



Green Climate Fund

Audited Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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APPROVAL OF THE FINANCIAL STATEMENTS

DECISION B.45/03

The Board, having considered document GCF/B.45/12 titled “Audited financial statements of the Green Climate Fund for the year ended 31 December 2025”:

Approves the audited financial statements of the Green Climate Fund for the year ended 31 December 2025 as contained in annex II to document GCF/B.45/12.

FINANCIAL OVERVIEW

FINANCIAL STATEMENT PRESENTATION

The Financial Statements for the Green Climate Fund (“GCF” or the ‘Fund’) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The financial statements are presented in United States Dollars (“USD”), which is the currency of the primary economic environment in which the Fund operates (its functional currency). All financial information has been rounded to the nearest thousand, unless otherwise indicated.

FINANCIAL PERFORMANCE

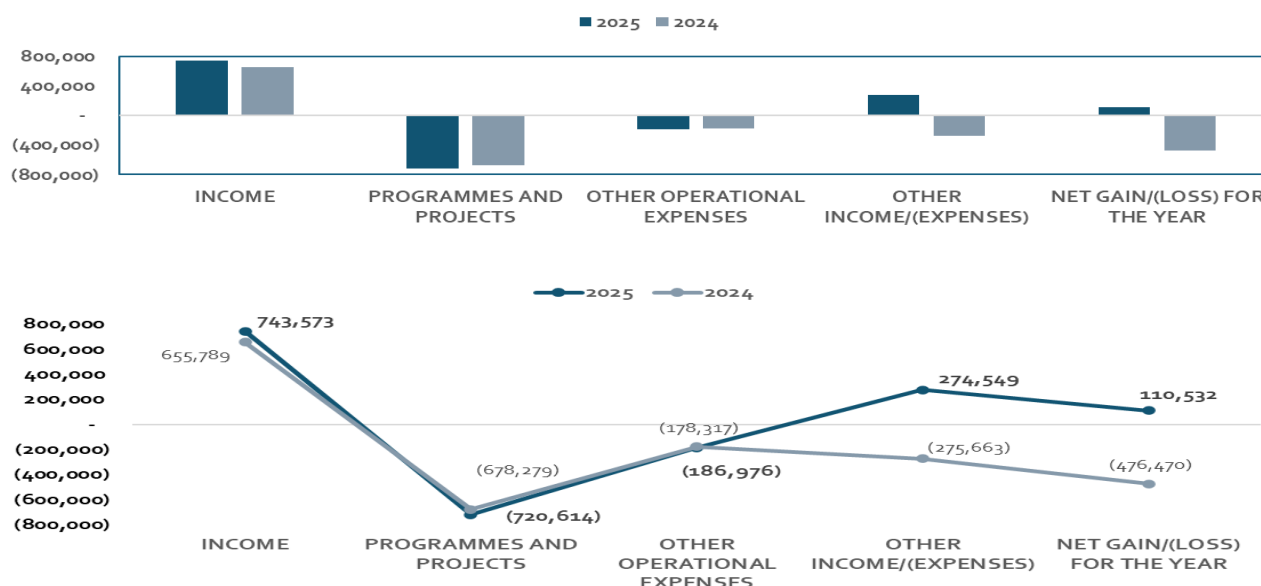
The Fund reported a net gain of USD 110.5 million for 2025 compared to a net loss of USD 476.5 million in 2024, representing a significant improvement in financial performance.

TABLE 1: Summary of financial performance for the years ended 2025 and 2024

USD (in '000)	2025	2024	Change	Commentary
INCOME	743,573	655,789	87,784	Increased by 13%
PROGRAMMES AND PROJECTS	(720,614)	(678,279)	(42,335)	Increased by 6%
OTHER OPERATIONAL EXPENSES	(186,976)	(178,317)	(8,659)	Increased by 5%
OTHER INCOME/(EXPENSES)	274,549	(275,663)	550,212	Turned from net expense to net income
NET GAIN/(LOSS) FOR THE YEAR	110,532	(476,470)	587,002	Moved from net loss to net gain

This positive turnaround was driven by a combination of higher investment income generated from cash held by the Trustee, the recognition of imputed income on contributions receivable, and substantial unrealised foreign exchange gains in 2025.

FIGURE 1: Comparison of financial performance for the years ended 2025 and 2024



FINANCIAL OVERVIEW *(Continued)*

FINANCIAL PERFORMANCE *(Continued)*

Income

The cash held by the Trustee generated higher returns of USD 632.5 million in 2025 from USD 554.3 million in 2024, resulting in an increased investment income of USD 78 million.

Additionally, the Fund benefited from imputed interest income of USD 24 million on contributions receivable in the form of promissory notes; this refers to the interest recognized on pledged funds that are not yet received as cash but are promised by contributors.

TABLE 2: Summary of income for the years ended 2025 and 2024

USD (in '000)	2025	2024	Change	% Change
INVESTMENT INCOME	632,591	554,332	78,259	14%
LOAN INTEREST INCOME	8,191	21,784	(13,593)	-62%
OTHER INCOME	7,602	8,832	(1,230)	-14%
IMPUTED INTEREST INCOME ON CONTRIBUTIONS RECEIVABLE	95,189	70,841	24,348	34%
TOTAL INCOME	743,573	655,789	87,784	13%

Expenses

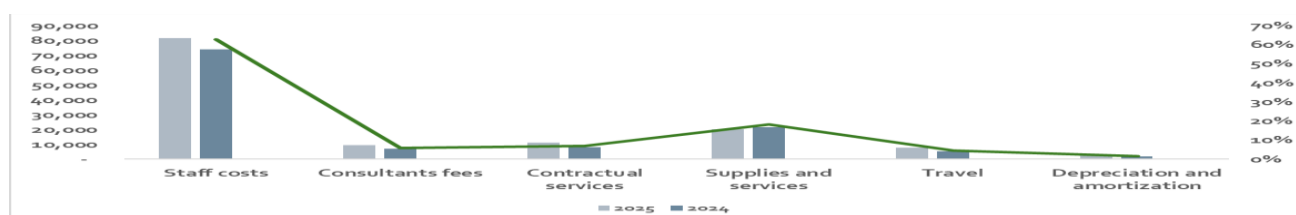
The Fund recorded a substantial foreign exchange gain of USD 438.3 million in 2025 compared to a foreign exchange loss of USD 165.7 million in 2024. This swing in foreign exchange performance was the main driver of the Fund's positive financial performance in 2025. These positive factors were partially offset by a decline in the fair value adjustments on investment in equity measured at fair value through profit or loss.

TABLE 3: Summary of expenses for the years ended 2025 and 2024

USD (in '000)	2025	2024	Change	% Change
PROGRAMMES AND PROJECTS	720,614	678,279	42,335	6%
ADMINISTRATIVE EXPENSES	133,210	117,775	15,435	13%
ACCREDITED ENTITY FEES	53,766	60,542	(6,776)	-11%
FOREIGN EXCHANGE (GAIN)/ LOSS	(438,294)	165,671	(603,965)	-365%
LOSS ON INVESTMENTS IN EQUITY AT FAIR VALUE	56,403	8,740	47,663	545%
EXPECTED CREDIT LOSS	107,342	101,252	6,090	6%
TOTAL EXPENSES	633,041	1,132,259	(499,218)	-44%

Administrative expenses rose as a result of staff expansion and greater utilization of consulting and operations support services, consistent with the objectives of program delivery and impact.

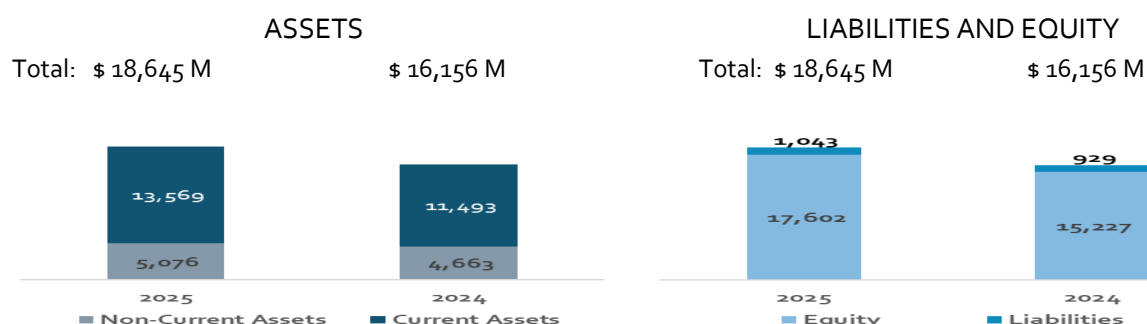
FIGURE 2: Analysis of administrative expenses for the years ended 2025 and 2024



FINANCIAL OVERVIEW *(Continued)*

FINANCIAL POSITION

FIGURE 3: Financial position structure for the years ended December 31, 2025 and 2024.



Assets

The Fund's assets primarily comprise cash held at the Trustee and other banks, financial instruments managed in accordance with the Fund's investment policies; contribution receivables representing amounts committed by contributors and recognized in accordance with applicable IFRS requirements; loans extended to accredited entities for the implementation of activities under funding proposals approved by the Fund's Board, including both concessional and non-concessional financing; projects, property, plant and equipment and intangible assets utilized in the Fund's operations, and other assets, including prepayments and other receivables.

Total assets increased from USD 16,156 million in 2024 to USD 18,645 million in 2025, representing an increase of USD 2,489 million, or approximately 15%. This growth was supported by higher investment income generated from cash held by the Trustee and stable contribution inflows.

A substantial portion of the Fund's assets, mainly primarily contribution receivable/ promissory notes, is denominated in foreign currencies.

The composition and movement of assets are disclosed in supporting tables and notes to the financial statements.

TABLE 4: Summary of assets for the years ended 2025 and 2024

USD (in '000)	2025	2024	Change	% Change
CASH AND BANK BALANCES	12,026,605	10,314,291	1,712,314	17%
CONTRIBUTION RECEIVABLE	4,556,732	3,930,277	626,455	16%
PREPAYMENTS	1,832	2,891	(1,059)	-37%
ACCRUED INCOME	24,372	19,422	4,950	25%
LOANS RECEIVABLE	1,502,658	1,317,624	185,034	14%
OTHER RECEIVABLE	125	68	57	84%
INVESTMENTS IN EQUITY	519,188	560,649	(41,461)	-7%
PROPERTY, PLANT, AND EQUIPMENT	8,773	8,072	701	9%
INTANGIBLE ASSETS	5,139	3,142	1,997	64%
TOTAL ASSETS	18,645,424	16,156,436	2,488,988	15%

FINANCIAL OVERVIEW *(Continued)*

FINANCIAL POSITION *(Continued)*

Liabilities

Total liabilities increased from USD 929.5 million in 2024 to USD 1,043 million in 2025, representing an increase of USD 113.5 million, or approximately 12%. This indicates a moderate year-on-year increase in the Fund's liability. Overall, the increase in total liabilities in 2025 appears to be driven by two main factors; higher expected credit loss provision on loan commitments and an increase in long-term borrowings due to non-cash movements, mainly foreign exchange revaluations.

TABLE 5: Summary of liabilities for the years ended 2025 and 2024

USD (in '000)	2025	2024	Change	% Change
ACCOUNTS PAYABLE	2,513	1,254	1,259	100%
ACCRUED EXPENSES	24,271	19,123	5,148	27%
LOSS PROVISION ON LOAN COMMITMENT	81,489	29,563	51,926	176%
LONG-TERM BORROWINGS	828,611	774,510	54,101	7%
DEFERRED INCOME	106,115	105,040	1,075	1%
TOTAL LIABILITIES	1,042,999	929,490	113,509	12%

Commitments and Contingent Liabilities

The balances disclosed in Note 17 represent approved but undisbursed commitments, contingent exposures, rather than liabilities recognized on the Statement of Financial Position.

As of 31 December 2025, total commitments and contingent liabilities amounted to USD 13.7 billion, compared with USD 11.2 billion in 2024, representing an increase of USD 2.5 billion, or approximately 22.2%.

The increase was driven primarily by higher undisbursed project funding commitments, which rose by USD 2.4 billion to USD 12.9 billion, reflecting continued growth in cumulative Board-approved funding proposals. Undisbursed commitments for other activities also increased by USD 163.3 million to USD 540.6 million. In contracts, undisbursed balances relating to the Readiness & Preparatory Support programme and the Project Preparation Facility declined during the year, as disbursements exceeded new approvals.

TABLE 6: Summary of committed funds for the years ended 2025 and 2024

USD (in '000)	Approved	Disbursed	Committed
FUNDED ACTIVITY PROPOSALS (FP)	19,163,138	6,226,209	12,936,929
READINESS & PREPARATORY SUPPORT	749,090	520,270	228,820
PROJECT PREPARATION FACILITY	74,370	60,620	13,750
PROJECT FEES	854,947	314,368	540,579
TOTAL COMMITTED FUNDS AS OF 2025	20,841,545	7,121,467	13,720,078

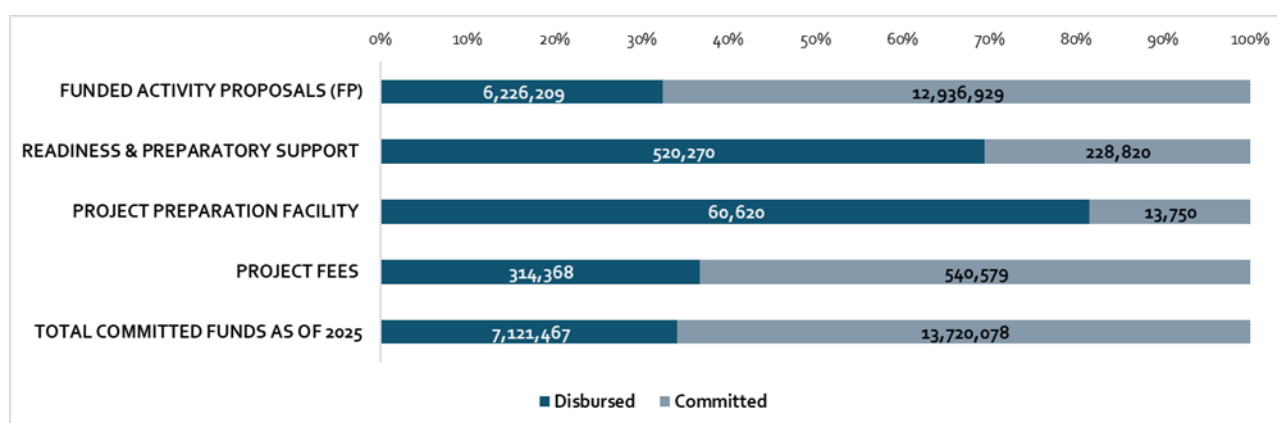
USD (in '000)	Approved	Disbursed	Committed
FUNDED ACTIVITY PROPOSALS (FP)	15,788,963	5,232,524	10,556,439
READINESS & PREPARATORY SUPPORT	657,140	389,142	267,998
PROJECT PREPARATION FACILITY	66,791	42,697	24,094
PROJECT FEES	634,083	256,823	377,260
TOTAL COMMITTED FUNDS AS OF 2024	17,146,977	5,921,186	11,225,791

FINANCIAL OVERVIEW *(Continued)*

FINANCIAL POSITION *(Continued)*

Liabilities *(Continued)*

FIGURE 4: Progress of disbursements for approved projects as of December 2025



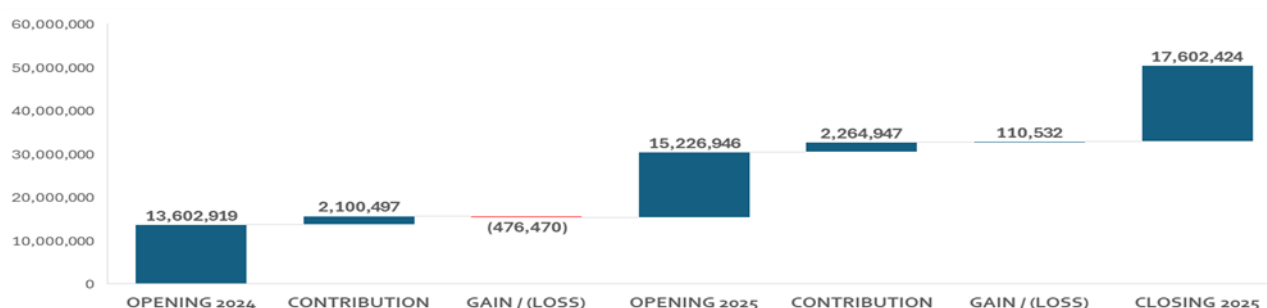
Equity

Total equity increased by USD 2.38 billion from 2024 to USD 17.60 billion in 2025, primarily driven by additional contributed resources amounting to USD 2.26 billion during the year. Accumulated comprehensive loss decreased by USD 110.5 million, reflecting the net gain for the year, partially offsetting historical losses.

The Fund continues to be predominately financed through contributor funding classified as equity, resulting in a strong capital base and limited reliance on financial liabilities. Equity growth in 2025 was further supported by foreign exchange gains recognized in profit or loss.

Overall, the Fund maintains a robust financial position with equity representing the majority of its total funding structure.

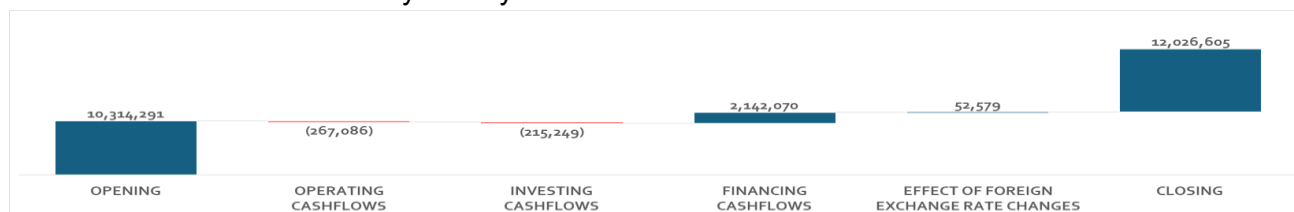
FIGURE 5: Equity movements for the years ended 2025 and 2024



FINANCIAL OVERVIEW *(Continued)*

CASHFLOWS

FIGURE 6: Cash movements by activity in 2025



The Fund recorded a net increase in cash and bank balances of USD 1,712.3 million in 2025, compared with USD 1,406.6 million in 2024, representing an increase of USD 305.7 million, or approximately 21.7%. As a result, cash and bank balances at year-end increased to USD 12,026.6 million, from USD 10,314.3 million at 31 December 2024, an increase of USD 1,712.3 million, or approximately 16.6%.

The stronger cash position in 2025 was driven by a substantial reduction in net cash outflows from investing activities, partially offset by a lower cash inflow from financial activities, and continued net cash outflows from operating activities.

Net cash used in operating activities represents an improvement of USD 43.5 million. Although the Fund made higher program payments and incurred higher operating cash outflows in 2025, these increases were more than offset by higher investment returns generated from the balances of the Fund Trust Fund, resulting in a lower net operating cash outflow overall. Operating cash flows remained negative, reflecting continued deployment of resources towards the Fund's mandate. However, the year-on-year improvement was supported by higher investment income and overall stronger operating inflows, partially offsetting increased program disbursements.

The notable improvement in investing cash flow reflects a significant reduction in disbursements to both equity and loan-funded projects during 2025. In essence, the Fund committed less cash to its investment portfolio compared with 2024, which had a strong positive impact on overall cash balances. The reduced level of cash deployment into funded projects materially lowered net investing outflows and enhanced overall liquidity.

The financing cash flows remain the largest source of positive cash flow, driven by cash receipts from contributors. However, the absence of new long-term borrowings in 2025 reduced the overall financing inflow compared with 2024.

TABLE 7: Comparison of cashflow positions for the years ended 2025 and 2024

USD (in '000)	2025	2024	Change	% Change
CASH AND BANK BALANCES AS OF 1 JANUARY	10,314,291	8,907,649	1,406,642	16%
NET CASH USED IN OPERATING ACTIVITIES	(267,086)	(310,600)	43,514	-14%
NET CASH USED IN INVESTING ACTIVITIES	(215,249)	(575,243)	359,994	-63%
NET CASH PROVIDED BY FINANCIAL ACTIVITIES	2,142,070	2,298,115	(156,045)	-7%
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	52,579	(5,630)	58,209	-1034%
CASH AND BANK BALANCES AS OF 31 DECEMBER	12,026,605	10,314,291	1,712,314	17%



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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GREEN CLIMATE FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Green Climate Fund ("Fund"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 13 to 54.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those 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 Fund in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises the Financial Overview set out on page 4 to 9 but does not include the financial statements and our auditor's report 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.



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GREEN CLIMATE FUND

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management 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, management is responsible for assessing the 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

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 ISAs 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 ISAs, 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF
GREEN CLIMATE FUND

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management'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 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 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 those charged with governance 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.

The engagement partner on the audit resulting in this independent auditor's report is Tay Boon Suan.

Deloitte & Touche UP

Public Accountants and
Chartered Accountants
Singapore

5 June 2026

STATEMENT OF FINANCIAL POSITION

(in '000 USD)

	<u>Note</u>	31 DECEMBER 2025	31 DECEMBER 2024
<u>ASSETS</u>			
CASH AND BANK BALANCES	6	12,026,605	10,314,291
CONTRIBUTION RECEIVABLE	7	1,516,090	1,137,288
PREPAYMENTS		1,832	2,891
ACCRUED INCOME		24,372	19,422
LOANS RECEIVABLE	9	-	19,500
OTHER RECEIVABLE		125	68
TOTAL CURRENT ASSETS		13,569,024	11,493,460
CONTRIBUTION RECEIVABLE	7	3,040,642	2,792,989
INVESTMENTS IN EQUITY	8	519,188	560,649
LOANS RECEIVABLE	9	1,502,658	1,298,124
PROPERTY, PLANT, AND EQUIPMENT	10	8,773	8,072
INTANGIBLE ASSETS	11	5,139	3,142
TOTAL NON-CURRENT ASSETS		5,076,400	4,662,976
TOTAL ASSETS		18,645,424	16,156,436
<u>LIABILITIES AND EQUITY</u>			
ACCOUNTS PAYABLE		2,513	1,254
ACCRUED EXPENSES		24,271	19,123
LOSS PROVISION ON LOAN COMMITMENT	9	81,489	29,563
LONG-TERM BORROWINGS	12	20,773	18,958
TOTAL CURRENT LIABILITIES		129,046	68,898
LONG-TERM BORROWING	12	807,838	755,552
DEFERRED INCOME	12	106,115	105,040
TOTAL NON-CURRENT LIABILITIES		913,953	860,592
TOTAL LIABILITIES		1,042,999	929,490
CONTRIBUTED RESOURCES	13	20,818,371	18,553,424
ACCUMULATED COMPREHENSIVE LOSS		(3,215,946)	(3,326,478)
TOTAL EQUITY		17,602,425	15,226,946
TOTAL LIABILITIES AND EQUITY		18,645,424	16,156,436

See accompanying notes to the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December

(in '000 USD)

INCOME & EXPENSES

	Note	2025	2024
INVESTMENT INCOME	14	632,591	554,332
OTHER INCOME	14	15,793	30,616
IMPUTED INTEREST INCOME ON CONTRIBUTIONS RECEIVABLE		95,189	70,841
TOTAL INCOME		743,573	655,789
PROGRAMMES AND PROJECTS	16	(720,614)	(678,279)
OPERATIONAL EXPENSES			
ADMINISTRATIVE EXPENSES	15	(133,210)	(117,775)
ACCREDITED ENTITY FEES		(53,766)	(60,542)
TOTAL OPERATIONAL EXPENSES		(186,976)	(178,317)
OTHER EXPENSES			
FOREIGN EXCHANGE GAIN/(LOSS)		438,294	(165,671)
LOSS ON INVESTMENTS IN EQUITY AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")	8	(56,403)	(8,740)
EXPECTED CREDIT LOSS	9	(107,342)	(101,252)
TOTAL OTHER INCOME/(EXPENSES)		274,549	(275,663)
NET GAIN/(LOSS) FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE GAIN/(LOSS) FOR THE YEAR		110,532	(476,470)

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December

(in '000 USD)

	Note	CONTRIBUTED RESOURCES	ACCUMULATED COMPREHENSIVE LOSS	TOTAL
AS OF 1 JANUARY 2024	13	16,452,927	(2,850,008)	13,602,919
CONTRIBUTED RESOURCES		2,100,497	-	2,100,497
NET LOSS FOR THE YEAR		-	(476,470)	(476,470)
OTHER COMPREHENSIVE INCOME		-	-	-
AS OF 31 DECEMBER 2024	13	18,553,424	(3,326,478)	15,226,946
CONTRIBUTED RESOURCES		2,264,947	-	2,264,947
NET GAIN FOR THE YEAR		-	110,532	110,532
OTHER COMPREHENSIVE INCOME		-	-	-
AS OF 31 DECEMBER 2025	13	20,818,371	(3,215,946)	17,602,425

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS

for the years ended 31 December

(in '000 USD)

CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2025	2024
INVESTMENT INCOME		626,600	542,189
OTHER INCOME		6,497	6,562
CASH PAID TO SUPPLIERS & PERSONNEL		(125,803)	(120,530)
PROGRAM PAYMENTS		(774,380)	(738,821)
NET CASH USED IN OPERATING ACTIVITIES		(267,086)	(310,600)

CASH FLOWS FROM INVESTING ACTIVITIES

INTEREST INCOME ON GCF FUNDED LOAN PROJECTS		10,337	16,773
ACQUISITION OF PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS	10,11	(6,586)	(7,631)
RETURN FROM GCF FUNDED EQUITY PROJECTS		7,080	5,413
DISBURSEMENT TO GCF FUNDED EQUITY PROJECTS		(22,022)	(221,176)
REPAYMENT FROM GCF FUNDED LOAN PROJECTS		67,188	78,633
DISBURSEMENT TO GCF FUNDED LOAN PROJECTS		(271,246)	(447,255)
NET CASH USED IN INVESTING ACTIVITIES		(215,249)	(575,243)

CASH FLOWS FROM FINANCING ACTIVITIES

CASH RECEIPTS FROM CONTRIBUTORS		2,162,743	2,183,805
LONG-TERM BORROWINGS	12	-	133,268
REPAYMENT OF BORROWINGS	12	(20,673)	(18,958)
NET CASH PROVIDED BY FINANCING ACTIVITIES		2,142,070	2,298,115
NET INCREASE IN CASH AND BANK BALANCES		1,659,735	1,412,272
CASH AND BANK BALANCES AS OF 1 JANUARY		10,314,291	8,907,649
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		52,579	(5,630)
CASH AND BANK BALANCES AS OF 31 DECEMBER		12,026,605	10,314,291

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. GENERAL INFORMATION

The Green Climate Fund (“GCF” or the “Fund”) has been established by 194 Parties to the United Nations Framework Convention on Climate Change (“UNFCCC” or “Convention”). The Fund was established by a decision of the Conference of the Parties (“COP”) to the UNFCCC on 11 December 2011. The Fund is headquartered in Songdo, the Republic of Korea, and the principal place of business is G-Tower 175, Art Center-daero Yeonsu-gu, Incheon 22004.

The Fund seeks to contribute to the achievement of the ultimate objective of the Convention. In the context of sustainable development, the Fund is guided by the principles and provisions of the Convention and promotes the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, considering the needs of those developing countries particularly vulnerable to the adverse effects of climate change.

The Fund is instrumental in directing new and reliable financial resources to developing countries. It aims to stimulate climate finance from both public and private sectors, across national, regional, and international levels. The Fund is designed to operate on a larger scale than other similar and comparable funds, fostering a shift towards low-emission and climate-resilient development pathways.

The Fund is governed and supervised by a Board that holds full responsibility for funding decisions, guided by COP. The Board oversees the operations of all relevant components of the Fund, including the approval of specific operational policies and guidelines, as well as funding for projects and programmes. The Board comprises twenty-four (24) members and twenty-four (24) alternate members, with equal representation from developing and developed country Parties. In accordance with GCF’s Governing Instrument, the World Bank currently provides Trustee services to the Fund.

The Fund partners with Accredited Entities (“AEs”) to implement projects. Guided by the Fund investment framework and the priorities of developing country governments, AEs work alongside countries to come up with project ideas and submit funding proposals for the Fund’s Board to approve. AEs can be private or public, non-governmental, sub-national, national, regional or international, as long as they meet the standards of the Fund.

The financial statements for the year ended 31 December 2025 were authorized for issuance by the Fund’s Board on XX June 2026.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

1. GENERAL INFORMATION *(Continued)*

1.1. Basis of Preparation

The financial statements have been prepared on the historical cost basis, except as disclosed in the material accounting policy information, and are drawn up in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). Where the IFRS are silent or do not give guidance on how to treat transactions specific to the non-profit sector, accounting policies have been derived from general IFRS principles and other relevant accounting standards, as detailed in the IASB Framework for the Preparation and Presentation of Financial Statements.

1.2. Adoption of New and Revised IFRS

In the current year, the Fund has applied all the new and revised IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

1.3 New and Revised IFRS Accounting Standards in Issue but Not Yet Effective

At the date of authorization of these financial statements, the Fund has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>1 January 2026</i>
<i>Amendments to IFRS 7 and 9: Amendments to the Classification and Measurement of Financial Instruments</i>	<i>1 January 2026</i>
<i>Amendments to IFRS 18: Presentation and Disclosures in Financial Statements</i>	<i>1 January 2027</i>

The adoption of these amendments is not expected to have material impact on the financial statements in the year of initial application except for the following where the Fund anticipates that the application of these amendments may have an impact on the Fund’s financial statements in future periods:

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

1. GENERAL INFORMATION *(Continued)*

1.3 New and Revised IFRS Accounting Standards in Issue but Not Yet Effective *(Continued)*

IFRS 18 Presentation and Disclosure in Financial Statement

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, IASB has made minor amendments to IAS 7 and IAS 33 *Earnings per Share*.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

A company is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when a company applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Fund anticipates that the application of the new standard will have an impact on the Fund's financial statements in the future periods. The Fund is in the process of assessing the impact of new standard, particularly with respect to the structure of the Fund's statement of profit or loss and other comprehensive income and the additional disclosures required as well as the impact on how information is grouped in the financial statements. It is currently impracticable to disclose any further information on the known or reasonably estimated impact on the Fund's financial statements as the Fund has yet to complete its detailed assessment.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1. Functional and Presentation Currency

The financial statements are measured and presented in United States Dollars ("USD"), which is the currency of the primary economic environment in which the Fund operates (its functional currency). All financial information has been rounded to the nearest thousand, unless otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.2. Cash and Bank Balances

Cash and bank balances comprise cash on hand, deposits held on call with banks, and other short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

2.3. Foreign Currency Transactions and Translations

Transactions denominated in foreign currencies other than the Fund's functional currency are translated into United States Dollars ("USD") at the rates of exchange prevailing at the transaction dates. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

2.4. Property, Plant, and Equipment

Property, plant, and equipment are initially measured at cost. Following initial recognition, they are carried at cost less any accumulated depreciation and impairment losses.

The cost of property, plant, and equipment comprise the purchase price and all incidental expenses incurred to bring the asset to its working condition for its intended use. Subsequent costs are added to the carrying amount of property, plant, and equipment at cost or, if appropriate, recognized as separate items, provided that it is probable that future economic benefits associated with the item flow to the Fund and the cost of the item can be measured reliably. Day-to-day operational costs are recognized as expenses.

Property, plant, and equipment are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives for the current period are detailed below.

ITEM OF PROPERTY, PLANT, AND EQUIPMENT	USEFUL LIFE
COMPUTER EQUIPMENT, SOFTWARE* AND IT INFRASTRUCTURE	3 Years
LEASEHOLD IMPROVEMENTS	10 Years
OFFICE EQUIPMENT AND FURNITURE	3 Years
MOTOR VEHICLES	3 Years

* The software categorized here is considered an essential component of the computer equipment.

Depreciation methods, useful lives, and residual values are reviewed at the end of each reporting date and adjusted as necessary. Depreciation is applied from the year the asset is placed in operation and continues until the asset is either fully depreciated or no longer in use.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.4. Property, Plant, and Equipment *(Continued)*

2.4.1. Intangible Assets – Software

Intangible assets are identifiable non-monetary assets without physical substance. According to the relevant financial reporting standards, intangible assets are identifiable when they are separable (i.e., they can be sold, transferred, or licensed) or when they arise from contractual or other legal rights. For the Fund, aside from financial assets, the primary intangible asset is software used for various functions, which may be acquired externally.

Capitalization limit: Intangible assets are capitalized if their acquisition cost or the estimated cost of internal development exceeds USD 20,000.

Recognition, Measurement, and Derecognition: Only costs related to the application development and implementation are eligible for capitalization. Costs incurred during preliminary assessment and post-implementation stages are expensed. Training, data conversion, and general administrative costs are also expensed.

If it is determined that software whose costs had been capitalized cannot be used for its intended purpose, any unamortized portion is immediately expensed.

Amortization: Both externally acquired and internally developed intangible assets are amortized monthly on a straight-line basis over 3 years, unless a longer useful life can be justified.

2.5. Contributions

2.5.1. Recognition

Contributions, including unconditional or conditional promises to support specified projects or activities mutually agreed upon by the Fund and the contributor, are fully recognized as equity at the earlier of when there is reasonable assurance that the contributions will be received or when the contributions are received.

2.5.2. Contribution Receivable

The Fund recognizes contribution receivable when there is reasonable assurance that the contributions will be received, even if the cash has not been received. Contribution receivables are stated at their amortized cost, net of an allowance for uncollectible contributions.

Contribution receivable consists of promissory notes which are measured initially at fair value by discounting the future cash flows using appropriate discount rates that reflect the duration and credit risk of the issuer. In subsequent financial periods, they are presented at amortized cost using the effective rate method at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.5. Contributions *(Continued)*

2.5.2. Contribution Receivable *(Continued)*

At the end of each reporting period, the Fund assesses whether there is any objective evidence that the promissory notes are impaired. If any such evidence exists, the Fund determines the amount of any impairment loss.

2.6. Investments in Equity

The Fund makes equity-type investments through various structures, including limited partnerships, investment funds, and direct equity shareholdings governed by shareholders' agreements. These investments aim to mobilize third-party capital, catalyze private sector participation, and support long-term development outcomes. The Fund does not seek to obtain control or significant influence over investees.

All investments in equity are classified as financial assets at fair value through profit or loss ("FVTPL") in accordance with *IFRS 9*.

These instruments represent residual interest in the net assets of investees and do not include any obligation for repayment or fixed return.

Changes in fair value are recognized in profit or loss. Dividend income, where applicable, is recognized when the right to receive payment is established. The Fund does not consolidate or apply the equity method to any of its investees.

2.7. Accounting for Grants

The accounting for grants follows the principles of *IAS 37: Provisions, Contingent Liabilities, and Contingent Assets (IAS 37)*, along with the "general framework" document to determine when the grants should be recognized as contingent liabilities, grant payables, and subsequently recorded in the statement of profit or loss.

2.7.1. Contingent Liability

The initial recognition of grants occurs at the point of Board approval, where the maximum liability of the grant is established and agreed upon with the Accredited Entity ("AE"). At this stage, the grant is recognized as a contingent liability due to the uncertainty regarding the grant amount and the Fund's ability to de-commit funds if conditions are not met or funding is unavailable. Therefore, Board approval does not constitute a constructive obligation as defined under *IAS 37*.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.7. Accounting for Grants *(Continued)*

2.7.1. Contingent Liability *(Continued)*

Following Board approval, grants are governed by a written agreement that includes substantive performance-based conditions. There is no constructive obligation for the total value of the grant at the signing date of the agreement. An obligation arises only once all criteria have been addressed or otherwise resolved.

2.7.2. Recognition of Grants Payable and Expense

Grants payable is recognized when the conditions are met, and the AE submits the disbursement request. At this point, the Fund has a constructive obligation to the AE. Consequently, the requested disbursement amounts are recognized as a grant payable and recorded as programme expenses within the statement of profit or loss.

2.7.3. Recoverable from Grants

During the implementation period, a portion of the funds disbursed for grants may be deemed recoverable from the AE based on the audits and investigations. Grants recoverable are recognized at fair value upon notification to the AE and are subject to the same valuation policy, risk assessment, and asset impairment as contributions recoverable from a contributor.

2.8. Fair Value Measurement

The Fund classifies fair value measurements in accordance with the fair value hierarchy, reflecting the significance of the inputs used. The levels of the fair value hierarchy are detailed below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in active markets is based on quoted market prices at the dates of the separate statements of financial position. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arms-length basis. The quoted market price used for financial assets held by the Fund is the current bid price. These instruments are included in Level 1, primarily comprised listed investments in equity classified as trading securities or available-for-sales.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.8. Fair Value Measurement *(Continued)*

The fair value of financial instruments not traded in an active market (e.g., over-the-counter derivatives) is determined using valuation techniques. These techniques maximize the use of observable market data where available and rely minimally on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is classified as Level 3.

Valuation provided by fund managers may be relied upon, provided they are audited in accordance with IFRS. If the Fund believes the value provided by the fund managers is misleading, it may apply discounted cash flow to undertake independent valuations.

2.9. Taxation

Under the agreement between the Republic of Korea and the Green Climate Fund regarding the Fund's headquarters, signed on 10 June 2013, the Fund is exempt from all direct taxes, except those which are merely charges for public utility services. It is also exempt from all indirect taxes, including any value-added or similar taxes, and excise duties levied on imported goods and services for official purposes.

3. FINANCIAL INSTRUMENTS

3.1. Financial Assets

Regular way purchases and sales of financial assets are recognized or derecognized on the trade-date, the date on which the Fund commits to purchase or sell the asset.

Financial assets are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of financial assets (other than those at fair value through profit or loss). Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and liabilities are recognized in the Fund's statement of financial position when the Fund becomes a party to the contractual provisions of the underlying instruments.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. FINANCIAL INSTRUMENTS *(Continued)*

3.1. Financial Assets *(Continued)*

3.1.1. Classification of Financial Assets

The Fund classifies its financial assets based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding amount.

All other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

(i) Amortized cost and effective interest method

An effective interest method involves calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or Fair Value Through Other Comprehensive Income ("FVTOCI") are measured at FVTPL. Specifically:

- investments in equity instruments are classified as FVTPL
- debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. Fair value is determined in the manner described in note 2.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. FINANCIAL INSTRUMENTS *(Continued)*

3.1. Financial Assets *(Continued)*

3.1.2. Impairment of Financial Assets

In accordance with *IFRS 9*, the Fund recognizes a loss allowance for expected credit losses (“ECL”) on its loans receivables that are measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

The Fund recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant Increase in Credit Risk (“SICR”)

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Qualitative indicators may include, but are not limited to;

- adverse changes in business, financial or economic conditions;
- expected breach of contract that may lead to covenant waivers or amendments;
- transfer to the Watchlist; and
- change in payment behavior.

Quantitative indicators include instances where contractual payments are 30 days or more past due (90 days for sovereign borrowers), a significant increase in lifetime probability of default, or a credit rating downgrade for borrowers rated B+ equivalent or below.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. FINANCIAL INSTRUMENTS *(Continued)*

3.1. Financial Assets *(Continued)*

3.1.2. Impairment of Financial Assets *(Continued)*

(ii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as a probability-weighted estimation of the difference between all contractual cash flows that are due to the Fund in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at the original effective interest rate.

The Fund recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Stage 1: All loans are initially classified as Stage 1. If at the end of the year, it is assessed that there are no changes in the credit quality of the loan since inception, the loans remain in this stage. A loss allowance equal to 12-month expected credit losses is measured for the gross carrying amount at this stage.

Stage 2: If the credit risk on a loan instrument has significantly increased since initial recognition, but the financial instrument is not assessed as credit-impaired, the loan is classified in Stage 2. A loss allowance equal to lifetime expected credit losses is measured for loans in Stage 2.

Stage 3: Loans deemed to be credit-impaired are classified in Stage 3. Sovereign-backed loans are considered credit-impaired if they are in arrears for 120 days or more, or if the sovereign rating is downgraded to Selective Default or Default. For non-sovereign backed loans, evidence of impairment includes:

- breach of contract, such as a default;
- initiation of bankruptcy proceedings or other financial reorganization by the borrower;
- significant financial difficulty of the borrower;
- the lender(s) of the borrower, for reasons relating to the borrower's financial difficulty, granting to the borrower concession(s) that the lender(s) would not otherwise consider; and
- principal or interest payments are in arrears for 90 days or more.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. FINANCIAL INSTRUMENTS *(Continued)*

3.1. Financial Assets *(Continued)*

3.1.2. Impairment of Financial Assets *(Continued)*

Lifetime expected credit losses are recognized for Stage 3 loans, and the probability of default is deemed to be 100%.

An exposure may return to Stage 2 from Stage 3 only after the borrower has demonstrated sustained repayment performance, upon the decision of the Chief Finance and Risk Officer on the recommendation of the Director of the Department of Risk Management and Compliance and the head of the relevant department. Such exposures are placed on the watchlist for continued enhanced monitoring.

Exposure is moved from Stage 2 to Stage 1 when all the following conditions are met:

- No amounts are past due;
- The SICR criteria are no longer triggered;
- The exposure is removed from the Watchlist.

In such case, the loss allowance reverts to a 12-month ECL.

ECL are measured in a manner that reflects:

- a) An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes. The time value of money, with measured credit losses discounted to the reporting date using the effective interest rate determined or approximated at initial recognition.
- b) Reasonable and supportable information available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

3.1.3. Derecognition of Financial Assets

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Fund has substantially transferred all the risks and rewards of ownership to another entity. When a transfer does not meet the criteria for derecognition because the Fund retains substantially risks and rewards, the Fund continues to recognize the transferred assets in full and also recognizes financial liability for the consideration received.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. FINANCIAL INSTRUMENTS *(Continued)*

3.2. Financial Liabilities

3.2.1 Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.2.2 Financial Liabilities at Amortized Cost

Financial liabilities at amortized cost include account payables, accruals, and long-term borrowings. These are initially measured at fair value, net of transaction costs that are directly attributable to the acquisition or issue of the financial liabilities and are subsequently measured at amortised cost using the effective interest method.

3.2.3 Derecognition of Financial Liabilities

The company derecognizes financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.3. Offsetting of Financial Instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position, where there is a legally enforceable right to offset the recognized amounts, and an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the ordinary course of business, as well as in the event of default, insolvency, or bankruptcy of the Fund or the counterparty.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In applying the Fund's accounting policies, which are described in Note 2, the Fund's management is required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty *(Continued)*

4.1 Critical accounting judgements in applying the Fund's accounting policies

Fair Value Measurements and Valuation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Fund uses its judgment to select various methods and make assumptions based on market conditions existing at the end of each reporting period.

4.2 Key sources of estimation uncertainty

Calculation of Loss Allowance

As described in Note 3.1.2.(ii), when measuring ECL, the Fund utilizes reasonable and supportable forward-looking information, based on assumptions regarding the future movement of various economic drivers and their interrelationships.

Probability of Default ("PD") is a critical input in measuring ECL. It estimates the likelihood of default over a given time horizon, such as 12 months or the lifetime of the exposure, depending on the staging, incorporating historical data, assumptions, and expectations of future conditions.

Loss Given Default ("LGD") represents the proportion of the exposure not expected to be recovered in the event of default. The Fund estimates this based on recovery expectations for individual loan exposures and relies on AEs for recovery actions in the event of default.

The Fund estimates PD and LGD using four plausible macroeconomic scenarios: baseline, upside, downside, and severe downside. Each scenario is assigned a probability weight benchmark based on market data.

Exposure at Default ("EAD") is the expected outstanding amount at the point of default, including principal, accrued interest, and any anticipated future drawdowns of undisbursed commitments.

The Fund estimates both the scheduled repayments up to the point of default and the management's expectation regarding the utilization of undrawn commitments where no contractual drawdown schedule exists.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

5.1 Categories of Financial Instruments

The categories of financial instruments as of the end of the reporting period are detailed below.

(i) Financial Asset

<i>(In '000 USD)</i>	FINANCIAL ASSETS MEASURED AT AMORTIZED COST	FINANCIAL ASSETS MEASURED AT FVTPL	TOTAL AMOUNT
CASH AND BANK BALANCES	12,026,605	-	12,026,605
CONTRIBUTION RECEIVABLE	4,556,732	-	4,556,732
LOANS RECEIVABLE	1,422,658	80,000	1,502,658
INVESTMENTS IN EQUITY	-	519,188	519,188
ACCRUED INCOME	24,372	-	24,372
OTHER RECEIVABLE	125	-	125
TOTAL AS OF 31 DECEMBER 2025	18,030,492	599,188	18,629,680

<i>(In '000 USD)</i>	FINANCIAL ASSETS MEASURED AT AMORTIZED COST	FINANCIAL ASSETS MEASURED AT FVTPL	TOTAL AMOUNT
CASH AND BANK BALANCES	10,314,291	-	10,314,291
CONTRIBUTION RECEIVABLE	3,930,277	-	3,930,277
LOANS RECEIVABLE	1,218,124	99,500	1,317,624
INVESTMENTS IN EQUITY	-	560,649	560,649
ACCRUED INCOME	19,422	-	19,422
OTHER RECEIVABLE	68	-	68
TOTAL AS OF 31 DECEMBER 2024	15,482,182	660,149	16,142,331

(ii) Financial Liabilities

<i>(In '000 USD)</i>	2025 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	2024 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST
ACCOUNT PAYABLES	2,513	1,254
ACCRUALS	24,271	19,123
LONG-TERM BORROWINGS	828,611	774,510
TOTAL AS OF 31 DECEMBER	855,395	794,887

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(Continued)*

5.2 Fair Value of Financial Assets and Financial Liabilities

The fair value of the Fund's financial instruments that are measured at fair value on a recurring basis is detailed below.

(In '000 USD)

	LEVEL1	LEVEL2	LEVEL3
FINANCIAL ASSETS			
INVESTMENTS IN EQUITY	-	-	519,188
LOANS RECEIVABLE	-	-	80,000
TOTAL AS OF 31 DECEMBER 2025			599,188

(In '000 USD)

	LEVEL1	LEVEL2	LEVEL3
FINANCIAL ASSETS			
INVESTMENTS IN EQUITY	-	-	560,649
LOANS RECEIVABLE	-	-	99,500
TOTAL AS OF 31 DECEMBER 2024	-	-	660,149

The fair value of investments in equity is measured on a recurring basis, primarily using the most recent proportionate net asset values ("NAVs") reported by fund managers. Where appropriate, adjustments are made to reflect observable events or known valuation developments between the NAV reporting date and the Fund's reporting date. A 5% movement in NAV, with all other variables held constant, would result in a change of approximately USD 26 million (2024: USD 28 million), which would be recognized directly in profit or loss.

Investments in equity that are acquired during the reporting period are estimated by taking the recent transaction price, without adjustment.

The fair value of loans receivable approximates their carrying amount, based on the considerations outlined in Note 5.2.2.

No transfers between levels of the fair value hierarchy occurred during the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(Continued)*

5.2 Fair Value of Financial Assets and Financial Liabilities *(Continued)*

5.2.1. Reconciliation of Level 3 Fair Value Measurements of Financial Instruments

<i>(In '000 USD)</i>	2025	2024
BALANCE AS OF 1 JANUARY	660,149	373,125
TOTAL GAINS OR (LOSSES) IN PROFIT OR LOSS	(56,403)	(8,740)
DISBURSEMENT TO GCF FUNDED EQUITY PROJECTS	22,022	301,177
REPAYMENT FROM GCF FUNDED LOAN PROJECTS	(19,500)	-
RETURN FROM GCF FUNDED EQUITY PROJECTS	(7,080)	(5,413)
BALANCE AS OF 31 DECEMBER	599,188	660,149

5.2.2. Fair value of Financial Instruments That are Not Measured at Fair Value

The Fund has not disclosed the fair values for certain financial instruments such as other receivables, accrued interest income, accounts payable and accrued expenses, as their carrying amounts are a reasonable approximation of fair value. This is due to their short-term nature where the impact of discounting is insignificant.

Similarly, the Fund has not disclosed the fair values for loans receivable as their carrying amounts are a reasonable approximation of fair value based on the following considerations:

- **Absence of comparable market instruments:** The Fund's loan portfolio comprises both sovereign and non-sovereign loans extended on concessional terms in alignment with the Fund's climate mandate. These loans for future typically feature long maturities, grace periods, and highly subsidized or interest-free terms, particularly for sovereign borrowers. Due to the tailored nature and policy-driven objectives of these instruments, there are no observable market prices or comparable instruments in commercial markets that would allow for a reliable fair value benchmark.
- **Consistency in internal loan pricing:** The Fund's internal loan pricing methodology is based on consistent parameters over time, with the concessionality of terms determined through structured internal assessment processes. A historical review of loan agreements indicates relatively stable pricing for similar borrower types and credit profiles across reporting periods. This consistency further supports the assessment that changes in fair value over time would not be significant.

The carrying amount of the long-term borrowings is also considered a reasonable approximation of fair value. The Fund's borrowings are issued at fixed interest rates that have remained stable over time and under consistent terms and conditions, reflecting a stable credit risk profile. Furthermore, given their concessional or low-cost nature, their fair value aligns closely with the carrying amount, particularly when not subject to early repayment risk or market repricing.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(Continued)*

5.2 Fair Value of Financial Assets and Financial Liabilities *(Continued)*

5.2.2. Fair value of Financial Instruments That are Not Measured at Fair Value *(Continued)*

The Fund measures the fair value of the contribution receivable using a valuation technique, such as a discounted cash flow analysis. This approach incorporates the estimated future cash flow and applies to a discount rate that reflects current market conditions, including the time value of money and relevant credit risk factors. At the reporting date, the fair value of the contribution receivable is USD 4,557 million (2024: USD 3,930 million).

5.3. Financial Risk Management Policies and Objectives

Risk Appetite

As per the GCF Governing Instrument, the Fund aims to promote a paradigm shift towards low-emission and climate-resilient development pathways by supporting developing countries in limiting or reducing their greenhouse gas emissions and adapting to the impacts of climate change¹.

To achieve a paradigm shift, the Fund must finance innovative and unconventional projects and programmes, as well as scale up conventional technologies that are new to specific locations. These projects, programmes, and technologies are typically not financed in the market due to perceived or actual risk or a lack of economic and financial viability stemming from their cost or insufficient revenue. By their nature, these activities and technologies may involve a higher level of risk than conventional investments. Therefore, the Fund must balance taking excessive risk and insufficient risk. Excessive risk could lead to non-viable projects that threaten the Fund's long-term viability and sustainability, while insufficient risk would prevent the Fund from fulfilling its purpose as outlined in the Governing Instrument.

Risk Exposure and Mitigation Measures

As detailed in the Fund's risk register, the nature of the Fund's operations exposes it to various risks, including but not limited to compliance risk, legal risk, reputational risk, operational risk and IT risk, project/programme failure risk, market risk, foreign exchange risk, credit risk, liquidity risk, asset-liability mismatch risk, counterparty risk. To support the Fund's risk management efforts, the Fund Board has adopted the Risk Management Framework ("RMF"), which is meant to provide:

- a) Greater clarity on the risks inherent in individual decisions and the day-to-day functioning of the Fund, enabling the Board to make appropriate trade-offs.
- b) Greater consistency in decisions across the organization, guided by the Board's expressed views on key risks, acceptable risk levels, and risk management strategies.

¹ <https://www.greenclimate.fund/document/governing-instrument> paragraph 2

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(Continued)*

5.3. Financial Risk Management Policies and Objectives *(Continued)*

- c) A more assured path towards achieving the Fund's mandate, with well-understood likelihood and impact of risks; and
- d) Faster decision-making enabled by clarity and consistency, providing AEs and the Secretariat with clear guidelines on what funding proposals should include.

In addition to the risk management framework, the Board also adopted the Financial Risk Management Framework, which aims to:

5.3.1. Financial risk management

- a) Establish the overall level of financial risk the Board is willing to assume for the Fund in pursuit of its objectives (the Fund's risk appetite or risk limit) over time. This is reflected in the Fund's investment framework, which sets out the criteria for approving funded projects and programs, as well as in the Fund's financial policies relating to resource mobilization.
- b) Ensure that the risks assumed by the Fund remain within the Board-approved risk appetite at any given time, by monitoring, assessing, and reporting the actual level of financial risk.
- c) Provide an analytical framework for reviewing and managing the Fund's portfolio based on the Board-determined risk appetite and the actual level of risk assumed by the Fund; and
- d) Define the roles and responsibilities of the various actors involved in the Fund's financial risk management, and the procedures for managing financial risk.

5.3.2. Financial risk monitoring and reporting

The Fund's Chief Finance and Risk Officer ("CFRO") is responsible for quantifying and measuring financial risk exposure, while the Risk and Finance Committee at the Board oversees the overall management of financial risk. To support financial risk monitoring and reporting, the Fund utilizes the following tools:

- a) Risk management dashboard – The dashboard reports against any limits and buffers where appropriate approved by the Board.
- b) Annual portfolio review – Based on periodic submissions from AEs as outlined in the Funded Activity Agreements ("FAA"), the portfolio review identifies indicators of financial risk within the portfolio, allowing the Fund to respond proactively.
- c) COSO and RCSA - The Fund has adopted the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework for internal controls. It evaluates the effectiveness of operational risk controls through the Risk and Control Self-Assessment ("RCSA") process and continuously monitors its performance.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(Continued)*

5.3. Financial Risk Management Policies and Objectives *(Continued)*

5.3.3. Financial risk governance

The responsibility for effectively identifying, assessing, managing, and communicating financial risks is shared among various parties as follows.

- a) Board's Risk and Finance Committee: Provides overall oversight over the Fund's financial management, and prudent risk governance, by overseeing the Fund's financial frameworks, financial and non-financial risk management framework, and by monitoring alignment with that framework.
- b) Secretariat: Reviews the Fund's level of financial risk against risk limits and buffers approved by the Board.
- c) Chief of Finance and Risk Officer ("CFRO"): Maintains the financial and risk reporting systems, manages asset-liability processes, and liaises with the Trustee for accurate and timely reporting to ensure proactive management monitoring and reporting of financial risks.

5.3.4. Credit risk

Credit risk refers to the potential that a recipient of the Fund loan financing may become unwilling or unable to fulfill the terms of their financial obligation to the Fund, or that the value of a loan asset may decline due to a deterioration in the issuer's creditworthiness. The Fund is prepared to take risks that other investors may avoid, aiming to leverage its investments to attract additional debt and enhance the creditworthiness of projects. This includes engaging in relatively high-risk transactions, such as taking junior positions in credit structures or acting as the sole investor.

To mitigate credit risk, concept notes and funding proposals undergo rigorous screening, and these evaluations significantly influence decision-making processes.

GCF monitors credit quality of its loans by assigning a risk rating to each loan on an internal scale from 1 to 17 with 1 denoting the lowest expectation of credit risk and 17 denoting that the borrower has defaulted. The rating scale corresponds to the rating scales used by international rating agencies. The risk ratings are used to monitor the credit quality in the portfolio.

The Fund relies on the AEs in assessing the financial strength and likelihood that a borrower will honour its commitments in full when they fall due or the external credit rating of a borrower assigned by a reputable credit rating agency. If neither the AE's internal rating, nor the borrower's external rating is available, the Fund applies the fallback approach of assigning the rating based on its internally developed methodology linking an obligor's credit rating to a sovereign credit rating.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(Continued)*

5.3. Financial Risk Management Policies and Objectives *(Continued)*

5.3.4. Credit risk *(Continued)*

The table below details the credit quality of the Fund's loans receivable by credit risk rating grades as of 31 December 2025 and 2024:

INTERNAL RISK RATING CATEGORY	EXTERNAL RATING EQUIVALENT	31 DECEMBER 2025		31 DECEMBER 2024	
		CREDIT RISK EXPOSURE (‘000 in USD)	% OF CREDIT RISK EXPOSURE	CREDIT RISK EXPOSURE (‘000 in USD)	% OF CREDIT RISK EXPOSURE
VERY STRONG (1)	AA- AND ABOVE	59,093	2.3	60,000	4.0
STRONG (2-4)	A+ TO A-	100,000	3.9	100,000	6.6
ADEQUATE (5-7)	BBB+ TO BBB-	232,958	9.0	57,500	3.8
MODERATE (8-10)	BB+ TO BB-	830,599	32.0	364,659	24.0
WEAK (11-13)	B+ TO B-	821,554	31.5	380,321	25.1
VERY WEAK (14-17)	CCC+ AND BELOW	552,968	21.3	554,217	36.5
TOTAL		2,597,172	100.0	1,516,697	100.0

5.3.5. Foreign Exchange Risk

The Fund is exposed to foreign exchange risk due to receiving contributions in currencies that do not align with the currency in which programme and administrative commitments are denominated. Contributions are pledged and received in cash or via promissory notes in the contributors' agreed contribution currency, commonly the donor's domestic currency, such as Euros ("EUR"), Pound Sterling ("GBP"), Swedish Krona ("SEK"), Japanese Yen ("JPY"), Korean Won ("KRW"), among others, while investment commitments are denominated in USD and EUR.

To mitigate foreign exchange risk, the Fund maintains deposits in both EUR and USD. Disbursements for EUR commitments are made from EUR deposits, while disbursements for USD commitments are made from USD deposits. The Fund also monitors the currency mismatch between received funding and investment commitments and sets aside a risk buffer to address this mismatch. Foreign exchange risks arise with the uncertainty about the potential future movement of the exchange rates between these currencies, on the one hand, and between the exchange rate of the functional currency, USD.

The carrying amounts of material monetary assets and monetary liabilities denominated in currencies other than the Fund's functional currency are as follows:

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(Continued)*

5.3. Financial Risk Management Policies and Objectives *(Continued)*

5.3.5. Foreign Exchange Risk *(Continued)*

('000 in USD)	ASSETS		LIABILITIES	
	31 DECEMBER 2025	31 DECEMBER 2024	31 DECEMBER 2025	31 DECEMBER 2024
EUR	1,294,292	1,267,895	641,612	582,313
GBP	2,472,696	2,302,579	-	-
JPY	366,563	313,987	-	-
KRW	48,198	68,171	-	-
SEK	944,284	256,088	-	-
TOTAL	5,126,033	4,208,720	641,612	582,313

Foreign currency sensitivity analysis

10% deviation is utilized when reporting foreign currency risk to key management personnel. This deviation reflects management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only material outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates.

If the EUR, GBP, JPY and SEK changes by +/-10% against the USD, with the Fund's functional currency and all other variables held constant, profit for the year will increase/ decrease by USD 444 million (2024: increase/ decrease by USD 356 million). Based on the same analysis in relation to KRW, any impact on profit or loss is not material.

5.3.6. Liquidity Risk

Liquidity risk arises when the Fund faces a shortage of cash to meet its payment obligations, such as disbursements for the projects and programmes, and repayments to loan contributors. To address this risk, the Fund also maintains a sufficient liquidity reserve to cover its net funding requirements for at least one year. Net funding requirements are defined as planned contribution encashment over a specific period less planned programme and administrative disbursements over the same period.

To mitigate this risk, the Fund commits to making funding commitments only against available cash and promissory note deposits. The Fund also monitors contributions pledged but not received on schedule, as well as the concentration of the funding from contributors.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS *(Continued)*

5.3. Financial Risk Management Policies and Objectives *(Continued)*

5.3.6. Liquidity Risk *(Continued)*

The Fund is primarily financed through contributions, which are recognized as equity. These contributions will only be returned to the contributors as part of the residual assets upon the termination of the Fund. As a result, the Fund's exposure to liquidity risk is considered minimal.

Maturity Analysis

<i>(in '000 USD)</i>	2025	2024
< 1 year	57,890	48,479
1-5 years	289,687	237,428
> 5 years	750,065	746,924
Adjustments	(107,072)	(103,060)
TOTAL	990,570	929,771
Analysed as:		
Current	48,422	40,119
Non-current	942,148	889,652
TOTAL	990,570	929,771

The Fund's liquidity risk exposure is driven by its long-term concessional borrowings and short-term operational liabilities. The borrowings are characterized by extended contractual maturity of up to approximately 20 years and carry concessional interest rate between 0% and 1%, which result in minimal interest-related cash outflows over the life of the borrowings. Short-term financial liabilities, including accounts payable, accrued expenses and provisions, are generally expected to be settled within 12 months of the reporting date.

5.3.7. Interest Rate Risk

The Fund's financial instruments mainly consist of fixed-rate instruments, including loans receivable and long-term borrowings, which limit the Fund's exposure to interest rate fluctuations.

Contributions receivable is non-interest bearing and, hence, does not expose the Fund to interest rate risk.

Furthermore, no sensitivity analysis has been presented as the Fund's interest-bearing financial instruments are carried at amortized cost and the Fund does not anticipate any material impact on profit or loss from reasonably possible changes in interest rates at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

6. CASH AND BANK BALANCES

The balances of cash and bank balances as of 31 December 2025 and 2024 are detailed below.

<i>(in '000 USD)</i>	2025	2024
BALANCE HELD IN THE GCF TRUST FUND (AT THE WORLD BANK)	11,954,563	10,274,218
BALANCES HELD IN LOCAL COMMERCIAL BANKS	72,042	40,073
TOTAL	12,026,605	10,314,291

The World Bank serves as the Trustee of GCF, administering contributions received in the GCF Trust Fund in accordance with the Amended and Restated Agreement on the Terms and Conditions for the Administration of the Green Climate Fund Trust Fund, dated 22 April 2015, between GCF and the Trustee (the 'GCF Trust Fund Agreement'), including all annexes and attachments, which constitutes an integral part thereof. GCF signed a revised agreement with the World Bank on 7 February 2023.

7. CONTRIBUTION RECEIVABLE

In accordance with signed arrangements and agreements, contributions can be made in the form of grants, loans, and capital. These contributions may be funded in cash or via promissory notes. As the Trustee of the Fund, the World Bank holds these promissory notes on behalf of the Fund. These are non-interest-bearing and payable at par value.

Promissory notes that are encashable within one year from the end of the reporting period are classified as current assets - contribution receivable. Promissory notes that are encashable after more than one year from the end of the reporting period are classified as non-current assets - contribution receivable.

The Fund measures and recognizes the contribution receivable at amortized cost using the effective interest method at the end of the reporting period under *IFRS 9 Financial Instruments*.

The carrying amounts of promissory notes by year of encashment as of 31 December 2025 and 2024 are detailed below:

<i>(In '000 USD)</i>	AMOUNT
IN 2026	1,516,090
IN 2027	1,187,076
IN 2028	766,929
IN 2029	391,176
IN 2030	352,167
IN 2031	280,859
IN 2032	62,435
CARRYING AMOUNT OF PROMISSORY NOTES AS OF 31 DECEMBER 2025	4,556,732

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. CONTRIBUTION RECEIVABLE *(Continued)*

<i>(In '000 USD)</i>	AMOUNT
IN 2025	1,137,288
IN 2026	1,023,106
IN 2027	603,681
IN 2028	485,303
IN 2029	265,064
IN 2030	236,025
IN 2031	179,810
CARRYING AMOUNT OF PROMISSORY NOTES AS OF 31 DECEMBER 2024	3,930,277

8. INVESTMENTS IN EQUITY

The Fund's investments in equity include interests in unconsolidated structured entities, such as limited partnerships managed by independent general partners, and non-controlling shareholdings in operating entities. These are measured at fair value and are subject to the risk of loss up to the full committed amount. The Fund does not provide support beyond its contractual obligations.

Some amounts disbursed to AEs are held temporarily before being transferred to the investees. These amounts are legally committed and non-recallable and are included in the fair value of the related equity instruments as part of the Fund's total exposure.

i) Investments in equity as of 31 December 2025 and 2024 are detailed below.

<i>(In '000 USD)</i>		2025			2024		
AE	INVESTEES	CUMULATIVE NET AMOUNTS DISBURSED	CARRYING AMOUNT (FVTPL)	CUMULATIVE FAIR VALUE CHANGES	CUMULATIVE NET AMOUNTS DISBURSED	CARRYING AMOUNT (FVTPL)	CUMULATIVE FAIR VALUE CHANGES
ACUMEN	KAWISAFI VENTURES	19,419	14,435	(4,984)	18,485	18,713	228
ACUMEN	RESILIENT AGRICULTURAL FUND	20,612	19,539	(1,073)	19,523	17,774	(1,749)
MUFG BANK	ENERGIA DE TARAPACA	4,395	-	(4,395)	4,395	-	(4,395)
MUFG BANK	ARBARO FUND	22,407	11,368	(11,039)	22,407	15,780	(6,627)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. INVESTMENTS IN EQUITY *(Continued)*

(In '000 USD)

AE	INVESTEES	2025			2024		
		CUMULATIVE NET AMOUNTS DISBURSED	CARRYING AMOUNT (FVTPL)	CUMULATIVE FAIR VALUE CHANGES	CUMULATIVE NET AMOUNTS DISBURSED	CARRYING AMOUNT (FVTPL)	CUMULATIVE FAIR VALUE CHANGES
ACUMEN	ENERGY ACCESS RELIEF C.V.	17,440	14,460	(2,980)	24,107	18,526	(5,581)
PCA	GLOBAL SUBNATIONAL CLIMATE FUND	50,000	17,676	(32,324)	50,000	33,073	(16,927)
FMO	GREEN GROWTH EQUITY FUND	83,333	83,743	410	83,333	99,189	15,856
PCA	GLOBAL FUND CORAL REEFS INVESTMENT FUND SCSp	50,000	32,660	(17,340)	50,000	33,933	(16,067)
PCA	GCF CRAFT HOLDING	44,198	38,723	(5,475)	44,200	39,786	(4,414)
DEUTSCHE BANK	UNIVERSAL GREEN ENERGY ACCESS PROGRAMME SCSp RAIF	40,000	33,517	(6,483)	40,000	36,011	(3,989)
MAAML	MIEP SG LP	49,588	41,811	(7,777)	50,000	46,764	(3,236)
MUFG	GREEN GUARANTEE COMPANY LTD	40,500	40,358	(142)	40,500	40,500	-
AFC	INFRASTRUCTURE CLIMATE RESILIENT FUND LP	136,000	129,276	(6,724)	136,000	136,000	-
CAMCO	CAMCO REPP 2 SCSp	30,000	30,187	187	24,600	24,600	-

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. INVESTMENTS IN EQUITY *(Continued)*

(In '000 USD)

		2025			2024		
AE	INVESTEES	CUMULATIVE NET AMOUNTS DISBURSED	CARRYING AMOUNT (FVTPL)	CUMULATIVE FAIR VALUE CHANGES	CUMULATIVE NET AMOUNTS DISBURSED	CARRYING AMOUNT (FVTPL)	CUMULATIVE FAIR VALUE CHANGES
ACUMEN	KAWISAFI II	1,900	1,900	-	-	-	-
SIDBI	AVAANA SUSTAINABILITY FUND	12,700	9,535	(3,165)	-	-	-
TOTAL AS OF 31 DECEMBER		622,492	519,188	(103,304)	607,550	560,649	(46,901)

9. LOANS RECEIVABLE

Loans receivable relate to loans disbursed to AEs for the implementation of activities as per various funding proposals approved by the GCF board.

(In '000 USD)

	CURRENT	2025 NON-CURRENT	CURRENT	2024 NON-CURRENT
GROSS CARRYING AMOUNT	-	1,619,948	19,500	1,407,550
UNREALIZED FOREIGN EXCHANGE GAIN (LOSS)	-	36,392	-	(11,160)
ECL ALLOWANCE	-	(153,682)	-	(98,266)
NET CARRYING AMOUNT AS OF 31 DECEMBER	-	1,502,658	19,500	1,298,124

The ECL as of year-end by class of asset/exposure is detailed below.

(In '000 USD)

	2025	2024
LOANS RECEIVABLE	(153,681)	(98,266)
LOAN COMMITMENTS	(81,489)	(29,563)
TOTAL AS OF 31 DECEMBER	(235,170)	(127,829)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

9. LOANS RECEIVABLE *(Continued)*

The movement in ECL that has been recognized for loans receivable and commitments are detailed below.

	STAGE1 12-MONTH ECL	STAGE2 LIFETIME ECL	STAGE3 LIFETIME ECL	TOTAL
BALANCE AS OF 1 January 2024	26,577	-	-	26,577
CHANGE IN LOSS ALLOWANCE ARISING DURING THE YEAR:				
DRAWDOWNS	35,110	8,923	-	44,033
INCREASE IN CREDIT RISK	-	8,154	1,496	9,650
CHANGE IN MODEL ASSUMPTIONS:				
- INCREASE IN LOSS ALLOWANCE	47,569	-	-	47,569
- TRANSFER TO STAGE 2	(36,481)	36,481	-	-
- TRANSFER TO STAGE 3	(2,697)	-	2,697	-
BALANCE AS OF 31 December 2024	70,078	53,558	4,193	127,829
CHANGE IN LOSS ALLOWANCE ARISING DURING THE YEAR:				
DRAWDOWNS	15,087	12,746	-	27,833
(DECREASE)/INCREASE IN CREDIT RISK	(41,651)	50,174	10,342	18,865
CHANGE IN MODEL ASSUMPTIONS:				
- (DECREASE)/INCREASE IN LOSS ALLOWANCE	(5,295)	53,465	12,473	60,643
- TRANSFER TO STAGE 1	15,351	(15,351)	-	-
- TRANSFER TO STAGE 2	(7,572)	7,572	-	-
- TRANSFER TO STAGE 3	(15,222)	-	15,222	-
BALANCE AS OF 31 December 2025	30,776	162,164	42,230	235,170

More information about the significant changes in the gross carrying amount of loans receivable during the period that contributed to changes in the loss allowance, is provided at the table below.

LOANS RECEIVABLE ⁽¹⁾ <i>(In '000 USD)</i>	STAGE1 12-MONTH ECL	STAGE2 LIFETIME ECL	STAGE3 LIFETIME ECL	TOTAL
GROSS CARRYING AMOUNTS AS OF 1 JANUARY 2025	1,189,973	122,917	3,500	1,316,390
DRAWDOWNS	241,366	29,880	-	271,246
REPAYMENTS	(41,021)	(6,667)	-	(47,688)
FOREIGN EXCHANGE MOVEMENT	29,638	6,754	-	36,392
TRANSFER BETWEEN STAGES	(168,091)	132,366	35,725	-
TOTAL AS OF 31 DECEMBER 2025	1,251,865	285,250	39,225	1,576,340

(1) Included in loans receivable are amounts with AEs which have been committed but not disbursed. The loss allowance on such amounts is recognized in loss provision on loan commitment in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

9. LOANS RECEIVABLE *(Continued)*

LOANS RECEIVABLE ⁽¹⁾ <i>(In '000 USD)</i>	STAGE1 12-MONTH ECL	STAGE2 LIFETIME ECL	STAGE3 LIFETIME ECL	TOTAL
GROSS CARRYING AMOUNTS AS OF 1 JANUARY 2024	1,032,929	-	-	1,032,929
DRAWDOWNS	367,004	6,250	-	373,254
REPAYMENTS	(75,300)	(3,333)	-	(78,633)
FOREIGN EXCHANGE MOVEMENT	(11,160)	-	-	(11,160)
TRANSFER BETWEEN STAGES	(123,500)	120,000	3,500	-
TOTAL AS OF 31 DECEMBER 2024	1,189,973	122,917	3,500	1,316,390

(1) Included in loans receivable are amounts with AEs which have been committed but not disbursed. The loss allowance on such amounts is recognized in loss provision on loan commitment in the statement of financial position.

10. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of 31 December 2025 and 2024 are detailed below.

<i>(In '000 USD)</i>	COMPUTER/ IT EQUIPMENT	LEASEHOLD IMPROVEM ENTS	OFFICE FURNITURE & EQUIPMENT	MOTOR VEHICLES	TOTAL
COST					
AS OF 1 JANUARY 2024	4,187	5,470	1,482	80	11,219
ADDITIONS	416	2,495	1,242	-	4,153
DISPOSALS	-	-	-	-	-
AS OF 31 DECEMBER 2024	4,603	7,965	2,724	80	15,372
ADDITIONS	180	409	2,156	-	2,745
DISPOSALS	-	-	-	-	-
AS OF 31 DECEMBER 2025	4,783	8,374	4,880	80	18,117

<i>(In '000 USD)</i>	COMPUTER/ IT EQUIPMENT	LEASEHOLD IMPROVEM ENTS	OFFICE FURNITURE & EQUIPMENT	MOTOR VEHICLES	TOTAL
ACCUMULATED DEPRECIATION					
AS OF 1 JANUARY 2024	(3,657)	(1,049)	(1,350)	(80)	(6,136)
CHARGE FOR THE YEAR	(295)	(622)	(247)	-	(1,164)
ELIMINATED ON DISPOSAL	-	-	-	-	-
AS OF 31 DECEMBER 2024	(3,952)	(1,671)	(1,597)	(80)	(7,300)
CHARGE FOR THE YEAR	(337)	(800)	(907)	-	(2,044)
ELIMINATED ON DISPOSAL	-	-	-	-	-
AS OF 31 DECEMBER 2025	(4,289)	(2,471)	(2,504)	(80)	(9,344)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. PROPERTY, PLANT, AND EQUIPMENT *(Continued)*

<i>(In '000 USD)</i>	COMPUTER/ IT EQUIPMENT	LEASEHOLD IMPROVEM ENTS	OFFICE FURNITURE & EQUIPMENT	MOTOR VEHICLES	TOTAL
CARRYING AMOUNT					
AS OF 31 DECEMBER 2024	651	6,294	1,127	-	8,072
AS OF 31 DECEMBER 2025	494	5,903	2,376	-	8,773

11. INTANGIBLE ASSETS

Intangible assets as of 31 December 2025 and 2024 are detailed below.

COST <i>(In '000 USD)</i>	SOFTWARE
AS OF 1 JANUARY 2024	698
ADDTIONS FROM SEPARATE ACQUISITIONS	3,478
AS OF 31 DECEMBER 2024	4,176
ADDITIONS FROM SEPARATE ACQUISITIONS	3,841
DISPOSALS	(613)
AS OF 31 DECEMBER 2025	7,404

ACCUMULATED AMORTIZATION <i>(In '000 USD)</i>	SOFTWARE
AS OF 1 JANUARY 2024	(355)
CHARGE FOR THE YEAR	(679)
AS OF 31 DECEMBER 2024	(1,034)
CHARGE FOR THE YEAR	(1,231)
AS OF 31 DECEMBER 2025	(2,265)

CARRYING AMOUNT <i>(In '000 USD)</i>	SOFTWARE
AS OF 31 DECEMBER 2024	3,142
AS OF 31 DECEMBER 2025	5,139

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

12. LONG-TERM BORROWINGS

i) Long-Term Borrowings as of 31 December 2025 and 2024 are detailed below.

LENDER	LOCAL CURRENCY ("LC")	AMOUNT IN LC (in '000)	MATURITY DATE	INTEREST RATE P.A.	INTEREST PAYMENT START DATE	PRINCIPAL REPAYMENT START DATE	AMOUNT IN USD (In '000 USD)	NO OF INSTALLMENT
FRANCE	EUR	235,125	JUNE 15, 2042	0%	N/A	DECEMBER 15, 2022	276,742	40
FRANCE	EUR	310,000	DECEMBER 15, 2046	0%	N/A	JUNE 15, 2027	364,870	40
CANADA	USD	74,231	DECEMBER 15, 2043	1%	JUNE 15, 2024	JUNE 15, 2024	74,231	40
CANADA	USD	85,615	DECEMBER 15, 2046	1%	JUNE 15, 2027	JUNE 15, 2027	85,615	40
CANADA	USD	133,268	DECEMBER 15, 2048	1%	JUNE 15, 2029	JUNE 15, 2029	133,268	40
DEFERRED INCOME*							(106,115)	
TOTAL LONG-TERM BORROWINGS AS OF 31 DECEMBER 2025							828,611	
CURRENT LONG-TERM BORROWINGS							20,773	
NON-CURRENT LONG-TERM BORROWINGS							807,838	

* Deferred income of USD 106 million refers to the interest implicit in the long-term borrowings and will be realized across the maturity period

LENDER	LOCAL CURRENCY ("LC")	AMOUNT IN LC (in '000)	MATURITY DATE	INTEREST RATE P.A.	INTEREST PAYMENT START DATE	PRINCIPAL REPAYMENT START DATE	AMOUNT IN USD (In '000 USD)	NO OF INSTALLMENT
FRANCE	EUR	249,375	JUNE 15, 2042	0%	N/A	DECEMBER 15, 2022	259,600	40
FRANCE	EUR	310,000	DECEMBER 15, 2046	0%	N/A	JUNE 15, 2027	322,712	40
CANADA	USD	78,355	DECEMBER 15, 2043	1%	JUNE 15, 2024	JUNE 15, 2024	78,355	40
CANADA	USD	85,615	DECEMBER 15, 2046	1%	JUNE 15, 2027	JUNE 15, 2027	85,615	40
CANADA	USD	133,268	DECEMBER 15, 2048	1%	JUNE 15, 2029	JUNE 15, 2029	133,268	40
DEFERRED INCOME*							(105,040)	
TOTAL LONG-TERM BORROWINGS AS OF 31 DECEMBER 2024							774,510	
CURRENT LONG-TERM BORROWINGS							18,958	
NON-CURRENT LONG-TERM BORROWINGS							755,552	

* Deferred income of USD 105 million refers to the interest implicit in the long-term borrowings and will be realized across the maturity period

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

12. LONG-TERM BORROWINGS *(Continued)*

ii) Changes in the value of the borrowings in 2025 and 2024 are detailed below.

<i>(In '000 USD)</i>	2025	2024
BALANCE AS OF 1 JANUARY	774,510	685,468
DRAWDOWN	-	133,268
REPAYMENTS	(20,673)	(18,958)
FOREIGN EXCHANGE LOSS (GAIN)	75,849	(38,258)
MOVEMENT IN PRESENT VALUE DISCOUNT	(1,075)	12,990
BALANCE AS OF 31 DECEMBER	828,611	774,510

13. CONTRIBUTED RESOURCES

As detailed in Note 7, contributions are received through the GCF's Trust Fund account at the World Bank, administrated by the World Bank, Trustee. The change in the carrying amount of the resources in the GCF Trust Fund is attributable to contributions, investment returns on the GCF Trust Fund balances, foreign currency transactions, and present value atomization on promissory notes.

The realized foreign exchange gain (loss) primarily arises from exchange rate fluctuations at the time of encashment of promissory notes.

Contributions dominated in foreign currency are converted into United States Dollars ("USD"), the functional currency, using the exchange rate provided by the Trustee.

The cumulative notional amounts of contributed resources as of 31 December 2025 and 2024 are detailed below. These amounts have not been discounted to present value, consistent with the presentation in the Trustee Report, which is provided for informational purposes.

<i>(In '000 USD)</i>	31 DECEMBER 2025	31 DECEMBER 2024
AUSTRALIA	161,894	152,318
AUSTRIA	282,729	217,941
BELGIUM	260,586	216,535
BELGIUM-FLANDERS	16,076	16,076
BELGIUM-WALLOON REGION	11,712	11,712
BULGARIA	303	303
CANADA	404,142	342,643
CHILE	300	300
COLOMBIA	787	787
CYPRUS	826	415
CZECH REPUBLIC	6,857	5,857
DENMARK	276,688	233,993

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

13. CONTRIBUTED RESOURCES *(Continued)*

<i>(In '000 USD)</i>	31 DECEMBER 2025	31 DECEMBER 2024
ESTONIA	2,212	2,212
FINLAND	207,442	205,176
FRANCE	2,663,050	2,496,477
GERMANY	3,122,201	3,003,286
HUNGARY	4,466	4,176
ICELAND	5,000	4,200
INDONESIA	750	750
IRELAND	65,421	48,432
ISRAEL	96	96
ITALY	521,086	445,746
JAPAN	3,097,532	2,832,798
KOREA	350,615	313,439
LATVIA	417	417
LIECHTENSTEIN	569	447
LITHUANIA	113	113
LUXEMBOURG	105,712	91,073
MALTA	2,273	1,814
MEXICO	10,000	10,000
MONACO	7,890	6,990
MONGOLIA	150	150
NETHERLANDS	368,982	299,989
NEW ZEALAND	27,103	27,103
NORWAY	742,464	655,135
PANAMA	1,000	1,000
POLAND	3,103	3,103
PORTUGAL	5,581	4,450
ROMANIA	113	113
RUSSIA	10,000	10,000
RUSSIA FEDERATION	3,000	3,000
SLOVAKIA REPUBLIC	5,353	4,711
SLOVENIA	2,715	2,147
SPAIN	512,872	455,066
SWEDEN	2,137,557	1,225,480
SWITZERLAND	327,561	289,561
UNITED KINGDOM	3,759,854	3,007,145
UNITED STATES	2,000,000	2,000,000

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

13. CONTRIBUTED RESOURCES *(Continued)*

<i>(In '000 USD)</i>	31 DECEMBER 2025	31 DECEMBER 2024
VIETNAM	1,000	1,000
TOTAL AS OF 31 DECEMBER (PER TRUSTEE REPORT)	21,498,153	18,655,675
INITIAL FAIR VALUE ADJUSTMENT AND FOREIGN EXCHANGE MOVEMENTS	(679,782)	(102,251)
TOTAL CONTRIBUTED RESOURCES	20,818,371	18,553,424

All contributions received where the use is limited by contributor-imposed purpose or time restrictions are classified as temporarily restricted. All other funds are recognized as unrestricted.

Time restriction represents the funds to be collected in future years (i.e., promissory notes) that were recorded at the present value of future collections at the end of the reporting period. This type of fund will be reclassified into unrestricted funds in the year of receipt.

Contributor-imposed restriction represents the funds whose use is limited by the contributor. Contributor-imposed restrictions relate to contributions for which the contributor has outlined specific uses for which the contributions may be applied and capital contributions, which can only be disbursed as financial instruments that generate reflows. They may, therefore, not be used to finance grants and administrative expenditure unless the terms of the contribution state so.

Loan cushions represent funds that loan contributors have designated to be used to cushion the fund against any loan defaults.

Changes in the nominal value of temporarily restricted funds by type of restriction for the years ended 31 December 2025 and 2024 are detailed below.

<i>(In '000 USD)</i>	1 JANUARY 2025	RELEASED	RECEIVED WITH RESTRICTION	31 DECEMBER 2025
RESTRICTED FUND				
TIME ONLY	3,579,986	(951,802)	1,566,600	4,194,784
TIME AND CONTRIBUTOR IMPOSED	582,736	(66,414)	-	516,322
CONTRIBUTOR IMPOSED ONLY-LOAN CUSHIONS	189,351	-	-	189,351
CONTRIBUTOR IMPOSED ONLY-CAPITAL	1,148,863	-	5,856	1,154,719
TOTAL	5,500,936	(1,018,216)	1,572,456	6,055,176

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

13. CONTRIBUTED RESOURCES *(Continued)*

<i>(In '000 USD)</i>	1 JANUARY 2024	RELEASED	RECEIVED WITH RESTRICTION	31 DECEMBER 2024
RESTRICTED FUND				
TIME ONLY	3,722,981	(1,229,957)	1,086,962	3,579,986
TIME AND CONTRIBUTOR IMPOSED	677,259	(94,523)	-	582,736
CONTRIBUTOR IMPOSED ONLY-LOAN CUSHIONS	162,779	-	26,572	189,351
CONTRIBUTOR IMPOSED ONLY- CAPITAL	1,148,863	-	-	1,148,863
TOTAL	5,711,882	(1,324,480)	1,113,534	5,500,936

14. INVESTMENT & OTHER INCOME

Investment and other income comprise the following:

<i>(In '000 USD)</i>	2025	2024
INVESTMENT INCOME	632,591	554,332
LOAN INTEREST INCOME	8,191	21,784
OTHER INCOME	7,602	8,832
TOTAL	648,384	584,948

Investment income refers to the returns generated from the (i) balances of the GCF Trust Fund, which were invested in accordance with the investment strategy established for all trust funds administered by the World Bank, serving as the Trustee of GCF and (ii) undisbursed balances of the GCF Trust Fund with the respective AEs.

Investment income is recognized when the right to receive payment is established.

Loan interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Other income comprises non-interest reflows from loans with AEs, including commitment fees, service fees, guarantee fees, and interest earned from local bank deposits.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

15. ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended 31 December 2025 and 2024 are detailed below.

<i>(In '000 USD)</i>	2025	2024
STAFF COSTS (a)	81,420	73,960
CONSULTANTS FEES	9,535	6,980
CONTRACTUAL SERVICES	11,212	8,140
SUPPLIES AND SERVICES	20,046	21,418
TRAVEL	7,722	5,433
DEPRECIATION AND AMORTIZATION	3,275	1,844
TOTAL	133,210	117,775

(a) Staff Costs: The Fund had 367 full-time staff ² as of 31 December 2025 (349 as of 31 December 2024). Staff costs are detailed below.

<i>(In '000 USD)</i>	2025	2024
SHORT-TERM EMPLOYEE BENEFITS	69,112	63,464
DEFINED CONTRIBUTION PLANS	8,548	8,008
OTHER COSTS	3,760	2,488
TOTAL	81,420	73,960

16. PROGRAMMES & PROJECTS

Expenditures of programmes & projects for adaptation and mitigation for the years ended 31 December 2025 and 2024 are detailed below.

<i>(In '000 USD)</i>	2025	2024
FUNDING PROPOSAL GRANTS	613,764	567,080
READINESS & PREPARATORY SUPPORT PROGRAMME	94,469	91,185
PROJECT PREPARATION FACILITY	12,381	20,014
TOTAL	720,614	678,279

² Includes both Secretariat and Independent units' staff.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

17. COMMITMENTS AND CONTINGENT LIABILITIES

Contingent liabilities for Readiness & Preparatory Support Programme, Project Preparation Facility (“PPF”), approved Project Funding Proposals, and AE fees as of 31 December 2025 and 2024 are detailed below.

a) Readiness & Preparatory Support Programme

<i>(In '000 USD)</i>	2025	2024
CUMULATIVE APPROVED FUNDS	749,090	657,140
DISBURSED	(520,270)	(389,142)
TOTAL COMMITMENT	228,820	267,998

b) Project Preparation Facility (“PPF”)

<i>(In '000 USD)</i>	2025	2024
CUMULATIVE APPROVED FUNDS	74,370	66,791
DISBURSED	(60,620)	(42,697)
TOTAL COMMITMENT	13,750	24,094

c) Project Funding Decisions

The total cumulative value of Projects approved by the GCF Board but pending disbursements as of 31 December is detailed below.

<i>(In '000 USD)</i>	2025	2024
CUMULATIVE APPROVED FUNDING PROPOSALS	19,163,138	15,788,963
DISBURSED	(6,226,209)	(5,232,524)
TOTAL COMMITMENT	12,936,929	10,556,439

d) Project Fees

The total cumulative value of AE fees approved by the GCF Board but pending disbursements as of 31 December are detailed below.

<i>(In '000 USD)</i>	2025	2024
CUMULATIVE APPROVED AE FEES	854,947	634,083
DISBURSED	(314,368)	(256,823)
TOTAL COMMITMENT	540,579	377,260

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

18. LEASE

Under the agreement signed on 8 October 2013, between the Ministry of Strategy and Finance of the Republic of Korea, the Incheon Metropolitan City, and the Green Climate Fund, Incheon City provides the Fund with rent-free premises for the entire duration of its operation in Songdo. The estimated fair value of this free rental since inception is detailed below.

<i>(In '000 USD)</i>	2025	2013-2024
FAIR VALUE LEASE RENTAL	1,402	7,510

19. RELATED PARTIES

Related parties include board members, board committees, senior management, and their close family members. As of 31 December 2025, and 2024, there was no outstanding loan to or from related parties. The Fund does not remunerate its Board members. All transactions with the Board are conducted on terms equivalent to an arm's length transaction within the Secretariat's operational framework.

Key management* remuneration for 2025 and 2024 is detailed below.

<i>(In '000 USD)</i>	2025	2024
SALARIES	6,589	3,949
RETIREMENT PLAN	1,186	710
OTHER BENEFITS	1,439	1,636
TERMINATION BENEFITS	-	581
TOTAL	9,214	6,876

* Definition of key management in 2025 was from IS8 to IS10 reflect the personnel directly involved in Executive Leadership Team only.

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