still has fairly few VCs on the ground, compared with neighbours such as the UAE and Saudi Arabia. That is slowly changing thanks to initiatives like the QIA Fund of Funds, in which the state's \$560bn sovereign

wealth fund QIA is investing in a select group of international venture capital fund managers, specialising in priority sectors, including Deerfield and B Capital.

When start-ups do secure equity backers, traditional bank financing is often off limits without personal guarantees from founders. This makes borrowing money very difficult for founders, who then have to self-

Banking View

Supporting small businesses



What types of financing or advisory support is the bank offering to help entrepreneurs and SMEs adapt to evolving economic conditions?

Our commitment goes beyond banking — we provide integrated solutions covering working capital, savings, liquidity and tailored products.

QNB enables SMEs and entrepreneurs to effectively adapt to evolving economic conditions through its comprehensive suite of

products and services, complemented by strategic initiatives such as partnerships and development programmes. Examples include:

- Liquidity products such as receivables financing and medical claims discounting, improving cash flow
- Innovation platforms and tech ecosystem: In September 2025, QNB partnered with the Ministry of Communications and Information Technology to support

the TASMU Accelerator initiative, focusing on healthcare, transport, logistics, environment, financial services and smart cities

- SME enablement and sponsorships: We offer dedicated SME accounts and credit facilities, and we regularly sponsor entrepreneurship platforms such as Rowad and the Arab Entrepreneurship Conference with QDB. These provide day-to-day banking, working capital, trade and

merchant acquiring rails for SMEs

- Specialised advisory offered through SME Branches, as well as other services beyond banking, including market insights and networking opportunities, to build resilience and competitiveness
- SME digitisation, with over 90% of services now digital, including end-to-end onboarding, e-KYC and QNB Simplify for e-commerce
- Sustainability in SME banking, including green vehicle loans, mortgages, solar energy and more

INFRASTRUCTURE FINANCE: BUILDING AN ECONOMY BEYOND ENERGY

Qatar has an impressive track record in infrastructure development, but it is now turning in new directions, to support the knowledge economy of the future — towards data centres, hospitals and schools. Qatar’s banks are increasingly taking the load of financing the country’s renewal



Qetaifan Island Bridge

Construction has always been central to Qatar’s economic strategy. From cutting edge liquefied natural gas architecture and world class sports stadiums to high tech metros and airports,

infrastructure has defined the city state’s early growth model.

Under Qatar National Vision 2030, the emphasis is shifting: infrastructure is no longer only about hydrocarbons and prestige projects, but about supporting diversification, digital connectivity and sustainability.

Sovereign entities still drive most large scale projects, but banks are starting to take on a more visible role. By participating in project finance, co-financing packages and targeted lending, Qatari institutions are extending the reach of national plans.

Beyond traditional real estate lending, they are now financing projects that tie directly into national diversification goals. One example is Doha Bank’s role in a QR2bn (\$550m) syndicated package for Ooredoo’s data centre expansion. A perfect example of how infrastructure overlaps

with digitalisation and economic competitiveness.

NATIONAL CHAMPIONS AND MEGA-PROJECTS

Infrastructure financing also underpins Qatar’s global ‘national champions’. Companies such as Qatar Airways, Ooredoo and Qatar Energy depend on large scale financing to expand both domestically and abroad.

This backing not only sustains critical industries but also strengthens Qatar’s role as a hub for trade, transport and energy. Banks like QNB have been at the forefront of this financing effort, contributing to aviation, telecoms and the energy supply chain, as well as core physical and social infrastructure, from highways to hospitals.

COLLABORATIVE CO-FINANCING

Despite rising bank participation, Qatar’s infrastructure agenda remains

Banking View Building an international hub

How is the bank contributing to Qatar’s long term infrastructure development?

QNB Group plays a pivotal role in driving Qatar’s development by supporting national strategic projects.

From financing the LNG supply chain that established the country as the world’s largest exporter of natural gas, to supporting the growth of national champions like Qatar Energy, our role has been foundational. Recent examples include:

- Leading a QR4.5bn (\$1.2bn)

strategic financing for Qatar Airways in 2025 to strengthen national connectivity

- Partnering with Ooredoo in 2024 on a \$1bn programme to expand digital capacity

We also continue to finance core social and physical infrastructure, including roads, railways, ports, utilities, healthcare and education. This integrated approach ensures a sustainable development aligned with the human, social and economic pillars of the Qatar National Vision 2030.

How is QNB balancing its role in financing national champions with the need to fund emerging non-hydrocarbon sectors and green infrastructure?

Our financing footprint spans critical sectors. Examples include:

- **Energy** — We continue to support the North Field Expansion (NFE), which will increase LNG capacity by 85% to 142m tonnes per year by 2030. Our financing covers the complete value chain.
- **Food Security** — We financed

projects enhancing self-sufficiency, innovative farming and storage, contributing to Qatar’s rise in the Global Food Security Index.

- **Hospitality** — We supported Qatar’s tourism drive through financings such as the \$5.5bn Simaisma resort, reinforcing Qatar as a global destination.
- **Infrastructure** — We participated in large projects including a \$19.2bn government capex package and major works in highway maintenance and metro expansion.

heavily state-driven. MR Raghu, CEO of Marmore MENA Intelligence, notes that large projects are still largely financed by the Qatar Investment Authority, state-owned firms such as QatarEnergy, or direct budgetary spending.

Yet local banks are carving out bigger roles. QNB, Doha Bank and others are increasingly involved in syndications and mid-sized project finance deals.

Analysts at BMI, the country risk and industry research firm, point to the Public Works Authority (Ashghal)'s ambitious new five year programme of works, worth around \$22bn. Launched in May this year, it covers roads, housing, utilities and public services.

"This marks the largest infrastructure investment programme in Ashghal's history by value and scope," according to BMI's latest Qatar Infrastructure Report. "Contract awards in the [infrastructure] sector are expected to increase sharply between 2024 and 2029, reflecting both

population growth and the government's energy transition targets."

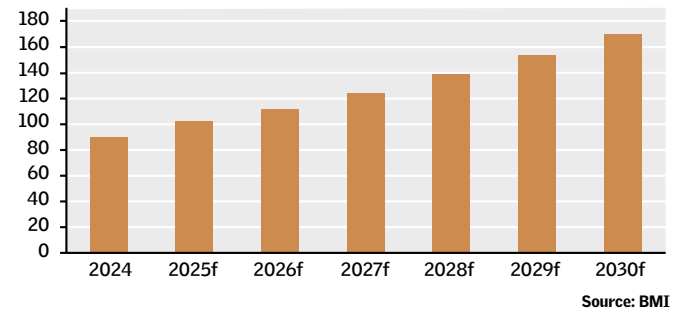
The research firm expects future projects to prioritise transport connectivity, healthcare and education facilities — all seen as enablers of private sector growth under Qatar National Vision 2030.

Foreign investors, meanwhile, remain concentrated in hydrocarbons. International oil majors such as Shell, TotalEnergies, ExxonMobil, Eni and ConocoPhillips hold equity stakes in multi-billion dollar LNG projects. But large scale solar projects are also ramping up as the country looks to diversify its energy mix.

BMI emphasises that outside the energy sector, foreign involvement in Qatar's infrastructure has been more modest than in the UAE or Saudi Arabia, which have embraced wider PPP frameworks.

Its data suggest domestic financiers still account for just over half of all

Construction set to grow in Qatar
Construction industry value forecast (QR bn)



project funding across large scale infrastructure, leaving much scope for cross-border capital and foreign equity partners.

As Qatar looks ahead, co-financing models that bring together state funding, local banks and foreign capital will be key to delivering infrastructure that is smarter, greener and firmly aligned with Vision 2030's goals of global competitiveness and sustainability. ●

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IFC brings rare MDB securitization including triple-A notes

International Finance Corp completes \$510m deal to inaugurate regular issuance

By Jon Hay, Chadwick Van Estrop

The International Finance Corp has brought to fruition a project it has been working on for more than two years — to launch its first securitization. The \$510m deal achieves capital relief for the IFC and furthers its mission to attract private sector investors to development finance.

“We couldn’t be happier,” said Kruskaia Sierra-Escalante, senior manager and global head of co-investor solutions at the IFC in Washington, after the deal was priced in September. “It was a pilot transaction, and a very successful one.”

For the African Development Bank, which launched the first securitization by an MDB in recent times in 2018, and the Inter-American Development Bank, which brought a major transaction last year, the principal motivation was capital relief.

That is essential to the IFC’s deal too, but its main aim was to mobilise private sector investors.

“We want the ambition of helping create a new asset class, to expand the investor universe to investors which are not generally taking risk on emerging markets,” said Sierra-Escalante. “That is the place we are coming from. This does release capital, but the primary objective was increasing the likelihood that investors will look at this as a new asset class and feel comfortable, and will continue to invest.”

FULL CAPITAL STACK

For this reason, the deal, IFC Emerging Markets Securitization 2025-1 Ltd, is the first by a major MDB in recent years in which the senior notes were placed with investors, as well as the mezzanine tranche.

Achieving a true sale structure was more difficult than a synthetic securitization, because of the legal complexity of transferring assets. But the IFC was determined to bring in investors at large scale, not just the specialists who buy synthetic securitization mezzanine tranches. The deal needed to have a big senior tranche, partly to make it worthwhile for those investors.

Goldman Sachs was the arranger.

IFC will remain the lender of record and servicer for all the loans, but participate 100% of the economic ownership to the special purpose vehicle.

The \$320m ‘A’ class was rated Aaa by Moody’s and placed privately at 130bp over Sofr. This is the top 62.8% of the structure.

Beneath that is an unrated ‘B’ mezzanine tranche of \$130m, which is the middle 25.5% slice. It pays 220bp over Sofr, but was retained by the IFC. It was then insured on an unfunded basis by a consortium of credit insurers. The insurance premium was negotiated outside the structure, and not disclosed.

The residual \$59.53m equity layer is structured as preference shares, and is the

bottom 11.7%. The IFC is retaining most of this, but there is also an outside investor.

The portfolio is static, so the deal will amortise as the underlying loans do, sequentially from the top tranche down. The average life is expected to be about 3.3 years, and the deal has a legal maturity of around 10.3 years.

DIVERSE PORTFOLIO

The pool for the inaugural deal is loans to 57 obligors. Most are unrated but Moody’s has assessed them based on the IFC’s internal ratings.

They range in credit quality from the equivalent of B3 to investment grade, on Moody’s scale, but the weighted average is speculative grade.

“At IFC we are global in emerging markets, so we have been able to have a very nice diversification,” said Sierra-Escalante. “We have also been able to do sector diversification, including some sectors where job creation is at the core, like manufacturing and infrastructure. There are also transactions from our financial institutions group, through which smaller companies can be reached. There are different credit qualities across the portfolio — we have not only handpicked one type.”

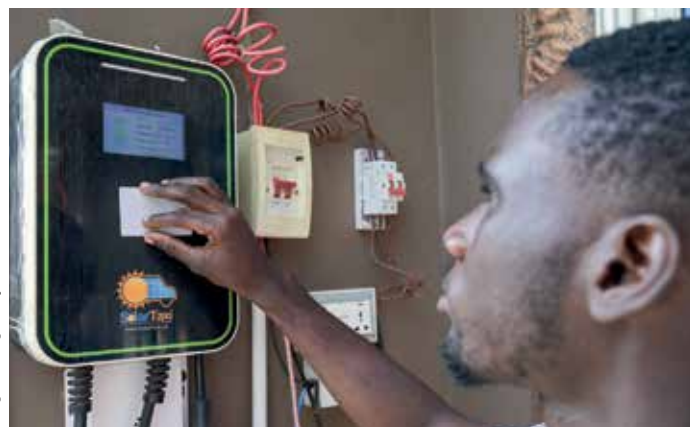
Compared with the IFC’s whole portfolio, where loans to financial institutions are a large share, that sector has a lighter weighting in the securitization.

Making waste bins from used tyres, Sulawesi, Indonesia

“We want the ambition of helping create a new asset class, to expand the investor universe to investors which are not generally taking risk on emerging markets”

—Kruskaia Sierra-Escalante, senior manager and global head of co-investor solutions, IFC

Joerg Boethling/Alamy



Electric car charging station, Kumasi, Ghana

“We priced very competitively for a first time issuer with emerging market collateral”

—Rabih Kanaan, the IFC's transaction lead

Hardware store in San Marcos la Laguna, Guatemala



Jake Lyell/Alamy

About 55% of the collateral is senior secured loans and 45% senior unsecured. The loans have been made in 28 countries in Asia, the Middle East, north Africa, south and north America, sub-Saharan Africa and Europe, according to Moody's presale report.

The loans are in dollars, which Moody's sees as a positive.

JOINING THE CLO MARKET

Since the top tranche is a true sale, cash securitization, it can be compared with ordinary commercial collateralised loan obligations, which are typically backed by speculative grade US or European 'broadly syndicated' leveraged loans (BSL).

Rabih Kanaan, the IFC's transaction lead on the deal, said: "Unlike a typical broadly syndicated loan CLO where there is a sliver of triple-C risk, we are not putting in anything triple-C, so it's a higher credit quality."

Moody's said the top five country exposures were Turkey (13.4% of the pool, Ba3 foreign currency country ceiling), Mexico (10.3%, A1 ceiling), Bangladesh (6.1%, B2), Brazil (6.0%, Baa1) and Egypt (6.0%, B3).

International Finance Corp investment mobilisation

	Year to June 30		
	2023	2024	2025
	Long and short term commitments (\$bn)		
IFC's own financing	277	31.7	28.3
Core mobilisation	16	24.4	43.4
Total	43.7	56.1	71.7
Mobilisation ratio	0.58	0.77	1.53

Source: *GlobalCapital* analysis of IFC financial report 2025

The credit enhancement for the 'A' notes is 36%, which greatly exceeds the exposure to any single country.

FINDING NEW INVESTORS

The credit insurance tranche has precedents in deals by the AfDB and IDB, and there is an established group of about 10 major insurance providers that engage in emerging market credit insurance.

But triple-A rated senior notes of an MDB securitization are an unusual instrument that does not appeal to all investors.

The IFC was pleased with the investors it managed to attract.

"Because it's an emerging market CLO it requires an investor that has sophistication and comfort with emerging market risk, as well as being familiar with structured finance and CLOs," said Kanaan.

He added: "We priced very competitively for a first time issuer with emerging market collateral. We got [the pricing] anchored in BSL CLOs, which is where we wanted to be, but we're not stopping there. Our ambition is to go through the [BSL CLO] curve. We believe the credit quality is better than a BSL CLO, so we think we should be compensated with tighter spreads over time."

PLANS FOR MORE

The IFC has been known to be contemplating a full capital stack securitization since at least last year, an approach that puzzled some market participants, who wondered how the deal could be worthwhile if the IFC was having to pay investors at every level.

The spread on the triple-A notes is much higher than the IFC would pay on its own triple-A senior unsecured bonds.

But the securitization does leave the IFC with excess spread as return on the equity, after paying the senior and mezzanine investors.

The MDB has not revealed how much capital relief the deal obtains. The AfDB's first deal in 2018 transferred the risk layers from a 2% attachment point to 27.25% on a \$1bn portfolio of 40 loans to banks, project finance vehicles and companies.

It achieved 65% capital relief.

The IDB's deal transferred the risk slice from 2.8% to 13% on a \$1bn portfolio, freeing up 50% of the capital.

Compared with those deals, the IFC's has a much thicker equity layer of 11.7%, but

all the risk above that is shed.

The IFC has achieved a balance between the degree of capital relief on the portfolio and the share of its income it has given up — which was its aim.

The IFC intends this to be the first of a programme of issuance, branded as Emerging Markets Securitization Programme (EMSP). At earlier stages of its development, the scheme was called the Warehouse Enabled Securitization Programme (WESP).

The IFC invited firms to tender for the role of financial adviser on the WESP in June 2023, intending it to "co-finance new loans by MDBs at origination, with the intention of only holding the loans until they could be packaged and transformed into investable securities for institutional investors."

The term 'warehouse' implies that assets can be assembled, ready to be securitized in future deals, but does not mean there will be a warehouse funding line from external lenders, since the IFC can fund itself with triple-A bonds.

The IFC sees the securitization partly as a way to further its agenda of increasing private sector mobilisation — the amount of private investment unlocked by each dollar of IFC lending.

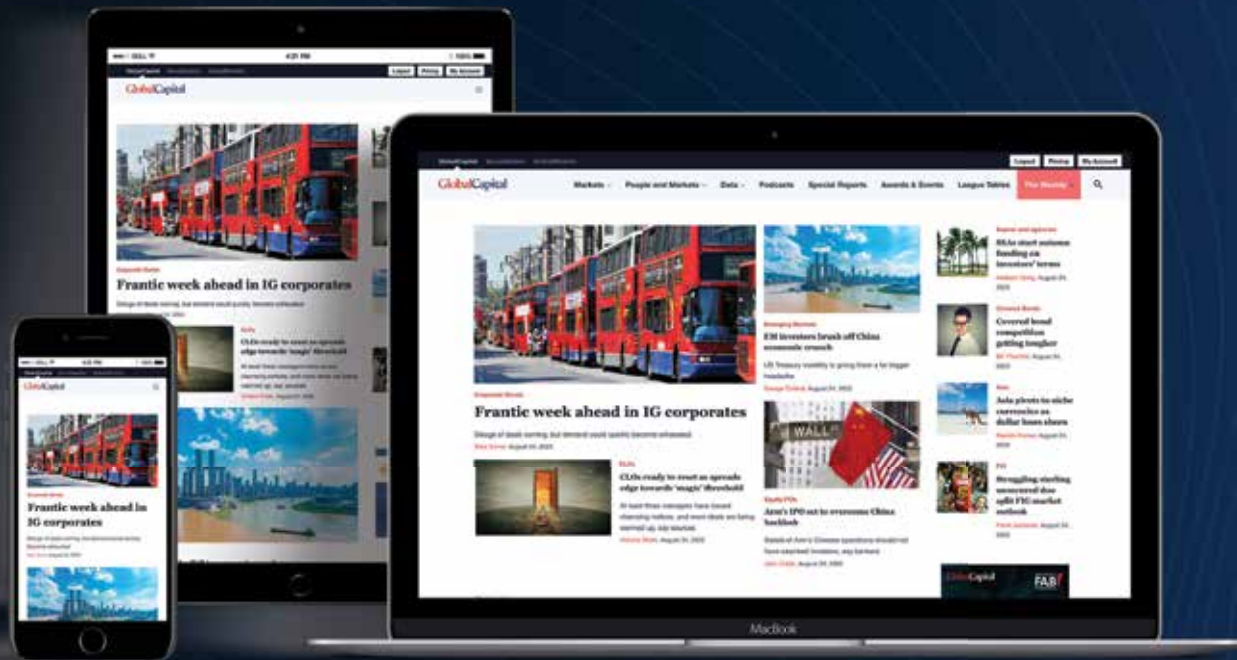
Alfonso Mora, the IFC's vice-president for Europe, Latin America and the Caribbean, told *GlobalMarkets*' sister publication *GlobalCapital* in 2024: "We used to mobilise 0.9 times what we invested. The objective is to take that to 1.5 to 2. How can we mobilise two times? We need new solutions."

One of those has now appeared. The IFC intends to issue at least once a year and has an aspiration in due course for other development banks to be able to use the programme too.

"It's our ambition to create a solid programme and hopefully others will start replicating," said Sierra-Escalante. "This is a more complex structure, but brings in a new class of investors. The expectation is we will be able to come with a regular cadence of issuances." **GM**

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US aid arrives as Milei faces crunch election, threatening Argentina bond access

President Javier Milei's economic reforms, which investors see as crucial for Argentina's credit to improve, are threatened by his unpopularity



Javier Milei's bond with Donald Trump is proving very useful

“Milei has lost a lot of political capital, and he may struggle to make any headway going further with his programme.”

—Alexis de Mones, EM debt portfolio manager at Ashmore in London



Luis Caputo, Argentina's economy minister, has been negotiating for US aid

By George Collard

Argentina's president Javier Milei faces critical mid-term elections later this month that could spell doom for his reform programme. The US has promised financial aid, and started to deliver it, helping Argentina stave off yet another sovereign default. But it may not be enough to get Milei a working mandate.

Despite Milei's aggressive populism, his economic changes since taking office in December 2023 have given investors confidence and — for a time — lowered Argentine bond yields to levels where the country might have been able to start issuing again.

But in early September, a regional election in Buenos Aires province, where 40% of voters live, pulled the rug from under Milei. His party La Libertad Avanza got only 34% of the vote, to 47% for the Peronist Justicialist Party.

It topped a damaging few months, in which Milei and his sister Karina, his campaign manager and general secretary of the presidency, have faced corruption allegations.

Bond yields soared and the peso plummeted 10% against the dollar.

Milei had allowed the peso to partially float as part of Argentina's \$20bn deal with the International Monetary Fund, signed in April. But there are upper and lower bands and the peso breached the lower end in the middle of September, forcing the central bank to use valuable dollars to shore up the currency.

“It was easy to feel good when the peso

behaved in an orderly fashion, but [with the central bank] having lost some control over it, that makes me nervous,” said Kate Moreton, emerging market sovereign analyst at Columbia Threadneedle in Los Angeles. “Anything that threatens reserves is a problem.”

ELECTORAL TEST

The provincial election result does not bode well for Milei in the national parliamentary poll on October 26.

When he came to power Milei promised sweeping changes to fix an economy that has floundered for years. Until early this year things were on track — there was a large decline in inflation, growth edged higher and some of the many imbalances were starting to reverse, even if the economy was still very fragile.

Early this year, Argentina's five year dollar bond yield got as low as 5.2%. Bankers expected Argentina to return soon to issuing new bonds, for the first time since 2017 — probably by the end of this year.

But sentiment deteriorated, and September's election shock knocked the yield out by nearly 1,500bp between late August and mid-September, to 25.8% according to Tradeweb. The yield had rallied back to 15.6% by last week, but any thoughts of issuance are shelved.

“The goal for issuance when I was there in March was the summer [2025], and if yields were under 10%,” said Moreton. “They weren't far off, but it's now not going to happen any time soon. Optimistically, it will be next summer. The market will need some time to see that [Milei] has political goodwill again and that the political programme can continue.”

Parliamentary arithmetic matters, because up to now Milei has pushed through reforms without a majority in either house, relying on executive decrees and the support of allies, who are not always reliable.

“Milei has lost a lot of political capital, and he may struggle to make any headway going further with his programme,” said Alexis de Mones, EM debt portfolio manager at Ashmore in London. “His veto is being overruled because he does not have enough support, and people that were his allies are having

no qualms about voting against him now.”

OUR FRIEND IN THE NORTH

At this juncture, support from the US is a godsend for Milei. Luis Caputo, the minister of economy, was in Washington last week for talks with Scott Bessent, the US treasury secretary.

On October 9, Bessent said support had begun. “The US Treasury is prepared, immediately, to take whatever exceptional measures are warranted to provide stability to markets,” Bessent posted on X.

He said the US had “directly purchased” Argentine pesos and finalised terms of a \$20bn “currency swap framework”.

“The US financial backing is fantastic for Milei and his government's ability to withstand attacks on the currency, and is providing support for the bonds,” said de Mones. “The support is extraordinary and unprecedented. There's really been a ‘whatever it takes’ attitude from Bessent.”

Argentina would not necessarily need to use the swap, said Moreton — she had seen estimates that it has used less than a third of its \$18bn swap line with China.

“The money will be there if they really need it,” she said. “They've had the swap line with China for a while but they've only drawn small amounts. It's something that ideally you'd never need to draw on.”

Investors have also wondered whether the US might try other forms of support. Among the more probable are buying Argentine dollar bonds; the more outlandish include guaranteeing new debt issues or a new series of Brady bonds.

“It's hard to overstate how big a sign of support for Argentina this is,” said economists at Capital Economics on September 26, referring to US promises. “But while the US's backing might give Milei breathing space ahead of the mid-terms, it won't solve Argentina's more fundamental issues.”

As the head of EM debt at a US investment firm saw it: “Milei needs a mandate. If he cannot get the third [of parliamentary votes] he needs then he's effectively unable to continue the policies that he has been doing. I think he will keep the mandate, but it's not guaranteed.” **GMI**

What's happening Friday, October 17



9.00am – 12.00pm

New Economy Forum Workshop: **GovTech: Revolutionizing Public Finance Operations through Digitalization**

Opening Remarks: **Joshua Aslett**, senior economist, IMF

New Economy Forum Workshop Session 1: **Transforming the Business of Revenue Administration**

Speakers: **Virpi Pikkarainen**, program director, Finnish Tax Administration; **Juliano Brito da Justa Neves**, undersecretary of Corporate Management, special secretary of the Federal Revenue of Brazil

Ernest Z. Lainkana, director general, Madagascar Customs Administration

Moderator: **Joshua Aslett**, Senior Economist, Fiscal Affairs Department, IMF

New Economy Forum Workshop Session 2: **Procurement to Commitment to Payment – Data-Driven Fiscal Management in Action**

Speakers: **Mukwende Placide**, Financial Systems

Development program manager, Ministry of Finance and Economic Planning of Rwanda
Kathrin Frauscher, Deputy Executive Director, Open Contracting Partnership

Moderator: **Sailendra Pattanayak**, division chief, Fiscal Affairs Department, IMF
Location: IMF Cedar Hall (HQ1-1-660)

11.00am – 11.45am

Knowledge Café: **Jobs after Shock: Can Crisis Unleash New Growth?**

Location: MC Atrium

11.00am – 12.15pm

Wired for Work: How Digital Platforms and AI Are Shaping Jobs

Location: MC Building, MC2-800

11.00am – 1.30pm

Small States Forum: **Building Jobs and Resilience in Small States**

Location: MC 13-121

12.30am – 1.30pm

Toronto Centre Executive Panel

Speakers: **Denny H. Kalyalya**, governor Bank of Zambia; **Sarah Breen**, Deputy Governor, Financial Stability, Bank of England; **Stefan Ingves**, chair, Toronto Centre;

Moderator: **Jay Surti**, division chief Financial Supervision and Regulation, IMF

Location: IMF Cedar Hall (HQ1-1-660)

12.30pm – 1.15pm

Knowledge Café: **The Future of Cities in Africa and Asia**

Location: MC Atrium

1.00pm – 1.30pm

Cultural Event

Host: **Thailand, the destination for the 2026 annual meetings** with traditional dance and food

Location: HQ2 01A Atrium

1.30pm – 5.00pm

Civil Society Policy Forum

1.30pm – 3.00pm Breaking the Tax Ceiling: The Promise of International Tax Reform for Sustainable and Equitable Development

3.30pm – 5.00pm Scrutinizing the IMF role on debt issues

Location: IMF HQ2-3-768

2.00pm – 2.30pm

Governor Talks: **Ecuador: Fostering Macroeconomic Stability and Growth in Ecuador**

Speaker: **Sariha Moya**, minister of Economy and Finance, Ecuador

Moderator: **Rodrigo Valdés**, director of the Western Hemisphere Department, IMF

2.00pm – 2.45pm

Knowledge Café: **Scaling Local Financing to Close Infrastructure Deficits**

Location: MC Atrium



DownTime

6.00pm – 9.00pm

Reception: **Qatari Banks Reception**

Location: Waldorf Astoria Hotel Washington DC
1100 Pennsylvania Avenue, NW

3.00pm – 3.30pm

Cultural Performance: **Thailand, the host of the 2026 annual meetings**

Location: HQ2 01A Atrium

3.30pm – 4.30pm

Capital to Scale: Women Entrepreneurs as Job Creators

Location: MC Building, Preston Auditorium

4.00pm – 4.45pm

Knowledge Café: **Building Skills and Bridging Gaps: Universities at the Center of the Jobs**

Location: MC Atrium

Don't Miss

2025 IIF ANNUAL MEMBERSHIP MEETING Growth in an Uncertain World iif.com/events

Networking & Program Breakfast

8:00am – 8:55am

Host **Nancy Hungerford**, conference moderator, former CNBC Anchor

In Conversation: **Economic Strategy in an Era of Fiscal Pressure**

Douglas Holtz-Eakin, president, American Action Forum; **Marcello Esteveão** (moderator), managing director, chief economist, IIF

9.00am – 12.25pm

Views from the C-Suite | In Conversations

Host: Nancy Hungerford

9.30am – 9.25am

In Conversation: **Mehmet Smsek**, finance



minister Ministry of Treasury & Finance, Republic of Türkiye; **Tim Adams** (moderator), president, CEO, IIF

9.30am – 10.10am

Views From The C-Suite: **EU Economic and Policy Outlook**

Tim Adams (moderator), president; CEO, IIF; **Peter Bosek**, CEO, Erste Group; **Jean Lemierre**, chairman of the Board of Directors BNP Paribas; **Bettina Orlopp**, CE, Commerzbank AG

10.15am – 10.55am

Views From The C-Suite: **Path Forward For U.K. Financials**

George Bridges, senior advisor Banco Santander; former chair, House of Lords Economic Affairs Committee; **Rick Haythornthwaite**, chair, NatWest Group; **David Schwimmer**, CEO, London Stock Exchange Group (LSEG); **Karen Tso** (moderator), co-anchor Squawk Box Europe, CNBC

11.00am – 11.25am

In Conversation: **Paul Chan Mo-po**, financial secretary, Government of the Hong Kong Special

Administrative Region; **Clay Lowery**, executive vice president, IIF (moderator)

11.30am – 12.10pm

Views from the C-Suite: **Defining the Next Chapter in Finance**

Sonja Gibbs (moderator), managing director, head of Sustainable Finance, Global Policy Initiatives, IIF; **Lorenzo Bini Smaghi**, chairman Société Générale; **Pier Carlo Padoa-Schioppa**, Chairman UniCredit; **Christian Sewing**, CEO, Deutsche Bank; **Valérie Urbain**, CEO, Euroclear

12.15pm – 12.25pm

In Conversation

Alberto Musalem, president; CEO Federal Reserve Bank of St. Louis; **Michael McKee** (moderator), global chief economist Bloomberg TV & Radio

Networking & Program Lunch

12.45pm

Host **Nancy Hungerford**, conference moderator, former CNBC Anchor

1.05pm – 1.30pm

In Conversation



Paul Atkins, Chairman, US Securities and Exchange Commission (SEC); **Tim Adams** (moderator), president; CEO, IIF

1.35pm – 2.15pm

Views from the C-Suite: **AI and Economic Competitiveness**

Tareq Al-Sadhan, Chief Executive Officer, Saudi National Bank; **Stefan Bollinger**, CEO, Julius Baer; **Mandy DeFilippo**, CEO, US and Americas, Standard Chartered; **Jessica Renier** (moderator), managing director Digital Finance, IIF

West courts Central Asia at last in struggle with China for rare earths

By Elliot Wilson

Western governments are engaged in an increasingly fraught rivalry with China for access to Central Asia's vast reserves of critical rare earth minerals.

China's desire to control global supply of rare earth elements like neodymium and terbium — critical to the production of electric vehicles, missiles and semiconductors — became more obvious than ever last week, when it unveiled strict new rules, making exporters responsible for how rare earths are used overseas. The move sparked a flare-up in Sino-US antagonism.

If China's plan has an Achilles heel, it is Central Asia. China holds almost all the leases for rare earth mining in Kyrgyzstan and Tajikistan, the region's two poorest states, which face severe political and economic difficulties, said Sophie Ibbotson, a consultant to the World Bank in Central Asia.

But the region's two richest states, Kazakhstan and Uzbekistan, have resisted Beijing's advances, keeping control of their reserves of critical minerals, while expanding alliances with Western countries.

Uzbekistan is increasing uranium production via a French-Uzbek-Japanese joint venture in the Navoi region.

'THE NEW OIL'

A huge deposit of cerium, lanthanum and neodymium was discovered in Kazakhstan's Karagandy region in April. Initial estimates put reserves at 20m tonnes — if true, that could make Kazakhstan the world's third largest producer of rare earths.

Both countries know the importance of rare earths — Kazakhstan's president Kassym-Jomart Tokayev calls them “the new oil” — and the value of trade diversification.

Andrew D'Anieri, associate director at the Atlantic Council's Eurasia Centre, says the two Central Asian



states have been assiduous at “creating new allies and partners” in the West, as well as Africa and the Middle East.

It hasn't been easy. For years, a major obstacle was lack of joined-up thinking in the West. That changed when Russia invaded Ukraine in 2022. Western states woke up to the threat of Beijing controlling the rare earth market. The US, Japan and others looked elsewhere for these elements, and Central Asia was the obvious source.

Deal flow has spiked. In September, during a visit to the US, Uzbekistan's president Shavkat Mirziyoyev announced a JV between Tashkent-based Texnopark and FLSmidth, a Danish producer of technology for rare earth processing.

He also unveiled an \$8bn deal to buy 22 Boeing 787 Dreamliners, with Kazakhstan later agreeing to purchase \$4.2bn of locomotives from Pittsburgh-based Wabtec.

“Central Asia has been crying out for the West to engage with it,” said D'Anieri. “With the Trump administration that's starting to happen.”

Another key obstacle to development and diversification has been Central Asia's place on the map: landlocked and encircled by Russia, China and Iran.

The solution, officials hope, is the expansion of the ‘Middle Corridor’, a complex trade route that stretches from China to Europe via the Caspian and Black Seas. Crucially, it cuts out Russia.

Little used until Vladimir Putin's forces invaded Ukraine, the Middle Corridor is a more expensive

“Central Asia has been crying out for the West to engage with it”

—Andrew D'Anieri, associate director at the Atlantic Council's Eurasia Centre

way to ship goods to the West than the ‘Northern’ corridor, which crosses Russia.

But it is faster, with average transit times between Kazakhstan and Poland of 10-15 days, versus 15-60 days via the Northern route.

The volume of goods transported each year via the Middle Corridor is projected to rise from 4.1m tonnes in 2024 to 11m by 2030.

Western investment continues to arrive. In May, the EU pledged €3bn to improve transport infrastructure in the region, as part of a €12bn Central Asia investment package spanning minerals, energy and digital connectivity.

WB Scorecard

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had a cold conversation across the institution on how those techniques could be brought to the rest of the operations, so that the urgency of results could be accelerated,” Martin said.

The new measure will contribute to the target of reducing the jobs deficit that Banga has set, and which Martin described as the Bank's “north star”. The Bank estimates 1.2bn people in emerging economies will reach working age over the next decade, but that just 420m jobs will be generated.

Annalisa Prizzon, a research fellow

at the thinktank ODI Global, said finance ministry officials had told her they liked the Scorecard because it helped them make a case for the impact of the money they had borrowed from the World Bank, and showed accountability to their citizens.

“The Scorecard is not only an instrument to process the impact of shareholder contributions, but also a tool for accountability from the perspective of the borrowing countries,” she told *GlobalMarkets*. “The Scorecard is also about accountability of the institutions. The way the Scorecard reflects the kind of priorities and the strategic directions of the World Bank is highly aligned with that.”

Russia falters

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China has an awful lot more of those things. The question is whether [Chinese president] Xi Jinping will continue to bankroll a failing project.”

ENTREPRENEURS LEAVE

Two other, interlinked challenges Russia faces are capital flight and brain drain. Thousands of Russian firms and dozens of global corporates fled the country in 2022. Many found safe haven in central Asia and the Caucasus, notably Azerbaijan, Geor-

gia, Kazakhstan and Uzbekistan.

“A lot of Russian start-up firms have relocated to Kazakhstan and listed on the AIX [Astana International Exchange],” said Janet Heckman, a former senior banker at the European Bank for Reconstruction and Development, now a non-executive director at Citigroup Kazakhstan and Georgia's TBC Bank.

She pointed to the welter of global corporates that have in recent years ploughed capital into central Asia, including EY, PwC, Siemens, Japan Tobacco International and Turkish consumer goods group Anadolu Efes. She added: “It's exciting to see.”

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World Bank tries to persuade other MDBs to use its impact Scorecard

By Phil Thornton

The World Bank is talking to other multilateral development banks about its new Scorecard for measuring the impact of its investments, and hoping they will agree to use it as a standardised system.

The intention is “having everybody measuring the same way,” said Lisandro Martin, director of the WBG’s outcomes department. “It will give us a possibility to really understand what the result of our interventions is, vis-à-vis the size of the problem.”

Martin said he hoped to have a good indication of which other MDBs “interested and willing to go with us” by the Spring Meetings in April.

Launched in April 2024, the Scorecard tracks the outcome of World Bank Group operations according to 22 indicators, radically slimmed down from its previous framework of 153 measures.

“There is a really big mistake among people that have not done a lot of thinking on performance management,” said Martin — “the belief that the more indicators you have, the more accountable you make an institution. If you have 150 and somebody asks you ‘is the World Bank Group doing well?’ I can say ‘I’m doing great in 10, poor in 10. I don’t have data for 120.’ This is how it goes. When you have 22 you have a very clear picture of whether we’re making a contribution or not. So I’m very much an advocate — and Ajay [Banga, WBG president] himself has a very strong vision — that this should be maintained within a limited set of indicators to



Martin: limited indicators are better

maintain the power of the Scorecard.”

The final piece of the Scorecard, which Martin is consulting on, is a new indicator of how WBG operations create “better jobs”. It will be unveiled at the Spring Meetings.

The aim is to go beyond counting how many jobs are created, to identify when people move into better paid work.

“This Scorecard overall gives you many avenues to understand, in a more nuanced manner, how the World Bank Group actually contributes to jobs,” Martin said.

His team has developed a model that calculates how much more labour income

has been created as a result of its operations and divides that by the average wage in that sector in the country.

PRECISE MEASUREMENT

Overall, the Scorecard is meant to measure results in a “more precise” manner, Martin said. “Measurement is a question of precision, but most importantly, an issue of direction.”

He pointed to the WBG’s target to help 500m people gain access to social safety nets by 2030. “We bring analytics to the team and say, ‘OK, are we on track to deliver on our promises?’” he said.

He found 30% of WBG operations were delivering results “significantly faster” than the rest. Further analysis found the reason was using new technologies to digitalise payments. “We

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Russia’s war economy is running out of steam

By Elliot Wilson

For so long, Russia’s wartime economy seemed impervious to external pressure. Western hopes that biting coordinated sanctions would force President Vladimir Putin to sue for peace proved illusory.

Massive military spending — \$263bn between 2022 and 2024, according to available data — helped output grow by more than 4% in 2023 and 2024. Yet with the fourth anniversary of Russia’s invasion of Ukraine on the horizon, deep economic and financial cracks have finally begun to appear.

Putin’s war machine is beginning to run out of steam. The finance ministry projects 1% growth in 2025, against earlier forecasts of 2.5%. In its latest World Economic Outlook, published this week, the International Monetary Fund has lowered its forecast to 0.6% growth this year, from a 1.5% prediction in April. Household lending is nearly at a standstill.

Last month German Gref, the CEO of state lender Sberbank, admitted the country was in “technical stagnation”. Even as growth dips toward zero, prices are rising: the IMF tips inflation to hit 9% this year.

In September, the Bank of Russia cut its benchmark rate from 18% to 17%, but its need to contain inflation means it dare not trim rates further.

The fiscal buffers Putin built up before attacking Ukraine “are beginning to be worn down,” reckons Timothy Ash, an associate fellow at the Royal Institute of International Affairs in London.

According to the latest purchasing managers’ index data from S&P, the manufacturing sector “remained in decline” in September, hobbled by falling orders, supply chain strains and a surprisingly sharp drop

in new exports. Weak demand was blamed by the rating agency on “financial difficulties [with] clients and hesitation among customers”.

Experts say conditions will only worsen as long as Putin clings to his aim of subduing and absorbing Ukraine. “If the war continues, the economic crunch will hit Russia in the next 18 months,” said Sophie Ibbotson, an adviser to the World Bank in central Asia.

“If Ukraine can hang on that long, Russia will face really fundamental problems,” she said.



“It is running out of money, people and kit — which is why China’s support is critical, as

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