



Industry Context

Well-functioning capital markets mobilize supplies of private capital by channeling finance from savers/issuers (institutional, retail, asset managers) to borrowers (firms, governments, and others). Well-developed capital markets provide a competitive spur to bank finance and improve the quality and efficiency of resource allocation within an economy by directing capital to its most productive uses. They also finance activities often perceived as too risky for bank financing, and often at longer tenors.

The potential for private capital to drive development impact is immense, with global banks, institutional investors, and asset managers holding approximately \$400 trillion in assets under management. Just a 1% annual reallocation could bridge the SDG financing gap. Yet significant barriers remain to unlocking this capital at scale, from limited benchmarks and market data to challenging regulatory environments.



**IFC Structured Products
Committed Portfolio**

\$9.6 billion



**IFC Structured Products
Historical Commitment
Volume**

\$31 billion

IFC Strategy and Portfolio

IFC builds the ecosystem for private investment in emerging markets and developing economies, through advisory services and capital market reforms, thereby improving access and opportunities. Forging partnerships with diverse institutional investors, IFC demonstrates the investment case and brings in co-investors across our portfolio. IFC's expertise in structuring innovative capital markets investment products supports new avenues to channel private capital into productive EMDE investments, enabling social safety nets, financial stability, and resilience.

Reflecting different stages of countries' capital markets development, IFC Structured Products work is guided by three strategic pillars:

- Developing local capital markets by attracting a wider range of issuers, diversifying the investor base, and building robust market infrastructure.
- Deepening and broadening capital markets and fostering innovation by supporting and/or introducing new asset classes and products, leveraging innovative capital markets solutions, and prompting better information, transparency and standard-setting.
- Increasing access to global capital by building market capacity to mobilize global investment flows and developing and leveraging co-investment and de-risking instruments and platforms.

Project Examples

Bonds: EM bond issuance recovered in Q2 FY26 as global risk appetite improved and investors rotated back into higher-yielding assets. Early 2026 forecasts point to another year of solid issuance with only modest net supply growth, underpinned by steady fundamentals and improved global liquidity. Throughout this period, IFC remained an important investor in EM capital markets, deploying record volumes of capital to private companies and FIs, and helping to deepen local markets and mobilize private investment.



BOGOTA GREEN BOND (COLOMBIA)

IFC served as anchor investor in a US\$600m (COP-denominated equivalent) 10-year offshore local currency green bond issued by the Municipality of Bogotá. IFC committed US \$90m, catalyzing US\$510m from global investors in the first international local-currency green bond by a Colombian municipality and among the first in the region. The landmark transaction establishes a model for subnational issuers accessing capital markets and advancing local-currency financing. Proceeds will support sustainable urban mobility investments, including Metro Line 2, cable cars, and BRT systems, improving access to transport while reducing emissions.

Credit Risk Transfers/Synthetic Significant Risk Transfers (SRTs): SRT transactions remained a useful tool for banks seeking to manage credit risk and free capital for new lending in Q2 FY26. Adoption in emerging markets is still nascent but gradually expanding as awareness grows. In Q2, IFC committed to one SRT and two CRTs involving sharing of portions of its underwritten exposures with pre-identified private investors, reinforcing the role of SRTs and CRTs in broadening access to finance, capital mobilization, and deepening markets.



SRT (GLOBAL)

IFC committed a US\$50 million unfunded financial guarantee to a global bank under a significant risk transfer (SRT) structure. The transaction covers the mezzanine tranche of a revolving reference portfolio comprising of mostly trade finance exposures across developed and emerging markets. Capital freed up by the SRT will be redeployed by the bank to originate significant amounts of new EM trade finance over the next several years. In a second phase of this project, a leading global investor may assume a portion of IFC's exposure. This would mark one of IFC's first SRT transactions involving private sector investors, setting a precedent for similar participation in future SRT transactions alongside IFC.

Cash Securitization and Asset-Backed Lending: The securitization market saw a gradual pickup in volumes and investor risk appetite, supported by strong performance in broader EM debt and improving global liquidity. IFC continues to back asset-backed transactions that deepen local capital markets and broaden access to credit, especially in emerging economies where securitization is still nascent but remains a powerful, underutilized financing tool.



GLOBALCORP BOND SECURITIZATION (EGYPT)

IFC made its first investment in Egypt's securitization bond market by participating as an anchor investor in GlobalCorp's landmark EGP 2.475 billion issuance (approximately US\$52 million). IFC committed in a tranche rated AA+ the local-currency equivalent of US\$10.5 million. The project supports the client in expanding lending to MSMEs and scaling up climate finance activities. IFC's local-currency investment is supported by the Blended Finance Facility for Refugee Prospects through an FX swap rate buydown. This transaction underscores IFC's commitment to strengthening and diversifying Egypt's capital markets while expanding access to innovative financing solutions for local NBFIs.

Credit Funds: Emerging markets showed strong resilience the past quarter, sustaining steady growth despite the volatility in Q2 FY26 and gaining momentum into Q3 FY26. A key development was IFC's commitment to the first blue credit fund, supported by IFC's Blue Finance Guidelines update, which establishes a clear framework for directing capital toward high-impact ocean- and water-related projects.



DFP AVATAR (GLOBAL)

IFC committed US\$20 million to a new credit strategy co-developed with and managed by T. Rowe Price, marking the start of a new partnership with a leading global asset manager recognized for its strong emerging markets expertise. The strategy provides investors with both investment products and a clear roadmap to scale credible blue finance, positioning sustainable water management and ocean preservation as drivers of resilience, job creation, and long-term prosperity.

Digital Bonds: Interest in digital native bonds (DNN) or tokenized bonds, a product with increasing interest from market participants, including investors and issuers, continues to grow as market participants seek more efficient, transparent, and secure alternatives to traditional bond issuance and settlement processes. IFC is actively exploring opportunities to support innovative market infrastructure such as tokenization, which offers particular benefits for emerging market debt capital markets that face lower liquidity and accessibility.



AKBANK DIGITAL GENDER BOND (TÜRKIYE)

Building on the pioneer İşBank transaction, IFC recently committed US\$100 million to Akbank's inaugural DNN, the world's first digitally issued gender bond. Leveraging blockchain (distributed ledger) technology, the bond achieved same-day (T+0) issuance and settlement through Euroclear's Digital Financial Market Infrastructure (D-FMI), reducing settlement risk and increasing efficiency. All proceeds will expand financing for women-owned SMEs and increase home ownership for women in Türkiye, addressing key constraints of women-led firms to foster economic activity and job creation. By combining cutting-edge digital infrastructure with gender-focused financing, this landmark deal mobilizes private capital, catalyzes job creation, and sets a new benchmark for thematic investments in emerging markets.