

Annual Financial Report 2025



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Cover image: Hours before the opening of the Global Fund's Eighth Replenishment Summit, co-hosted by South Africa and the United Kingdom, a high-level, hybrid side event convened on the margins of the G20 Leaders' Summit. Johannesburg, South Africa, on Friday 21 November, 2025.

The Global Fund/Vincent Becker

Management Report



Fanta Conde, communication and advocacy officer at Grandir Ensemble Mali, plays with a young family member at her sister's home in Bamako, Mali.

The Global Fund/Vincent Becker

Year under review

The year unfolded against a complex global backdrop marked by economic uncertainty, geopolitical instability, and a constrained global health financing environment. Despite these challenges, the Global Fund remained financially resilient. Strong governance, disciplined financial management, and close collaboration with our partners enabled the effective mobilization and deployment of resources, while maintaining robust internal controls and strong risk management posture.

A significant milestone during the year was the successful conclusion of the Eighth Replenishment, which secured substantial pledges from public, private, and philanthropic partners. Achieved amid a challenging funding climate, this outcome reflects sustained confidence in the Global Fund's mandate, governance, and ability to deliver impact. The commitments mobilized reaffirm the shared resolve of donors and partners to place people at the center of global health financing.

Delivering impact under constraint requires deliberate and disciplined choices. In response to funding uncertainty, we sharpened our focus on protecting core, lifesaving interventions and ensuring continuity of treatment for those most at risk. This approach enabled the partnership to sustain critical HIV, tuberculosis, and malaria programs, preserve hard-won gains, and mitigate the risk of service disruption in high-burden settings.

Recognizing the realities of a constrained funding landscape, we advanced strategic shifts to support long-term sustainability. These included tighter allocation prioritization, stronger expectations around co-financing and domestic resource mobilization, and increased emphasis on efficiency, cost control, and procurement optimization. Together, these actions reduced financial risk, improved resource utilization, and positioned the Global Fund to operate within a more disciplined and sustainable financial envelope.

Looking Ahead

The Global Fund partnership is focused on sustaining hard-won gains while adapting to a rapidly evolving global health landscape. This next phase emphasizes transformation, innovation, and shared responsibility, with stronger focus on efficiency, impact, resilience, and clearer pathways to country self-reliance.

Responding to the evolving landscape, the Global Fund has enhanced its NextGen Market Shaping approach, aiming to improve access to quality assured and affordable health products and innovations. We will continue to accelerate the scaled introduction of new and more efficacious health tools, like dual a.i. ITNs, LEN PrEP and others, leveraging our market shaping mechanisms such as revolving facility and access funding. We will also continue leveraging the Global Fund's PPM/wambo procurement platform to sustain markets, advance regional partnerships to strengthen manufacturing capacity and procurement, and support countries in transition, including through the scaled use of non-grant financed procurement.

Looking ahead to 2026, the Global Fund will continue advancing a structured shift toward greater country ownership and progressive transition to nationally led financial systems. Strengthening country reliance is central to sustaining impact, reinforcing institutional resilience, and ensuring that health investments remain effective over the long term.

Our focus is to deepen the strategic use of national systems to align financing with country health priorities, strengthen domestic accountability, and enhance predictability of resource flows. Integrating investments within national budgetary and oversight frameworks reinforces national responsibility for results and supports a gradual transition toward more sustainable financing models.

This evolution will be carefully balanced with disciplined fiduciary risk management. Progress will therefore be differentiated, reflecting institutional maturity, demonstrated performance, and readiness for transition. Across all contexts, the objective remains consistent: resilient national systems underpinned by strong accountability and sound financial governance.

We are deeply grateful to our donors, implementers, and partners for their continued trust and engagement. Through this collective commitment, we will continue to advance the fight against HIV, tuberculosis, and malaria, strengthen health systems, and contribute to a healthier, safer, and more equitable world.



Adda Faye
Chief Financial Officer



Peter Sands
Executive Director

Letter from the Chair and Vice-Chair of the Board

The Board of the Global Fund oversaw the organization's financial performance for the year ended 31 December 2025, reviewing results against the approved operating budget, prior-year outcomes and the multi-year financial framework. The Board concluded that financial performance remained consistent with approved plans and reflected disciplined financial management in a challenging global environment.

During the year, the Board noted the successful completion of the replenishment process, reaffirming continued donor commitment to the Global Fund's mission. The Board will continue to monitor the conversion of pledges into signed contribution agreements and cash receipts to support timely grant commitments and maintain financial sustainability.

The Board also considered developments in the external financing environment and their potential implications for the Global Fund's resource envelope. In this context, the Board supported a prudent approach to prioritizing grant commitments and implementation activities to protect core lifesaving interventions while maintaining alignment with strategic objectives.

The Board maintained close oversight of liquidity, reserves and treasury operations and was satisfied that the Global Fund retained sufficient resources to meet its obligations as they fall due. Based on the information available at the date of approval of these financial statements, the Board concluded that there is no material uncertainty that may cast significant doubt on the Global Fund's ability to continue as a going concern.

In light of forthcoming leadership transitions, the Board also took steps to ensure continuity of governance and independent assurance, including the extension of the mandate of the Inspector General.

The Board reaffirmed its stewardship of donor resources and was satisfied that funds were used in accordance with approved purposes and high standards of accountability and transparency.

Sincerely,



Lady Roslyn Morauta
Chair of the Board



Dr. Bience Gawanas
Vice-Chair of the Board

Overview Financial Results

(in millions of USD including C19RM related activities)

| Statement of activity | 2025 | 2024 | 2023 | Total |
|---|----------------|----------------|----------------|-----------------|
| Contributions (without discounting) | 3,697 | 3,298 | 6,346 | 13,341 |
| Grant expenditure (without discounting) | (2,370) | (6,155) | (4,460) | (12,985) |
| Strategic Initiatives | (67) | (67) | (162) | (296) |
| Operating expenses | (436) | (410) | (400) | (1,247) |
| Provident Fund valuation as per note 6.1 | 6 | 13 | 10 | 29 |
| Foreign exchange result, net | (60) | 2 | 10 | (48) |
| Financial income, net | 302 | 250 | 280 | 832 |
| Discounting of long-term positions | 31 | 95 | 70 | 196 |
| Loss on actuarial valuation of defined benefit obligation towards employee benefits | (3) | (20) | (36) | (59) |
| Total comprehensive income for the year | 1,057 | (2,995) | 1,601 | (337) |

Statement of financial position

| | | | | |
|---|-------|-------|-------|-----|
| Cash and cash equivalent, including Trust Fund assets | 4,845 | 4,797 | 5,060 | N/A |
| Contributions receivable | 1,972 | 2,255 | 3,803 | N/A |
| Other assets | 416 | 455 | 401 | N/A |
| Grants payable | 2,342 | 3,810 | 2,521 | N/A |
| Other liabilities | 612 | 484 | 534 | N/A |
| Funds | 4,270 | 3,213 | 6,209 | N/A |

Statement of cash flows

| | | | | |
|--|----------------|----------------|----------------|-----------------|
| Cash receipts from donors | 4,088 | 4,860 | 4,613 | 13,561 |
| Grants disbursed | (3,962) | (4,931) | (5,121) | (14,014) |
| Grants disbursed to Principal Recipients and third parties (incl. in line above) | (3,892) | (4,827) | (5,006) | (13,725) |
| Cash paid for other operating activities | (411) | (366) | (371) | (1,148) |
| Cash paid for settlement of derivative financial instruments | (18) | (31) | (194) | (243) |
| Cash from/ (used in) investing activities | 311 | 476 | 982 | 1,769 |
| Cash paid for lease liability | (9) | (8) | (8) | (25) |
| Increase/ (decrease) in operational cash position including cash at commercial banks and Trust Fund | 11 | 1 | (98) | (86) |
| FX (loss)/ gain on cash | 3 | (3) | 6 | 6 |

Other key information

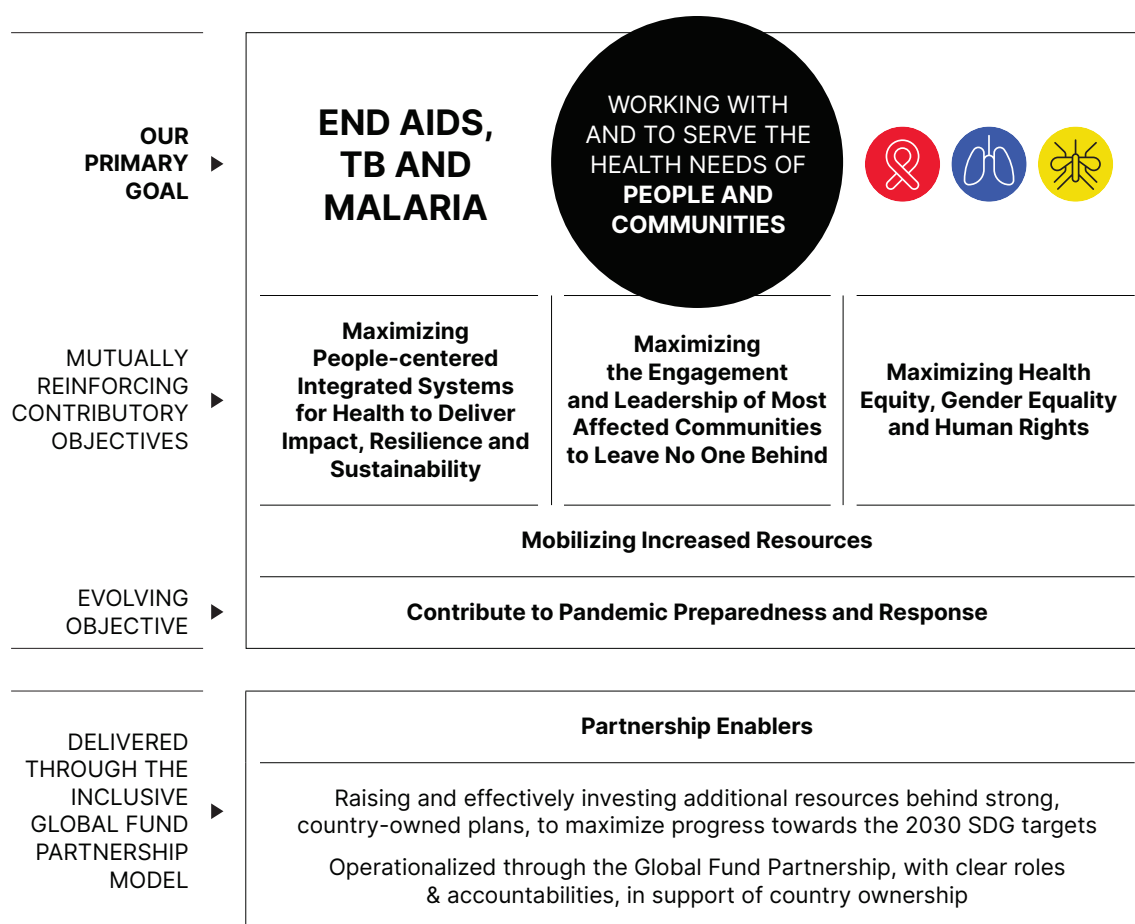
| | | | | |
|---|-------|-------|--------|------|
| Grant contingent liability (in millions of USD) | 4,591 | 8,021 | 11,103 | N/A |
| Net ALM FX results (in millions of USD) | (59) | 10 | (17) | (66) |
| Number of active grants | 281 | 294 | 281 | N/A |
| Number of employees | 1,115 | 1,182 | 1,140 | N/A |

Organizational Background

(a) Vision, Mission and Strategy

The Global Fund is a partnership organization designed to accelerate the end of AIDS, tuberculosis (TB) and malaria as epidemics. As a partnership between governments, civil society, the private sector and people affected by the diseases, the Global Fund mobilizes and invests more than USD 5 billion a year to support programs run by local experts in more than 100 countries to defeat the three diseases and ensure a healthier, safer, more equitable future for all. By challenging barriers and embracing innovative approaches, we are working together to better serve people affected by the diseases.

Global Fund Strategy (2023-2028): Fighting Pandemics and Building a Healthier and More Equitable World



Global Fund Strategy Framework Overview

The Strategy has four mutually reinforcing contributory objectives that leverage the core strengths and comparative advantages of the unique partnership:

1. Build the resilience and sustainability of systems for health through investments that drive impact against HIV, TB and malaria and related conditions, including coinfections and comorbidities.
2. Maximize the engagement and leadership of affected communities, to ensure that no one is left behind, and that services are designed to respond to the needs of those most at risk.
3. Maximize health equity, gender equality and human rights by deepening the integration of these dimensions into our HIV, TB and malaria interventions.
4. Mobilize increased resources particularly in light **of the reverses resulting from COVID-19 while** simultaneously driving relentlessly for greater value for money.

(b) Legal Status

The Global Fund is an international financing institution recognized as an international organization, initially formed as a Swiss foundation in 2002. Its status has been elaborated through an ongoing process of legal recognition by various national governments and international organizations:

- The Swiss Federal Council accorded the Global Fund international organization status through the 2004 Headquarters Agreement.
- Effective November 2002, the Global Fund was recognized as a tax-exempt organization in the United States of America, under Section n (c) **(3) of the Internal Revenue Code.**
- The United States of America, through an executive order in 2006, designated the Global Fund as a public international organization in accordance with the United States International Organizations Immunities Act.

- The European Commission, through a 2014 Commission Decision, assimilated the Global Fund to the status of an international organization for the purposes of managing European Union funds.
- The Agreement on Privileges and Immunities of the Global Fund to Fight AIDS, Tuberculosis and Malaria became effective on 17 August 2019.

(c) Core Structures

The Global Fund operates within the following core structures:

- i. **The Board and its standing committees –**
The Board is responsible for strategy, institutional governance and approving program funding decisions. It is also responsible for assessing organizational performance, overall risk management, partner engagement, resource mobilization and advocacy. It is composed of representatives from donor and implementer governments, civil society, the private sector, private foundations, communities living and affected by the three diseases, as well as international organizations which are Global Fund partners.

The Board's three standing committees are:

- **the Audit and Finance Committee (AFC)**
- **the Ethics and Governance Committee (EGC);**
and
- **the Strategy Committee (SC)**

These committees have Board-delegated decision-making, advisory and oversight responsibilities, outlined in their respective charters, to facilitate and oversee the Secretariat's implementation of the Board's strategy and policies. A Coordinating Group, comprised of the Chairs and Vice-Chairs of the Board and its three standing committees, serves as a collaborative body to coordinate important business of the Board.

- ii. **The Secretariat – The Global Fund Secretariat** is responsible for the day-to-day operations of the Global Fund as stated in the Bylaws (approved by the Board pursuant to GF/B34/EDP07 on 28 January 2016 and last amended **pursuant to GF/B47/DP07 on 12 May 2022**). Under the leadership of the Executive Director, who is appointed by and reports to the Global Fund Board, the Secretariat manages the grant **portfolio; executes Board policies; mobilizes resources; provides strategic, policy, financial, legal and administrative support; and oversees** monitoring and evaluation of results. The Secretariat is based in Geneva, Switzerland, and has no office or employees located outside its headquarters.
- iii. **The Office of the Inspector General –** The Global Fund has an Office of the **Inspector General (the OIG) that provides** independent and objective assurance over the design and effectiveness of controls or processes in place to manage the key risks impacting the Global Fund’s programs and operations, including the quality of such controls and processes. Under the leadership of the Inspector General, the OIG operates as an independent unit from the Secretariat, reporting to the Board through the AFC.
- ii. The **Principal Recipient (PR)**. The PR is designated by the CCM and is the recipient of Global Fund financing and utilizes it to implement programs, either directly or through other organizations (sub-recipients). PRs are independent legal entities and are not part of the Global Fund’s organizational structure.
- iii. The **Local Fund Agent (LFA)**. The LFA is a key external service provider responsible for monitoring and verifying in-country grant implementation and providing recommendations to the Secretariat on key decisions relating to grants.

(d) Program Structure

Programs funded by the Global Fund are implemented by Principal Recipients, in collaboration with in-country partners. The Global Fund does not have field offices in implementing countries. The key in-country structures involved in programs funded by the Global Fund are:

- i. The **Country Coordinating Mechanism (CCM)**, a partnership composed of key stakeholders in a country’s response to the three diseases. The CCM is responsible for submitting funding requests to the Global Fund, nominating the entities accountable for administering the funding, and overseeing grant implementation. CCMs are national committees that are convened independently and are not part of the Global Fund’s organizational structure.

1. | 2025 Operational Review



The Global Fund's Eighth Replenishment Summit, co-hosted by South Africa and the United Kingdom, a high-level, hybrid side event convened on the margins of the G20 Leaders' Summit. Johannesburg, South Africa, on Friday 21 November, 2025.

The Global Fund/Thabang Radebe

1.1 The Replenishment Mechanism

Under its replenishment mechanism, the Global Fund convenes donors, implementers and other key partners once every three years to mobilize resources for the following three-year replenishment period. This mechanism has not fundamentally changed and continues to provide predictability for the Global Fund and partner countries, enabling long-term planning to fight the three diseases and strengthen health systems.

However, for the Eighth Replenishment, the Global Fund adopted a rolling replenishment approach in response to the volatility and unpredictability of the external environment. Instead of concentrating advocacy and pledging solely around a single moment, the campaign launched in February and was followed by a sustained months-long replenishment effort - leveraging multiple engagement and pledging opportunities throughout the year. This culminated in the Global Fund's Eighth Replenishment Summit which took place in hybrid format in Johannesburg, South Africa on 21 November 2025, co-hosted by H.E. President Cyril Ramaphosa of the Republic of South Africa and the Rt. Hon. Sir Keir Starmer, Prime Minister of the United Kingdom on the eve of the G20 Leaders' Summit.

Eighth Replenishment Outcome

Global leaders, implementing partners, the private sector, civil society, and communities gathered in-person and online for the Eighth Replenishment Summit. On this occasion, the Global Fund's donors announced a total of USD 11.34 billion in pledges. At the time of the Global Fund's 54th Board Meeting in February 2026 and despite one of the most turbulent geopolitical and economic years in recent memory, **total pledges for the 2026 to 2028 period reached a remarkable USD 12.643 billion** to sustain the fight against AIDS, tuberculosis (TB) and malaria, **save millions more lives, and** strengthen systems for health.

The Eighth Replenishment outcome marks a renewed commitment to work differently – embracing a more agile, country-driven partnership model able to respond to a rapidly shifting global health landscape, attract new donors, and strengthen domestic resource mobilization. The new context calls for smarter

approaches, locally led solutions, and continuous innovation, with advances such as long-acting HIV **prevention tools, dual-active malaria nets, and AI-enabled TB diagnostics** illustrating the potential for transformative impact. Achieving scale and speed remains essential to saving lives and maximizing outcomes, reinforcing the need for reforms to global health architecture, better integration of innovations, and a strategic transition toward greater country self-reliance—while ensuring that change is carefully managed to avoid jeopardizing hard-won gains.

The outcome represents a powerful demonstration of unity and resolve, in a period defined by fiscal tightening, conflict, and global uncertainty. While total pledges fall short of the ambitious target set in the Investment Case, this Replenishment nevertheless reaffirms that global solidarity remains strong – and that the world can come together to confront these three epidemics, accelerate universal health coverage, and protect future generations.

Work to secure unannounced or new pledges and to accelerate pledge formalization through contribution agreements will continue throughout 2026 as the partnership seeks to maximize the Replenishment outcome, mitigate risks, and convert political momentum into fully realized financial resources for the 2026 to 2028 period.

Converting Eighth Replenishment Pledges into Contributions

Early progress on converting Eighth Replenishment pledges has been encouraging, with several contribution agreements already signed and some payments already secured. As of 31 December 2025, the Global Fund has signed contribution agreements with six public donors and three private donors. Contributions have already been received from two public donors and one private donor, with one public donor having fully paid its Eighth Replenishment pledge.

Given the continued volatility of the global political and fiscal environment, **pledge conversion remains an ongoing priority**. The Secretariat will maintain close, proactive engagement with all donors to secure timely agreement signing, mitigate emerging risks, and ensure that announced pledges are fully realized and available for programmatic delivery in **Grant Cycle 8 (GC8)**.

Ongoing Resource Mobilization and Seventh Replenishment Conversion

As of 31 December 2025, the Global Fund partnership secured USD 15.85 billion in announced pledges from 51 public and 32 private donors for the 2023–2025 period. This includes USD 185 million in additional pledges received since the initial allocation approval in November 2022, of which USD 29 million from public donors and USD 156 million from the private sector and foundations. Alongside financial contributions, the private sector continues to contribute strategic in-kind value, supporting efficiency, innovation, and the creation of new tools and technologies central to the fight against HIV, TB and malaria. These partnerships are increasingly important for resource mobilization, value-for-money, and long-term sustainability.

Conversion of Seventh Replenishment pledges has progressed strongly during the final year of the cycle. As of 31 December 2025, 86% (USD 11.89 billion) of adjusted pledges for the Seventh Replenishment has been received in cash, thanks to many donors who have fully converted their pledges, and the Global Fund has signed agreements with 88% of donors (73 of 83) for a total value of USD 12.22 billion. Conversion of the outstanding Seventh Replenishment pledges continues to be a priority and actively pursued.

1.2 The Grant Funding Cycle

The Global Fund allocates funding to countries to support HIV, TB and malaria programs and to build resilient and sustainable systems for health. These allocations are made every three years at the beginning of a new allocation period. Each allocation cycle is aligned with the respective Replenishment. Allocations to individual countries are calculated using a formula that is predominantly based on each country's disease burden and economic capacity. They are refined to account for important contextual factors through a transparent and accountable qualitative adjustment process.

The following sections provide an update on each active grant cycle at allocation rates:

Grant cycle GC5¹: 2017-2019

Based on the most recent expenditure reports until 31 December 2023, in-country expenditure for all grants of the 2017-2019 cycle of USD 11.0 billion was incurred by the Principal Recipients (PR) against a cumulative grant budget of USD 12.1 billion. This reflects an in-country absorption of 91% under the 2017-2019 allocation period. Through portfolio optimization and the COVID-19 Response Mechanism 2020 (C19RM2020) reprogramming, an acceleration in the implementation of programmatic activities has been achieved. The organizational target of 85% has been met for in-country absorption under the 2017-2019 allocation (within +/- 4%-5% margin of error). There is a total of 324 grants that have undergone a financial closure process. Out of those 324 grants, 99% of Financial Closure Reports (FCRs) are fully validated with USD 489 million in closing cash balance.

Grant cycle GC6²: 2020-2022

Based on the most recent expenditure reports until 30 June 2025³, in-country expenditure for all grants of USD 12.7 billion was incurred by the Principal Recipients against a cumulative grant budget of USD 13.8 billion⁴ for the 30 June 2025 period end reporting. This reflects an in-country absorption rate of 92% under the 2020-2022 allocation period, the highest ever achieved and well above the target of 85% (within +/-4%-5% margin of error). This absorption is slightly higher than the similar period for the 2017-2019 cycle (90% at 30 June 2022), with a significant increase in the absolute expenditure amount spent (+USD 1.7 billion). The improved expenditure level can be attributed to gains from the upfront decision of "over-allocation" of additional funds (USD 0.6 billion) and early portfolio optimization process (USD 0.250 billion), as well as better performance on Health Product Procurement.

On GC6 financial closures, out of a total of 292 GC6 grants, 270 grants were due to be closed at the end of 2025. Out of those 270 grants, 255 grants have validated the FCRs (94% compliance), that represents 97% in disbursements value and USD 336 million in closing cash balance.

1 5th Grant Cycle

2 6th Grant Cycle

3 Expenditure reports extracted on 2nd February 2026 include mainly June 2025 reports but as well other reporting periods notably for off-cycle grants.

4 Cumulative budget is inclusive of allocation funds, catalytic funds and other funding (Private sector, Debt2Health, portfolio optimization and other).

Grant cycle GC7⁵: 2023-2025

Since early 2025, global health financing has shifted rapidly, with major funding cuts creating high financial uncertainty. Concerns over pledge conversion led to a reprioritization exercise launched in May 2025, resulting in a USD 1.43 billion **reduction (or 11%) in GC7 country budgets. This was the first time the Global Fund had ever attempted a portfolio-wide mid-cycle reduction of grant budgets at that scale and overall the process went remarkably smoothly, with most CCMs able to make the necessary difficult trade-off decisions in an effective and inclusive manner, protecting the most critical lifesaving interventions.**

Based on the most recent submitted expenditure reports at 30 June 2025⁶, in-country expenditure of USD 3.4 billion was incurred by the Principal Recipients against a cumulative grant budget of USD 5.0 billion⁷ for the 30 June 2025 period. This reflects an in-country absorption rate of 68% **under the 2020-2022 allocation period, below the target of 80% for Year 2 of implementation but aligned with previous cycles at comparative period (67% and 60% ICA in GC6 and GC5 respectively after 18 months of implementation).** Proximal financial information at 30 September 2025 (based on Pulse check submission for high impact and core grants) indicate an improved ICA of 79% for the 30 September 2025 period. The December 2025 Progress Update Disbursement Request submission by the PR will provide additional insights on the progress of the implementation of GC7 grants.

Pandemic preparedness and response, including Impact of COVID-19 pandemic

C19RM Reinvestment

The Global Fund Board approved funds for longer-term strategic investment in health systems strengthening and pandemic preparedness, at its 48th Board meeting in November 2022, through a 2-year extension to permit implementation of **COVID-19 Response Mechanism funds until 31 December 2025.**

In 2023, USD 2.2 billion of re-programming for re-investment in the shift was approved by the C19RM Investment Committee and its delegated authorities, including USD 400 million of portfolio optimization. Those approved re-investments

are mostly directed towards health systems strengthening in five strategic priority areas (i) surveillance systems, (ii) laboratory systems, (iii) **human Resources for health (HRH) and community systems**, (iv) medical oxygen & respiratory care, and (v) health product and waste Management, to respond to the change in countries' needs and shift the investment from an emergency response to a pandemic preparedness response.

In January 2025, the Board approved delegated authority to provided flexibility to the Secretariat to operationalize and approve a limited extension to the C19RM implementation period for certain programs through 31 December 2026, including through the use of Centrally Managed Limited Investments, and any Audit and Finance Committee-approved portfolio optimization awards. Only a sub-set of the 42 countries prioritized during the previous wave of C19RM portfolio optimization will be eligible for limited extensions, which will be assessed on a case-by-case basis and tailored to country contexts and programmatic needs as well as capacity to implement. For the remaining countries, including the 82 countries not prioritized for the prior wave of C19RM portfolio optimization, the 31 December 2025 deadline will be maintained in line with the established aims of the C19RM strategic shift. In addition, and subject to availability of additional funds, the Secretariat would subsequently conduct a C19RM portfolio optimization strategically focused in line with programmatic needs and capacity to rapidly implement to maximize impact and fully utilize funds, leveraging the extended implementation period. Furthermore, the Secretariat will continue implementation acceleration through the RSSH Acceleration Initiative for enhanced monitoring and oversight to track progress, resolve bottlenecks and accelerate implementation. From a budgetary implication perspective, the Board approved **an increase of 0.5% (from 4.5% to 5%) for the incremental management and operating costs directly attributable to C19RM.** An incremental 0.5% additional C19RM OPEX represents USD 20 million.

Based on the most recent expenditure reports until 30 June 2025⁸, in-country expenditure for C19RM 2021 grants of USD 3.2 billion was incurred by Principal Recipients against a cumulative grant budget of USD 4.6 billion. This reflects an in-country absorption of 69%. As the end of the mechanism is approaching

5 7th Grant Cycle

6 Expenditure reports extracted on 2nd February 2026 include mainly June 2025 reports but as well other reporting periods notably for off-cycle grants.

7 Cumulative budget is inclusive of allocation funds, catalytic funds and other funding (**Private Sector, Debt-to-Health, portfolio optimization and other**).

8 Expenditure reports extracted on 2nd February 2026 include mainly June 2025 reports but as well other reporting periods notably for off-cycle grants.

(implementation period up to 31 December 2026), a critical lever has been identified to optimize C19RM funds: rebalancing RSSH expenditures from GC7 to C19RM. Expenditures under GC7 that align with C19RM Strategic Priority areas may be reclassified and transferred to GC7, thereby further optimizing overall utilization and safeguarding critical GC7 RSSH investments. Proximal financial information at 30 September 2025 (based on Pulse check submission for high impact and core grants) indicate an improved ICA of 73% for the 30 September 2025 period, representing 80% utilization of C19RM available funds. The December 2025 Progress Update Disbursement Request submission by the PR will provide additional insights on the progress of the implementation of GC7 grants.

C19RM2021

Funding Approved of USD 3.9 billion

As the pandemic continued to unfold in severity and impact in 2021, the Global Fund extended the C19RM funding mechanism to establish the C19RM2021 mechanism, raising over USD 4.2 billion as incremental sources of funds to fund grants (**USD 3.9 billion**), **management and operating costs (USD 190 million)** and **CMLIs (USD 98 million)**. At 31 December 2024, USD 3.9 billion of new awards for C19RM2021 grant funding and USD 406 million in C19RM Portfolio Optimization were approved by the C19RM Investment Committee for over 100 countries with the eligibility of C19RM investments evaluated on the basis of the following objectives:

1. Actions to reinforce the response to **COVID-19**.
2. **COVID-19 related adaptation of programs** to fight HIV, TB and malaria.
3. Strengthening health and community systems.

The three areas also incorporate cross-cutting activities that bolster community responses to **COVID-19**.

During the emergency response phase, C19RM was the primary channel for providing grant support to low- and middle-income countries for **COVID-19 tests, treatments (including medical oxygen), personal protective equipment (PPE) and** critical elements of health systems strengthening – everything except vaccines. Implementation partners leveraged the Global Fund’s extensive health and community networks and well-

established health procurement and distribution **systems to distribute new COVID-19 tools, medical supplies, and training at scale** in more than 100 countries.

From the beginning of the pandemic response, C19RM faced implementation challenges: disruptions to supply chains during the pandemic, the introduction of new tools and health products in a restrictive market setting, challenges in **activities execution due to COVID-19 restrictions**, and availabilities of health products and human resources. Over the pandemic transition period (**April 2022–April 2023**), **countries’ needs evolved**, with the shift from an emergency response to the pandemic to a demand for longer-term investments in strengthening health systems and pandemic preparedness. In response to this evolution in the pandemic, the Board at its 48th Board meeting in November 2022 approved a 2-year extension to permit implementation of C19RM funds until 31 December 2025, with the intent to shift the C19RM investment to a more longer-term strategic investment in health systems strengthening and pandemic preparedness. The 2-year extension aimed to provide opportunities to address past implementation challenges and execute the re-investment shift for the countries.

C19RM2020

Funding Approved of USD 991 million (including grant flexibilities of USD 232 million)

In 2020, the Global Fund established C19RM (**C19RM2020**), **to combat the devastating impact** of the pandemic on Global Fund programs to fight HIV, TB and malaria around the world. The approved funding under the C19RM2020 mechanism as of 31 December 2022 was USD 991 million, including USD 232 million of approved grant flexibilities.

All C19RM2020 approved funding was integrated into the existing grants to leverage implementation, assurance and reporting mechanisms of these grants. Once approved, the funds are fungible and as such cannot be differentiated into the underlying source of funding i.e., regular grants, grant flexibilities or C19RM. A separate cost module was created in the grant expenditure reports that are submitted by the Principal Recipients. Accordingly, it is not possible for the Secretariat to differentiate grant commitments and disbursements made for **COVID-19 activities under the C19RM2020 funding** from the regular grant funding.

2. Statement of Internal Control



Nombuso P Bhembe, an entomologist with the National Malaria Programme, works at the program's insectary in Siphofaneni, Eswatini, on November 19, 2025.

The Global Fund/Brian Otieno

Scope of responsibility

The Board is the supreme governing body of the Global Fund. The Board shall exercise all powers required to carry out the purpose of the Global Fund, including commitment of financial resources under Article 7.4 of the Global Fund Bylaws that cover, among others:

- Review and approve funding proposals.
- Approve work plans and budgets for the governing, advisory and administrative bodies of the Global Fund.
- Approve the annual report and financial statements of the Global Fund.

Delegation of authority: Audit and Finance Committee

Under the delegated authority of the Board, the Audit and Finance Committee reviews and provides periodic oversight on the following key areas directly impacting the statutory audit of the Global Fund's annual financial statements:

- i. Financial accounting and reporting policies applicable to the preparation and presentation of the annual financial statements of the Global Fund.
- ii. The corporate management and operations of the Secretariat, including annual review of:
 - a. The Secretariat's risk assessment and management processes in line with the **risk management policy approved by the Board**; and
 - b. The Secretariat's response to recommendations and findings by the external auditor and the OIG.
- iii. The annual expenditures of the Global Fund against budgets approved by the Board, as well as performance against approved work plans.

- iv. The financial management of Global Fund resources, including annual review of:
 - a. Financial forecasts.
 - b. Status of donor pledges and contributions.
 - c. The activities of, and relationship with, the World Bank in its capacity as Trustee for the **Global Fund**; and
 - d. Financial management performance against key performance indicators adopted by the Board.
- v. The adequacy and effectiveness of fiscal management policies and processes including investment and foreign exchange hedging strategies, and policies governing the commitment of Global Fund assets.
- vi. The Secretariat's implementation of sourcing and procurement initiatives, and their financial or operational implications.
- vii. The adequacy, efficiency and effectiveness of internal controls.
- viii. The corporate administrative policies and activities of the Secretariat, including human resources and insurance policies, involving consultation as appropriate with the Global Fund Ombudsperson, representatives of staff and the Global Fund Legal Counsel.

Besides the key oversight activities, the Audit and Finance Committee approves the Global Fund's:

- i. Annual external audit plan.
- ii. Interim financial statements.
- iii. Asset and liability, including investment and financial management, strategies or policies to minimize losses and preserve the capital value of the Trust Fund of the Global Fund, as well as any other accounts utilized by the Global Fund for the deposit or management of its resources.
- iv. Approval of modifications to Board-approved human resources policies or frameworks, including matters related to the Global Fund Provident Fund.

Delegation of authority: Secretariat

The Board has delegated its general authority to execute any legally binding documents on behalf of the Global Fund to the Chair and Vice Chair of the Board and the Executive Director. Such signature authority should be exercised in accordance with the Board's allocation of roles and functions among the Board, Standing Committees and the Secretariat. In accordance with the Bylaws of the Global Fund, the Board has allocated day-to-day operational responsibilities to the Secretariat under the leadership of the Executive Director.

The Board Decision Point GF/B39/EDP12, sets out the terms and conditions according to which the authority to sign legally binding documents on behalf of the Global Fund is delegated to certain officers of the Global Fund. Only those Global Fund staff members who have the requisite delegated authority can enter into legal agreements and non-binding instruments, such as memoranda of understanding, on behalf of the Global Fund. The mechanism to operationalize approval and execution of delegation of authority is under the direct oversight of the Chief Financial Officer. Any material deviation and exceptions are reported to the Executive Director, Office of the Inspector General, External Auditors and the Audit and Finance Committee.

As delegated by the Executive Director, the Chief Financial Officer is responsible for establishing regulations for financial administration through the following core financial management governing frameworks:

- 1. Comprehensive Funding Policy (CFP): Sets the** key financial framework and principles for the management and apportionment of resources **provided by donors; maximizes the amount,** optimizes the timing and increases the certainty of resources for recipients with a sufficient degree of advance visibility and ensures responsible financial stewardship of resources provided by donors for the achievement of programmatic results in implementing countries.

The CFP is a Board-approved policy that establishes a mechanism to operationalize Asset Liability Management, Cash Management, Liquidity Risk Management, Foreign Exchange Management and Investment Management Framework.

The CFP was last amended and restated in 2016 under Board decision point GF/B36/DP04.

- 2. Accounting Regulation: Sets out accounting** principles and policies under the IFRS accounting standards for recognition, measurement and reporting of the financial impact of the core operations of the Global Fund. Through its Accounting Regulations, the Secretariat has established an internal control system to ensure completeness and accuracy of its financial positions and operations reported on the financial statements prepared under IFRS and audited under International Standards of Auditing and Swiss Law.

Accordingly, the Accounting Regulation outlines accounting policy, management judgements and estimates in recognition of revenue from donor pledges and contributions, grant operations including procurement on behalf of its Principal Recipients, operating activities including the Provident Fund, management of funds including financial risk management of cash, Trust Fund assets held at the World Bank and foreign exchange instruments and Provident Fund defined benefit obligations and investments.

The Secretariat upholds the highest standards of integrity and transparency by reporting on Related Party Disclosures with key management and governing officials and providing clear oversight on its future contingent liabilities within the scope of its audited financial statements.

The expenses incurred by the Executive Director and the Inspector General are reimbursed upon submission expense claim in line with the underlying policy in the expenses management system. Both officials report directly to the Board and accordingly Secretariat administrative processes around review and approval processes have been removed. Those expenses are included in the Secretariat Operating Expenditures in note 6.1 and a separate disclosure is provided under note 7.1 of the audited annual financial statements.

3. 2025 Financial Performance



A health worker takes a patient's blood pressure at the Puskesmas Pakusari health in Jember, East Java, Indonesia.

The Global Fund/Vincent Becker

The Secretariat dynamically manages its financial position under its Asset Liability **Management (ALM) framework to ensure timely decision making. The overall financial** position of the Global Fund ALM constitutes the following core components:

1. Uses of Funds

1.1 Grant Liabilities

1.2 Strategic Initiatives (SI)

1.3 Operating Costs of the Global Fund

2. Sources of Funds

2.1 Donor Pledges and Contribution Agreements

2.2 Treasury Management

Besides the Global Fund ALM, this section also provides an overview on the Global Fund Provident Fund.

3.1 Uses of Funds

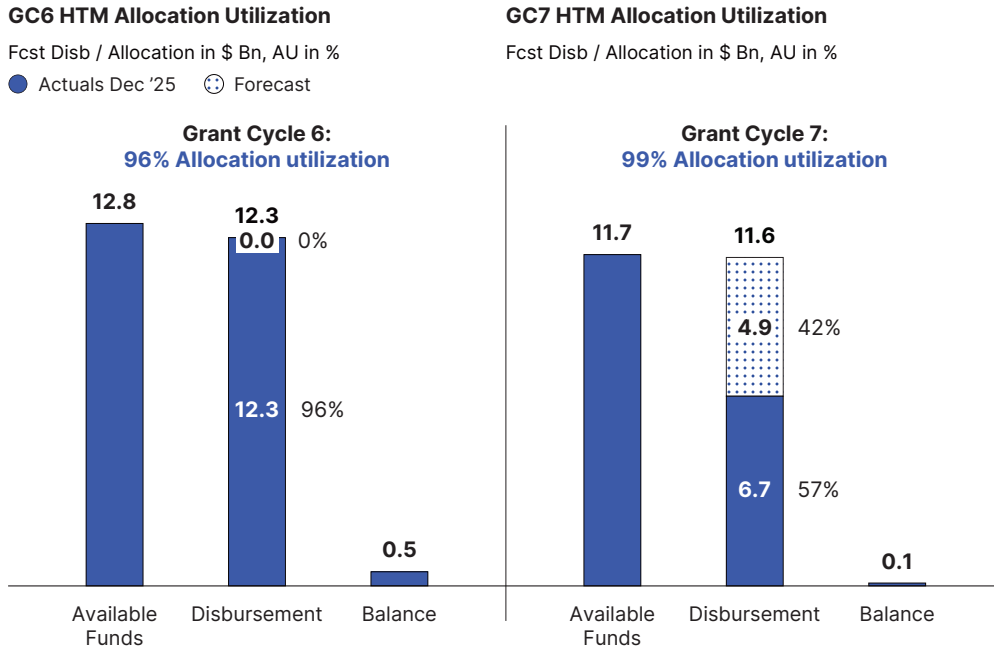
(a) Grant Liabilities

Key financial highlights for grant activities during 2025 are outlined below:

- Grant expenditure: When measured at the respective allocation rates, 2025 grant expenditure, including C19RM, of USD 2,331 million is 62% lower than the grant **expenditure made during 2024 (USD 6,105 million). This is indicative of the normal** expected decline relative to the peak of GC7 & the acceleration in C19RM implementation seen in 2024. The impact of contingency measures to manage grant liabilities, introduced in Feb-25 and the resulting reprioritization in May-25, have also contributed to the decrease in disbursements compared to the same period in the previous cycle.
- Grant disbursements: When measured at the respective allocation rates, grant disbursements during 2025 amounted to USD 3,826 million, of which USD 3,259 million was towards HIV, TB, Malaria and USD 567 million was towards C19RM.

The following chart provides the status of uses of funds as of 31 December 2025. Amounts in millions of USD, unless otherwise stipulated:

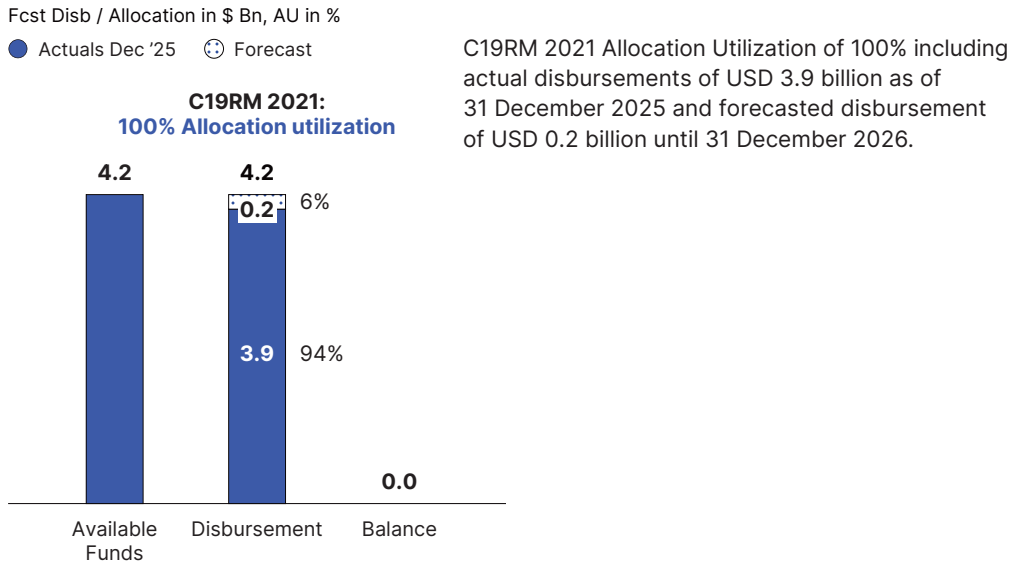
Fig. 1:
Uses of funds as of 31 December 2025



Strong Allocation Utilization (AU) for both GC6 and forecasted for GC7:

- GC6 indicates a strong AU of 96% as of 31 December 2025, with USD 12.3 billion **disbursed since implementation (9% higher when compared to similar period in GC5).**
- GC7 indicates a strong AU of 99% as of 31 December 2025, with USD 6.7 billion already **disbursed since implementation (11% lower when compared to similar period in GC6,** mainly due to the slowdown in GC7 following the de-allocation).

Fig. 2:
C19RM 2021 Allocation Utilization



C19RM 2021 Allocation Utilization of 100% including actual disbursements of USD 3.9 billion as of 31 December 2025 and forecasted disbursement of USD 0.2 billion until 31 December 2026.

(b) Strategic Initiatives (SI)

GC6 – 2020-2022 allocation period

The total envelope available for the 2020-2022 SI cycle had been reduced reflecting the GAC’s decision on 16 September 2022 to reallocate USD 2 million from TERC⁹ SI to the Emergency Fund. Therefore, the total available envelope for the SI cycle 2020-2022 amounts to USD 321 million (excluding the Emergency Fund which is integrated with the underlying grants) with USD 320 million or 99% of the envelope approved by the GAC.

The cumulative actual fund utilization for SI¹⁰ at 31 December 2025 for the 2020-2022 allocation period was USD 295 million at fixed rate, with only close out process occurring in 2025. The cycle’s utilization remains at 92%. This leaves unutilized funds of USD 26 million, which was mainly driven by delays encountered in the first year of implementation, when countries and Country Teams appropriately prioritized C19RM, with implications for SI scale-up and implementation.

GC7 – 2023-2025 allocation period

The total envelope approved by the Board for the 2023-2025 SI cycle was set at USD 118 million (excluding the Emergency Fund), with the GAC approving the same value, though with USD 10 million set aside as a contingency for the Next Generation Health Introduction revolving facility. Further private sector complementary restricted funding for the 2023-2025 cycle of USD 72 million was approved by the GAC, with an incremental approval of USD 49 million in 2025, and USD 9.5 million of allocation funding was deallocated during 2025. As a result, the envelope and GAC approved value increased to USD 180 million.

The cumulative actual fund utilization for SI at 31 December 2025 for the 2023-2025 allocation period reached USD 51 million at fixed rate with USD 33 million expensed in 2025. A total forecast of USD 160 million is projected to be utilized until the end of the SI cycle, bringing the forecasted utilization to 89%. This leaves unutilized funds of USD 20 million (including the aforementioned Next Generation Health Introduction revolving fund).

Fig. 3:
Strategic Initiatives Utilization GC6

Board Envelope vs. Utilization Forecast

Amounts in millions of USD at allocation rate

● Actuals Dec '25 ⚙ Forecast

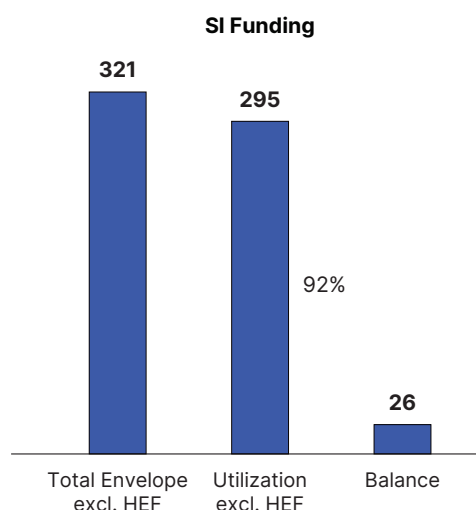
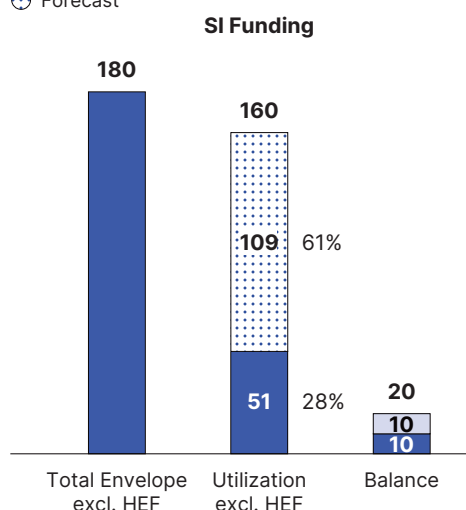


Fig. 4:
Strategic Initiatives Utilization GC7

Board Envelope vs. Utilization Forecast

Amounts in millions of USD at allocation rate

● Actuals Dec '25 ⚙ Forecast



⁹ The Technical Evaluation Reference Group

¹⁰ Strategic Initiatives of the 2020-2022 cycle excluding, the Emergency Fund, private sector SI and CMLI.

(c) Operating Costs of the Global Fund

The Global Fund has continued to proactively monitor its operating expenses whilst enabling the implementation of its priority projects in support of its 2023-2028 Strategy.

Performance against the budget

The total operating expenditure for 2025 at spot rate amounts to USD 436 million (2024: 410 million), of which USD 392 million for regular operating expenditure (2024: USD 362 million), USD 32 million (2024: USD 42 million) is towards C19RM administration support costs and USD 12 million (2024: USD 6 million) of Co-Funding Mechanism linked to earmarked private sector contribution on Grant Cycle 7. When measured at the 2025 budget rate, this results in USD 346 million of regular operating expenses (2024: USD 341 million) thereby yielding a foreign exchange loss of USD 46 million (2024: USD 23 million). The following table provides an overview of 2025 operating expenses against the approved budget:

Fig. 5:
2025 Regular operating expenses actuals at budget rate by cost nature

| In USD million | FY 2025 Actuals | FY 2025 Revised Budget | Var. Actuals vs Budget | |
|--|--------------------|------------------------------|---------------------------|----------------|
| | | | abs | % |
| LFA Fees | 39.4 | 43.2 | (3.8) | (8.9%) |
| CCM Funding | 10.5 | 10.9 | (0.4) | (3.5%) |
| Costs Secretariat and OIG | 254.6 | 279.0 | (24.4) | (8.8%) |
| Workforce | 194.9 | 203.9 | (9.0) | (4.4%) |
| Staff | 188.1 | 199.1 | (11.0) | (5.5%) |
| Individual / Temp Consultants | 6.8 | 4.9 | 1.9 | (39.5%) |
| Professional fees | 27.4 | 30.4 | (2.9) | (9.6%) |
| Travel | 8.4 | 14.0 | (5.5) | (39.6%) |
| Meetings | 1.8 | 3.7 | (1.9) | (50.6%) |
| Communications | 1.0 | 1.9 | (0.9) | (48.6%) |
| Office Infrastructure | 18.5 | 21.0 | (2.5) | (12.0%) |
| Board Constituency | 1.1 | 1.4 | (0.4) | (24.6%) |
| Depreciation | 1.9 | 2.6 | (0.7) | (27.8%) |
| External Co-Funding | (0.5) | 0.0 | (0.5) | 0.0% |
| Opex before non-recurring costs | 304.4 | 333.1 | (28.6) | (8.6%) |
| Total Non-recurring costs | 41.6 | 12.9 | 28.7 | ++ |
| Total operating costs | 346.0 | 346.0 | 0.0 | 0.0% |

In 2025, the Secretariat maintained a strong focus on budgetary discipline to ensure expenditure remained within the approved envelope of USD 346.0 million, while continuing to deliver on its key strategic priorities. In response to an evolving funding environment, the Secretariat implemented contingency measures to preserve financial flexibility. These actions generated headroom to absorb one-off reorganization costs, without exceeding the approved budget. When measured at budget rate, the 2025 operating expenditure is USD 346.0 million and representing 100% of budget utilization which illustrates an optimal utilization of operating expenditure. It includes USD 18 million of restructuring costs enabled by savings in recurring costs for a total of USD 28.6 million.

Total recurrent cost savings were realized in most cost categories. The following table summarizes the key variances noted in the table above:

| Amount in USD millions at Budget Rate | Items Impacted | Comments |
|--|-------------------------|--|
| (9.0) | Recurring Workforce | Underspend was primarily driven by contingency measures, including recruitment freeze and the cancellation of COLA, as well as the partial-year impact of the 2025 reorganization. |
| (19.6) | Recurring non-workforce | Cost reductions were primarily driven by contingency measures in Travel, Meetings costs along with reduced depreciation with very limited CAPEX investments towards 2025. Additional efficiencies were realized in LFA and professional fees, as well as in office infrastructure costs. |
| 28.7 | Non-recurring costs | Reductions in recurring costs have created the necessary headroom to fund one-off organizational design liabilities related to the reorganization. |

Operating costs, at spot rate, as a percentage of total expenditure increased to 15% in 2025 (2024: 6%) **driven by a 61% decrease in grant expenditure compared to 2024.**

During 2025, the Global Fund incurred USD 32.0 million of C19RM management and operating costs at spot rate. When measured at the 2025 budget rate, it resulted in USD 28.9 million of C19RM operating expenses thereby yielding a foreign exchange loss of USD 2.1 million, which is integrated into the ALM. As of 31 December 2025, the cumulative C19RM Management and Operating Costs since 2021 inception to date totalled USD 169.0 million (at budget rate).

3.2 Sources of Funds

(a) Donor Pledges and Contribution Agreements

Financial contributions from public and private donors to the Global Fund are critical to ending AIDS, tuberculosis and malaria as epidemics and to strengthening systems for health. More than 80 countries and more than 50 private donors have made or pledged contributions to the Global Fund since inception to accelerate the fight against the three diseases. A majority of the Global Fund's financial support comes from public resources.

**Statement of Pledges and Contributions
Replenishment Period**

| In thousands | | 2023-2025 | | 2026-2028 | |
|--|----------|--------------------------|------------------------------|--------------------------|------------------------------|
| | | in Donor Source Currency | | in Donor Source Currency | |
| Donors | Currency | Total Pledges | Total Contributions received | Total Pledges | Total Contributions received |
| Public donors | | | | | |
| Australia | AUD | 266,000 | 177,000 | 266,000 | - |
| Belgium | EUR | 40,000 | 40,000 | 30,000 | - |
| Burkina Faso | USD | 1,000 | 1,000 | - | - |
| Canada | CAD | 1,209,600 | 1,209,600 | 1,020,000 | - |
| Central African Republic | USD | 1,000 | - | - | - |
| China | USD | 18,000 | 18,000 | - | - |
| Congo (Democratic Republic) | USD | 6,000 | - | - | - |
| Côte d'Ivoire | USD | 2,000 | - | 2,500 | - |
| Cyprus | EUR | 100 | 100 | - | - |
| Denmark | DKK | 375,000 | 375,000 | 375,000 | - |
| Eswatini | USD | 1,000 | 650 | - | - |
| European Commission | EUR | 715,000 | 705,447 | - | - |
| France | EUR | 1,596,000 | 1,173,346 | - | - |
| Germany | EUR | 1,200,000 | 1,200,000 | 1,000,000 | - |
| Ghana | USD | 2,000 | - | - | - |
| Guinea | USD | 200 | - | - | - |
| India | USD | 25,000 | 25,000 | 30,000 | - |
| Indonesia | USD | 10,000 | 10,000 | - | - |
| Indonesia Debt2Health - Germany | EUR | 75,000 | 36,373 | - | - |
| Ireland | EUR | 65,750 | 65,750 | 72,000 | - |
| Italy | EUR | 185,000 | 175,750 | 150,000 | - |
| Japan | USD | 1,080,000 | 941,333 | - | - |
| | JPY | - | - | 81,000,000 | - |
| Kenya | USD | 10,000 | - | - | - |
| Korea (Republic) | USD | 100,000 | 100,000 | 100,000 | - |
| Kuwait | USD | 9,500 | 6,833 | - | - |
| Luxembourg | EUR | 15,450 | 15,450 | 13,800 | - |
| Malawi | USD | 1,000 | - | - | - |
| Malta | EUR | 150 | 150 | 150 | - |
| Monaco | EUR | 400 | 400 | 600 | - |
| Mongolia Debt2Health - Germany | EUR | 29,000 | 6,813 | - | - |
| Morocco | EUR | 1,292 | 1,292 | 1,292 | - |
| Namibia | USD | - | - | 1,000 | - |
| Netherlands | EUR | 180,000 | 180,000 | 146,400 | 48,800 |
| New Zealand | NZD | 2,500 | 2,500 | 3,000 | 3,000 |
| Niger | USD | 1,000 | 195 | - | - |
| | EUR | - | 302 | - | - |
| Nigeria | USD | 13,200 | - | 15,000 | - |
| Norway | NOK | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Other Public Donors* | USD | 4,968 | | 1,080,239 | - |
| Paraguay | USD | 50 | 49 | - | - |
| Portugal | EUR | 1,500 | 1,500 | 1,500 | - |
| Qatar | USD | 50,000 | 25,000 | - | - |
| Rwanda | USD | 3,250 | 2,166 | - | - |

* Other Private and Public donors in non USD are converted at replenishment rates

**Statement of Pledges and Contributions
Replenishment Period**

| In thousands | | 2023-2025 | | 2026-2028 | |
|--|----------|--------------------------|------------------------------|--------------------------|------------------------------|
| | | in Donor Source Currency | | in Donor Source Currency | |
| Donors | Currency | Total Pledges | Total Contributions received | Total Pledges | Total Contributions received |
| Saudi Arabia | USD | 39,000 | 39,000 | - | - |
| Singapore | USD | 600 | 600 | 400 | - |
| South Africa | USD | 13,000 | 13,000 | 26,600 | - |
| Spain | EUR | 130,000 | 130,000 | 145,000 | - |
| Sweden | SEK | 3,000,000 | 2,383,000 | - | - |
| Switzerland | CHF | 64,000 | 64,000 | 64,050 | - |
| Tanzania | USD | 1,000 | 998 | 1,000 | - |
| Thailand | USD | 3,000 | 3,000 | - | - |
| Togo | USD | 1,500 | 500 | - | - |
| Uganda | USD | 3,000 | 1,469 | 3,000 | - |
| United Kingdom | GBP | 1,000,000 | 950,000 | 850,000 | - |
| United States | USD | 6,000,000 | 3,121,953 | 4,600,000 | - |
| Zimbabwe | USD | 1,000 | 1,000 | 1,000 | - |
| Private donors | | | | | |
| Abbott Fund | USD | 5,000 | 5,000 | - | - |
| Absa Group Ltd | USD | 150 | 150 | - | - |
| Aids Healthcare Foundation | USD | 10,000 | 6,000 | - | - |
| Anglo American | USD | 15,500 | 11,875 | 4,500 | - |
| Bill & Melinda Gates Foundation | USD | 927,000 | 920,143 | 912,000 | - |
| Catholic Relief Services | USD | 3,000 | 3,000 | - | - |
| Children's Investment Fund Foundation | USD | 98,696 | 72,980 | 135,000 | - |
| Comic Relief | USD | 6,000 | 3,527 | - | - |
| F.Hoffmann-La Roche | CHF | 600 | 600 | - | - |
| Foundation S | USD | 5,000 | 1,000 | 5,000 | - |
| GlaxoSmithKline plc and Viiv Healthcare | GBP | 8,000 | 8,000 | 6,000 | - |
| Goodbye Malaria | USD | 5,500 | 3,003 | 5,500 | - |
| J.C. Flowers Foundation | USD | 1,000 | 1,000 | - | - |
| Johnson & Johnson Foundation | USD | 15,000 | 15,000 | 5,000 | - |
| KN Cam Ranh Co., Ltd. | USD | 3,000 | 500 | - | - |
| McGovern Foundation | USD | 1,000 | 1,000 | - | - |
| Medtronic LABS | USD | 100 | 100 | - | - |
| New Venture Fund | USD | 499 | 499 | - | - |
| Other Private donors* | USD | 82,000 | 75,033 | 162,000 | - |
| Outcomes Fund for Fevers | USD | 25,000 | - | - | - |
| Plan International Canada | CAD | 3,000 | - | - | - |
| Product (RED) | USD | 150,000 | 40,161 | 75,000 | - |
| PT. Kalbe Farma TBK | USD | 1,500 | 1,500 | - | - |
| Rotary Australia World Community Service | USD | 4,800 | - | - | - |
| Siemens Healthineers | EUR | - | - | 5,000 | - |
| Skoll Foundation | USD | 10,000 | 10,000 | 6,000 | - |
| SMJR Foundation | USD | 1,000 | - | - | - |
| Takeda Pharmaceutical | JPY | 376,000 | 376,000 | 350,000 | 87,500 |
| Tanoto Foundation | USD | 1,000 | 1,000 | - | - |
| The Rockefeller Foundation | USD | 15,000 | 13,000 | 10,000 | - |

* Other Private and Public donors in non USD are converted at replenishment rates

(b) Financial management framework

The core financial framework and principles for the management of the Global Fund's **Sources and Uses of Funds are set out in the Comprehensive Funding Policy (CFP) which** defines asset-liability management principles and makes provisions for the management of foreign exchange risk and investments.

The Global Fund Secretariat monitors and reports to the Board and the Audit and Finance Committee on a regular basis on the three topics below.

Asset-liability management

The Global Fund's asset-liability management (ALM) framework, defined in the CFP, aims at ensuring the balance of Sources and Uses of Funds, as well as maximizing the amount, optimizing the timing and increasing the certainty of resources for recipients with a sufficient degree of advance visibility.

In addition to assets included in the Global Fund's balance sheet, Sources of Funds include adjusted donor pledges and contribution agreements that are not included in financial statements. At the end of 2025, the Global Fund had sufficient confirmed financial resources as Sources of Funds to meet funding allocated by the Global Fund Board under Uses of Funds.

(c) Treasury Management

Investment Management

The World Bank, acting as the Trustee of the Global Fund Trust Fund, manages the Global Fund's investments. The investment framework provides clear guidance for the Trustee as it manages the investment procedures and practices. Under this framework, the Global Fund defines the strategic asset allocation with the support of the Trustee.

As of 31 December 2025, the Global Fund Trust Fund investment balance pool was valued at **USD 4,790 million (2024: USD 4,756 million) and exhibited an annual rate of return of 6.46% (2024: 5.63%), against benchmark of 6.27% (2024: 5.39%). In absolute terms, the Trustee reported a USD 302 million net investment gain on the Trust Fund (2024: USD 250 million investment gain).**

Foreign Exchange Management

The Global Fund uses the US dollar (USD) as its functional and reporting currency. Foreign exchange risk arises due to a net open position in currencies other than USD in the Global Fund's Sources and Uses of Funds as defined in the CFP.

The Global Foreign-Exchange (FX) Management Framework aims at effective management of risk arising from FX exposures to elements included in the Global Fund's asset-liability management framework. The hedging policy operates at a portfolio level and is controlled **with a specific risk metric utilizing value-at-risk (VaR). FX losses and gains on FX hedging** instruments are set against FX losses and gains on on-balance and off-balance sheet items. As a result, effects on FX hedging instruments may more than compensate for FX effects on other balance sheet items.

The key principles of hedging followed under the FX Management Framework can be summarized as follows:

- Role of hedging: reduce volatility of FX effects on the ALM (i.e. from reference point of **the Replenishment**); and
- Hedging should produce FX effects in a direction opposite to FX effects before hedges.

Specifically in the period under review, hedges have produced, per currency, results of sign opposed to FX results before hedges. Overall FX effects are limited because of hedging.

For the year ended 31 December 2025, a net foreign exchange loss of USD 60 million **is reported on the net ALM positions (2024: USD 2 million net gain)**. The following table summarizes the impact of hedging on net FX results, including economic FX results (off-balance sheet).

| USD million | Before hedges | Hedges | Net |
|--|---------------|--------------|-------------|
| Accounting FX results (on-balance sheet) | 44 | (104) | (60) |
| Economic FX results (off-balance sheet) | 1 | - | 1 |
| Net FX results 2025 | 46 | (104) | (59) |
| Net FX results 2024 | (75) | 84 | 10 |
| Net FX results 2023 | 53 | (70) | (17) |

A detailed analysis on the net foreign exchange results is included in note 5.7 to the annual financial statements.

3.3 The Global Fund Provident Fund

The Global Fund maintains a Provident Fund for the benefit of its employees, the **Global Fund Provident Fund (GFPF)**. **The Provident Fund is administered in Swiss Francs (CHF)** consistent with employee remuneration. As at 31 December 2025, when measured in CHF, the Provident Fund assets fully cover the underlying employee benefit liability.

For the purposes of the annual financial statements, the Provident Fund assets are translated **into USD**. **The Provident Fund qualifies as a defined benefit obligation under IAS-19** Employee Benefits and accordingly is subject to an annual actuarial valuation. Following the technical valuation by an external actuary, the net employee benefit obligation was valued **at USD 395 million (2024: USD 349 million)**. **This includes USD 367 million of Provident Fund reserves and USD 28 million of cumulative actuarial valuation reserve.**

As at 31 December 2025, the Provident Fund asset base was USD 370 million (2024: USD 318 million) which included USD 327 million (2024: USD 312 million) of investments measured at fair value and USD 43 million (2024: USD 6 million) in cash and cash equivalents. These assets are held and invested solely for funding future employee benefits under the Provident Fund Constitutional Declaration and Benefits Rules. During 2025, a net fair **valuation gains on Provident Fund investments for USD 14.7 million (2024: USD 12.5 million net gain)** was reported.

In CHF, the currency in which the Provident Fund is managed, the annual rate of return on **investments was 3.88% against a benchmark of 3.86% (2024: 4.89% against benchmark of 6.26%)**.

Since its inception in 2009 until 2025, the Provident Fund has distributed surplus in 9 years amounting to a cumulative value of CHF 60.0 million. Based on the 2025 financial results, CHF 6.4 million may become available for surplus distribution in 2026.

Eighth Replenishment

A Behind the Scenes Look



Preparing to track pledges begins well in advance of the summit, in close coordination with External Relations and Communications Department colleagues. Behind every announcement is a highly structured and coordinated effort. Figures, currencies, and underlying assumptions are verified in real time while teams align across tracking systems and engage donor focal points to initiate the documentation process toward contribution agreements.

Verbal pledges are often high-pressure moments. Known pledges are checked against prior records, while new announcements are swiftly captured, cross-checked, and confirmed with donors to ensure they are translated into documented commitments.

Much of the most critical work remains unseen: months of preparation, last-minute negotiations, and continuous adaptation to evolving geopolitical dynamics that can influence donor decisions.

Despite the intensity and uncertainty, the Replenishment is deeply energizing. It is a privilege to support these efforts alongside dedicated colleagues, united by the shared mission to fight AIDS, tuberculosis, and malaria. Each Replenishment represents a meaningful step forward in that collective effort.

Maheem Kassen

Corporate Financial Management and Administration team



Security preparations began nearly a year in advance, in close coordination with the External Relations and Communications Department across several milestones leading up to the conference. Together, we worked with South African authorities and donor country partners to ensure comprehensive safety and security planning.

Our goal was precise: ensure the safety of all participants while remaining largely invisible.

When security is done well, an event concludes smoothly without drawing attention to the effort behind it — and we believe that standard was achieved.

Marilyn EPP
Field Security Officer

This Replenishment marked several milestones: it was co-hosted – by the United Kingdom and South Africa – held on the African continent, and introduced a rolling replenishment model. It also featured a new framework under the Comprehensive Funding Policy to manage pledge uncertainty.

Throughout the event, the Finance team closely monitors each announcement and updates totals in real time so leadership can communicate results with confidence. Behind the scenes, the work is less glamorous than people might imagine — we're often hunkered over laptops, ears tuned to the stage and eyes on the spreadsheets, coordinating with Treasury and colleagues in Geneva to validate pledges, apply exchange rates, and confirm the final figures.

The conference itself remains a defining moment: renewed donor commitments, powerful testimonies from affected communities, and the collective efforts of the Secretariat, governance bodies and partners all underscore what the Global Fund partnership can achieve.

Eric Wulf
Transformation Lead

The Treasury plays a critical role by protecting the organization from foreign exchange fluctuations. In the months leading up to the replenishment, the team works closely with colleagues across the organization to anticipate currency exposures and ensure the tools and trading lines needed for hedging are in place.

Once pledges are announced, Treasury acts swiftly to execute hedging transactions—locking in the value of commitments while closely monitoring financial markets. Transactions are recorded in Global Fund systems and reconciled with banks to ensure accuracy.

The guiding principle is clear: hedge confirmed exposures promptly to minimize foreign exchange risk, avoiding speculation. Delivering on this requires close coordination with colleagues on the ground and external partners to ensure transactions are executed smoothly and on time.

Olivier Lachambre
Treasurer

Annual Financial Statements 2025



Chinyunyu Health Center serves rural communities in the Rufunsa province, combining quality healthcare, community training, and education to improve health outcomes for underserved populations in the region. Bundabunda Ward, Rufunsa, Zambia.

The Global Fund/Jason Mulikita

Responsibility for the financial statements

The Secretariat is responsible for the preparation of the financial statements and related information that is presented in this report. The financial statements are prepared in conformity with accounting principles under IFRS Accounting Standards. The financial statements include amounts based on estimates and judgments made by the Secretariat. KPMG SA was appointed as the statutory auditors by the Global Fund Board upon the recommendation of the Audit and Finance Committee to audit and opine on the financial statements of the Global Fund.

The Secretariat designs and maintains accounting and internal control systems to provide reasonable assurance at reasonable cost that assets are safeguarded against loss from unauthorized use or disposition, and that the financial records are reliable for preparing financial statements and maintaining accountability for assets. These systems are augmented by written policies, an organizational structure providing division of responsibilities, careful selection and training of qualified personnel, and a program of external reviews.

The Global Fund Board, through its Audit and Finance Committee, meets periodically with the Secretariat and KPMG SA to ensure that each is meeting its responsibilities, and to discuss matters concerning internal controls and financial reporting.

These financial statements as at and for the year ended 31 December 2025 were approved by the Board on 20 April 2026.

**KPMG SA**

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**Report of the Statutory Auditor to the Board of
The Global Fund to fight Aids, Tuberculosis and Malaria (The Global Fund), Le Grand-Saconnex****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of The Global Fund to fight Aids, Tuberculosis and Malaria (The Global Fund), which comprise the statement of financial position as at 31 December 2025, the statement of income, the statement of comprehensive income, the statement of cash flows and the statement of changes in funds for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements (pages 36 to 70) give a true and fair view of the financial position of The Global Fund as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of The Global Fund in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Global Fund Board is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the stand-alone financial statements of The Global Fund and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Global Fund Board and the Secretariat's Responsibilities for the Financial Statements

The Global Fund Board and the Secretariat are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Global Fund Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Global Fund Board and the Secretariat are responsible for assessing the Global Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Global Fund Board either intends to liquidate The Global Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Global Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Global Fund Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Global Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Global Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Global Fund Board primarily through the Audit and Finance Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Global Fund Board.

KPMG SA



Alexandra Depoire
Licensed Audit Expert
Auditor in Charge



Elodie Elloy
Licensed Audit Expert

Geneva, 20 April 2026

Enclosure:

- Financial statements (statement of income, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in funds and notes)

**Statement of income
for the year ended 31 December**

| USD millions | Notes | 2025 | 2024 |
|--|------------|----------------|----------------|
| Operating activities | | | |
| Income | | | |
| Contributions | 4.1 | 3,656 | 3,294 |
| Expenditure | | | |
| Grants | 3.2 | (2,440) | (6,219) |
| Operating expenses | 6.1 | (430) | (397) |
| Total | | (2,870) | (6,616) |
| Net operating activities | | 787 | (3,322) |
| Financing and Investing Activities | | | |
| Foreign exchange result, net | 5.7 | (60) | 2 |
| Financial income, net | 5.8 | 302 | 250 |
| Discounting on long-term financial positions | 5.9 | 31 | 95 |
| Total | | 273 | 347 |
| Increase/ (Decrease) in funds | | 1,060 | (2,975) |

**Statement of comprehensive income
for the year ended 31 December**

| USD millions | Notes | 2025 | 2024 |
|--|-------|--------------|----------------|
| Increase/ (Decrease) in funds | | 1,060 | (2,975) |
| Other comprehensive income | | | |
| Remeasurement loss on defined benefit liability that will not be reclassified to the statement of income | 6.2 | (3) | (20) |
| Total comprehensive income for the year | | 1,057 | (2,995) |

**Statement of financial position
At 31 December**

| USD millions | Notes | 2025 | 2024 |
|---|------------|--------------|--------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5.1 | 55 | 41 |
| Trust Fund | 5.2 | 4,790 | 4,756 |
| Contributions receivable | 4.2 | 662 | 1,468 |
| Derivative financial instruments at fair value | 5.6 | 10 | 54 |
| Other receivables | 4.2 | 58 | 59 |
| | | 5,575 | 6,378 |
| Non-current assets | | | |
| Contributions receivable | 4.2 | 1,310 | 787 |
| Provident Fund investments | 5.3 | 327 | 312 |
| Tangible and intangible assets | | 21 | 30 |
| | | 1,658 | 1,129 |
| Total Assets | | 7,232 | 7,507 |
| Liabilities | | | |
| Current liabilities | | | |
| Grants payable | 3.3 | 2,330 | 3,765 |
| Derivative financial instruments at fair value | 5.6 | 55 | 13 |
| Other current liabilities | 6.3 | 134 | 105 |
| | | 2,519 | 3,883 |
| Non-current liabilities | | | |
| Grants payable | 3.3 | 12 | 45 |
| Employee benefit liabilities | 6.2 | 422 | 349 |
| Lease liability | | 10 | 17 |
| | | 444 | 411 |
| Total Liabilities | | 2,963 | 4,294 |
| Temporarily restricted funds | 7.3 | 122 | 140* |
| Unrestricted funds | 7.3 | 4,215 | 3,137* |
| Remeasurement of defined benefit liability | 6.2 | (67) | (64) |
| Total Funds | | 4,270 | 3,213 |
| Total liabilities and funds | | 7,232 | 7,507 |

* Certain comparative amounts have been reclassified refer to note 2.2.

**Statement of cash flows
for the year ended 31 December**

| USD millions | Notes | 2025 | 2024 |
|---|------------|----------------|----------------|
| Operating activities | | | |
| Cash received from donors | 4 | 4,088 | 4,860 |
| Grant disbursements | 3 | (3,962) | (4,932) |
| Payments for operating expenses | | (411) | (366) |
| Cash inflow from non grant procurement | | 12 | 1 |
| Proceeds from the settlement of forward contracts | | 79 | 70 |
| Payments from the settlement of forward contracts | | (97) | (101) |
| Net cash flow used in operating activities | | (291) | (468) |
| Investing activities | | | |
| Financial income received, net | 5.8 | 205 | 190 |
| Purchases of Provident Fund investments | | (71) | (31) |
| Proceeds from sale of Provident Fund investments | | 114 | - |
| Purchases of tangible and intangible assets | | - | (4) |
| Net cash flow from investing activities before Trust Fund movements | | 248 | 155 |
| Net cash rebalancing between commercial banks and Trust Fund | | 63 | 321 |
| Net cash flow from investing activities | | 311 | 476 |
| Financing activities | | | |
| Payment of lease liabilities | | (9) | (8) |
| Net cash flow used in financing activities | | (9) | (8) |
| Net increase in cash and cash equivalents | | 11 | 1 |
| Cash and cash equivalents | | | |
| - at beginning of the year | 5.1 | 41 | 43 |
| Effect of exchange rate changes | | 3 | (3) |
| - at end of the year | 5.1 | 55 | 41 |

The Global Fund considers the Trust Fund as an integral part of the cash management for its core operations. The following table provides an overall operational cash management position:

As of 31 December

| USD millions | Notes | 2025 | 2024 |
|---------------------------------------|-------|--------------|--------------|
| Amounts held in commercial banks | 5.1 | 55 | 41 |
| Amounts held in Trust Fund | 5.2 | 4,790 | 4,756 |
| Total operational cash balance | | 4,845 | 4,797 |

| Statement of changes in funds for the year ended 31 December | Foundation capital ¹ | Temporarily restricted funds | Unrestricted funds ² | Remeasurements of defined benefit liability | Total |
|---|------------------------------------|------------------------------------|------------------------------------|--|---------|
| USD millions | | | | | |
| As of 1 January 2024 | - | 57 | 6,196 | (44) | 6,209 |
| Increase/ (decrease) in funds for the period | - | 83 | (3,059) | - | (2,975) |
| Other comprehensive income | - | - | - | (20) | (20) |
| On 31 December 2024 | - | 140 | 3,137 | (64) | 3,213 |
| As of 1 January 2025 | - | 140 | 3,137 | (64) | 3,213 |
| Increase/ (decrease) in funds for the period | - | (18) | 1,078 | - | 1,060 |
| Other comprehensive income | - | - | - | (3) | (3) |
| On 31 December 2025 | - | 122 | 4,215 | (67) | 4,270 |

1 The Global Fund maintains CHF 50,000 as statutory foundation capital.

2 Certain comparative amounts have been reclassified refer to note 2.2.

Explanatory notes to the annual financial statements

The Global Fund presents its financial statements to include the following key financial statements:

1. Statement of income.
2. Statement of comprehensive income.
3. Statement of financial position.
- 4. Statement of cash flows; and**
5. Statement of changes in funds.

The disclosure content in the financial statements and in particular, the notes to the financial statements is carefully selected to increase focus on the net financial results of what drives the Global Fund's performance. The financial statements have been supported by detailed notes grouped into seven sections that provide a granular view of the core activities of the Global Fund.

With the intent to enhance readability and understanding, each section presents the financial information and material accounting policies that are relevant to understanding the activities and accounting principles of the Global Fund.

The accompanying notes are an integral part of these financial statements.

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Section 1: Activities and organization

The Global Fund to Fight AIDS, Tuberculosis and Malaria (“the Global Fund”) is a partnership designed to accelerate the end of AIDS, TB and malaria as epidemics. It applies four core principles: country ownership, partnership, transparency and performance-based funding.

The Global Fund is recognized as an international organization, initially formed as a Swiss foundation. It commenced operations on 22 January 2002, and Geneva authorities accepted its registration on 24 January 2002. Its status has been elaborated through an ongoing process of legal recognition by various national governments and international organizations. The Swiss Federal Council accorded the Global Fund international organization status, through the 2004 Headquarters Agreement. The United States of America, through an executive order in 2006, designated the Global Fund as a public international organization in accordance with the United States International Organizations Immunities Act. The European Commission, through a 2014 Commission Decision, assimilated the Global Fund to the status of an international organization for the purposes of managing European Union funds. The Agreement on Privileges and Immunities of the Global Fund to Fight AIDS, Tuberculosis and Malaria became effective on 17 August 2019.

The Global Fund maintains a Provident Fund for the purposes of providing retirement, death and disability benefits to its employees and their qualifying dependents and beneficiaries. It does not have a separate legal personality from the Global Fund. It enjoys the same privileges and immunities accorded to the Global Fund in line with the organizational status outlined above.

The Global Fund headquarters are in Geneva, Switzerland. The registered address is Chemin du Pommier 40, Grand-Saconnex 1218, Geneva, Switzerland. Foundations in Switzerland may be subject to monitoring by the Swiss Federal Supervisory Board for Foundations. The Global Fund does not have any in-country offices, branches or affiliates.

Section 2: Basis of reporting

2.1 Statement of compliance

The financial statements have been prepared in compliance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Currently, IFRS does not contain specific guidelines for not-for-profit organizations concerning the accounting treatment and presentation of the financial statements. Where the IFRS are silent or do not give guidance on how to treat transactions specific to the not-for-profit sector, accounting policies have been based on IFRS dealing with similar and related issues or the general IFRS principles, as detailed in the Conceptual Framework for Financial Reporting.

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities that are measured at fair value, as explained in the respective sections of the foot note disclosures. For such items that are subject to measurement at fair value, the inputs and fair valuation techniques are described in the respective notes in the financial statements.

Due to rounding, numbers presented throughout these financial statements may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

During 2025, USD 18.2 million has been reclassified in the opening balance of the Statement of Funds from unrestricted to restricted due to change in the underlying donor earmarking.

These financial statements as at and for the year ended 31 December 2025 were approved by the Global Fund Board on 20 April 2026.

2.3 Functional and presentation currency

The financial statements are presented in United States dollars (USD), the Global Fund's functional currency, and rounded to the nearest million, unless otherwise stipulated.

Transactions in foreign currencies are recognized in USD at rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to USD at the exchange rates at the reporting date. All differences are recognized in the statement of income.

2.4 Significant management judgments, estimates and assumptions

All significant judgments, estimates and assumptions that are relevant to the understanding of the financial statements are provided through the notes to the financial statements. In particular, the **Global Fund has applied judgment in accounting for certain transactions with respect to grants (Section 3) and contributions (Section 4).**

The Global Fund is subject to risks and uncertainties, which may lead to actual results differing from these estimates, both positively and negatively. Specific financial risks arising from the external environment which are closely monitored. The financial statements have been prepared on a going concern basis.

2.5 Changes in accounting policies, estimates and judgments and standards issued and not yet effective

New standards, amendments and interpretations either became effective 1 January 2025 or were issued but not yet operative. This includes IFRS 18 on Presentation and Disclosure in Financial Statements. The objective of IFRS 18 is to set out requirements for the presentation and disclose information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. This will be effective for reporting periods beginning on or after 1 January 2027. The Global Fund is in the process of assessing the impact of the new accounting standards, particularly with respect to the structure of the statement of profit or loss and the additional disclosures required for MPMs. The Global Fund is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

2.6 Financial instruments – Accounting classification

The following table shows the net carrying amounts of financial assets and financial liabilities. For financial assets and liabilities not measured at fair value, the carrying value is a reasonable approximation of fair value.

As at 31 December 2025

All amounts in USD million

| Global Fund financial position | Note | Carrying amount | |
|---|------|----------------------|-------------------|
| | | Mandatorily at FVTPL | At Amortized Cost |
| Financial assets measured at fair value | | | |
| Trust Fund asset | 5.2 | 4,790 | - |
| Provident Fund investments | 5.3 | 327 | - |
| Derivative financial instruments | 5.6 | 10 | - |
| Financial assets not measured at fair value | | | |
| Cash and cash equivalents | 5.1 | - | 55 |
| Contributions receivable | 4.2 | - | 1,972 |
| Other receivables ¹ | 4.2 | - | 45 |
| Financial liabilities measured at fair value | | | |
| Derivative financial instruments | 5.6 | 55 | - |
| Financial liabilities not measured at fair value | | | |
| Other liabilities ¹ | 6.3 | - | 59 |
| Lease liability | | - | 19 |
| Grants payable | 3.3 | - | 2,342 |

As at 31 December 2024

All amounts in USD million

| Global Fund financial position | Note | Carrying amount | |
|---|------|----------------------|-------------------|
| | | Mandatorily at FVTPL | At Amortized Cost |
| Financial assets measured at fair value | | | |
| Trust Fund asset | 5.2 | 4,756 | - |
| Provident Fund investments | 5.3 | 312 | - |
| Derivative financial instruments | 5.6 | 54 | - |
| Financial assets not measured at fair value | | | |
| Cash and cash equivalents | 5.1 | - | 41 |
| Contributions receivable | 4.2 | - | 2,255 |
| Other receivables ¹ | 4.2 | - | 47 |
| Financial liabilities measured at fair value | | | |
| Derivative financial instruments | 5.6 | 13 | - |
| Financial liabilities not measured at fair value | | | |
| Other liabilities ¹ | 6.3 | - | 46 |
| Lease liability | | - | 25 |
| Grants payable | 3.3 | - | 3,810 |

1 Other receivables/liabilities that are not financial assets/liability (prepaid expenses, provisions) are not included.

Section 3: Grant activities

Grant making is the core operation of the Global Fund and forms the major source of expenditure and cash outflow. The Global Fund uses portfolio categories to ensure that operational policies and processes reflect contextual needs for countries. The list of countries in each of these categories below is updated for each allocation period based on the allocation amount, the disease burden, and opportunity for strategic impact of the country:

- i. High Impact Portfolios are generally very large portfolios with mission-critical disease burdens. These portfolios are split geographically:
 - a. Asia
 - b. **Africa I (West and Central Africa)**
 - c. Africa II (rest of Africa)
- ii. All other portfolios

The table below summarizes the accounting results for core grant activities based on the accounting principles underlined in this section:

| Grant stage for the year ended 31 December | Contingent Liability: Board-approved but not committed | Annual commitment | Disbursement of committed amounts As per statement of cash flow | Foreign exchange (loss)/gains on EUR grant liabilities | Annual commitments not disbursed as at 31 December (Grants payable as per statement of financial position) |
|---|---|--------------------------|--|---|---|
| Notes | 3.1 | 3.2 | | | 3.3 |
| 2025 | 4,591 | 2,440 | 3,962 | (60) | 2,342 |
| 2024 | 8,021 | 6,219 | 4,931 | 28 | 3,810 |

In the following notes, each stage of the standard grant lifecycle has been analyzed in detail:

3.1 Contingent liability

Contingent liabilities for grants are reported when the possible maximum obligation under the grant becomes clear and is communicated to the Principal Recipient. They represent a possible obligation that can be reliably measured but is still dependent on future events like the performance of the Principal Recipient and the availability of funding.

At the time contingent liabilities are reported, the Global Fund does not yet have a present obligation that it has no practical ability to avoid because it still has a substantive ability to manage the use of grant funds and accordingly restrict the future obligations and cash flows.

Following each Replenishment cycle (as mentioned under Section 4: Donor activities), the Global Fund determines the grant allocation cycle by country and by disease. These allocations represent the maximum eligible funds available to any country for the next three years. To access this funding, the Principal Recipients in these countries submit funding applications which transform into operational grants. These grants are subject to technical, risk and operational evaluations. Each grant is ultimately approved by the Global Fund Board following the recommendation of the Secretariat's Grants Approval Committee (GAC).

A contingent liability for grants (grants approved by the Board but not signed) is reported at the earlier of the following two milestones:

- i. the transmission of the draft grant agreement, which is conditional to Board approval, to the Principal Recipient following the GAC recommendation, and
- ii. the Global Fund Board approval.

Following Board approval, the Global Fund signs grant agreements that include substantive conditions **based on performance and availability of funding and that remains a contingent liability (Grants agreements signed but not committed)**. During grant implementation, the contingent liability of a grant is reduced by the cumulative amount of grant expenses.

Due to the ongoing challenging funding landscape, the Global Fund has worked extensively with Country **Coordinating Mechanisms (CCMs) and Principal Recipients (PRs) to reprioritize activities in Grant Cycle 7 (GC7) grants to safeguard lifesaving interventions. A timely application of reduction in grant funding was** critical to avoid implementation disruption for countries, and to ensure the reduction is right-sized. An aggregate reduction of USD 1.47 billion (at budget rate USD 1.43 billion) from GC7 country allocations was executed in June 2025. This includes a USD 1.3 billion reduction in grants signed but not committed and USD 2 million in category grants approved but not signed. The remaining USD 145 million was a reduction in allocation not yet approved by the Board. The revised funding envelope for each country was determined in line with the allocation formula and qualitative adjustment process endorsed by the Board. At individual grant level, the amount of reduction was determined based on the amount of outstanding GC7 funds available for obligation. Deallocation letters have been communicated to in-country stakeholders including the membership of the CCM, Minister of Health and Principal Recipients by 30 June 2025. The deallocation amounts have been fully operationalized during the second half of the year through adjustments in grant agreement and underlying budgets.

The following table summarizes the contingent liability for grants as at 31 December:

| | 2025 | 2024 |
|---|--------------|--------------|
| By category | | |
| Grants approved by the Board but not signed | 38 | 147 |
| Grants agreements signed but not committed | 4,553 | 7,874 |
| Total | 4,591 | 8,021 |

The following table provides an overview of contingent liability for grants by programmatic region defined by the Global Fund according to the risk and geographical classification of each country for a given allocation period:

| | 2025 | 2024 |
|---|--------------|--------------|
| Contingent liability for grants to Principal Recipients | | |
| By region | | |
| Asia (outside High Impact), Europe, Latin America and Caribbean | 390 | 647 |
| Africa (outside High Impact) and Middle East | 1,150 | 2,059 |
| High Impact Africa I | 848 | 1,666 |
| High Impact Africa II | 1,460 | 2,341 |
| High Impact Asia | 743 | 1,308 |
| Total | 4,591 | 8,021 |

3.2 Grant expenditure

Grants on behalf of Principal Recipients

The recognition of grant expenditure and liability is determined to be the point at which the annual funding decision is made and communicated by the Global Fund to the Principal Recipient. The annual funding decision provides the Principal Recipient with a firm disbursement schedule, together with a statement that conditions have been met and that the funding is available. At this point the Global Fund has a present obligation to the Principal Recipient to fulfil amounts committed and the full amount of the annual commitment resulting from the annual funding decision is recognized as a grant payable in the statement of financial position and recorded as expenditure within the statement of income.

During the year of the commitment, funds are disbursed on the basis of the annual funding decision and the level of remaining funds held by the Principal Recipient. As amounts are disbursed, there will be a subsequent reduction in the level of grants payable.

Grant-funded procurements under the Pooled Procurement Mechanism

Approximately one-quarter to one-third of the total grant expenditure is towards procurement expenditure **made through the Global Fund Board-approved Pooled Procurement Mechanism (PPM)**. The Global Fund provides an online platform called wambo.org to its registered Principal Recipients who elect to use the PPM to purchase health supplies. At the point when the Global Fund approves a purchase order in wambo.org, a grant expenditure and the corresponding liability are recorded. The Global Fund pays the procurement service agent, which in turn forwards the payment to the manufacturer on behalf of the Principal Recipients in line with the underlying payment terms driven by the delivery terms, thereby reducing the liability.

Strategic Initiatives

Besides the core grants, the Global Fund provides separate funding for Strategic Initiatives that support the success of country allocations but cannot be funded through disease-specific components of grants. These initiatives are implemented through partners and suppliers for which individual multi-year projects that extend through a three-year allocation period are approved by the GAC. For Strategic Initiatives implemented through partners, the Global Fund recognizes the expenditure and corresponding liability when the disbursement decision has been made and communicated to the partner, as this represents the point at which there is a constructive obligation to disburse to the partner. The expenditure for all other Strategic Initiatives is recognized at the point of service delivery.

Grants under recovery

Grants under recovery from Principal Recipients are recognized at the point of issuing a formal demand letter to the Principal Recipients for amounts stated in the letters as being owed by them to the Global Fund. The amounts determined as grants under recovery are recognized through the statement of income. Given the operational nature of these recoveries, these are reported as a reduction of grant expenditure. At each reporting date, each recoverable balance is reviewed for expected credit loss due to uncertainty in future cash inflows compared with the recovery schedule agreed by the Principal Recipients under the recovery protocol.

The following table summarizes grant expenditure for the years ended 31 December:

| | 2025 | 2024 |
|---|--------------|--------------|
| By category | | |
| Grants on behalf of Principal Recipients | 1,423 | 4,457 |
| Discounting | - | (2) |
| Grants on behalf of Principal Recipients, net | 1,423 | 4,455 |
| Grants for PPM orders | 948 | 1,698 |
| Total grants for Principal Recipients | 2,370 | 6,153 |
| Grants under recovery | 3 | (1) |
| Strategic Initiatives | 67 | 67 |
| Total grants | 2,440 | 6,219 |
| Core grant expenditure | | |
| Grants on behalf of Principal Recipients | 1,423 | 4,457 |
| Grants for PPM orders | 948 | 1,698 |
| Total undiscounted grants for Principal Recipients | 2,370 | 6,155 |
| By disease | | |
| HIV-AIDS (including HIV/TB) | 1,176 | 3,026 |
| Malaria | 614 | 1,681 |
| Tuberculosis | 257 | 549 |
| Others (including RSSH ¹ and multi-component) | 323 | 899 |
| Total undiscounted grants for Principal Recipients | 2,370 | 6,155 |
| By region | | |
| Asia (outside High Impact), Europe, Latin America and the Caribbean | 277 | 373 |
| Africa (outside High Impact) and Middle East | 630 | 1,427 |
| High Impact Africa I | 459 | 1,461 |
| High Impact Africa II | 758 | 2,107 |
| High Impact Asia | 246 | 787 |
| Total undiscounted grants for Principal Recipients | 2,370 | 6,155 |

3.3 Grants payable

The following table summarizes grants payable as at 31 December:

| | 2025 | 2024 |
|--|--------------|--------------|
| Grants payable within one year | | |
| Grants payable to Principal Recipients | | |
| - In USD | 1,924 | 3,162 |
| - In EUR | 331 | 565 |
| Grants payable to Principal Recipients in USD equivalent | 2,312 | 3,750 |
| Strategic Initiatives | 18 | 15 |
| Grants payable in equivalent USD within one year | 2,330 | 3,765 |
| Grants payable after one year | | |
| Grants payable to Principal Recipients | | |
| - In USD | 12 | 32 |
| - In EUR | - | 12 |
| Net grants payable in equivalent USD after one year | 12 | 45 |
| Total grants payable in equivalent USD | 2,342 | 3,810 |

The long-term portion represents amounts that are due to be disbursed later than one year after the date of the statement of financial position and that are discounted to estimate their present value at this same date. The impact of unwinding of discount on long-term grants payable is disclosed separately in the **statement of income for the reporting period (note 5.9)**.

Section 4: Donor activities

The Global Fund follows a three-year Replenishment cycle to secure funding for its grants and administrative operations. At the Replenishment Conference, donors make public announcements of their intended future contributions. These announcements are described as pledges. Pledges do not trigger an accounting event for the Global Fund. The first accounting impact is recognized following the conversion of pledges into formal contributions that require further substantive actions to be taken between the Secretariat and the donor.

The table below summarizes the accounting results for contributions based on the accounting principles underlined in this section:

| For the year ended 31 December | Opening contributions receivable | Donor contributions per the statement of income | Discounting | Contributions received per the statement of cash flow | Foreign exchange fluctuation | Contributions receivable on the statement of financial position |
|---------------------------------------|---|--|--------------------|--|-------------------------------------|--|
| NOTE | 4.2 | 4.1 | 5.9 | | | 4.2 |
| 2025 | 2,255 | 3,656 | 33 | 4,088 | 106 | 1,972 |
| 2024 | 3,803 | 3,294 | 114 | 4,860 | (111) | 2,255 |

In the following sections, the financial impact of each stage in the donor contribution process has been analyzed in detail:

4.1 Contribution income and revenue recognition

The revenue recognition policy of the Global Fund follows the general principles as detailed in the Conceptual Framework for Financial Reporting. In addition, the Measurement section of IFRS 15 Revenue from contracts with customers is applied to non-current contributions receivable, as described in note 4.2 below.

The first point of revenue recognition is the signing of a formal contribution agreement with a donor. All contributions governed by a written contribution agreement that do not have any substantive conditionality bearing on future receipts are recorded as income at the date of signature of the agreement.

The management has undertaken a comprehensive evaluation to establish reasonable assurance on the probability of future economic benefits and degree of certainty for future encashments based on donor profile, political engagement and institutional relationship from such donors. For cases where the management concluded there is no substantial conditionality, revenue is recognized for the corresponding value of the signed contribution agreements, discounted where appropriate. Note 4.3 provides further detail on contribution agreements that bear substantial conditionalities. The following table summarizes the source of revenue recognized for the year ended 31 December:

| | 2025 | 2024 |
|---|--------------|--------------|
| Donor contributions | | |
| Contributions for core activities | 3,682 | 3,292 |
| Contributions for operating expenditure | 15 | 6 |
| Sub-total | 3,697 | 3,298 |
| Less discounting at the point of revenue recognition | (41) | (4) |
| Net contributions as per statement of income | 3,656 | 3,294 |
| By donor category | | |
| Public | 3,591 | 3,172 |
| Foundations | 78 | 98 |
| Product (RED) | 8 | 13 |
| Corporations | 4 | 4 |
| International not-for-profit organizations | 1 | 5 |
| Total contribution for core activities | 3,682 | 3,292 |
| By donor intent | | |
| Unrestricted | 3,561 | 3,157 |
| Restricted | 121 | 135 |
| Total contribution for core activities | 3,682 | 3,292 |

4.2 Contributions receivable

At initial recognition, contributions receivable are generally recognized at face value. At subsequent reporting periods, they are stated at amortized cost, net of a provision for expected credit losses to cover the risk of future non-payment.

Contributions receivable with due dates later than 12 months after initial recognition are discounted using the applicable discount rate at the date of recognition.

Corresponding contributions income is recognized at the discounted amount required by IFRS 15. Discounts are released to the statement of income and receivables increased according to the effective interest method. The released discount is presented separately as discounting on long-term financial **positions for the reporting period (note 5.9) in the statement of income.**

The following table summarizes contributions receivable at 31 December:

| | 2025 | 2024 |
|--|--------------|--------------|
| Contributions receivable within one year | 662 | 1,468 |
| Contributions receivable after one year | 1,310 | 787 |
| Net present value of contributions receivable | 1,972 | 2,255 |
| Receivable in 2025 | - | 1,468 |
| Receivable in 2026 | 662 | 278 |
| Receivable in 2027 | 560 | 150 |
| Receivable after 2027 | 849 | 450 |
| Gross contributions receivable | 2,071 | 2,346 |
| Less discount | (99) | (91) |
| Net present value of contributions receivable | 1,972 | 2,255 |

The Global Fund reviews all contributions receivable as at the reporting date to assess for any expected credit losses. This assessment is based on a detailed review of individual donor credit profile, in-country economic and political situation and other known factors that may potentially have an adverse impact on the future cash receipts. Where the Global Fund determines there to be a collection risk, then an appropriate risk premium is deducted from receivable balances to reflect this risk.

For 2025, USD 60 million (2024: USD 26 million) in risk premiums are maintained as provision towards expected credit losses.

Other Receivables

The following table summarizes other receivables as at 31 December:

| | 2025 | 2024 |
|---|-----------|-----------|
| Grants under recovery, net | 23 | 26 |
| Working capital advance for pooled procurement mechanisms | 12 | 12 |
| Security deposit | 10 | 9 |
| Prepaid expenses for operating expenses and Strategic Initiatives | 13 | 12 |
| Total | 58 | 59 |

Grants under recovery are recognized based on the demand letters formally issued to Principal Recipients. This includes expected credit losses of USD 23 million given the uncertainty of future cash inflows compared with the recovery schedule agreed by the Principal Recipients under the recovery protocol (**2024: USD 24 million**).

4.3 Contingent assets

As at the reporting date, the Global Fund has USD 199 million (2024: USD 263 million) in signed contribution agreements that are subject to various performance obligations and conditions to be realized and reported over the period of the agreement. Given the uncertainty associated with the future encashments in respect of such donor agreements, these contributions will be recognized as revenue in the financial year in which the related performance obligations are satisfactorily fulfilled.

Section 5: Management of funds

The Global Fund is a financing institution and hence the management of its financial assets and liabilities is integral to the successful mission of the organization. In addition to its long-standing relationship with the World Bank, the Global Fund has built relationships with private sector banks to manage its financial assets and provide appropriate liquidity and risk management.

5.1 Cash and cash equivalents

The following table summarizes cash and cash equivalents as at 31 December:

| | 2025 | 2024 |
|----------------------------------|------|------|
| Amounts held in commercial banks | 55 | 41 |

Amounts are held in commercial banks that have a long-term credit rating of **A or higher**.

5.2 Trust Fund

The World Bank acts as the Trustee for the Global Fund. Assets held in trust by the World Bank are held in a pooled cash and investments portfolio. The Pool established by the Trustee for all trust funds is administered by the World Bank Group.

Most financial contributions are received directly by the Global Fund and subsequently held in a trust fund which is administered by the World Bank. The objectives of the investment portfolio strategy are to maintain adequate liquidity to meet foreseeable cash flow needs and preserve and optimize investment returns. The movement in fair value of funds held in trust is recognized in the Statement of Income. The cash is invested by the World Bank in accordance with the Investment Framework of the Global Fund, as approved by its Audit and Finance Committee.

All disbursements from the Trust Fund require authorization from the Global Fund. In accordance with the terms of the Trust Fund Agreement, as amended from time to time between the Global Fund and the World Bank, the Global Fund is the beneficial owner of the funds, assets and receipts that constitute the Trust Fund. The agreement may be terminated at any time by either party on a 90-day written notice with all funds, assets and receipts reverting to the Global Fund upon termination. The funds held in the Trust Fund qualify as a single asset and as such are presented separately in the statement of financial position but form an integral part of the operational cash management.

As of 31 December 2025, the Pool had a fair value measurement of USD 61,788 million (2024: USD 68,341 million) as confirmed by the World Bank. The share of the Global Fund assets held in the Pool is 7.75% (2024: 6.96%).

The following table reflects the asset allocation in the Pool:

| Types of financial instruments | 2025 | 2024 |
|---|-------------|-------------|
| Government and agency obligations | 66% | 63% |
| Time deposits and money market securities | 10% | 15% |
| Asset-backed securities | 20% | 17% |
| Equity securities | 4% | 4% |
| Derivatives, net | 0 | 1% |
| Total | 100% | 100% |

Fair value of financial instruments held in Pool

The Trust Fund's assets consist of its share of cash and investments in the Pool. The Pool is actively managed and invested in accordance with the investment strategy established for the respective trust funds. The objectives of the investment strategy are foremost to maintain adequate liquidity to meet foreseeable cash flow needs and preserve capital and then to maximize investment returns. The Trust **Fund's share in the Pool is not traded in any market; however, the underlying assets within the Pool are** reported at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If an active market exists, the market price is applied. If an active market does not exist, generally accepted valuation techniques, based on observable market data at the reporting date, are used instead. All investment decisions are made, and performance is monitored at the Pool level. The fair value of the Trust Fund's share of the cash and investments in the Pool at the end of each reporting period is also disclosed.

The International Bank for Reconstruction and Development, IBRD, on behalf of the World Bank Group, has an established and documented process for determining fair values. Fair value is based upon quoted market prices for the same or similar securities, where available. Financial instruments for which quoted market prices are not readily available are valued based on discounted cash flow models. These models primarily use market-based or independently sourced market parameters such as yield curves, volatilities, foreign exchange rates and credit curves, and may incorporate unobservable inputs. Selection of these inputs involves judgment. The Pool may include financial instruments such as government and agency obligations, time deposits, money market securities, asset-backed securities, equity securities, and derivatives.

The techniques applied in determining the fair values of financial instruments are summarized below.

Government and agency obligations, asset-backed securities and equity securities

Where available, quoted market prices are used to determine the fair value of government and agency obligations, asset-backed securities, and exchange-traded equity securities. For securities for which quoted market prices are not readily available, fair values are determined using model-based valuation techniques, either internally generated or vendor-supplied, that include discounted cash flow method using market observable inputs such as yield curves, credit spreads, prepayment speeds, foreign exchange rates and funding spreads.

Time deposits and money market securities

Unless quoted prices are available, time deposits and money market securities are reported at face value, which approximates fair value.

Derivative contracts

Derivative contracts include currency forward contracts, currency swaps, interest rate swaps, and contracts to purchase or sell to-be-announced securities. Derivatives are valued using model-based valuation techniques, which include discounted cash flow method with market observable inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads.

Fair valuation hierarchy

The Trustee undertakes a fair valuation of the financial instruments held in the shared pool of cash and investments. The fair value measurements are categorized based on the inputs to the valuation techniques as follows (in the order of priority placed on the inputs):

- **Level 1: Financial instruments whose values are based on unadjusted quoted prices for identical instruments in active markets.**
- **Level 2: Financial instruments whose values are based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; or pricing models for which all significant inputs are observable, either directly or indirectly for substantially the full term of the instrument.**
- **Level 3: Financial instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.**

The Trust Fund's financial instruments are categorized based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for **identical assets or liabilities (Level 1)**, **the next highest priority to observable market-based inputs or inputs that are corroborated by market data (Level 2)** and **the lowest priority to unobservable inputs that are not corroborated by market data (Level 3)**. When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement of the instrument in its entirety.

Given that the Trust Fund's share in the Pool is not traded in any market, it qualifies as a Level 2 asset given the observability and significance of the fair values of the underlying instruments and the fact that no adjustments for rights and obligations inherent with regard to ownership or frequency at which the organization can redeem its interest exists.

The following table shows the Trust Fund's share of financial instruments held in the Pool recognized at **fair value, categorized between levels 1 and 2:**

| As of 31 December 2025 | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|--------------|
| Government and agency obligations | 1,526 | 1,667 | - | 3,193 |
| Asset and mortgage-backed securities | - | 949 | - | 949 |
| Equity | 217 | - | - | 217 |
| Time deposits | 122 | 367 | - | 489 |
| Repurchase/ resale agreements | - | 1 | - | 1 |
| Derivatives, net | - | (6) | - | (6) |
| Sub-total | 1,865 | 2,978 | - | 4,843 |
| Cash, receivables & payables | - | - | - | (53) |
| Total | 1,865 | 2,978 | - | 4,790 |

| As of 31 December 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|--------------|
| Government and agency obligations | 1,525 | 1,534 | - | 3,058 |
| Asset and mortgage-backed securities | - | 849 | - | 849 |
| Equity | 201 | - | - | 201 |
| Time deposits | 234 | 510 | - | 744 |
| Repurchase/ resale agreements | - | 1 | - | 1 |
| Derivatives, net | 5 | 29 | - | 34 |
| Sub-total | 1,965 | 2,922 | - | 4,887 |
| Cash, receivables & payables | - | - | - | (131) |
| Total | 1,965 | 2,922 | - | 4,756 |

The following table shows a comparative view of the Trust Fund and the cumulative value of the Shared Pool of cash and investments:

| As of 31 December 2025 | Shared Pool of Cash and Investments | Trust Fund | % Share |
|---|--|-------------------|----------------|
| Level 1 | 17,361 | 1,865 | 10.74 |
| Level 2 | 44,860 | 2,978 | 6.64 |
| Level 3 | - | - | - |
| Sub-total | 62,221 | 4,843 | 7.78 |
| Cash, receivables & payables | (433) | (53) | - |
| Total | 61,788 | 4,790 | 7.75 |

| As of 31 December 2024 | Shared Pool of Cash and Investments | Trust Fund | % Share |
|---|--|-------------------|----------------|
| Level 1 | 27,667 | 1,965 | 7.10 |
| Level 2 | 40,970 | 2,922 | 7.13 |
| Level 3 | - | - | - |
| Sub-total | 68,637 | 4,887 | 7.12 |
| Cash, receivables & payables | (296) | (131) | - |
| Total | 68,341 | 4,756 | 6.96 |

5.3 Provident Fund Investments

The Global Fund Provident Fund (“Provident Fund”) is established as a segregated fund within the Global Fund with an autonomous governance structure. The Provident Fund does not have separate legal personality from the Global Fund. The assets of the Provident Fund are invested for the purpose of the investment policy of the Provident Fund in accordance with the principles and responsibilities established in the Constitutional Declaration and Benefits Rules, as may be amended from time to time, and under article 6 of the Provident Fund Management Board Charter.

The Management Board through its Investment Committee makes the investment decisions for the Provident Fund assets. The Investment Committee has appointed an investment advisor, through which the Investment Committee has an established control framework to monitor the investment performance and fair valuation of the investment portfolio. Provident Fund assets are managed by institutional fund managers in diversified global equity, bond and real estate funds. Funds are regulated, open-ended investment funds. The Management Board has appointed a custodian for all Provident Fund investments.

There is a regular review of potential significant unobservable inputs and valuation adjustments as reported by the investment advisor. The respective investment managers are individually responsible for the fair valuation and performance measurement of their respective investment categories. The custodian collates the investment performance and fair valuation reporting monthly. Any significant valuation issues are reported separately. The investment advisor oversees all fair value measurements, including potential Level 3 fair values, and reports to the Investment Committee and the Management Board. When measuring the fair value of an asset or a liability, the investment advisor uses observable market data as far as possible.

Provident Fund investments are classified upon initial recognition as financial assets and at fair value **through profit & loss (FVTPL), with any gains or losses arising on re-measurement recognized in the statement of income.**

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as outlined in note 5.2 above. The following table provides the fair valuation hierarchy of the Provident Fund investments:

| As of 31 December 2025 | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|--------------|
| Total Provident Fund investments | 157 | 148 | 22 | 327 |
| Equity | 65 | 49 | - | 114 |
| Bonds | 92 | 38 | - | 130 |
| Real estate | - | 60 | - | 60 |
| Infrastructure fund | - | - | 22 | 22 |

| As of 31 December 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|--------------|
| Total Provident Fund investments | 194 | 118 | - | 312 |
| Equity | 30 | 49 | - | 79 |
| Bonds | 134 | 16 | - | 150 |
| Real estate | - | 53 | - | 53 |
| Money Market | 30 | - | - | 30 |

The Provident Fund investments are held in Swiss francs (CHF). During 2025, USD 14.7 million was reported in net fair valuation gains on Provident Fund investments (2024: USD 12.5 million, net fair valuation gains).

5.4 Financial risk management objectives and policies

The Global Fund has various financial assets, such as cash and cash equivalents, Trust Fund, Provident Fund assets, contributions receivable, other receivables and derivative financial instruments. The main financial liabilities comprise grants payable, accrued expenses, lease liability and derivative financial instruments.

The main risks arising from these financial assets and liabilities are market and liquidity risks, which are summarized below. A detailed description of financial risk management on the Trust Fund is reported given the materiality of the investments held. Similar risk management and oversight is done for Provident Fund investments and other financial assets and liabilities.

These risks are managed through a defined Treasury procedure. Compliance with these policies is monitored by the Treasurer and regular financial reporting is provided to the Global Fund Board through the Audit and Finance Committee, its standing committee on financial matters.

The Trust Fund assets held in the shared Pool of cash and investments are exposed to market, credit and liquidity risks. There has been no significant change during the financial year to the class of financial risks faced by the Trust Fund or the Trustee's approach to the management of those risks. The exposure and the risk management policies employed by the Trustee to manage these risks are discussed below:

Market risk – The risk that the value of a financial instrument will fluctuate because of changes in market prices, currency rates or changes in interest rates. The Trust Fund is exposed to market risk, primarily related to foreign exchange rates and interest rates. The Trustee actively manages the Pool to minimize the probability of incurring negative returns over the applicable investment horizon.

i. Interest rate risk

The interest rate risk of the Trust Fund and Provident Fund assets are assessed and managed as part of each respective performance monitoring framework (refer to notes 5.2 and 5.3 respectively).

The Trustee uses Value at Risk (VaR) to estimate how much the Pool could lose in value due to adverse changes in interest rates and credit spreads. VaR estimates three things:

- the possible amount of loss,
- the likelihood of that loss occurring, and
- the time period over which it could occur.

The calculation uses a statistical model that assumes normal market movements. It is based on three years of historical market data, with greater weight given to more recent data reflecting current market conditions. Weekly market data are used, and more recent observations are weighted more heavily using a decay factor of 0.97. The model also incorporates equity market risk, using equity index returns to estimate equity price volatility.

The VaR of the Trust Fund's share of the portfolio over a 12-month horizon, at a 95% confidence level as of **31 December 2025, is estimated to be USD 126 million (2024: USD 136 million).**

ii. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in currency exchange rates when there is a mismatch between assets and liabilities denominated in any one currency. The currency risk covers all categories of financial instruments that carry non-USD financial positions. Note 5.5 on foreign exchange exposures provides an overview of the net position of major currencies holdings.

The Trust Fund's currency risk arises from the portion of cash and investments in the Pool that are denominated in currencies other than USD. In accordance with the Trust Fund Agreement and/or the instructions from the Global Fund, the Trustee maintains the Trust Fund's share of cash and investments in the Pool in USD and EUR. Cash contributions received are converted into USD on receipt, except when the Global Fund instructs the Trustee to hold selected cash contributions received in EUR. Given the insignificant portion of Trust Fund assets held in EUR, there would be no material impact on the statement of income and statement of changes in funds from fluctuations in exchange rates as of 31 December 2025 and 2024.

iii. Credit risk/counterparty risk

Credit risk/counterparty risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk can be mitigated by limiting the amount of credit exposure to any individual issuer. Changes in the creditworthiness of an issuer can negatively impact the price of the securities. The portion of the investments held in securities that are rated below investment grade will be subject to a greater risk of default.

The Global Fund's maximum exposure to credit risk in relation to cash and bank balances, Provident Fund fixed income investments and contributions receivable is the carrying amount of those assets as indicated in the statement of financial position. In respect to the funds held in the Trust Fund, the Trustee does not hold any collateral or credit enhancements except for the repurchase agreements and resale agreements with counterparties. The Trustee identifies concentrations of credit risk based mainly on the extent to which the cash and investments in the Pool are held by an individual counterparty. The concentration of credit risk with respect to the Pool of cash and investments is limited because the Trustee has policies that limit the amount of credit exposure to any individual issuer.

The Trustee invests in liquid instruments such as time deposits and money market securities, government and agency obligations, mortgage-backed securities and derivative contracts. The Trustee limits investments to those financial instruments with minimum credit ratings at the time of the purchase in the U.S. markets or equivalent as follows:

- Time deposits and money market securities: issued or guaranteed by financial institutions whose **senior debt securities are rated at least A-**.
- Government and agency obligations: issued or unconditionally guaranteed by government agencies **rated at least AA- if denominated in a currency other than the home currency of the issuer, otherwise** no rating is required. Obligations issued by an agency or instrumentality of a government, a **multilateral organization or any other official entity require a minimum credit rating of AA-**.
- Asset-backed securities: minimum rating must be AAA, except for US agency mortgage-backed **securities which must be at least AA-**.
- **Derivatives: counterparties must have a minimum rating of A-**.

The following table presents the investment holdings in the sub-portfolio in terms of the counterparty credit risk exposure and investment categories at December:

| Counterparty Credit Ratings | 2025 | 2024 |
|------------------------------------|-------------|-------------|
| AA or greater | 87% | 84% |
| A- or greater | 100% | 100% |

Liquidity risk: Liquidity is an indicator of how easily an investment may be converted into cash. An investment may be less liquid if it is not widely traded or if there are restrictions imposed by the exchange or the issuer. For the Global Fund, the risk is that the entity will encounter difficulty in raising liquid funds to meet its commitments. All the financial liabilities are payable based on the credit terms agreed with the suppliers in the underlying contractual agreements that are mostly short term. The Global Fund makes commitments for operating expenditure budget, trustee fees and grants only if there are sufficient underlying assets. Long-term financial liabilities are settled mostly between one and two years.

Economic risk: In addition to the financial risks outlined on the financial assets and liabilities, the Global Fund is also exposed to the economic risk on its off-balance sheet positions denominated in currencies other than USD. These mainly include pledges, allocated amounts, signed grant amounts that have not had a subsequent annual funding decision and approved operating expenditure budgets over the allocation period.

Hedging strategy

The Global Fund maintains a dynamic hedging strategy to preserve the net value of assets and liabilities against fluctuations of currency values and ensures the amounts from contributions and grants keep their economic value throughout their relevant periods of utilization.

The hedging strategy aims at preserving the economic value of future cash flows, and, as such, the Global Fund does not apply hedge accounting principle. The general principles of hedging are outlined below:

- i. Role of hedging: reduce volatility of FX effects on the asset-liability model, i.e., from starting point of **the Replenishment; and**
- ii. Hedging should produce FX effects in a direction opposite to FX effects before hedges.

Under the guidance of the hedging principles, hedgeable exposures are determined as FX risks net of adjustments taken due to the uncertainty of the underlining amount and timing of inflows and outflows of funds. This includes:

- i. Discount factor on donor contributions.
- ii. Discount factor on grants and other uses of funds.
- iii. Any other uncertainty factor.

The FX risk limit is measured through VaR with a 99% probability on a monthly basis. The VaR limit follows a two-risk metrics for the hedging strategy:

- a. From the net FX exposure off-balance-sheet: a minimum of 50% of the resulting VaR (exposure at **risk) shall be covered by the hedging strategy (i.e., VaR metric at maximum 50% of the VaR arising);** and
- b. From the net FX exposure on-balance-sheet: a minimum of 75% of the resulting VaR (exposure at risk) shall be covered by the hedging strategy (i.e., VaR metric at maximum 25% of VaR arising).

The risk metrics are reported under one combined VaR limit.

5.5 Foreign exchange exposures

In preparing the financial statements, transactions in currencies other than the functional currency are recognized at the rates of exchange prevailing at the dates of the transactions, which creates an exposure to foreign exchange risk for these particular assets or liabilities. At the end of each reporting period, monetary items such as contributions receivable in currencies other than USD and grants payable denominated in EUR are retranslated at the rates prevailing at that date. The currency risk associated with the foreign exchange exposure, both financial and economic, has been detailed in note 5.4 above. The Global Fund regularly undertakes the sensitivity analysis for each currency in which it holds significant exposure. The significant **foreign currency exposures include Australian dollars (AUD), Canadian dollars (CAD), Swiss francs (CHF), Danish krone (DKK), Euros (EUR), pound sterling (GBP), Swedish krona (SEK), and Norwegian krone (NOK).**

The following table outlines the net foreign currency exposures for these key currencies:

| Currency | As of 31 December 2025 | | | As of 31 December 2024 | | |
|----------|----------------------------------|-------------------------|---------------|----------------------------------|-------------------------|---------------|
| | Net FX Exposure in Nominal Value | Hedges at Nominal Value | % Hedge Ratio | Net FX Exposure in Nominal Value | Hedges at Nominal Value | % Hedge Ratio |
| AUD | 302 | 302 | 100 | 79 | 79 | 100 |
| CAD | 918 | 918 | 100 | 403 | 403 | 100 |
| CHF | (476) | (457) | 96 | (111) | (112) | 101 |
| DKK | 375 | 375 | 100 | 200 | 200 | 100 |
| EUR | 241 | 96 | 47 | 200 | 194 | 97 |
| GBP | 813 | 808 | 99 | 102 | 93 | 91 |
| JPY | 64,800 | 64,800 | 100 | - | - | - |
| NOK | 2,000 | 2,000 | 100 | 787 | 787 | 100 |
| SEK | - | - | - | 850 | 850 | 100 |

The Global Fund undertakes the sensitivity analysis based on a percentage change in exchange rates over immediately preceding three financial years. The Global Fund actively manages its foreign currency exposure through derivative financial instruments as described in note 5.6. As a result of the high hedging ratio, there would be no material impact towards the unhedged exposure on the statement of income and statement of changes in funds of a strengthening or weakening of non-USD currencies as at 31 December 2025 and 2024.

The following table summarizes exchange rates per USD for major currencies in which the Global Fund held financial positions on 31 December:

| Key Foreign Currencies | | | | Average FX Rates | |
|------------------------|--------|--------|---------------|------------------|--------|
| | 2025 | 2024 | % Fluctuation | 2025 | 2024 |
| AUD | 0.6686 | 0.6216 | 8 | 0.6440 | 0.6595 |
| CAD | 0.7296 | 0.6962 | 5 | 0.7148 | 0.7309 |
| CHF | 1.2611 | 1.1067 | 14 | 1.2017 | 1.1386 |
| DKK | 0.1571 | 0.1396 | 13 | 0.1507 | 0.1450 |
| EUR | 1.1732 | 1.0408 | 13 | 1.1251 | 1.081 |
| JPY | 0.0064 | 0.0064 | 0 | 0.0067 | 0.0066 |
| GBP | 1.3454 | 1.2554 | 7 | 1.3167 | 1.2785 |
| NOK | 0.0994 | 0.0882 | 13 | 0.0961 | 0.0932 |
| SEK | 0.1085 | 0.0908 | 19 | 0.1018 | 0.0947 |

[The Global Fund sources its corporate FX rates from Refinitiv]

5.6 Foreign exchange risk management

The Global Fund has implemented a strategy to mitigate the foreign exchange fluctuation risks as follows:

- **Maximize the natural hedge of currency holdings by matching assets and liabilities by currency; and**
- Monitor volatility and exposure by currency and engage in active hedging with levels of 50% to 100% through approved financial instruments.

Most of the contribution receipts to the Trust Fund are denominated and predominantly held in USD. However, a portion of funds are held in EUR to maintain a natural hedge for grant and other liabilities denominated in EUR. In addition, cash in EUR and CHF are held at a commercial bank to cover the operating expenses of the following year. Other currency balances are maintained for short time intervals in line with the cash management policy. The following table outlines the cash balances held in currencies other than USD in the source currency of cash holding:

| As of 31 December | 2025 | 2024 |
|--------------------------|-------------|-------------|
| Amounts held in CHF | 43 | 9 |
| Amounts held in EUR | 1 | 9 |

The Global Fund uses derivative financial instruments, notably forwards and swaps to manage its exposure to foreign exchange fluctuations for net positions held in non-USD currencies. These financial instruments are used by the Global Fund to mitigate foreign exchange risk and are recognized at fair value with subsequent movements in value reported through the statement of income. The following tables present the notional value and the fair value of derivative financial instruments by settlement date and by currency:

BY SETTLEMENT DATE

| As of 31 December | 2025 | 2024 |
|--|-------------|-------------|
| Assets, settlement within 12 months | 10 | 54 |
| Liabilities, settlement within 12 months | (55) | (13) |
| Net (liability)/ asset for derivative financial instruments at fair value | (45) | 41 |

BY CURRENCY

As of 31 December 2025

| Currency (Level 2) | Notional Value in LCY Millions | Forward Contracts at Fair Value in USD Millions |
|---|-----------------------------------|--|
| AUD | 302 | (5) |
| CAD | 918 | (16) |
| CHF | (457) | 7 |
| DKK | 375 | (1) |
| EUR | 96 | (3) |
| GBP | 808 | (27) |
| JPY | 64,800 | 3 |
| NOK | 2,000 | (3) |
| SEK | - | - |
| Net asset for derivative financial instruments at fair value | | (45) |

As of 31 December 2024

| Currency (Level 2) | Notional Value in LCY Millions | Forward Contracts at Fair Value in USD Millions |
|---|-----------------------------------|--|
| AUD | 79 | 3 |
| CAD | 403 | 20 |
| CHF | (112) | (6) |
| DKK | 200 | 1 |
| EUR | 194 | 9 |
| GBP | 93 | 4 |
| NOK | 787 | 3 |
| SEK | 850 | 7 |
| Net asset for derivative financial instruments at fair value | | 41 |

The fair value of derivative financial instruments is provided by the counterparty bank and based on price models using observable exchange rates, described as Level 2 in the fair value hierarchy.

5.7 Foreign exchange accounting

Foreign exchange gains or losses on non-USD positions are reported in the statement of income for the years ended 31 December were as follows:

| By currency | 2025 | | 2024 | |
|--------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Before Derivative Instrument | After Derivative Instrument* | Before Derivative Instrument | After Derivative Instrument* |
| AUD | 4 | (5) | (3) | 6 |
| CAD | 11 | (13) | (41) | 5 |
| CHF | 1 | 12 | (12) | (43) |
| DKK | 1 | (1) | (3) | 2 |
| EUR | 12 | (20) | (1) | 24 |
| GBP | 9 | (26) | (2) | 4 |
| JPY | - | 2 | - | - |
| SEK | - | (7) | (4) | 10 |
| NOK | 6 | (3) | (15) | (6) |
| Others | - | 1 | (2) | - |
| Total | 44 | (60) | (83) | 2 |

* Including on and off-balance sheet items

| | 2025 | 2024 |
|--|-------------|-------------|
| By net position | | |
| Net foreign exchange gain/ (loss) on assets | 5 | (30) |
| Net foreign exchange (loss)/gain on liabilities | (65) | 32 |
| Total: Net foreign exchange (loss)/gain | (60) | 2 |

5.8 Financial income, net

The investment of financial assets in the Trust Fund provides an investment return in line with the risks highlighted previously. The investment returns and related financial costs are summarized in the table below:

| | 2025 | 2024 |
|------------------------|------------|------------|
| Trust Fund gains, net | 305 | 252 |
| Financial costs | (3) | (2) |
| Total | 302 | 250 |

The following tables provide a detailed view of the composition of Trust Fund gains/ (losses):

| For the financial year ended 31 December 2025 | Realized | Unrealized | Total |
|--|-----------------|-------------------|--------------|
| Investment gains | 210 | 100 | 310 |
| Investment losses | (2) | (3) | (5) |
| Total | 208 | 97 | 305 |

| For the financial year ended 31 December 2024 | Realized | Unrealized | Total |
|--|-----------------|-------------------|--------------|
| Investment gains | 195 | 71 | 266 |
| Investment losses | (2) | (12) | (14) |
| Total | 193 | 59 | 252 |

5.9 Discounting of long-term financial positions

| By financial position | 2025 | 2024 |
|------------------------------|-------------|-------------|
| Contributions receivable | 33 | 114 |
| Grants payable | (2) | (19) |
| Total | 31 | 95 |

Section 6: Operating activities

6.1 Operating expenses

Operating expenses are costs incurred by the Global Fund Secretariat for maintaining a sustainable administrative structure to deliver its mission. The Global Fund Board approves an annual budget for operating expenses. All expenses are monitored and reported on a periodic basis to the Board through its Audit and Finance Committee.

The following table summarizes the Global Fund's operating costs under the main categories of expenditure for the years ended 31 December:

| | 2025 | 2024 |
|---------------------------------|------------|-------------|
| Workforce costs | 309 | 261 |
| External assurance | 47 | 50 |
| Professional fees | 32 | 40 |
| Others | 49 | 59 |
| Total Secretariat costs | 436 | 410 |
| Provident Fund valuation | (6) | (13) |
| Total | 430 | 397 |

Total Secretariat costs include USD 12 million (2024: USD 6.0 million) for which donor contributions have been received to fund designated activities as reported under Note 4.1. These costs are towards designated private sector donor-funded projects, and, as such, these are not funded out of the Secretariat's regular operating expenses budget.

Workforce costs: This includes salaries, benefits and related human resource costs for employees, as well as payments to individual and agency consultants engaged for specific projects or to provide additional short-term capacity in support of the Global Fund's mission.

Workforce costs include employee benefits of USD 298 million (2024: USD 243 million). As at 31 December 2025, the Global Fund employed 1,115 staff members (2024: 1,182).

A notional internal tax charge of USD 36 million (2024: USD 32 million) is calculated on reported staff costs. However, under the Headquarters Agreement with the Swiss Federal Council, neither the Global Fund nor its employees pay Swiss income tax on employment income from the Global Fund.

External assurance costs include Local Fund Agent fees representing service costs incurred by the Global Fund to assess the in-country capacity prior to and during grant negotiation in addition to monitoring implementation of funded programs as grants are disbursed to Principal Recipients.

Professional fees represent the engagement cost of external consultants, technical partners and professional firms in providing management and technical services as needed by the Global Fund.

Other operating expenses include operating costs for Secretariat travel, meetings, communications materials, depreciation of right of use asset and maintenance, depreciation, and disbursements for **Country Coordinating Mechanisms (CCMs) and Board Constituencies.**

6.2 Employee benefit liabilities

| As of 31 December | 2025 | 2024 |
|-------------------|------------|------------|
| Provident Fund | 395 | 349 |
| Others | 27 | - |
| Total | 422 | 349 |

The Global Fund maintains a Provident Fund for the purposes of providing retirement, death and disability benefits to its employees and their qualifying dependents and beneficiaries. The Provident Fund is the same legal entity as the Global Fund. It is a segregated fund with an autonomous governance structure. Consequently, the assets in the Provident Fund are disclosed within non-current assets in the statement of financial position and do not qualify as pension plan assets under IAS 19.

The assets of the Provident Fund are received, invested and disbursed wholly and exclusively for the purposes of the Provident Fund and in accordance with the investment strategy established by the Provident Fund Management Board with the approval of the Audit and Finance Committee.

The Provident Fund provides retirement, death and disability benefits for the employees of the Global Fund and their qualifying dependents and beneficiaries. The cost of the plan is determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, future salary increases, mortality rates, employee rotation and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, estimates relating to pension and other post-employment benefits are highly sensitive to changes in these assumptions, all of which are reviewed at each reporting date as described below.

Actuarial valuation of defined benefit obligation

The measurement of net defined benefit liability requires the application of an actuarial valuation method, the attribution of benefits to periods of service, and the use of actuarial assumptions. Given the unfunded status of the Provident Fund as outlined above, the actuarial valuation does not include any plan assets.

The actuarial valuation of the defined benefit obligation for the Provident Fund scheme administered by the Global Fund is reported in the following table:

| Change in benefit obligation | 2025 | 2024 |
|--|-------------|-------------|
| Benefit obligation at beginning of year | 349 | 327 |
| Current service cost | 51 | 40 |
| FX translation impact | 49 | (22) |
| Interest cost | 3 | 4 |
| Actuarial loss | 3 | 20 |
| Benefits paid from plan | (60) | (20) |
| Benefit obligation at end of year | 395 | 349 |

Current service cost: The increase in the present value of the defined benefit obligation resulting from employee service in the current period.

FX translation impact: The Global Fund employment costs and defined benefits obligations are administered in CHF and translated to USD for the reporting purposes in the financial statements. Translation costs represent the exchange rate difference arising on the re-measurement of the opening balance of defined benefit obligation administered in CHF in equivalent USD at the end of the current reporting period.

| Components of actuarial loss/ (gain) | 2025 | 2024 |
|---|-------------|-------------|
| a. Effect of changes in demographic assumptions | (1) | - |
| b. Effect of changes in financial assumptions | (2) | 21 |
| c. Effect of experience adjustments | 6 | (1) |
| Total actuarial valuation recognized in other comprehensive income | 3 | 20 |

| | | |
|--|----|----|
| Total defined benefit cost recognized in the statements of income and other comprehensive income | 58 | 65 |
|--|----|----|

Principal actuarial assumptions

Weighted-average assumptions to determine benefit obligations on 31 December

| | | |
|-------------------|------|------|
| Discount rate | 1.00 | 0.95 |
| LPP interest rate | 1.25 | 1.25 |

Weighted-average assumptions to determine pension expense for the year ended

| | | |
|-------------------|------|------|
| Discount rate | 0.95 | 1.50 |
| LPP interest rate | 1.25 | 1.25 |

Sensitivity analysis on defined benefit obligation

| | | |
|---------------------------------------|------------|------------|
| Discount rate -25 basis points | 407 | 358 |
| Assumption | 0.75 | 0.70 |
| Discount rate +25 basis points | 384 | 340 |
| Assumption | 1.25 | 1.20 |

| | | |
|-----------------------|-----------------------|-----------------------|
| Mortality assumptions | BVG 2020 CMI 1.25% | BVG 2020 CMI 1.25% |
|-----------------------|-----------------------|-----------------------|

Other required disclosure amounts

| | | |
|---|----|----|
| Contributions expected to be paid to the plan during the annual period beginning after the reporting period | 24 | 15 |
| Average duration of the plan liabilities (in years) | 11 | 11 |

6.3 Other current liabilities

| As of 31 December | 2025 | 2024 |
|---|-------------|-------------|
| Provisions and accrued expenses for operating expenditure | 66 | 62 |
| Accounts payable for operating expenditure | 14 | 12 |
| Deferred contributions | 45 | 23 |
| Current lease liability | 9 | 8 |
| Total | 134 | 105 |

Section 7: Other disclosures

7.1 Related party transactions

Related parties include the members of the Board, Board committees, key management personnel and their close family members.

An honorarium is paid to the independent members to the standing committees of the Board in **accordance with the Honorarium Framework approved by the Global Fund Board (GF/B48/EDP01)**. Under this framework, the Chair and the Vice-Chair of the Board and the standing committees of the Board are also entitled to receive honoraria as per the Board's decision. All other transactions with the Board and its committees are made at terms equivalent to arm's length transactions and within the **operational framework of the Secretariat. During 2025, an aggregate of USD 185k (2024: USD 177k)** was incurred to the eligible Board and Committee members as honoraria for their governance services performed during the year. There was no loan to or from related parties outstanding as at 31 December **2025 (2024: nil)**.

Compensation of key management personnel: Key management, in common with all personnel employed by the Global Fund, are remunerated according to the Global Fund salary scale. Remuneration consists of salary, allowances and employer contributions towards the Provident Fund and health insurance benefits. The remuneration of key management, comprising the Executive Director, members of the Management Executive Committee and the Inspector General, amounted to:

| Remuneration category | 2025 | 2024 |
|--|------------|------------|
| Short-term benefits including salary and allowances | 5.5 | 5.5 |
| Long-term benefits including contributions to the Provident Fund | 1.2 | 0.8 |
| Total remuneration to key management personnel | 6.7 | 6.3 |

During the reporting period the Secretariat incurred USD 53.0k (2024: USD 39.6k) towards reimbursement of expenses incurred by the Executive Director and Inspector General in line with the underlying expense claim policies established by the Secretariat.

7.2 Taxation

As an international organization with privileges and immunities, the Global Fund has received tax exemptions from Switzerland and the United States, as well as certain grant implementing countries. As at 31 December 2025, the Global Fund has been conferred privileges and immunities in 32 countries **(2024: 27)**.

7.3 Unrestricted and temporarily restricted funds

All contributions received where the application of funds is limited by statutory restrictions, donor-imposed purpose or time restrictions, have been classified as temporarily restricted funds. All other funds are recognized as unrestricted funds.

About the Global Fund

The Global Fund is a worldwide partnership to defeat HIV/AIDS, tuberculosis and malaria and ensure a healthier, safer, more equitable future for all. We raise and invest up to USD 5 billion a year to fight deadly infectious diseases, challenge the injustice that fuels them, and strengthen health systems and pandemic preparedness in more than 100 of the hardest hit countries. We unite world leaders, communities, civil society, health workers and the private sector to find solutions that have the most impact, and we take them to scale worldwide. Since 2002, the Global Fund partnership has saved 70 million lives.



Workers carry bales of insecticide-treated nets (ITNs) for loading into trucks at the Kaunda State Warehouse in Kaduna on July 18, 2025.

The Global Fund/Andrew Esiebo

**The Global Fund to Fight
AIDS, Tuberculosis and Malaria**

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