



National Bank of Serbia

INSURANCE SUPERVISION DEPARTMENT
PENSION FUNDS SUPERVISION DIVISION

VOLUNTARY PENSION FUNDS SECTOR IN SERBIA

Second Quarter Report 2025

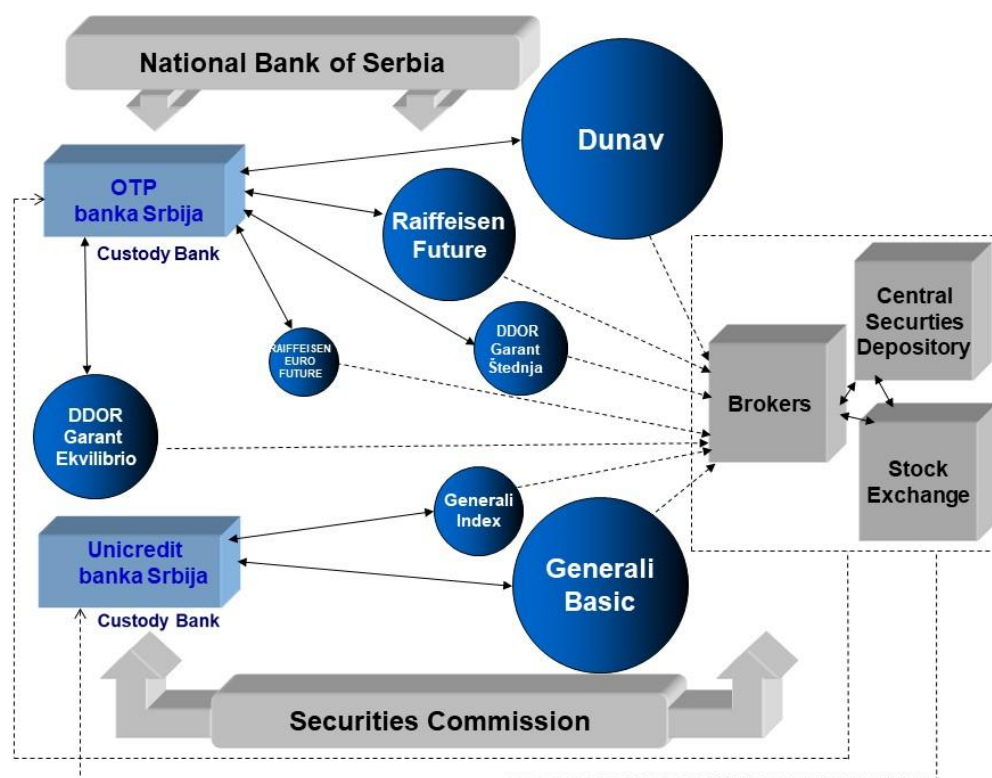
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1 Market participants

At end-Q2 2025, the market of voluntary pension funds (VPFs) included four companies managing seven VPFs, two custody banks, five intermediary banks and one insurance brokerage undertaking ¹.

Diagram: VPF market participants



At end-Q2 2025, VPF management companies employed 136 persons, one person more than at the end of the previous quarter.

The NBS licences sales agents, who passed professional examinations and fulfilled other requirements, to disseminate information about VPF operation and prospectuses. No new licences were issued in Q2 2025, so there was no change in the number of sales agent licences relative to a quarter before (a total of 1173).²

As brokers – management companies, banks and insurance undertakings may engage sales agents. At end-Q2 2025, management companies hired 104 persons, intermediary banks 624, and the insurance undertaking 83 persons as sales agents.

¹ Raiffeisen bank a.d. Beograd, OTP banka Srbija a.d. Novi Sad, NLB Komercijalna banka a.d. Beograd, Addiko Banka a.d. Beograd and AIK Banka a.d. Beograd, as well as the joint-stock insurance undertaking DDOR Novi Sad, Novi Sad.

² The licensing exam for disseminating information about VPF operation and distribution of prospectuses is organised twice a year, usually in May and December.

2 VPF net assets

VPF net assets at end-Q2 2025 came at RSD 63.4 bn, up by 2.5% relative to a quarter before. The change in the value of net assets reflects net contributions³, withdrawals and investment returns. In Q2 2025, total net contributions amounted to around RSD 1.4 bn and withdrawals by members who met legal requirements to RSD 801.9 mn.

At end-Q2 2025, VPF net assets equalled RSD 63.4 bn.

End-of-period net assets of the VPF sector
(in RSD bn)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
										Q1	Q2
28.9	32.8	36.2	40.2	45.2	47.0	49.1	48.2	53.8	61.7	61.8	63.4

Source: National Bank of Serbia.

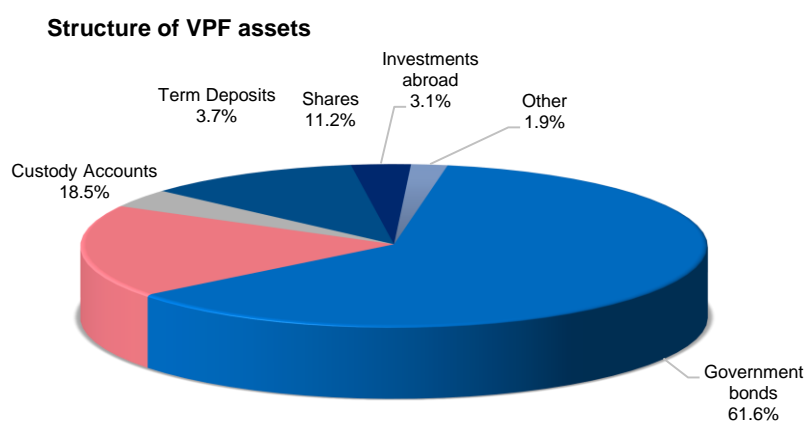
Measured by HHI, market concentration in the sector⁴ at end-Q2 2025 amounted to 2,736 points, indicating the persisting high concentration in the VPF market.

According to the size of net VPF assets relative to the total net assets of the sector, three largest funds together account for 81%, and the largest fund for 41% of the market share.

3 Structure of VPF assets

The structure of investment of VPF assets at end-Q2 2025 changed slightly from the previous period. Government bonds accounted for a major part of VPF assets – 61.6%. Balances in custody accounts made up 18.5%, shares of domestic legal entities 11.2%, time deposits with banks 3.7%, and investments abroad 3.1% of total VPF assets.⁵

The majority of funds were invested in bonds of the Republic of Serbia – 61.6%.



Source: National Bank of Serbia.

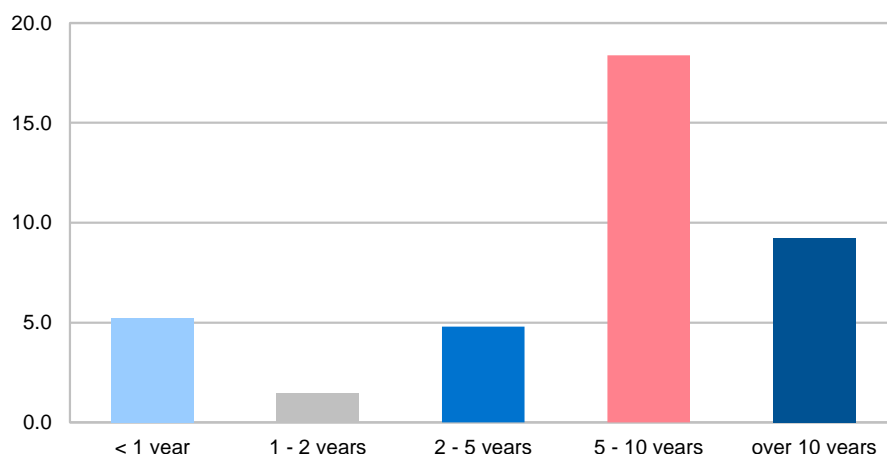
³ Net contributions are total contributions minus the front-load fee.

⁴ In terms of the share in total net assets.

⁵ The remaining assets are invested in open-ended investment fund units, receivables and corporate bonds.

The portfolio of government debt instruments (Republic of Serbia's bonds) kept the dominant position in total VPF assets at the end of the period, and its share decreased from 64.7% at end-Q1 2025, to 61.6%. In the composition of government securities, bonds in the domestic currency accounted for 59%, bonds in euros for 28% and those in dollars for 13%.

Maturity structure (government fixed income securities)
(in RSD bn)



Source: National Bank of Serbia.

The maturity composition of the portfolio of government debt securities somewhat changed from end-Q1 2025. At end-Q2 2025, 13.4% of debt instruments were with the maturity of up to one year, 3.7% between one and two years, 12.2% two to five years, 47% five to ten years and 23.6% over ten years.

The average maturity of assets⁶ invested in government bonds was 6.6 years at end-Q2 2025 (6.5 years at end-Q1).

Aggregate exposure to shares of domestic legal persons measured 11.2% of total VPF assets and remained broadly unchanged from the previous period when it measured 10.9%.

In Q2 2025, investments abroad made up 3.1% of total VPF assets (4.5% at end-Q1).

Currency composition of total assets changed slightly owing to a lower share of dinar securities in total assets relative to Q1 and is shown below.

Currency structure of VPFs
(in %)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
											Q1	Q2
RSD	87%	87%	86%	87%	87%	86%	86%	85%	78%	71%	70%	64%
EUR	13%	13%	13%	12%	13%	14%	14%	15%	22%	15%	14%	20%
USD	-	-	1%	1%	-	-	-	-	-	14%	16%	16%

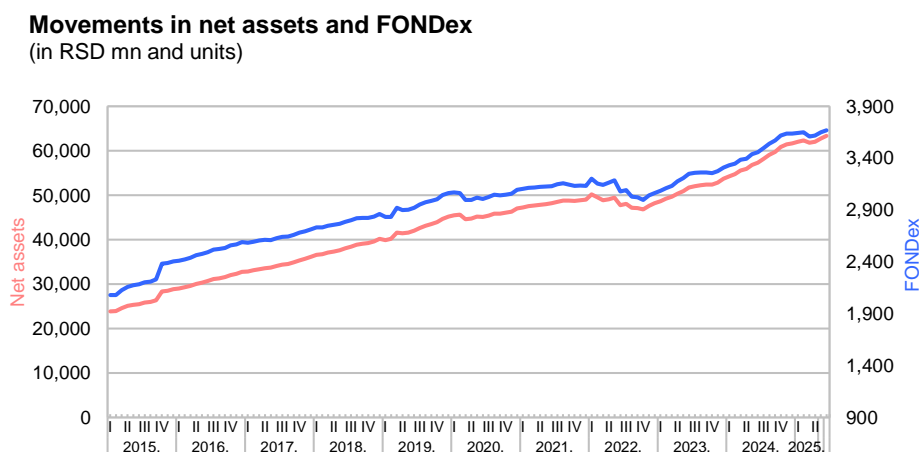
Source: National Bank of Serbia.

⁶ The maturity of instruments weighted by their share in total investment in government debt instruments.

4 Return on investment

At end-Q2 2025, the FONDex⁷ reached 3,669.97 points⁸ (3,609.48 at end-Q1). FONDex return, the weighted average return on all funds, equalled 6.1% over the past year and 4.1% over the past five years. Since the start of VPF operation, FONDex return has equalled 7.2%.

Given the structure of VPF investment, the return is influenced by: the change in the value of government debt instruments⁹, change in the value of shares, change in the value of investment units of open investment funds, level of the key policy rate, banks' interest rates, and changes in the dinar exchange rate against the euro.



Source: National Bank of Serbia.

5 Fees charged by management companies

The Law on Voluntary Pension Funds and Pension Schemes sets out that management companies charge fees for their services and account transfer to fund members, in accordance with their tariff code. Management company fees entail contribution and management fees.

The contribution fee is paid as a percentage of each executed payment as a front-load fee. In Q2 2025 this fee averaged 2.18% (2.36% in the quarter before). The total amount of contribution fees paid in Q2 2025 amounted to RSD 30 mn, or 13.5% of total fees charged.

The management fee is calculated daily against the value of net VPF assets, not exceeding 1.25% p.a. and is included directly in the investment unit value, meaning that the calculated and published investment unit value is exclusive of the management fee. In Q2 2025, the total value of management fees equalled RSD 192.7 mn, which is 86.5% of the total fees charged.

⁷ FONDex is the index which indicates movements in investment units of all VPFs in the market.

⁸ The initial FONDex value on the first business day of the first VPF, 15 November 2006, was 1,000.

⁹ A decline in interest rate leads to an increase in the prices of debt instruments and vice versa. The prices of longer-maturity instruments are more sensitive to interest rate changes.

Fees charged by management companies
(in RSD mn)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
											Q1	Q2
Contribution fee	53.0	56.8	61.0	66.3	71.8	76.2	80.9	85.1	94.5	111.4	28.4	30.0
Management fee	514.9	614.4	678.7	474.0	526.7	567.9	599.4	599.0	633.4	715.7	189.4	192.7

Source: National Bank of Serbia.

6 Volume of securities trading and transaction costs

In Q2 2025, the volume of VPF trading in securities came at RSD 14.9 bn and the average share of VPFs in the Belgrade Stock Exchange trading in the same period was 41.4%.

VPF securities trading
(in RSD bn)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
											Q1	Q2
Securities trading	14.5	11.5	24.2	16.1	48.7	26.3	33.5	11.9	27.9	58.9	14.8	14.9
Purchases	7.9	6.4	14.7	9.3	27.1	13.8	18.6	6.0	14.0	30.3	9.7	6.3
Belgrade Stock Exchange	0.9	1.1	3.7	2.7	3.2	2.7	1.9	1.6	0.6	1.9	-	0.3
Unregulated market	1.8	1.1	5.8	3.2	16.7	7.6	13.7	2.3	7.5	15.0	1.1	5.0
Foreign markets	-	-	-	-	-	-	-	-	-	5.8	5.0	1.0
Auctions of government secu	5.2	4.2	5.1	3.4	7.1	3.6	3.0	2.1	5.9	7.6	3.5	-
Sales	3.6	3.0	7.4	5.5	19.6	11.2	12.0	3.8	11.5	25.6	4.3	8.4
Belgrade Stock Exchange	0.5	1.9	2.7	3.2	1.4	3.1	3.7	0.8	1.1	7.7	1.0	1.2
Unregulated market	3.2	1.1	4.7	2.3	18.1	8.1	8.3	3.0	10.3	14.5	0.3	5.1
Foreign markets	-	-	-	-	-	-	-	-	-	3.4	3.0	2.1
Maturity	2.9	2.1	2.2	1.3	2.1	1.4	3.0	2.1	2.4	3.1	0.7	0.2
Purchase to sale and maturity ratio	1.2	7.5	1.5	1.4	1.3	1.1	1.2	1.0	1.0	1.1	1.9	0.7
Share in total BSE trading (in%)	6.1%	6.7%	33.0%	9.4%	5.1%	11.9%	13.5%	6.1%	8.5%	26.3%	38.7%	41.4%

Source: National Bank of Serbia, Belgrade Stock Exchange.

Transaction costs incurred in the purchase, sale and transfer of securities (Central Securities Depository fees, stock exchange fees, tax charges) and the costs of current maintenance of real estate property that fund assets are invested in are charged against fund assets. Other costs are charged against the assets of management companies.

Amount of transaction costs
(in RSD mn)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
											Q1	Q2
Total	5.6	7.3	10.5	8.3	17.2	10.3	4.8	5.9	6.2	19.2	6.5	2.9
Brokerage fees	1.3	2.3	4.4	3.0	8.0	3.7	0.7	1.0	1.5	11.0	4.2	1.5
Custody bank fees	2.0	2.0	1.9	1.8	3.1	2.3	1.6	1.4	2.4	3.3	0.5	0.7
Stock exchange fees	0.8	1.0	1.8	1.3	1.9	1.3	0.5	0.6	0.7	2.9	1.2	0.6
Central Securities Depository fees	1.6	2.0	1.8	1.6	3.4	2.2	1.7	2.8	1.7	2.0	0.5	0.2
Other fees	-	-	0.6	0.6	0.7	0.9	-	-	-	-	-	-

Source: National Bank of Serbia.

The total transaction costs in Q2 2025 amounted to RSD 2.9 mn, with stock exchange fees and custody bank fees accounting for the largest shares.

7 Number and structure of VPF users

At end-Q2 2025, 227,594 users were in the accumulation phase¹⁰ (1,490 users more than at end-Q1)¹¹, with 314,805 membership contracts¹² (1,772 contracts more than at end-Q1 2025).

VPF users make up 9.8% of the total number of employees in the Republic of Serbia¹³.

Number of contracts and users

(in thousand)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
											Q1	Q2
No of contracts	258.1	250.5	253.9	261.7	275.8	279.5	288.7	294.5	304.8	312.2	313.0	314.8
No of users	190.5	183.6	185.4	192.3	201.6	205.0	210.7	215.5	220.7	225.7	226.1	227.6
Percentage of active users (in %)	25.3%	28.5%	33.6%	33.4%	34.4%	35.3%	35.9%	36.5%	36.1%	36.8%	35.2%	35.1%

Source: National Bank of Serbia.

The amount of accumulated funds depends on the amount of contributions, return earned by funds, level of fees, and the length of the accumulation phase. As the level of contributions and the period of accumulation increase, and funds earn returns, average balances in members' individual accounts go up. The average amount of funds accumulated in the accounts of members who have made at least one contribution payment was RSD 308.1 thousand at end-Q2 2025.

Average accumulated funds at end-period

(in RSD thousand)

2015	2016	2017	2018.0	2019	2020	2021	2022	2023	2024	2025	
										Q1	Q2
179.4	200.6	219.3	235.8	239.9	257.4	260.0	249.6	271.7	304.5	303.3	308.1

Source: National Bank of Serbia.

At end-Q2 2025, the number of users who are members of two or more VPFs was 45,675 or 20.1% of the total number of users. The structure of users by sex and the amount of their funds did not change significantly compared to prior periods. Men made up the majority of 55%.

¹⁰ VPF membership has two phases – the accumulation phase (when contributions are made) and the withdrawal phase (when the accumulated funds are withdrawn).

¹¹ The number of users is the number of people who are members of VPF(s). This number is lower than the number of membership contracts, as there is a significant number of users with more than one membership contract in one or several VPFs.

¹² The number of membership contracts is the sum total of individual membership contracts and the number of members of all pension schemes.

¹³ Source for the number of employees: NBS.

Number of users by number of funds in which they are members
(in units)

No of funds	No of users
1	181,919
2	39,509
3	5,803
4	333
5	22
6	6
7	2
Total	227,594

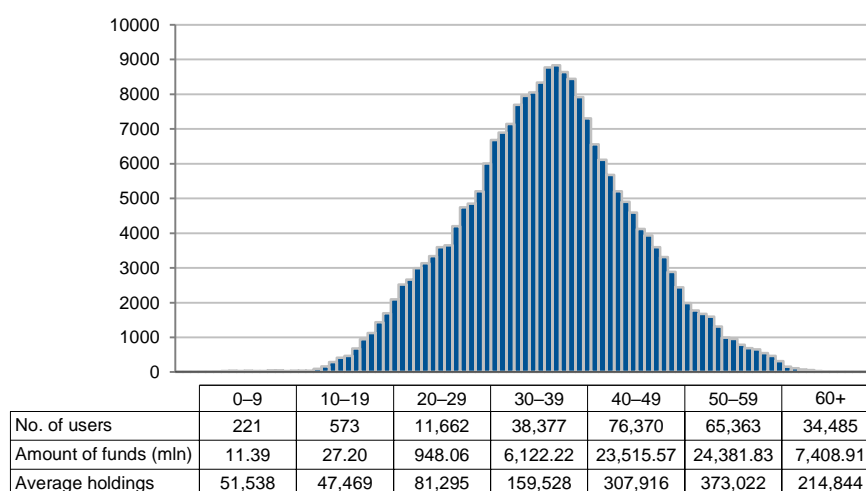
Source: National Bank of Serbia.

Number of users by membership contract
(in units)

No of contracts	No of users
1	162,984
2	49,962
3	9,511
4	3,352
5	1,159
6	370
7	174
8	44
9	19
10	9
11	10
Total	227,594

Source: National Bank of Serbia.

Distribution of users and accumulated funds by age
(in units, RSD)



Source: National Bank of Serbia.

At end-Q2 2025, the average age of VPF users was around 48 years (same as at end-Q1 2025), with users aged 40–60 making up the dominant share (62.4%). Also, the percentage of users above the age of 53 was similar as in prior years (around 33%), while the percentage of users above the age of 58 was 19.4%.

8 Contributions, withdrawals and transfers

Net total contributions to VPFs came at RSD 1.35 bn in Q2 2025.

In Q2 2025, net contributions amounted to around RSD 1.35 bn.

Total contributions

(in RSD bn)

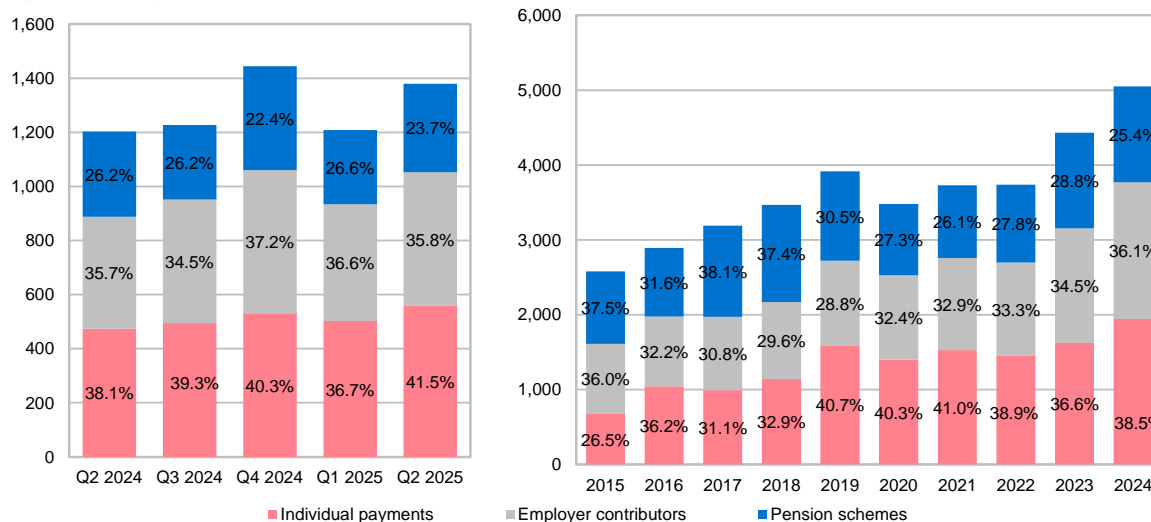
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
										Q1	Q2
2.58	2.89	3.19	3.47	3.92	3.48	3.73	3.74	4.43	5.05	1.21	1.38

Source: National Bank of Serbia.

Of total contributions in Q2 2025, individual payments accounted for 40.5%, employer contributions for 35.8% and pension schemes for 23.7%.

Volume and structure of total contributions

(in RSD mn, %)



Source: National Bank of Serbia.

Q2 2025 saw a decrease in individual payments and increase in pension scheme contributions in total contributions. This way, employees and employers can save up since contributions from employer's funds up to RSD 8,449¹⁴ per employee per month are exempt from the household income tax and contributions for mandatory social insurance. Payments in the same amount made by the employer through wage garnishment are also tax-exempt. These facilities introduced by the state represent an additional incentive to employees and employers to direct a part of the wage to saving in VPFs.

In Q2 2025 withdrawals by members totalled RSD 801.9 mn.

Total withdrawals

(in RSD mn)

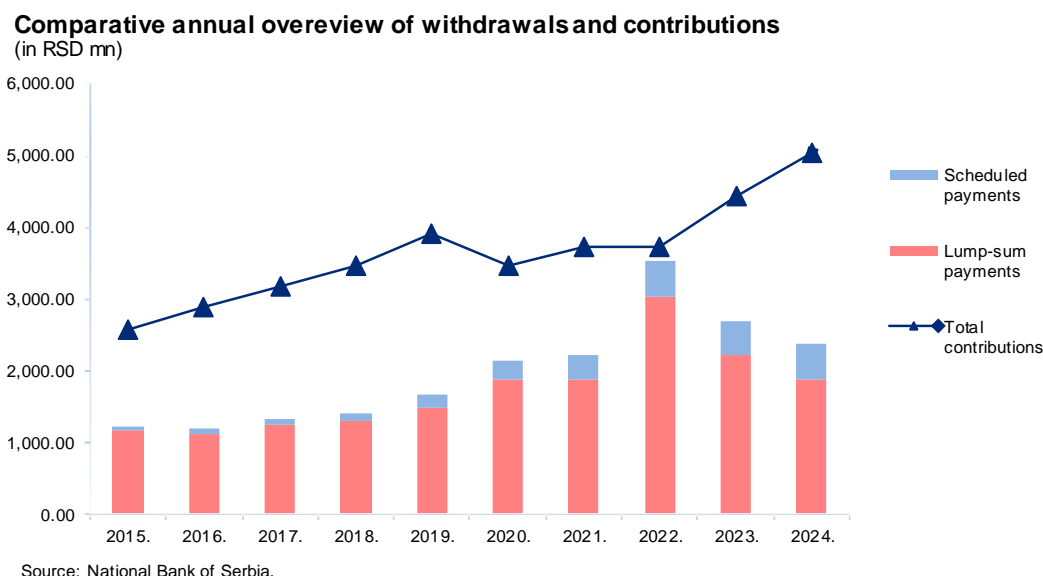
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
										Q1	Q2
1,226.2	1,195.6	1,342.4	1,412.0	1,679.8	2,159.6	2,223.5	3,530.1	2,685.6	2,386.5	675.3	801.9

Source: National Bank of Serbia.

Withdrawals by members who met the requirements under the law totalled RSD 801.9 mn in Q2 2025.

¹⁴ Under Government decree, this amount is adjusted for previous-year inflation once a year. Since February 2025, it equals RSD 8,449.

Lump sum withdrawals accounted for 82% of withdrawals and scheduled withdrawals for 18%. As the accumulation period extends and account balances grow, we may expect a rising share of scheduled withdrawals and other types of withdrawals envisaged by the law (e.g. purchase of annuities).



Transfers represent inter-fund transfers. A member may transfer a part or all of his assets from one fund to another, paying only the actual transfer costs to the custody bank. In Q2 2025, the amount of assets transferred to another fund equalled RSD 61.4 mn.

In Q2 2025, transfers came at RSD 61.4 mn.

Total inter-fund transfers
(in RSD mn)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
										Q1	Q2
219.7	267.5	263.0	229.7	210.3	252.6	199.0	748.4	260.0	328.5	100.1	61.4

Source: National Bank of Serbia.

9 Financial statements

9.1 Regulatory framework

VPF management companies keep business books and compile financial statements in accordance with the laws governing accounting and auditing and NBS's regulations.

A VPF management company also keeps business books and compiles financial statements for VPFs it manages, separately from its own books and statements.

According to the Law on Pension Funds and Pension Schemes, a VPF management company is required to submit to the NBS annual financial statements for the company, within which it shall

separately present the financial statements of the VPFs it manages, with the external auditor's report, until 31 March of the current year for the preceding year.

NBS's decisions regulate the form and contents of financial statement forms for management companies and VPFs, based on which management companies are required to submit to the NBS the balance sheet, income statement, cash flow statement, statement on changes in equity, statement of other comprehensive income, statistical report of the management company and notes to financial statements, and for each fund they manage: the balance sheet – statement of net assets, income statement, cash flow statement, statement on changes in net assets and notes to financial statements.

9.2 Financial statements of VPF management companies

The balance sheet total of VPF management companies as at 31 December 2024 amounted to around RSD 1,334 mn, up by 5.5% compared to 2023, when it stood at RSD 1,265 mn.

In 2024, the major part of management companies' assets were invested in deposits and other financial assets (52.3%, compared to 51.2% in 2023). Next came securities (24.3%), while cash and cash equivalents rose by almost 38% relative to 2023. On the other hand, the share of equity capital in total liabilities did not change significantly, so at end-2024 total capital made up around 87.5% of liabilities (88.6% in 2023). Management companies were highly liquid.

Capital ratios

Ratio / year	2020	2021	2022	2023	2024
Capital ratio	2.36	2.40	2.31	2.39	2.49
Capital per user	4,966	4,822	4,481	4,490	4,545
Capital to total net assets	0.03	0.03	0.03	0.03	0.02

Management companies are required to maintain their capital above the minimum prescribed by law of EUR 1,000,000 in dinar equivalent. At the VPF sector level, the ratio of total capital to the regulatory minimum is 2.49 (2.39 at end-2023).

In 2024, the ratio of capital per user increased from RSD 4,490 at end-2023 to RSD 4,545, owing to a stronger growth in total capital compared to the number of users at the sector level. Every dinar of VPF net assets at end-2024 was covered by RSD 0.02 of the management company's capital (RSD 0.03 in the year before).

In 2024, management companies continued to operate with a profit, with the total profit of all companies amounting to around RSD 253 mn, up by around 11.0% compared to 2023, when the total profit of all companies amounted to around RSD 228 mn. It should be kept in mind that the **realised result of the management company does not affect fund members' assets, given that the management company's assets are separated from the fund's assets.**

In 2024, management companies generated profit from managing VPFs in the amount of RSD 720 mn (RSD 639 mn in 2023). Income from the management company's core activity (fee income) amounted to RSD 825.5 mn in 2024 (RSD 726 mn in 2023) accounting for around 93% of all income generated by companies in 2024 (92% in 2023).

Fee income is comprised of contribution fee income (RSD 111.5 mn), which went up by 17.4% relative to the year before and income from fund management fee (RSD 714 mn), rising by 13.2% y-o-y.

Total expenses of management companies related to VPF management (costs associated with investment of VPF assets, marketing expenses, expenses of custody bank services, intermediation expenses and other VPF management expenses) in 2024 were 20.7% higher than in 2023, equalling around RSD 105 mn (RSD 87 mn in 2023).

Profitability ratios

Ratio / Year	2020	2021	2022	2023	2024
ROE	19.81%	20.67%	18.32%	20.70%	22.10%
ROA	18.30%	18.42%	15.94%	18.27%	19.46%
Company profit per user	884.09	898.13	769.15	847.67	918.87
Company profit per contribution	0.06	0.06	0.04	0.05	0.05
Fee income to the number of users	2,544.38	2,631.61	2,585.46	2,694.89	2,998.74
Fee income to total income	93.08%	93.06%	94.18%	92.31	93.23%

In the composition of expenses, the largest share was that of salary expenses, which amounted to approximately RSD 311 mn (RSD 283 mn in 2023), accounting for 53% of total expenses.

In 2024, management companies generated total ROE of 22.10% (20.70% in 2023), while ROA stood at 19.46% (18.27% in 2023).

9.3 Financial statements of voluntary pension funds

As at 31 December 2024, total VPF assets amounted to RSD 62.1 bn (RSD 53.8 bn at end-2023), which is approximately 15.4% more than in 2023. Government securities held a dominant position in the asset structure, accounting for around 62.0% of the total VPF assets, a decrease compared to the end of 2023 (70.1%).

VPF liabilities, which include liabilities to the management company, membership-related liabilities, and other operating liabilities, amounted to approximately RSD 423 mn at the end of 2024 (compared to RSD 68 mn in 2023).

Net VPF assets (total assets less liabilities) as at 31 December 2024 stood at around RSD 61.7 bn, up by some RSD 7.9 bn or 14.7% compared to end-2023.

Total VPF sector income in 2024 reached around RSD 16.8 bn (RSD 12.2 bn in 2023), while total expenses equalled around RSD 11.4 bn (RSD 8.3 bn in 2023).

At end-2024, all VPFs operated with a profit, which at the sector level amounted to around RSD 5.4 bn.