



National Bank of Serbia

INSURANCE SUPERVISION DEPARTMENT
PENSION FUNDS SUPERVISION DIVISION

VOLUNTARY PENSION FUNDS SECTOR IN SERBIA

First Quarter Report 2025

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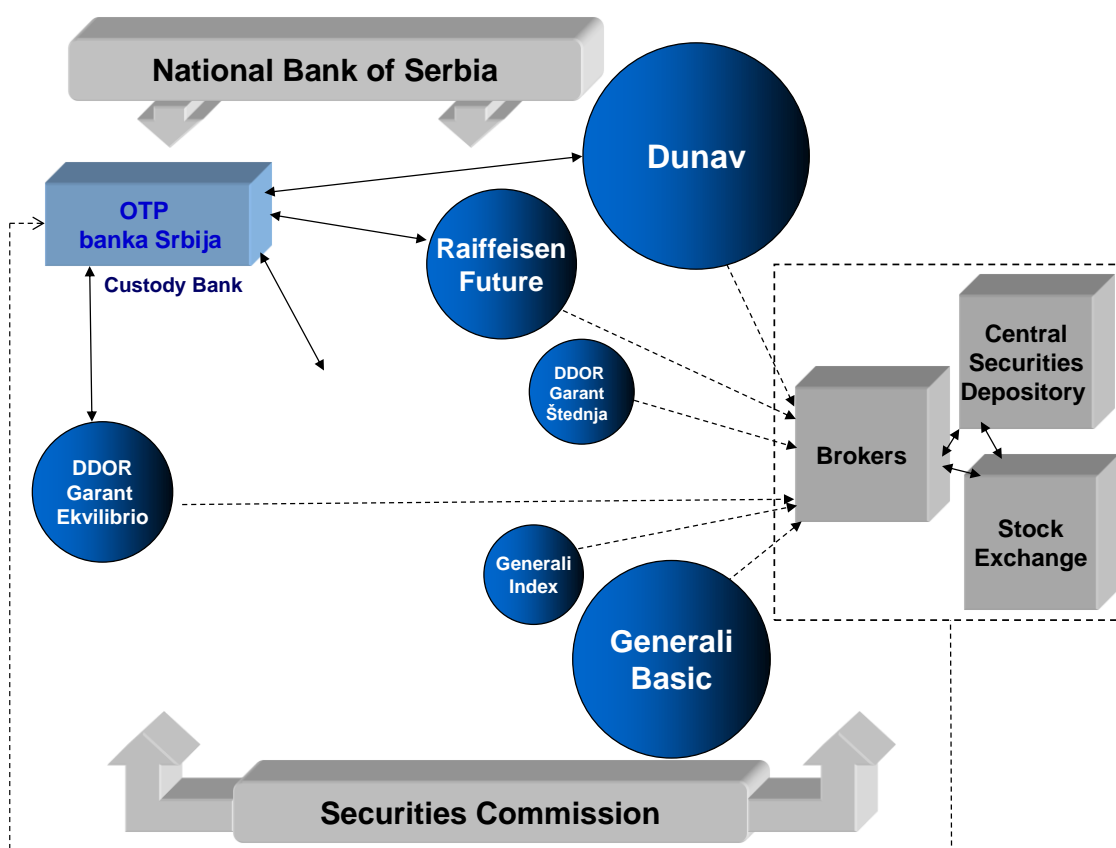
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1 VPF market participants

At end-Q1 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-Q1 2025, VPF management companies employed 135 persons, three persons more than at end-2024.

The NBS licenses sales agents, who passed professional examinations and fulfilled other requirements, to disseminate information about VPF operation. At end-Q1 2025 there were no new sales agent licences issued, hence the number stayed unchanged relative to a quarter before (a total of 1173).²

¹ Raiffeisen Bank a.d. Beograd, OTP banka Srbija a.d. Novi Sad, NLB Komercijalna banka a.d. Beograd, Addiko Bank 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 is organised twice a year, usually in May and December.

As brokers – management companies, banks and insurance undertakings may engage sales agents. At end-Q1 2025 management companies hired 116 persons, intermediary banks 630 persons and the insurance undertaking 82 persons as sales agents.

2 Net VPF assets

Net VPF assets at end-Q1 2025 came at RSD 61.8 bn, up by 0.2% relative to a quarter before. The change in the value of net assets reflects net contributions³, withdrawals and investment returns. In Q1 2025, total net contributions amounted to RSD 1.2 bn, withdrawals by members who met legal requirements to RSD 675.3 mn.

At end-Q1 2025, net VPF assets equalled RSD 61.8 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
28.9	32.8	36.2	40.2	45.2	47.0	49.1	48.2	53.8	61.7	61.8

Source: National Bank of Serbia.

Measured by HHI, market concentration in the sector⁴ at end-Q1 amounted to 2,746 points, indicating the persisting high concentration in the VPF market.

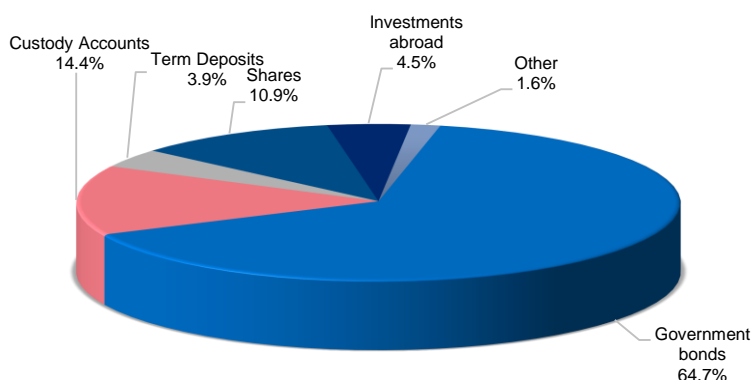
According to the size of net VPF assets relative to total net assets of the sector, the three largest funds together account for 81%, and the largest fund for 41% of the market share.

3 Structure of VPF assets

At end-Q1 2025, the structure of investment of VPF assets changed insignificantly from the previous period. Government bonds accounted for a major part of VPF assets – 64.7%, balances in custody accounts made up 14.4%, shares of domestic legal persons 10.9%, time deposits with banks 3.9%, and investments abroad 4.5% of total VPF assets.⁵

The majority of funds were invested in bonds of the Republic of Serbia – 64.7%.

Structure of VPF assets



Source: National Bank of Serbia.

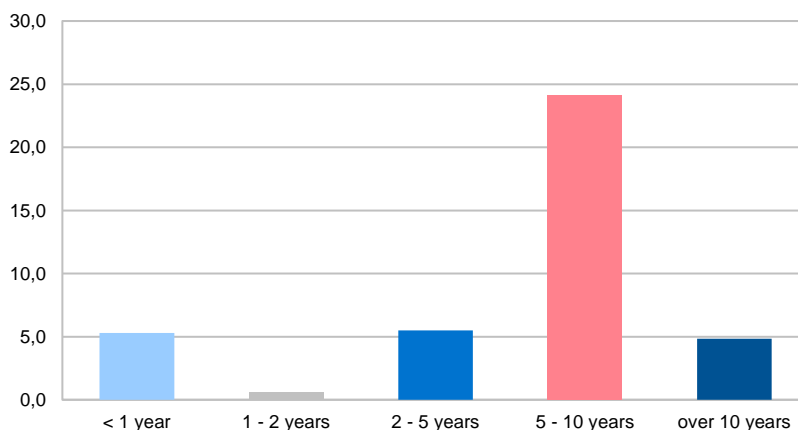
³ Net contributions are total contributions minus the front-load fee.

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 also at the end of this period, as its share went up from 62% at end-2024, to 64.7%. In the composition of government securities, bonds in the domestic currency accounted for 62%, those in euros for 20% and those in US dollars for 18%.

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



Source: National Bank of Serbia.

The maturity composition of the portfolio of government debt securities changed negligibly from end-2024. At end-Q1 2025, 13.1% of government debt securities were with the maturity of up to one year, 1.6% between one and two years, 13.6% between two and five years, 59.8% between five and ten years, and 12% over ten years.

The average maturity of assets⁶ invested in government bonds was 6.5 years at end-Q1 2025 (6.1 years at end-2024).

Aggregate exposure to shares of domestic legal persons measured 10.9% of total VPF assets and remained broadly unchanged from the previous period (11.1%).

In Q1 2025, some VPFs continued to invest in shares of foreign legal persons in international stock exchanges, so this type of investment accounted for 4.5% of total VPF assets (1.6% at the end-2024).

Currency composition of total assets changed mildly as the dollar share in total assets increased from end-2024 and is shown below.

Currency structure of VPFs
(in %)

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

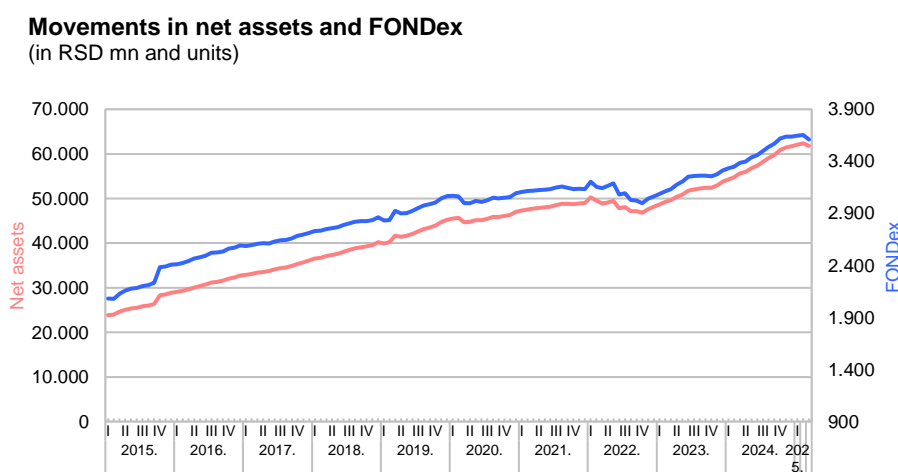
Source: National Bank of Serbia.

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

4 Return on investment

At end-Q1 2025, the FONDex⁷ reached 3,609.48 points⁸ (3,636.62 at end-2024). FONDex return, the weighted average return on all funds, equalled 6.6% over the past year and 3.8% 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 prices of shares, change in the value of investment units of open-ended 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 two types of fees: fee for services rendered by the management companies and fee for the transfer of a fund member's account, subject to 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 Q1 2025 this fee averaged 2.36% (2.18% in the quarter before). The total amount of contribution fees paid in Q1 2025 came at RSD 28.4 mn, or 13% 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 Q1 2025, the total value of management fees equalled RSD 189.4 mn, which is 87% 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 the 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
Contribution fee	53.0	56.8	61.0	66.3	71.8	76.2	80.9	85.1	94.5	111.4	28.4
Management fee	514.9	614.4	678.7	474.0	526.7	567.9	599.4	599.0	633.4	715.7	189.4

Source: National Bank of Serbia.

6 Volume of securities trading and transaction costs

In Q1 2025, the volume of VPF trading in securities came at RSD 14.8 bn and the average share of VPFs in the Belgrade Stock Exchange trading in the same period was 38.7%.

VPF securities trading
(in RSD bn)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Q1
Securities trading	14.5	11.5	24.2	16.1	48.7	26.3	33.5	11.9	27.9	58.9	14.8
Purchases	7.9	6.4	14.7	9.3	27.1	13.8	18.6	6.0	14.0	30.3	9.7
Belgrade Stock Exchange	0.9	1.1	3.7	2.7	3.2	2.7	1.9	1.6	0.6	1.9	-
Unregulated market	1.8	1.1	5.8	3.2	16.7	7.6	13.7	2.3	7.5	15.0	1.1
Foreign markets	-	-	-	-	-	-	-	-	-	5.8	5.0
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
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
Unregulated market	3.2	1.1	4.7	2.3	18.1	8.1	8.3	3.0	10.3	14.5	0.3
Foreign markets	-	-	-	-	-	-	-	-	-	3.4	3.0
Maturity	2.9	2.1	2.2	1.3	2.1	1.4	3.0	2.1	2.4	3.1	0.7
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
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%

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.

The total transaction costs in Q1 2025 amounted to RSD 6.5 mn (the same as in the quarter before), with brokerage and stock exchange fees accounting for the largest shares.

Amount of transaction costs
(in RSD mn)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Q1
Total	5.6	7.3	10.5	8.3	17.2	10.3	4.8	5.9	6.2	19.2	6.5
Brokerage fees	1.3	2.3	4.4	3.0	8.0	3.7	0.7	1.0	1.5	11.0	4.2
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
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
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
Other fees	-	-	0.6	0.6	0.7	0.9	-	-	-	-	-

Source: National Bank of Serbia.

7 Number and structure of VPF users

At end-Q1 2025, 226,104 users¹⁰ were in the accumulation phase¹¹ (an increase by 439 from end-2024), with 313,033 membership contracts¹² (824 contracts more than at end-2024).

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
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
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
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%

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 303.3 thousand at end-Q1 2025.

Average accumulated funds end-of-period

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

Source: National Bank of Serbia.

¹⁰ 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 contracts in one or several VPFs.

¹¹ VPF membership has two phases – the accumulation phase (when contributions are made) and the withdrawal phase (when the accumulated funds are withdrawn).

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.

At end-Q1 2025, the number of users who are members of two or more VPFs was 45,666 or 20.2% 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%.

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

No of funds	No of users
1	180,438
2	39,449
3	5,855
4	332
5	22
6	6
7	2
Total	226,104

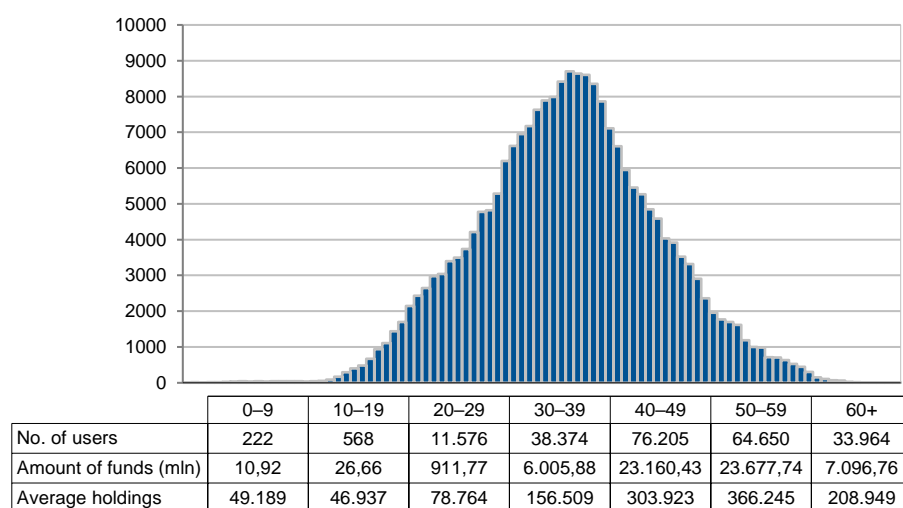
Source: National Bank of Serbia.

Number of users by membership contract
(in units)

No of contracts	No of users
1	161,570
2	49,786
3	9,659
4	3,463
5	1,015
6	394
7	165
8	25
9	12
10	5
11	10
Total	226,104

Source: National Bank of Serbia.

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



Source: National Bank of Serbia.

At end-Q1 2025, the average age of VPF users was around 48 years (same as at end-2024), 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 (32.7%), while the percentage of users above 58 was 19.2%.

8 Contributions, withdrawals and transfers

Total net contributions to VPFs came at around RSD 1.2 bn in Q1 2025.

In Q1 2025, net contributions amounted to RSD 1.2 bn.

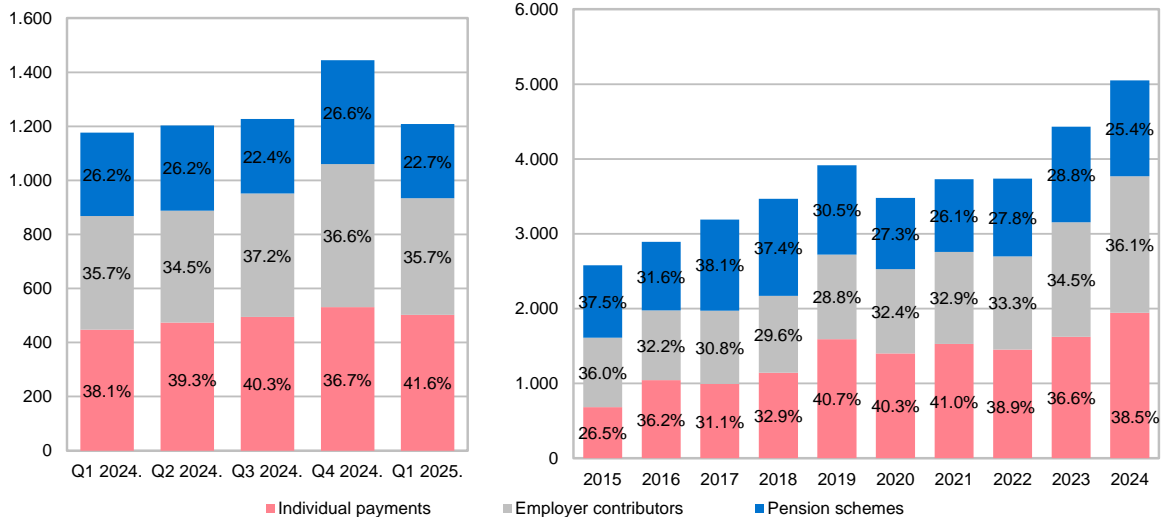
Total contributions
(in RSD bn)

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

Source: National Bank of Serbia.

Of total contributions in Q1 2025, individual payments accounted for 41.6%, employer contributions for 35.7% and pension schemes for 22.7%.

Volume and structure of total contributions
(in RSD mn, %)



Q1 2025 saw a rise in individual payments and a drop in employer contributions to VPFs for the account of their employees and pension scheme 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. This represents an additional incentive to employees and employers to direct a part of the wage to saving in VPFs.

Withdrawals by members who met the requirements under the law totalled RSD 675.3 mn in Q1 2025.

In Q1 2025, total withdrawals amounted to RSD 675.3 mn.

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

Total withdrawals

(in RSD mn)

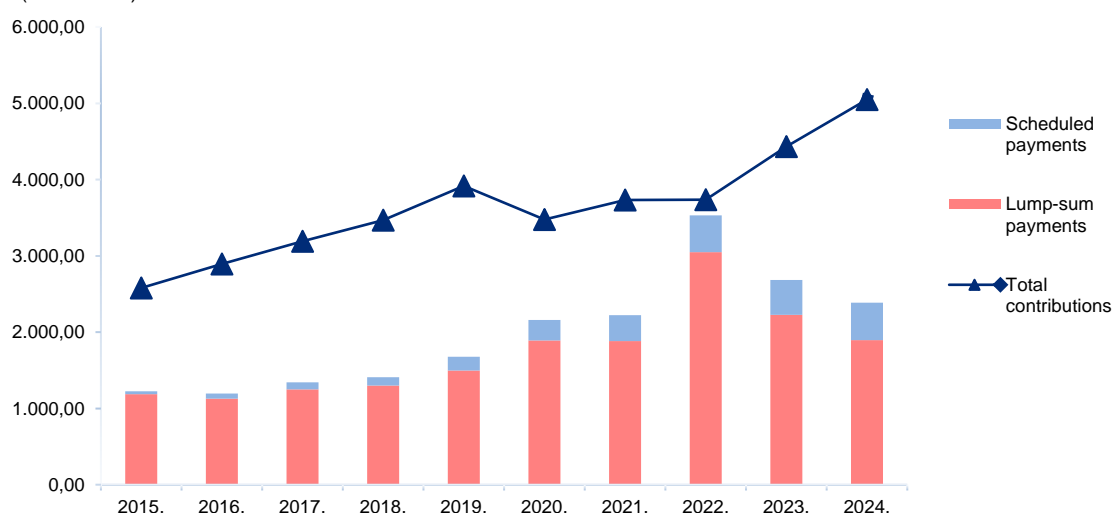
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Q1
1,226.2	1,195.6	1,342.4	1,412.0	1,679.8	2,159.6	2,223.5	3,530.1	2,685.6	2,386.5	675.3

Source: National Bank of Serbia.

Lump sum withdrawals accounted for 78% of total withdrawals and scheduled withdrawals for 22%. 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).

Comparative overview of withdrawals and contributions

(in RSD mn)



Source: National Bank of Serbia.

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 Q1 2025, the amount of assets transferred to another fund equalled RSD 100.1 mn.

In Q1 2025, the transfers came at RSD 100.1 mn.

Total inter-fund transfers

(in RSD mn)

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

Source: National Bank of Serbia.