

2025

REPORT

REPORT ON THE STATE OF FULLY
FUNDED PENSION INSURANCE
IN 2025





Agency for Supervision of Fully Funded
Pension Insurance

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ABBREVIATIONS

GDP • Gross Domestic Product

Second pillar • Mandatory fully funded pension insurance

VFP • Voluntary Pension Fund Management Company VFP PENSION COMPANY JSC SKOPJE

VFPd • Open Voluntary Pension Fund

VPF • Voluntarily pension fund

SSO • State Statistical Office

EU • European Union

MPF • mandatory pension funds

IOPS • International Organisation of Pension Supervisors

KB first • KB first pension company, company for management of mandatory and voluntary pension funds JSC Skopje

KBd • KBd first pension company open voluntary pension fund – Skopje

KBz • first pension company open mandatory pension fund – Skopje

MAPAS • Agency for Supervision of Fully Funded Pension Insurance

NBRNM • National Bank of the Republic of North Macedonia

OECD • Organisation for Economic Co-operation and Development

First pillar • Mandatory pension and disability insurance based on generational solidarity

RNM • Republic of North Macedonia

SAVA • Company for management of mandatory and voluntary pension funds
Sava Pension Company JSC Skopje

SAVAd • Sava Pension Plus open voluntary pension fund

SAVAz • Sava Pension Fund open mandatory pension fund

Third pillar • Voluntary fully funded pension insurance

TRIGLAV • Company for management of mandatory and voluntary pension funds
TRIGLAV PENSION COMPANY JSC Skopje

TRIGLAVd • Triglav open voluntary pension fund – Skopje

TRIGLAVz • Triglav open mandatory pension fund – Skopje

PRO • Public Revenue Office

PDIFNM • Pension and Disability Insurance Fund of North Macedonia

INTRODUCTION

With the completion of 2025, two decades of operation of fully funded pension insurance in the Republic of North Macedonia are concluded. The main results and conditions in the system are presented in the Report on the State of Fully Funded Pension Insurance in 2025 by the Agency for Supervision of Fully Funded Pension Insurance – MAPAS. The report contains a description of



the characteristics of fully funded pension insurance, data on fully funded pension insurance, an assessment of the implementation of regulations in the field of fully funded pension insurance, and other data of importance for this insurance until the end of 2025.

During 2025, the total assets of mandatory pension funds grew by 15.65% and reached 188.34 billion denars. Simultaneously, the total assets of voluntary pension funds realized a similar growth of 15.84% and reached 5.06 billion denars. As a result, the participation of the total assets of the second and third pension pillars in GDP increased and in 2025 reached 18.53%, of which 18.04% refers to mandatory pension funds, while 0.48% to voluntary pension funds.

In 2025, the increase in the coverage of the population in the second pillar also continued, with almost the same dynamics as in the previous year. The number of members increased by about 3% compared to 2024, with coverage reaching 79% of the total active population. In the third pillar as well, the increase in population coverage continued with the same dynamics as in the previous year and grew by about 7% compared to the previous year. However, participation remains relatively low, i.e., about 4.5% of the active population in the state has an individual voluntary account or a professional account in a voluntary pension fund.

During 2025, contributions amounting to about 17.48 billion denars were transferred to mandatory pension funds, which represents about 1.67% of GDP. About 625.06 million denars were paid into voluntary pension funds, i.e., about 0.06% of GDP.

The investment structure of mandatory pension funds on December 31, 2025, does not show significant changes compared to the situation at the end of 2024. The investment portfolio of mandatory pension funds continues to be predominantly oriented toward domestic government securities, which account for 63.74% of total assets. A smaller portion of assets is invested in domestic shares (1.45%), deposits in domestic banks (1.08%), and participation in domestic investment funds (0.51%). Simultaneously, the share of investments abroad is also significant, which compared to the previous year has increased by one percentage point and reaches 30.98%. The largest part of these investments refers to foreign

investment funds (25.46%), while investments in foreign shares (3.36%), foreign government bonds (2.02%), and foreign short-term government securities (0.14%) have a smaller share.

The structure of investments in voluntary pension funds is similar. Domestic government bonds have the largest share of 58.84%, which represents an increase of three percentage points compared to the previous year. A smaller portion of assets is invested in domestic shares (4.04%), deposits in domestic banks (3.21%), and domestic investment funds (1.36%), with a decrease observed in deposits and domestic shares compared to 2024. Investments abroad remain almost unchanged and reach 31.44%, with investments in foreign investment funds (24.24%) having the largest share, while a smaller portion in foreign shares (4.09%), foreign government bonds (2.97%), and foreign short-term government securities (0.14%).

Regarding returns, in 2025 a moderate increase in annual return in nominal value was recorded both in mandatory and voluntary pension funds for the seven-year period 2019–2025. However, the increase in the cost of living continues to have a significant impact on returns in real value. At the second pillar level, the average annual return in the mentioned period was 5.51% in nominal value and 0.16% in real value, while in the third pillar, the average annual return was 5.69% in nominal value and 0.33% in real value.

Pension saving is a long-term investment, and MAPAS will continue to contribute to the continuous strengthening of individual savings through ensuring the management of risks that threaten the assets, pensions, and pension benefits of pension fund members, as well as the reputation of the system, and reducing them to the lowest possible level.

Simultaneously, bearing in mind the intensive technological development and digital transformation of the financial sector, MAPAS will continue to support the processes of modernization and advancement of the services of pension companies, as well as its own digital transformation, with the aim of simplifying and improving the regulatory and supervisory function.

As a regulatory and supervisory institution, MAPAS will continue to act in accordance with its mission and will orient its activities toward the continuous advancement of fully funded pension insurance, following the principles and standards of international supervisory practice, recognized and confirmed by the International Organisation of Pension Supervisors (IOPS).

President of the Council of Experts,
Remzi Bajrami

MAPAS, MISSION AND VISION

The Agency for Supervision of Fully Funded Pension Insurance – MAPAS is a regulatory and supervisory institution established with the aim of taking care of the interests of members and retired members of pension funds and encouraging the development of fully funded pension insurance. It was established in July 2002. It has the capacity of a legal entity with public authorizations, defined by the Law on Mandatory Fully Funded Pension Insurance and the Statute. For its work, it is accountable to the Assembly of the Republic of North Macedonia.

MAPAS is responsible for issuing, withdrawing, and revoking licenses for the establishment of pension companies, licenses for the performance of activities – management of pension funds, and for issuing, withdrawing, and revoking approvals for the management of mandatory and voluntary pension funds. It carries out supervision over the work of pension companies, mandatory and voluntary pension funds, as well as custodians of assets and foreign asset managers. MAPAS also promotes, organizes, and encourages the development of fully funded pension insurance in the RNM, in cooperation with the Ministry of Labor and Social Policy, and develops public awareness about the goals and principles of pension companies and mandatory and voluntary pension funds, about the benefits of membership in a mandatory and/or voluntary pension fund, including the goals, principles, and benefits of participation in a professional pension scheme, about the rights of members of mandatory and voluntary pension funds, and about other issues related to fully funded pension insurance. MAPAS adopts acts in accordance with the laws in the field of fully funded pension insurance, as well as professional instructions, manuals, and similar, related to fully funded pension insurance and encourages the adoption of laws and other acts related to pension companies and the pension funds they manage. Also, MAPAS cooperates with relevant institutions in the RNM and abroad with the aim of ensuring efficient control of fully funded pension insurance in the RNM.

The Agency for Supervision of Fully Funded Pension Insurance is led by the Council of Experts, composed of the president of the Council and four members, as follows:

- Remzi Bajrami – president,
- Pranvera Suma – professionally engaged member,
- Darko Sazdov – professionally engaged member,
- Borçe Bozhinoski – external member,
- Marina Makenaxhieva – external member.

In the session held on May 14, 2025, the Assembly of the Republic of North Macedonia adopted a decision by which Remzi Bajrami was elected president of the Council of Experts. Until his election, the president of the Council of Experts was Maksud Ali. Subsequently, in the session held on December 16, 2025, the Assembly of the Republic of North Macedonia adopted a

decision by which Pranvera Suma was elected a member of the Council of Experts. Previously, a member of the Council of Experts was Mentor Jakupi.

The mission of MAPAS is to protect the interests of members and retired members of pension funds and to encourage the development of fully funded pension insurance, for safer retirement days.

The vision of MAPAS is to be recognized as an independent, professional, and transparent institution that protects and advances fully funded pension insurance.

1. Overview of global conditions and trends in the pension field with an emphasis on fully funded pension insurance

1. Overview of global conditions and trends in the pension field with an emphasis on fully funded pension insurance

Investment performances of pension funds in the long term are more important than short-term gains or losses, as pension funds are long-term investors. Fluctuations in investment results are inevitable during the life of a pension portfolio. Pension funds have realized investment gains in the long term, contributing to the nominal growth of assets intended for retirement. Despite some years with weak or negative investment results, such as 2008, 2011, 2018, and 2022, real returns in the longer term (in the last 10, 15, and 20 years) have been positive in most countries. Relatively high investment gains in 2024 contributed to mitigating the negative results of 2022, although they were not high enough to fully compensate for them in the short term. Real gains in 2024 were not sufficient to compensate for the negative results of the last five years in most OECD member countries (21 out of 33 countries), as well as in more non-OECD countries (14 out of 30), bearing in mind the significant decline in 2022. Environmental, social, and governance factors (ESG factors) are key issues for investment and risk management of pension funds, while their integration into the regulatory frameworks of pension systems worldwide is relatively new. ESG factors develop dynamically and have different impacts and risks depending on the country. Precisely for this reason, during recent years this topic has been discussed widely, and in 2019, IOPS, based on research and analyses, defined supervisory guidelines regarding the integration of ESG factors into investments and risk management of pension funds. The guidelines encourage supervisors to ensure that the explicit integration of social, ethical, and environmental factors into the investment process and the risk management process is in accordance with the fiduciary duty of managers and propose increased transparency and publication of these factors by pension asset managers. These guidelines are non-binding and serve as a guide for pension supervisors. Supervisors can implement them in accordance with the structure of their pension system and regulation. Since 2021, IOPS has also discussed implementation guidelines that help supervisors in IOPS member countries in applying supervisory guidelines regarding the integration of ESG factors. In 2025, IOPS presented these guidelines containing an overview of practices and rules applied by supervisory bodies in the pension sector, as well as in other sectors, which may be useful for the integration of ESG factors into investment processes and risk management in pension funds and pension schemes. A large part of the mentioned examples is in accordance with IOPS guidelines, although some practices differ in the level of strictness and consistency. The purpose of the document is not to set new guidelines, but to provide an overview of existing practices and regulatory solutions with the aim of facilitating the implementation of IOPS guidelines in the field of ESG factors. In 2025, infrastructure investments of pension funds were also discussed. In conditions of long-term liabilities, infrastructure projects are recognized as a suitable asset class due to their relatively stable and predictable cash flow. Most often, these investments are oriented toward sectors such as transport, energy, telecommunications, and municipal infrastructure, which have an important role in economic development. Different investment models are discussed, such as direct investments, investments through private equity funds, and public-private partnerships. Simultaneously, it is emphasized that infrastructure investments, in addition to

the opportunity for diversification and higher returns, carry certain risks, especially in relation to the lack of liquidity, regulatory uncertainty, and complexity of contractual structures. An additional challenge is also the valuation of these assets, which is often based on models and assumptions. Very important is the need for greater transparency and standardization in reporting. The lack of unified definitions and taxonomies for infrastructure investments limits the comparability of data between countries. In this regard, it is recommended to harmonize with international standards and include ESG factors in the investment process, with special emphasis on climate risks and project sustainability. Infrastructure investments

Pension systems in the world develop in various forms, depending on the socio-economic and demographic characteristics of the states, cultural habits of the population, and the level of financial education and readiness for saving for retirement. In modern conditions, policy makers are increasingly oriented toward diversifying income sources in old age through a cooperation of different models of financing and pension calculation. In this regard, publicly financed current systems and private capital-funded systems are considered complementary mechanisms that together contribute to greater stability and security of pension income. These systems offer various solutions for meeting the basic objectives of pension insurance and have different capacities for coping with risks that individuals face during the life cycle, such as longevity risk, inflation, unemployment, or economic crises. For this reason, the main challenge for every state is to establish an appropriate balance between the different components of the pension system so that it is financially sustainable, socially just, and adaptable to demographic and economic changes in the future. To fulfill its basic functions – provision of income and social security in old age – the pension system must simultaneously be fiscally affordable in the short term, sustainable in the medium term, and capable in the long term of ensuring an appropriate level of pension income. Experiences so far show that there is no universal pension system model that can be applied with equal success in all countries. On the contrary, states create different cooperations of mechanisms for financing, calculation, and payment of pensions, in accordance with their economic, institutional, and social specifics. In contemporary practice, most pension systems are organized as multi-pillar systems, with the aim of distributing and reducing different types of risks. Usually, this structure includes three basic pillars: first pillar – mandatory state pension insurance based on current financing, second pillar – mandatory fully funded pension insurance, and third pillar – private voluntary pension insurance. This structure enables the cooperation of social security offered by the state with the benefits of long-term saving and investment of assets in financial markets. In recent decades, especially in conditions of accelerated population aging, declining birth rates, and changing labor market dynamics, many countries are implementing reforms oriented toward strengthening the sustainability of pension systems. These reforms aim to ensure greater financial stability of the systems, but also an appropriate level of income for future pensioners, adapted to modern economic and demographic challenges.

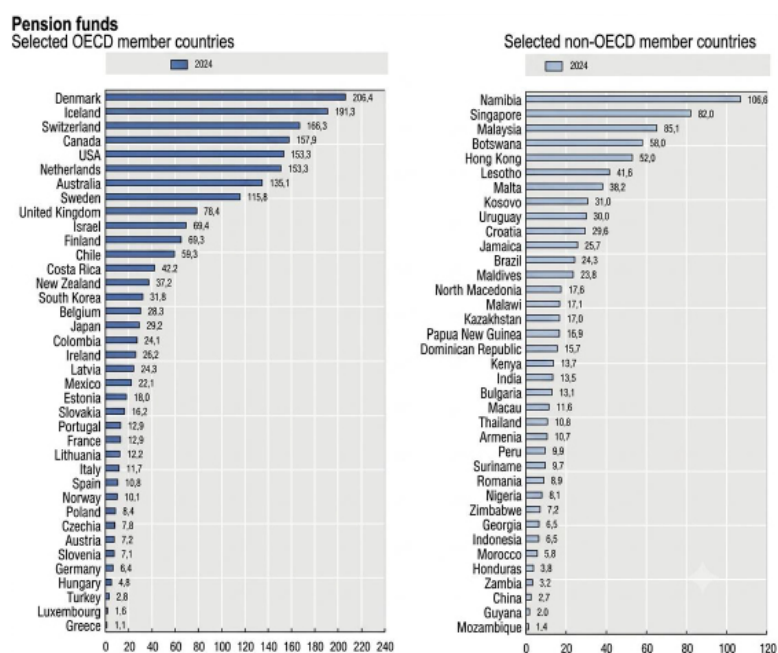
According to analyses of the main pension reforms implemented or adopted in the period from 1995 to the end of 2025, in systems based on generational solidarity (pay-as-you-go), many countries have taken measures oriented toward improving the financial and fiscal sustainability of pension systems. In recent decades, reform processes have focused primarily on adapting the parameters of pension systems to demographic and economic changes. One

of the most used measures is increasing contribution rates in generational solidarity systems, which has been implemented in about 89 countries (among which recent examples are South Korea, Kazakhstan, and Rwanda). In addition, a significant number of states are oriented toward the gradual increase of the retirement age, as a response to the increase in life expectancy and population aging. Such reforms have been introduced in 68 countries (among which China, Denmark, and the Czech Republic). Also, in many countries, changes have been implemented in pension calculation formulas, as well as in indexing, with the aim of limiting long-term fiscal costs and improving the sustainability of the systems. Such measures have been taken in 70 countries (among which Cuba, the United Arab Emirates, and the Czech Republic). At the same time, many states are implementing policies to encourage longer stay in the labor market, which is expected to have a positive impact on the level of future pensions. In addition to parametric reforms, increasing attention is paid to expanding population coverage in pension systems, as well as encouraging regular payment of contributions. In the direction of ensuring adequate income after retirement, the role of fully funded and private pension insurance is also significantly strengthened. This is realized through the creation of new private pension funds, as well as through reforms and measures oriented toward improving their operation, transparency, and efficiency.

The main indicators that reflect the importance of pension systems are population coverage and the level of pension assets in pension systems. After the decline observed in 2022, assets in pension funds recorded growth again in 2023, while the growth trend continued in 2024, where the average growth in OECD member countries was 7.1%. At the end of 2024, assets in pension systems reached a record level of 69.8 trillion USD in OECD member countries, while in non-OECD countries they reached 2.9 trillion USD. The growth of pension assets in 2024 represents a broad trend in almost all analyzed countries. Among OECD countries, the highest growth was recorded in Turkey, the Baltic states, and Greece, where growth exceeded 20% in nominal value in the local currency. Growth above 20% in 2024 was also recorded in almost one-third of non-OECD countries.

Comparing the size of private pension assets in relation to the economy, expressed through GDP, provides a better overview of the relative importance of the private pension segment in a country. The participation of pension assets in GDP in 2024 in most selected countries is presented in Chart 1.1. The size of private pension system assets varies from country to country, which is related to the different start of system creation, whether participation in the pension plan is mandatory or voluntary, and investment results. Countries with the highest level of assets are usually those with mandatory pension funds or plans. For example, in Iceland and Switzerland, where employers are obliged to offer professional pension plans for their employees, pension plans own assets worth 191% and 167% of GDP. In Denmark and the Netherlands, where employers are obliged to participate in pension plans according to agreements at the industry or sector level, the level of assets is also high in relation to GDP. Countries with voluntary or newer pension plans have lower levels of assets, with some significant exceptions such as the USA. In the USA, where savings for retirement have developed for decades, pension assets make up more than 70% of all pension assets in OECD member countries. In other countries with voluntary or recently introduced plans, such as Greece, Hungary, and Turkey, pension assets are still limited.

Chart 1.1. Total pension assets, by country, 2024 (in % of GDP)

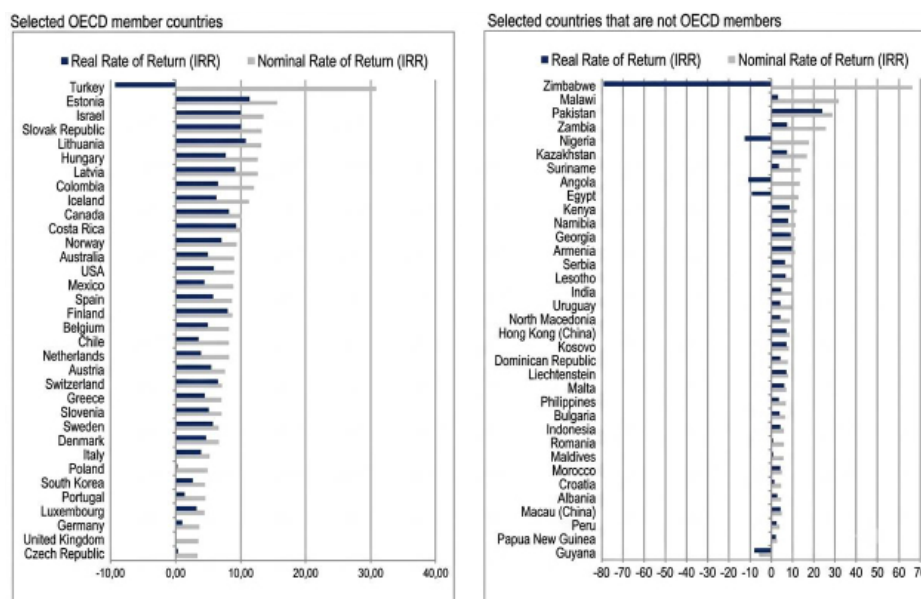


The increase in the value of pension assets in 2024 is mainly attributed to positive nominal rates of return from investments. For the second year in a row, pension funds recorded investment gains, where positive nominal rates of return were realized in almost all analyzed countries. The average nominal rate of return was 9.1% for pension funds in OECD member countries and 11.7% for pension funds in non-OECD countries. Returns in most cases were above their long-term average.

Pension funds with greater exposure to investments in shares realized relatively good investment gains in 2024, driven by positive movements in global capital markets. Global stock markets recorded positive returns, supported by economic growth that exceeded expectations, as well as the good results of large technology companies listed in the USA. The MSCI world index in 2024 grew by nearly 20%. The value of stock market indices increased in most stock exchanges in OECD member countries, where among the best results were recorded in some of the largest markets (for example: 23.8% for the S&P 500 index in the USA, 19.2% for Nikkei-225 in Japan, and 18.8% for DAX in Germany). Pension funds at the end of 2024 held a larger share of shares compared to the previous year, as a result of the increase in the value of shares in their portfolios or due to active reallocation of assets toward investments in shares.

The nominal rates of return of pension funds in most analyzed countries exceeded inflation, although the average for non-OECD countries (1.2%) was lower compared to OECD member countries (5%), due to higher inflation rates. Pension funds failed to realize positive real returns in only 7 out of a total of 69 countries, despite positive nominal rates of return, which were not sufficient to compensate for high inflation (for example: Angola, Nigeria, Turkey, and Zimbabwe). In Chart 1.2, the nominal and real investment rates of return of pension assets in December 2023 – December 2024 are presented, in selected OECD member countries and selected non-OECD countries.

Chart 1.2. Nominal and Real Investment Rate of Return (IRR) of pension assets, December 2023 – December 2024, in %



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In November 2025, the IOPS guidelines for supervisory assessment of pension funds were revised. They constitute an updated and expanded framework for supervisory assessment of pension funds, with the aim of improving the quality of supervision and strengthening the stability of pension systems. The document emphasizes the key role of supervisors in ensuring the safety of members' assets, the sustainability of pension schemes, and maintaining trust in the pension sector. In conditions of increased market volatility, demographic pressures, and increasingly complex investment strategies, the need for efficient risk-based supervision becomes particularly important. The guidelines establish a systematic approach to supervisory assessment, which includes regular monitoring and detailed checks. Regular monitoring means continuous collection and analysis of financial, investment, and actuarial data, with the aim of timely identification of potential risks. Checks enable deeper assessment of the organizational structure, governance systems, internal control, and risk management processes. Special attention is paid to the assessment of management boards and their ability to make informed and responsible decisions in the interest of members. Key is the implementation of the risk-based approach, where supervisory resources are oriented toward entities and areas with the highest potential for risk. The guidelines identify several categories of risk, including investment, credit, liquidity, operational, and IT risk, as well as risks related to external service

providers. Also, the need for integration of climate and ESG risks into supervisory analysis is emphasized, bearing in mind their increasing importance. Also, the role of digitalization and analytical tools in modern supervision is emphasized. The use of advanced systems for processing and data analysis enables more efficient monitoring of trends and faster reaction to potential market shocks. With these revised guidelines, a modern and flexible framework for supervision is established, oriented toward proactive, proportional, and transparent supervision, with the aim of ensuring the long-term stability and sustainability of pension funds.

2. Structure of fully funded pension insurance in the Republic of North Macedonia

2.1. Description of the pension system

The Macedonian pension system is a combined system of public, pay-as-you-go funded and private, fully funded pension insurance. Fully funded pension insurance is based on the principle of capitalization of contributions paid in the name and for the account of the member. A characteristic of this insurance is that its assets are privately and competitively managed by pension companies. Important features of fully funded pension insurance are the right to personal choice, the right to transfer assets, and the provision of a high degree of transparency. In RNM, in 2025, there are four pension companies, three of which manage one mandatory and one voluntary pension fund each, and one pension company that manages one voluntary pension fund.

The Macedonian pension system is part of the social insurance of the Republic of North Macedonia (RNM) and has the following structure:

- Insurance based on generational solidarity (the so-called first pillar),
- Mandatory fully funded pension insurance (the so-called second pillar),
- Voluntary fully funded pension insurance (the so-called third pillar).

This structure is the result of a deep pension system reform, which was prepared over several years, while its legal framework was established in 2000. There are four laws and a number of bylaws that regulate the pension system in the RNM. They are: Law on Pension and Disability Insurance, Law on Mandatory Fully Funded Pension Insurance, Law on Voluntary Fully Funded Pension Insurance, Law on Payment of Pensions and Pension Benefits from Fully Funded Pension Insurance, as well as a number of bylaws that further regulate this field.

The pension system in the RNM has a long history of existence, broad coverage of the workforce, and pension insurance for insured persons. However, the socio-economic changes in the RNM in the early 90s affected the pension system, which faced financial difficulties in its operation. They were caused by unfavorable movements in the economy that affected the reduction in the number of active insured persons and the reduction in the collection of contributions, on the one hand, and the increase in the number of pensioners, on the other. Expenses for pensions recorded continuous growth.

Another factor with a strong influence on the pension system is the demographic factor. Namely, population aging, which is a global trend, means that people live longer and longer due to better living conditions and better health services, while simultaneously the number of births, i.e., of young people, decreases. As a result of this factor, the participation of older persons in the total population is getting larger.

These demographic movements in the pension system cause an increase in the number of pensioners and longer use of the pension, as well as a decrease in the number of insured persons. For a system with continuous financing, the ratio between insured persons and pensioners is very important, because with the contributions of current insured persons, the pensions of current pensioners are paid. Actuarial projections, made during the preparation of the pension system reform, showed that these factors can have a large negative impact on the solvency of the NORM PIF in the long term, i.e., without reforms, the

system would operate with a pronounced deficit that would grow quickly and significantly.

With the aim of coping with these expected conditions, a deep reform of pension and disability insurance was realized in our country, with which a three-pillar pension system was established, with a cooverned way of financing future pensions and with diversification of demographic and economic risks, with the aim of ensuring a safe pension for current and future generations of pensioners and long-term financial stability of the pension system.

The first pillar is financed on a continuous basis (PAYG), which means that with the contributions of current insured persons, the pensions of current pensioners are paid. This pillar functions on the principle of defined pensions, i.e., through it, pensions are provided according to a predetermined formula for pension calculation. From the first pillar, a part of the old-age pension, disability pension, family pension, as well as the lowest pension amount is paid.

The second and third pillars represent fully funded pension insurance, in which capitalization of contributions paid in the name and for the account of the member is done. These two pillars function on the principle of defined contributions, i.e., in them the level of contribution that is paid is predetermined, while the pension is determined later, depending on the accumulated amount. From the second pillar, a part of the old-age pension is paid. From the third pillar, financial protection/compensation is provided during old age, disability, and in case of death of the insured person.

With the establishment of the multi-pillar pension system as a cooverned system of public insurance with continuous financing and private insurance with fully funded capital in the RNM, long-term stability of the system and security in realizing rights from pension and disability insurance are expected to be ensured, through long-term benefits for individuals participating in the pension system, for the pension system itself, as well as additional effects on the economy. From the aspect of individuals, more security is ensured in realizing the pension that is financed from more sources, by distributing risks. Simultaneously, with the reform, transparency and better information for pension fund members are achieved. The reform should lead to a solvent pension system, as well as an increase in savings and encouragement of population investments and economic growth.

2.2 Role of fully funded pension insurance in the pension system

Fully funded pension insurance differs fundamentally from current-financed pension insurance both in terms of treatment and evidence of paid contributions, and in terms of determining and paying the pension. In this insurance, every member has an individual account in which their assets are recorded and a close link and dependence is ensured between the volume of paid contributions and the future pensions that each person will realize. This way of insurance is based on the principle of accumulation of assets from contributions in individual accounts, which are further invested, and the return realized from investments, reduced for the operating expenses of the system, is fully added to the assets accumulated in individual accounts. The future pension depends on the assets accumulated in the individual account and on the expected life expectancy at the moment of retirement, respectively the expected period of pension use. It is important to emphasize that this pension saving is a long-term saving, during which a gradual but continuous increase in savings occurs, due to which, at the beginning, while the insured person is young, savings are small, but in the future, when the insured person reaches retirement age, savings become significantly larger.

Characteristic of this insurance is that the assets in it are managed in a private and competitive manner, so the paid contributions are invested by licensed and specialized pension companies that manage pension funds. In this way, it is ensured that economic goals determine the investment strategy, creating opportunities for maximizing the total return in the interest of members. Diversification of investment risks (including international diversification) is one of the most important characteristics of this system.

Furthermore, important features of fully funded pension insurance are the right to personal choice and the initiative of the individual person. All employees, before January 1, 2003, were given the opportunity to decide whether they would participate in the second pillar of the pension system and to choose in which mandatory pension fund they wish to become a member, while all persons newly employed after January 1, 2003, had the opportunity to choose a mandatory pension fund according to their personal choice. Also, with the amendments to the Law on Mandatory Fully Funded Pension Insurance from December 2018, members of mandatory pension funds who voluntarily participated in the second pillar (employed for the first time before 1.1.2003) and who were born before 1.1.1967, were given the opportunity to choose to terminate or continue membership in the second pension pillar. All persons newly employed after January 1, 2019, who on the date of access to mandatory pension and disability insurance are younger than 40 years, have the opportunity to choose a mandatory pension fund according to their personal choice. Then, membership in voluntary pension funds is according to the personal choice of the individual person or through participation in a professional pension scheme, financed by the employer or by some citizens' association.

Portability of assets is also an important right in a fully funded pension insurance system. All members of a mandatory or voluntary pension fund have the right to transfer from one fund to another,

with which their saved assets are also transferred. Even in case of participation in a professional pension scheme, the person has the right, during the transition to another insurer, to transfer the saved assets either to another professional pension scheme or to an individual voluntary account.

Fully funded pension insurance offers a high degree of transparency, which represents one of its most important characteristics and a useful innovation in the pension system. Companies have a legal obligation that, at least once a year, they inform members and retired members of the pension fund in written form about the state of the assets in their individual accounts, by delivering the so-called “green envelope,” with the report on pension saving. The green envelope also contains data on the investment of the pension fund, on the calculated commissions, and on the realized return of the pension fund.

2.3 Institutions in fully funded pension insurance

The institutions that participate in the three-pillar pension system are:

- Ministry of Social Policy, Demography and Youth – competent for the creation and leadership of the policy of pension and disability insurance and for carrying out supervision in the implementation of the legality of this insurance.
- MAPAS – Agency for Supervision of Fully Funded Pension Insurance – regulatory and supervisory institution in fully funded pension insurance. MAPAS calculates a commission from pension companies, which is calculated as a percentage of contributions paid into pension funds. For the period from 1.1.2025 to 30.11.2025, this percentage was 0.7%. For the period from 1.12.2025 to 31.12.2025, this percentage was 0.6%
- Pension company – joint-stock company, established by financial institutions with large capital and experience, whose sole activity is the management of pension fund assets. In the reformed pension system, there is a possibility for the establishment of three types of companies:
 - Company for management of mandatory pension funds,
 - Company for management of voluntary pension funds,
 - Company for management of mandatory and voluntary pension funds.
- Pension fund asset custodian – safely keeps the assets of the pension fund in a separate account, separated from the company's assets.
- PRO – Public Revenue Office – performs centralized collection of contributions and sends the total contributions for pension and disability insurance to the NORM PIF – Pension and Disability Insurance Fund of North Macedonia
- NORM PIF – Pension and Disability Insurance Fund of North Macedonia – makes the distribution of contributions for pension insurance between the first and second pillar and makes the transfer of contributions and relevant data for members, to the mandatory pension funds chosen from the second pillar. Every company that manages a mandatory pension fund has the obligation to pay a monthly commission to the NORM PIF – Pension and Disability Insurance Fund of North Macedonia in the amount of 0.1% of every contribution paid in the previous month into the mandatory pension fund it manages.

The pension company is a joint-stock company that is established and works in accordance with the Law on Trade Companies and the Law on Mandatory Fully Funded Pension Insurance, or the Law on Voluntary Fully Funded Pension Insurance. The pension company is established based on a license from MAPAS – Agency for Supervision of Fully Funded Pension Insurance and manages a pension fund based on an approval for pension fund management. A company for

management of mandatory pension funds is established and manages only mandatory pension funds, a company for management of voluntary pension funds is established and manages only voluntary pension funds, while a company for management of mandatory and voluntary pension funds is established and manages mandatory pension funds and voluntary pension funds. The company for management of mandatory and voluntary pension funds must have a minimum share capital in the amount of at least 1.8 million euros in denar countervalue according to the middle exchange rate of the NBRNM – National Bank of the Republic of North Macedonia, the company for management of mandatory pension funds must have a share capital of at least 1.5 million euros, and the company for management of voluntary pension funds must have a share capital of at least 0.5 million euros. In case of an increase in the assets of the mandatory and/or voluntary pension fund managed by the pension company, the company is obliged to increase the capital in accordance with legal provisions. The sole activity of the pension company is the management of pension funds, their representation before third parties, and activities that directly tove from the performance of work for pension fund management. The fundamental responsibilities and activities of the pension company are: membership, asset management, risk management and control mechanisms for risk mitigation, administration and keeping records, respect for legal and bylaws, regular reporting to members, the public, and MAPAS – Agency for Supervision of Fully Funded Pension Insurance, payment of scheduled withdrawals of retired members, etc. The pension company works in accordance with the rules for good corporate management of the company and has a fiduciary duty to work only for the benefit of the interests of the members and retired members of the pension fund it manages, which it must implement with the application of high standards of ethics and integrity and without conflict of interest. For the performance of these functions, pension companies, in accordance with the law, calculate three types of commissions. (More details about commissions are in chapters 5.7 and 6.7.)

A pension fund (mandatory or voluntary) represents an open investment fund, which is established and works in accordance with the Law on Investment Funds, unless it is regulated otherwise by the Law on Mandatory Fully Funded Pension Insurance or the Law on Voluntary Fully Funded Pension Insurance. The mandatory pension fund is composed of contributions and members' assets, assets of retired members, and returns from invested contributions and assets, reduced for the commissions calculated by the mandatory pension fund. The voluntary pension fund is composed of voluntary contributions, paid in the name and for the account of members, members' assets, assets of retired members, and returns from invested contributions and assets, reduced for the commissions calculated by the voluntary pension fund. The owners of the pension fund are its members and retired members, while their individual property rights are determined by the value of assets in their accounts. Pension fund assets cannot be the subject of claims, nor can enforcement be applied to those assets by, or in the name of, creditors of the pension company that manages that pension fund.

In 2005, MAPAS – Agency for Supervision of Fully Funded Pension Insurance, through an international public tender, issued two licenses for the establishment of companies, with which two companies for pension fund management were established, while in 2009, MAPAS – Agency for Supervision of Fully Funded Pension Insurance issued licenses for the performance of the activity – management of a voluntary pension fund and approvals for management of a voluntary pension fund to the two existing companies for management of mandatory pension funds. During 2017 and the first half of 2018, the process of selling the Joint-Stock Company for

Management of Mandatory and Voluntary Pension Funds “NLB Nov Penziski fond” Skopje was implemented, respectively, the transfer of 100% of the issued shares of NLB Nov penziski fond JSC Skopje to Pozavarovalnica Sava d.d Ljubljana, Republic of Slovenia, was carried out. In June 2018, MAPAS – Agency for Supervision of Fully Funded Pension Insurance gave approval for changing the name of the company Joint-Stock Company for Management of Mandatory and Voluntary Pension Funds “NLB Nov penziski fond” Skopje to SAVA – Company for Management of Mandatory and Voluntary Pension Funds Sava Pension Company JSC Skopje, gave approval for changing the name of the pension fund Open Mandatory Pension Fund – “NLB Penziski fond” Skopje to SAVAm – Sava Pension Fund Open Mandatory Pension Fund and gave approval for changing the name of the pension fund Open Voluntary Pension Fund – “NLB Penzija plus” Skopje to SAVVPF – Sava Pension Plus Open Voluntary Pension Fund. In 2019, the third pension company was established. Namely, at the end of March 2019, MAPAS – Agency for Supervision of Fully Funded Pension Insurance issued a license for the establishment of a company for management of mandatory and voluntary pension funds to Zavarovalnica Triglav DD Ljubljana, Republic of Slovenia, and approval for management of a mandatory pension fund and approval for management of a voluntary pension fund. Then, in 2022, the fourth pension company was established. At the end of May 2022, MAPAS – Agency for Supervision of Fully Funded Pension Insurance issued a license for the establishment of a company for management of voluntary pension funds to the Company for Management of Open and Closed Investment Funds VFP FUND MANAGEMENT JSC SKOPJE and approval for management of a voluntary pension fund.

Concluding with 31.12.2025, in the RNM – Republic of North Macedonia, there are three pension companies that manage one mandatory pension fund each and one voluntary pension fund each, and one pension company that manages only a voluntary pension fund as shown in table 2.1.

Table 2.1 Pension companies and pension funds in the RNM

Company for the Administration of Mandatory and Voluntary Pension Funds Sava Pension Company AD Skopje	KB first company for the Administration of Mandatory and Voluntary Pension Funds AD Skopje	Company for the Administration of Mandatory and Voluntary Pension Funds TRIGLAV AD Skopje	Company for the Administration of Mandatory and Voluntary Pension Funds VFP Pension Company AD Skopje
which administers with:	which administers with:	which administers with:	which administers with:
<ul style="list-style-type: none"> • Mandatory open pension fund Sava Pension Fund • Voluntary open pension fund Sava Pension Plus 	<ul style="list-style-type: none"> • BK First Pension Company Open Mandatory Pension Fund – Skopje • BK First Pension Company Open Voluntary Pension Fund – Skopje 	<ul style="list-style-type: none"> • Triglav Open Mandatory Pension Fund – Skopje • Triglav Open Voluntary Pension Fund – Skopje 	<ul style="list-style-type: none"> * Voluntary Open Pension Fund VFP – Skopje
Custodian of Pension Funds: NLB Bank AD Skopje	Custodian of pension fund assets: Sparkasse Banka SHA Skopje	Custodian of pension fund assets: Komercijalna banka AD Skopje	Custodian of pension fund assets: Komercijalna banka AD Skopje
Shareholder: <ul style="list-style-type: none"> - Pozavarovalnica Sava d.d. Ljubljana, Republic of Slovenia - 100% share in the company's share capital. 	Shareholders: <ul style="list-style-type: none"> - Skupina Prva zavarovalinski holding DD Ljubljana, Republic of Slovenia - 51% share in the company's share capital. - Komercijalna banka AD Skopje, RMV – Republic of North Macedonia - 49% share in the company's share capital. 	Shareholder: <ul style="list-style-type: none"> - Zavarovalnica Triglav DD Ljubljana, Republic of Slovenia - 100% share in the company's share capital. 	Shareholder: <ul style="list-style-type: none"> The Company for the Management of Open Ended and Closed Investment Funds VFP FUND MANAGEMENT SHA SKOPJE, RMV – Republic of North Macedonia – 100% participation in the share capital of the company.
Authorized capital: 2,120 million euros.	Authorized capital: 1,800 million euros.	Authorized capital: 7,356 million euros.	Authorized capital: 0.890 million euros.

One of the pension companies has a cooervation of domestic (49% participation) and foreign (51% participation) shareholders, two pension companies have a single foreign shareholder (100% participation), and one pension company has a single domestic shareholder (100% participation). The shareholders of the four pension companies are listed in table 2.1.

Pension fund assets are fully separated from the assets of the company that manages that fund and are kept at a pension fund asset custodian bank. This separation of assets is of extraordinary importance with the aim of achieving a high degree of safety of assets and additional control of transactions with pension fund assets. The function – asset custodian, both for mandatory and voluntary pension funds, is performed by commercial banks that meet the legal conditions and with which the company has concluded contracts for the custody of pension fund assets. The four pension companies have chosen an asset custodian for every pension fund they manage, as shown in table 2.1. For their function of safeguarding pension fund assets, asset custodians calculate a commission from pension companies. Commissions are calculated as a percentage of pension fund assets, in accordance with the concluded contracts for the custody of pension fund assets. In table 2.2, an overview of the commissions that asset custodians calculate from pension companies in 2025 is given.

Table 2.2. Commissions calculated by asset custodians from pension companies for the custody of pension fund assets

For mandatory pension funds	Value (annually)	For the value of assets (in million euros)	Implementation date
Sparkasse Banka SHA Skopje as custodian of the assets of BKPz		0,022%	3 Oct. 2024 .
		0,020%	3 Oct. 2025
NLB Banka SHA Skopje as custodian of SAVA's assets	0,058%	To 100	4 Apr. 2019
	0,055%	over 100 to 200	
	0,050%	over 200 to 300	
	0,048%	over 300 to 400	
	0,040%	over 400 to 500	
	0,037%	over 500 to 600	
	0,035%	over 600 to 700	
	0,032%	over 700 to 800	
	0,029%	over 800 to 900	
	0,025%	over 900 to 1000	
	0,024%	over 1000	
Комерцијална банка АД Скопје како чувар на имот на ТРИГЛАВЗ	0,050%	to 50	1 Apr. 2019 .
	0,041%	over 50 to 100	
	0,038%	over 100 to 200	
	0,035%	over 200 to 300	
	0,033%	over 300 to 400	
	0,028%	over 400 to 500	
	0,026%	over 500 to 600	
	0,025%	over 600 to 700	
	0,023%	over 700 to 800	
	0,020%	over 800 to 900	
	0,018%	over 900 to 1000	
	0,017%	over 1000	
For voluntary pension funds	Value (annually)	For the value of assets (in million euros)	Implementation date
Sparkasse Banka AD Skopje as custodian of the assets of the BKPd	0,060%	to 50	3 Oct. 2023 to 2 Oct. 2028 .
	0,048%	over 50	
NLB Banka SHA Skopje as custodian of SAVA's assets		0,060%	From 27 Nov. 2024
Commercial Bank AD Skopje as custodian of Triglavd's assets	0,050%	to 50	1 Apr. 2019 .
	0,041%	over 50 to 100	
	0,038%	over 100 to 200	
	0,035%	over 200 to 300	
	0,033%	over 300 to 400	
	0,028%	over 400 to 500	
	0,026%	over 500 to 600	
	0,025%	over 600 to 700	
	0,023%	over 700 to 800	
	0,020%	over 800 to 900	
	0,018%	over 900 to 1000	
	0,017%	over 1000	
Commercial Bank AD Skopje as custodian of the assets of VFPd	0,050%	to 50	8 Nov. 2023
	0,041%	over 50 to 100	
	0,038%	over 100 to 200	
	0,035%	over 200 to 300	
	0,033%	over 300 to 400	
	0,028%	over 400 to 500	
	0,026%	over 500 to 600	
	0,025%	over 600 to 700	
	0,023%	over 700 to 800	
	0,020%	over 800 to 900	
	0,018%	over 900 to 1000	
	0,017%	over 1000	

3. Amendments and supplements to legal and bylaws, which regulate fully funded pension insurance

In order to advance and specify or simplify certain procedures in 2025, amendments were adopted to the rulebooks which regulate the areas of valuation of pension fund assets, investment of pension fund assets, and marketing of pension funds.

In doing so, the use of published prices for valuation of participation units in domestic open-end investment funds is specified, general principles are established according to which the company should be guided when assessing the suitability of instruments for investment, thereby allowing greater flexibility to the pension company when making investment decisions, and the manner of publishing returns in real and/or nominal amount is specified and the display of data related to investments in classes of instruments is simplified.

During 2025, the MAPAS Council of Experts brought five regulations, respectively amendments to regulations, which refer to mandatory and/or voluntary fully funded pension insurance, namely:

1. Regulation on amending the Regulation on the valuation of assets of mandatory and voluntary pension funds ("Official Gazette of the RNM" no. 51/2025);
2. Regulation on the investment of pension fund assets ("Official Gazette of the RNM" no. 142/2025);
3. Regulation on amending and supplementing the Regulation on the manner and procedure of marketing of pension funds ("Official Gazette of the RNM" no. 142/2025);
4. Regulation on amending and supplementing the regulation on the form and content of financial reports of the pension company ("Official Gazette of the RNM" no. 196/2025) and
5. Regulation on closer conditions for the establishment of pension companies ("Official Gazette of the RNM" no. 196/2025).

The amendments to the regulations were carried out due to the specification of certain procedures.

With the amendment to the Regulation on the valuation of assets of mandatory and voluntary pension funds, with the specification of the use of announced prices for the valuation of shares in domestic open investment funds, the valuation process is facilitated and greater precision and consistency is ensured during the determination of the value of shares of open investment funds.

With the new Regulation on the investment of pension fund assets, the merger of the Regulation on the investment of assets of mandatory pension funds and the Regulation on the investment of assets of voluntary pension funds into a single regulation was carried out. Due to the large number of identical and similar provisions, the need for their merger into a single regulatory framework was imposed, where differences provided by law have been maintained, where necessary. Simultaneously, with the new regulation, a new approach is introduced in defining the conditions for the quality of financial instruments and secondary regulated capital markets in which pension fund assets can be invested. Instead of strict enumeration of technical criteria, general principles are established according to which the company must be guided during the assessment of the suitability of instruments for investment. In this way, greater flexibility of the pension company is enabled during decision-making for investment, but within clearly established legal limits. With the amendment to the Regulation on the manner and procedure of marketing of pension funds, the specification and simplification of existing provisions were carried out with the aim of improving transparency and facilitating practical implementation. Obsolete provisions have been

deleted, such as the obligation for a notice board, which proved to be impractical in the era of developed technology and digital communication. The manner of publishing the return in real and/or nominal value is specified, with the aim of ensuring clear and understandable information for members. With the amendment, written interviews with company representatives are excluded from the obligation to contain information for the Agency, just as audio materials have already been excluded. The presentation of data in the table is completely simplified, when all investments in a class are smaller (under 1%). Instead of being listed individually, they are grouped in the "total" item for that class. With this, the presentation of non-essential data in the table is avoided and a simpler and clearer presentation for members is enabled.

With the amendment to the Regulation on the form and content of financial reports of the pension company, harmonization with International Financial Reporting Standard 15 was carried out. This harmonization is in accordance with Article 88 paragraph (1) of the Law on Mandatory Fully Funded Pension Insurance and Article 129 paragraph (1) of the Law on Voluntary Fully Funded Pension Insurance, according to which the accounting of the company and pension funds is conducted in accordance with the laws and international accounting standards.

With the new Regulation on closer conditions for the establishment of pension companies, the closer conditions for the establishment of pension companies are regulated, where provisions that are already regulated by law are deleted. Due to the large number of changes and the need for simplification and clear definition of the remaining conditions, the new text kept only the provisions that are not described in detail by law. In this way, a clear structure of the regulation and easier implementation of it is ensured.

4. Data on the financial work of pension companies

Sava pension company a.d. Skopje and KB First pension company AD Skopje also achieved a positive financial result in 2025. Both pension companies ended 2025 with a net profit and achieved total comprehensive profit, namely, Sava pension company a.d. Skopje in the amount of around 201 million denars and KB First pension company AD Skopje in the amount of around 255 million denars. TRIGLAV PENSION COMPANY AD Skopje recorded a negative financial result in the seventh year of its operations as well. The pension funds managed by this company have a relatively small number of members and the assets are of smaller volume, which affects the lower amount of revenues on the one hand, while on the other hand there are significant costs for managing the company and the funds. VFP PENSION COMPANY AD SKOPJE also recorded a negative financial result in the fourth year of its operations. Such a result is common and expected for the initial years of operation of a pension company.

Pension companies prepare financial reports for their financial work, in accordance with the Law on Trade Companies, the Regulation on the form and content of financial reports of pension companies, and the Regulation on bookkeeping and applicable international accounting standards. The data, on the basis of which the analyses in this chapter were made, are from the unaudited annual financial reports of the four pension companies, ending on 31.12.2025.

4.1. Income and expenses of pension companies for the year 2025

For the performance of their sole activity – administration of pension fund assets, pension companies are financed through commissions determined by law, respectively they calculate a commission from contributions, a commission from pension fund assets, and a transfer commission. Also, pension companies have financial income as a result of the investment of free monetary assets in deposits and securities, which are permitted in accordance with the Law on Fully Funded Voluntary Pension Insurance. The income of the four pension companies for the year 2025 is given in table 4.1.

Table 4.1. Pension company revenues for the year 2025

(in denars)

Base	SAVA		KB first pension company		TRIGLAV		VFP	
Revenues from the administration of the mandatory pension fund								
Commission from contributions	124.832.299	26,51%	136.354.991	26,40%	36.017.056	35,32%		
Commission from funds	270.086.902	57,35%	303.723.308	58,81%	52.555.601	51,53%		
Commission from the passage	5.567	0,00%	2.778	0,00%	17.622	0,02%		
Total revenues from the administration of the mandatory pension fund	394.924.768	83,85%	440.081.077	85,22%	88.590.279	86,87%		
Revenues from the administration of the voluntary pension fund								
Commission from contributions	6.444.619	1,37%	6.990.384	1,35%	168.614	0,17%	933.471	23,02%
Commission from funds	20.089.854	4,27%	19.364.874	3,75%	217.784	0,21%	1.924.150	47,44%
Commission from the passage	0	0,00%	720	0,00%	0	0,00%	0	0,00%
Total revenues from the administration of the voluntary pension fund	26.534.473	5,63%	26.355.978	5,10%	386.398	0,38%	2.857.621	70,46%
Financial income	45.256.037	9,61%	49.555.771	9,60%	9.717.910	9,53%	1.197.994	29,54%
Other company income	4.246.971	0,90%	436.838	0,08%	3.287.976	3,22%	0	0,00%
Total income	470.962.249	100,00%	516.429.664	100,00%	101.982.563	100,00%	4.055.615	100,00%

During the performance of their sole activity, pension companies have expenses, in general, for the administration of pension fund assets, for the valuation of assets, enrollment, maintenance of members' accounts, and for member reporting, as well as for the payment of commissions to MAPAS, to the Fully Funded Pension Insurance Fund, to the custodian of assets, and for covering expenses related to the work of pension companies. The expenses of pension companies are divided into three groups: expenses for the administration of the mandatory pension fund, expenses for the administration of the voluntary pension fund, and expenses from the administration of the company. The expenses of the four pension companies, in 2025, are shown in table 4.2.

Table 4.2. Expenses of pension companies for the year 2025

(in denars)

Base	SAVA		KB first pension company		TRIGLAV		VFP	
Expenses from the administration of the mandatory pension fund								
Expenses for company agents	757.148	0,30%	2.698.930	1,16%	13.171.701	12,86%		
Marketing expenses	19.458.112	7,69%	13.373.680	5,75%	4.852.966	4,74%		
Transaction costs	27.130	0,01%	0	0,00%	0	0,00%		
Expenses for MAPAS	50.656.575	20,03%	55.325.857	23,80%	14.503.499	14,16%		
Expenses for property guardians	18.043.296	7,13%	18.125.524	7,80%	5.124.461	5,00%		
Expenditures for the SPIMV fund	6.513.319	2,58%	8.018.440	3,45%	1.856.143	1,81%		
Other expenses for fund administration	1.359.082	0,54%	1.232.634	0,53%	1.265.500	1,24%		
Total expenses from the administration of the mandatory pension fund	96.814.662	38,28%	98.775.065	42,50%	40.774.270	39,80%		
Expenses from the administration of the voluntary pension fund								
Expenses for company agents	1.001.938	0,40%	2.721.393	1,17%	11.228	0,01%	424.566	3,38%
Marketing expenses	1.079.465	0,43%	907.337	0,39%	34.340	0,03%	163.698	1,30%
Transaction costs	27.130	0,01%	0	0,00%	0	0,00%	0	0,00%
Expenses for MAPAS	1.922.268	0,76%	2.025.243	0,87%	93.610	0,09%	253.770	2,02%
Expenses for property guardians	1.342.641	0,53%	1.291.651	0,56%	12.173	0,01%	107.892	0,86%
Other expenses for fund administration	89.891	0,04%	378.596	0,16%	20.000	0,02%	300.000	2,39%
Total expenses from the administration of the voluntary pension fund	5.463.333	2,16%	7.324.220	3,15%	171.351	0,17%	1.249.926	9,94%
Administration expenses with pension companies								
Employee salaries and contributions	86.322.337	34,13%	68.009.288	29,26%	34.953.271	34,12%	6.051.865	48,14%
Expenses for services	18.467.653	7,30%	13.230.683	5,69%	12.366.919	12,07%	2.651.661	21,09%
Expenses for raw materials and other materials	2.014.785	0,80%	1.749.432	0,75%	1.183.213	1,16%	12.980	0,10%
Depreciation	16.190.535	6,40%	5.828.495	2,51%	5.766.160	5,63%	1.327.867	10,56%
Financial expenses	9.512.645	3,76%	17.302.048	7,44%	132.104	0,13%	205.768	1,64%
Other work expenses	17.600.352	6,96%	19.933.527	8,58%	7.616.736	7,44%	1.070.839	8,52%
Provisions for expenses and risks	518.430	0,20%	264.413	0,11%	523.654	0,51%	0	0,00%
Total expenses from administration with companies	150.626.737	59,56%	126.317.886	54,35%	61.494.749	60,03%	11.320.980	90,06%
Total expenses	252.904.732	100,00%	232.417.171	100,00%	102.440.370	100,00%	12.570.906	100,00%

For expenses, the data of which cannot be separated according to the mandatory and voluntary pension fund, the pension company uses the number of members in the mandatory pension fund, respectively in the voluntary pension fund, as a weighting factor for allocation.

In the income section, both in SAVA and in KB first pension company, an increase in total income is observed in 2025 compared to 2024, specifically by about 12% in SAVA and 14% in KB first pension company. In this case, the largest part of the income of SAVA and KB first pension company, in 2024, is from commissions on the assets of mandatory and voluntary pension funds (about 62% in SAVA and 63% in KB first pension company), followed by the commission on contributions to mandatory and voluntary pension funds (about 28% both in SAVA and in KB first pension company). Compared to the previous year, the percentage participation of income from contribution commissions in total income has decreased by about two percentage points in both pension companies. The percentage participation of income from the asset commission has increased by about two percentage points in SAVA and by about one percentage point in KB first pension company. Compared to 2024, the percentage participation of financial income in SAVA remained at approximately the same level, while in KB first pension company it increased by about two percentage points. The percentage participation of other company income is the smallest (less than 1%) in both pension companies.

In the expenses section in 2025 compared to 2024, an increase in total expenses is observed both in SAVA and in KB first pension company, specifically by about 7% in SAVA and about 15% in KB first pension company. In this case, in SAVA the largest part of the expenses, respectively about 60% of the expenses, refers to the company's work, in which the highest expenses are for salaries and compensation for employees, followed by expenses for services and other operating expenses. In KB first pension company in 2025, expenses referring to the company's work account for about 54%. Again, the largest part of these expenses refers to expenses for salaries and compensation for employees, then other operating expenses and financial expenses. The remaining 40% of SAVA's expenses, respectively 46% of KB first pension company's expenses, refer to expenses for the administration of pension funds. In this case, marketing and agent expenses account for about 9% of total expenses in SAVA and about 8% of total expenses in KB first pension company, which compared to the previous year means they have decreased by five percentage points in SAVA and by two percentage points in KB first pension company. About 31% of expenses in SAVA and 36% of expenses in KB first pension company refer to commissions for MAPAS, the Fully Funded Pension Insurance Fund, and asset custodians.

TRIGLAV started its pension fund administration activities and marketing operations for the mandatory and voluntary pension fund, as well as public opinion research, on 1.4.2019. TRIGLAVd started operating on 1.3.2021. There is still a difference in values and distributions according to the bases of income and expenses compared to SAVA and KB first pension company, which have been operating for twenty years. In this case, in 2025, also at TRIGLAV, income from the asset commission has the largest participation in the income side, respectively about 52% of total income. The participation of income from the contribution commission decreased in 2025 and accounts for 35%. Then, financial income has a participation of about 10% in TRIGLAV's total income, while the percentage participation of other income is the smallest (about 3%). Regarding expenses, the largest part of expenses, respectively about 60%, refers to the company's work, where the largest expenses are for salaries and compensation for employees, followed by expenses for services and other operating expenses. Expenses for the administration of pension funds account for about 40%. In this case, marketing and agent expenses account for about 18% of total expenses. About 21% of expenses refer to commissions for MAPAS, the Fully Funded Pension Insurance Fund, and asset custodians.

VFP started its pension fund administration activities and marketing operations for the voluntary pension fund, as well as public opinion research, on 1.8.2023. VFP only administers a voluntary pension fund, and VFP's income and expenses refer only to the work of the voluntary pension fund. VFPd started operating on 18.10.2022, when the first voluntary contribution payment was made. The difference in values and distributions according to the bases of income and expenses is visible compared to other pension companies that also administer a mandatory pension fund. On the income side at VFP, income from the asset commission has the largest participation, respectively about 47% of total income, followed by financial income with about 30% and income from the contribution commission with about 23%. Regarding expenses, the largest part of expenses, respectively about 90% of expenses, refers to the company's work, in which the highest expenses are for salaries and compensation for employees, followed by expenses for services and depreciation expenses. Expenses for the administration of the voluntary pension fund account for about 10%. In this case, marketing and agent expenses account for about 5% of total expenses. The participation of expenses referring to commissions for MAPAS and for asset custodians is about 3%.

Chart 4.1. Structure of revenues by company, for the year 2024 and for the year 2025

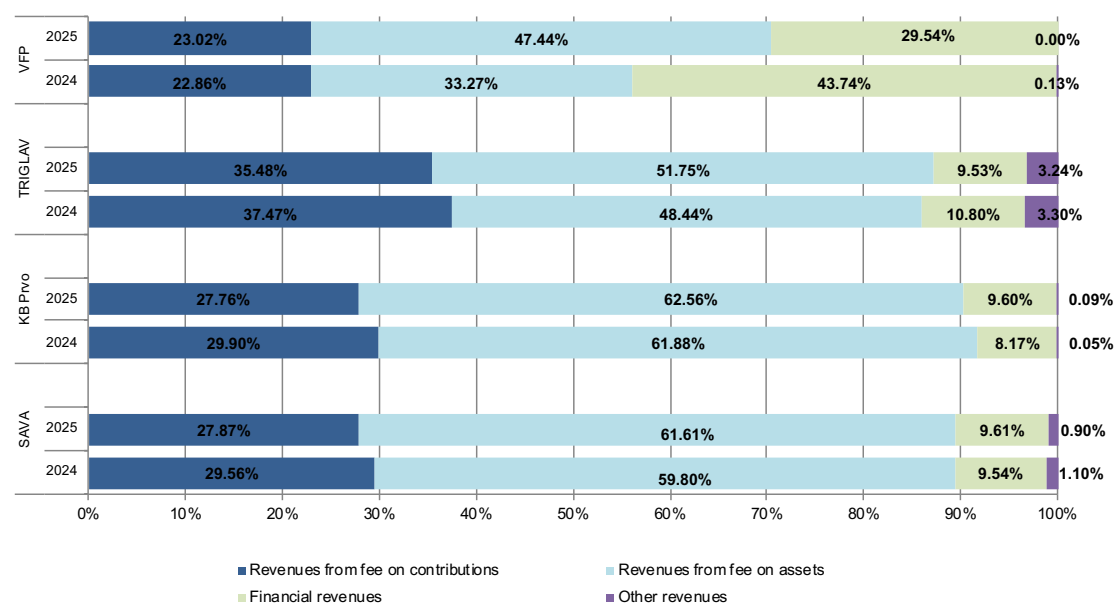
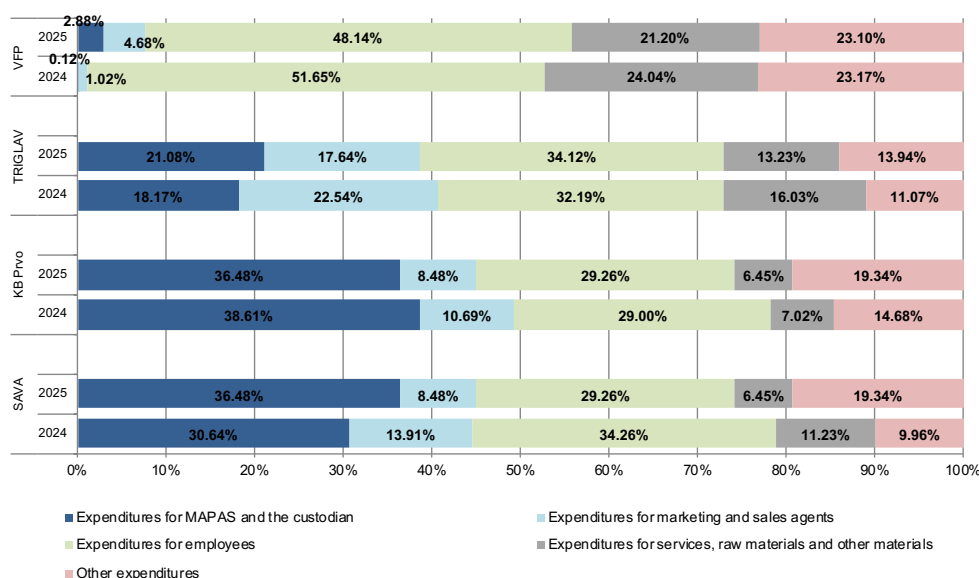


Chart 4.2. Structure of expenses by company, for the year 2024 and for the year 2025



4.2. Financial result of pension companies

SAVA and KB first pension company also achieved a positive financial result in 2025. Both pension companies ended 2025 with net profit (profit after tax). KB first pension company realized a larger net profit than SAVA, which is mostly due to the fact that KB first pension company realized higher income, and at the same time has fewer expenses than SAVA for 2025. SAVA in 2025 recorded a net profit 17% higher compared to 2024, while KB first pension company recorded a net profit 12% higher. Also, both pension companies realized total comprehensive profit, namely: SAVA in the amount of about 201 million denars and KB first pension company in the amount of about 255 million denars. The accumulated profit (ending 31.12.2025) of SAVA reaches the value of about 538 million denars, while that of KB first pension company reaches the value of about 486 million denars.

TRIGLAV records a negative financial result even in the seventh year of its operation. In the mandatory pension fund that TRIGLAV administers, there is still a relatively small number of members, and the assets are of a smaller volume, which influences the lower value of income on one hand, while on the other hand, there are significant expenses due to the maintenance of the company's infrastructure and employees, marketing expenses, as well as current expenses for fund administration. Also, the voluntary pension fund that TRIGLAV administers has been operating for less than five years and possesses a relatively small number of members and a small volume of assets.

VFP also records a negative financial result in the fourth year of its operation. This type of result is common and expected for the initial years of a pension company's operation. VFP only administers a voluntary pension fund, which started operating in October 2022, and it has a small number of members, as well as assets of a smaller volume, which influences the lower value of income on one hand, while on the other hand, there are significant expenses due to setting up the system, the company's infrastructure and employees, marketing expenses, as well as current expenses for fund administration. More detailed data on the financial result of pension companies are shown in table 4.3.

Table 4.3. Financial result of pension companies for the year 2025

(in denars)

Description*	SAVA	KB first	TRIGLAV	VFP
Profit / Loss (for the year 2025)	218.057.518	284.012.493	-457.807	-8.515.291
Profit / Loss after tax (for the year 2025)	194.238.162	254.656.496	-457.807	-8.515.291
Extraordinary results	0	0	0	0
Net profit (for 2025)	194.238.162	254.656.496	-457.807	-8.515.291
Other comprehensive income**	6.445.903			
Total comprehensive profit***	200.684.065	254.656.496	-457.807	-8.515.291
Accumulated Profit / Loss Carried Forward (ending 31.12.2025)	538.235.975	485.737.269	0	-30.439.650

*The data on other comprehensive income and total comprehensive income are from the audited financial reports of the pension companies for the year 2025.

**The data on other comprehensive income include unrealized gains or losses, which are not presented in the income statement (profit and loss statement).

*** The data on total comprehensive income include net profit and other comprehensive income.

4.3. Core capital, initial capital, and own assets of pension companies

It is of great importance for the system and for the members that pension companies are strong and stable institutions and have adequate initial capital. Three pension companies administer mandatory and voluntary pension funds and must have initial capital in the amount of at least 1.8 million euros, in denar equivalent, according to the middle exchange rate of the NBRMV, while one pension company administers only a voluntary pension fund and must have initial capital in the amount of at least 0.5 million euros, in denar equivalent, according to the middle exchange rate of the NBRMV. In case of an increase in the assets of the mandatory and/or voluntary pension fund that the pension company administers, the company is obliged to increase the core capital, in accordance with legal provisions.

The initial capital of the pension company is paid only in monetary assets. In order to increase the financial strength of pension companies, it is not permitted for the initial capital to originate from loans and credits, and it cannot be encumbered in any way. The company's initial capital

must originate from legal sources and be taxed in accordance with the regulations of the RMV and the regulations of the state in which each foreign shareholder is established as a legal entity. The company is obliged, at all times, to maintain the value of the core capital at no less than half the value of the initial capital. The company is obliged, at all times, to maintain own assets in an amount no less than half the value of the initial capital.

Table 4.4. Share capital, basic capital, and own funds of pension companies

(in denars)

Description*	SAVA	KB first	TRIGLAV	VFP
Capital and reserves	907.206.879	883.395.222	278.696.996	24.453.080
Core capital	130.001.478	110.459.024	452.356.020 ***	54.892.730 ****
Excess capital over the legal minimum	47,51%	43,65%	19,26%	59,06%
Own funds*	798.101.839	772.498.228	266.014.154	22.729.589
Excess own funds over the legal minimum**	159,55%	151,24%	127,67%	47,85%

*Own funds are calculated in accordance with the Regulation on the methodology for calculating the own funds of a pension company.

**In accordance with legal obligations, since April 2023, SAVA is required to maintain increased share capital relative to the initial capital—specifically, share capital equivalent to 10 million euros in denar countervalue—because the value of the mandatory and voluntary pension fund assets it manages has exceeded 900 million euros. Similarly, since November 2021, KB First (BK e parë) is required to maintain increased share capital relative to the initial capital, also amounting to 10 million euros in denar countervalue, because the value of the mandatory and voluntary pension fund assets it manages has exceeded 900 million euros.

*** In July 2024, TRIGLAV increased its initial capital by 1,000,000 euros through a private offering of third-issue common voting shares, bringing the initial capital to a value of 7,356,000 euros. This increase in the company's initial capital was performed to maintain the required value of share capital in accordance with the law.

**** In April 2025, VFP increased its initial capital by 170,000 euros through a private offering of fourth-issue common voting shares, bringing the initial capital to a value of 890,000 euros. This increase in the company's initial capital was performed to maintain the required value of share capital in accordance with the law.

4.4. Indicators

During the analysis of the financial data of pension companies, the performance of certain indicators per member, as well as the efficiency coefficient, is of special importance. In table 4.5, the most important indicators per member and the efficiency coefficient of the four pension companies for the year 2024 are shown.

Table 4.5. Indicators

(in denars)

Description*	SAVA	KB first	TRIGLAV	VFP
Income and expense indicators by item				
Average income per member	1.669,03	1.693,65	1.300,50	4.927,84
Average expenses per member	896,26	762,22	1.306,34	15.274,49
Profit/Loss per member	772,77	931,43	-5,84	-10.346,65
Efficiency ratio (total expenses / total income)	53,70%	45,00%	100,45%	309,96%

Compared to 2024, average income per member recorded an increase of 10% in SAVA, 12% in KB first pension company, 10% in TRIGLAV, and a decrease of 7% in VFP. Furthermore, compared to 2024, average expenses per member recorded an increase of 5% in SAVA and 13% in KB first pension company, while in TRIGLAV they recorded a decrease of 7% and in VFP a decrease of 23%. In this case, in SAVA there is an increase in profit per member compared to 2024 in the amount of about 16%, and in KB first pension company there is also an increase of about 10%. Also, it is observed that the efficiency coefficient in SAVA shows a decline, while in KB first pension company a slight increase compared to 2024. In 2025, TRIGLAV records a decrease in loss per member of about 15% compared to 2024, but the efficiency coefficient still reflects a high participation of total expenses to total income. Also, VFP records a decrease in loss per member in 2025 of about 17%, and at the same time, the efficiency coefficient still reflects a high participation of total expenses to total income.

In Graph 4.3. and Table 4.6. the performance of profitability indicators ROA (net profit/total assets) and ROE (net profit/capital) is presented, in a comparative manner for SAVA and KB first pension company for the period from 2006 to 2025, for TRIGLAV for the period from 2019 to 2025, and for VFP from 2022 to 2025. It can be observed that in 2025, compared to 2024, the return on assets rate recorded an increase both in SAVA and in KB first pension company. Also, the return on equity rate in 2025, compared to 2024, recorded an increase both in SAVA and in KB first pension company. The ROA and ROE coefficients for TRIGLAV and VFP have increased, but still remain negative.

Chart 4.3. ROA and ROE by company and by year

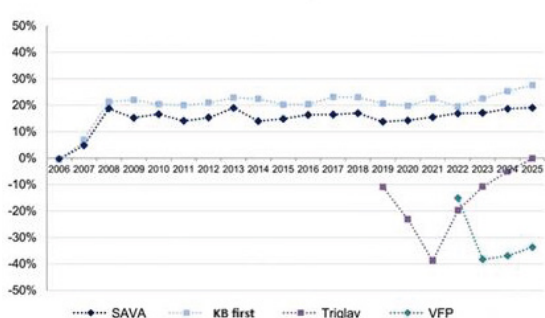
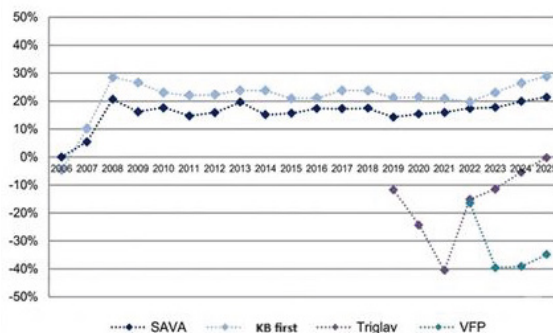


Table 4.6. Profitability indicators

Pension company	SAVA		KB first		TRIGLAV		VFP	
Year / Description	ROA	ROE	ROA	ROE	ROA	ROE	ROA	ROE
2006	0,60%	0,00%	2,69%	4,45%				
2007	4,97%	5,57%	7,19%	10,19%				
2008	18,66%	20,55%	21,30%	28,53%				
2009	15,09%	16,26%	21,80%	26,54%				
2010	16,66%	17,60%	20,24%	23,00%				
2011	14,09%	14,75%	20,02%	22,03%				
2012	15,21%	15,84%	20,84%	22,31%				
2013	18,88%	19,68%	22,71%	23,80%				
2014	13,94%	15,09%	22,35%	23,71%				
2015	14,77%	15,65%	20,20%	21,00%				
2016	16,34%	17,34%	20,23%	21,09%				
2017	16,35%	17,23%	22,89%	23,78%				
2018	16,79%	17,49%	22,96%	23,71%				
2019	13,70%	14,26%	20,52%	21,24%	-10,99%	-11,55%		
2020	14,13%	15,43%	19,66%	21,29%	-23,13%	-24,18%		
2021	15,38%	15,96%	22,46%	20,82%	-38,77%	-40,54%		
2022	16,84%	17,44%	19,23%	19,78%	-19,81%	-20,41%	-15,07%	-16,41%
2023	16,97%	17,80%	22,41%	23,09%	-10,81%	-11,31%	-38,27%	-39,40%
2024	18,62%	19,95%	25,21%	26,49%	-5,11%	-5,44%	-36,82%	-39,07%
2025	18,98%	21,41%	27,57%	28,83%	-0,16%	-0,16%	-33,56%	-34,82%

5. Information on mandatory pension funds

The total number of members and temporarily distributed insured persons in the mandatory pension funds in 2025 increased almost the same as last year, i.e. by 3.20% compared to 2024. Thus, as of December 31, 2025, the total number of members and temporarily distributed insured persons in mandatory pension funds amounts to 630,396.

The movement in the trend of members switching from one mandatory pension fund to another, which was triggered by the start of operations of the third mandatory pension fund in 2019, although slowed down, continued in 2025, with 1.69% of the total number of members switching from one mandatory pension fund to another. During 2025, contributions in the amount of around 17.48 billion denars were transferred to the mandatory pension funds. In addition to contributions, the PIOSM Fund transferred a total of around 0.87 million denars as compensation for untimely transfer of contributions for members for whom contributions were not transferred to the accounts of the selected mandatory pension funds within three months from the date of receipt of the contributions.

During 2025, total assets of mandatory pension funds grew by 15.65% and reached 188.34 billion denars, which represents around 18.04% of the GDP of RNM..

The structure of investments of mandatory pension funds as of 31.12.2025 shows no significant changes compared to the situation at the end of 2024. The investment portfolio of mandatory pension funds continues to be dominantly oriented toward domestic government securities, which account for 63.74% of total assets. A smaller portion of the assets is invested in domestic equities (1.45%), deposits in domestic banks (1.08%), and units in domestic investment funds (0.51%). At the same time, the share of investments abroad is significant, which compared to the previous year increased by one percentage point and amounts to 30.98%. The largest part of these investments relates to foreign investment funds (25.46%), while investments in foreign equities (3.36%), foreign government bonds (2.02%), and foreign government treasury bills (0.14%) have a smaller share.

In 2025, although slowed down, the growth trend of the values of accounting units of the three mandatory pension funds continued (5.14% at SAVAz and TRIGLAVz and 5.21% at KBPz). The slowed growth is due to the decrease in the value of the accounting unit at the end of the first and beginning of the second quarter (due to movements in foreign financial markets), followed by a gradual increase of the unit.

5.1. Membership in mandatory pension funds

An insured person can gain membership in a mandatory pension fund in two ways:

- 1) by signing a contract for membership in a mandatory pension fund and by registering in the Register of members maintained by MAPAS;
- 2) through allocation to a mandatory pension fund based on random selection by the Fully Funded Pension Insurance Fund, in cases where the insured, who is obliged to become a member of a mandatory pension fund, has not signed a membership contract during the selection period of the mandatory pension fund and by registering in the Register of members maintained by MAPAS

There are two categories of insured persons who are members of the second pillar:

Mandatory members –

- insured persons who are employed, that is, who are included in mandatory pension and disability insurance for the first time after January 1, 2003, and are born after January 1, 1967;
- insured persons who are employed, that is, who are included in mandatory pension and disability insurance for the first time after January 1, 2019, and who are under 40 years of age on the date of inclusion.

Доброволни членови –

- - insured persons who were employed for the first time before January 1, 2003, who according to their personal choice, by signing a membership contract, were included in fully funded mandatory pension insurance and are born after January 1, 1967;
 - insured persons who were employed for the first time before January 1, 2003, who according to their personal choice, by signing a membership contract, were included in fully funded mandatory pension insurance, are born before January 1, 1967, and who have signed a declaration for the continuation of membership in fully funded mandatory pension insurance.

Insured persons for whom insurance seniority is calculated with increased duration (benefited seniority) and insured persons belonging to Chapter VII – “Earning and realization of the rights of certain categories of insured persons under special conditions from the Law on Pension and Disability Insurance” (employees with benefited seniority in the MIA, correctional-reformatory institutions, ARM, and similar) are not included in the second pillar, if they have completed insurance seniority with increased duration that enables the lowering of the age limit for the realization of the right to old-age pension for at least one year.

When insured persons who are members of a mandatory pension fund complete insurance seniority with increased duration that enables the lowering of the age limit for the realization of the right to old-age pension for at least one year in accordance with Article 118 paragraph (3) of the Law on Pension and Disability Insurance, they have the right to choose to continue membership

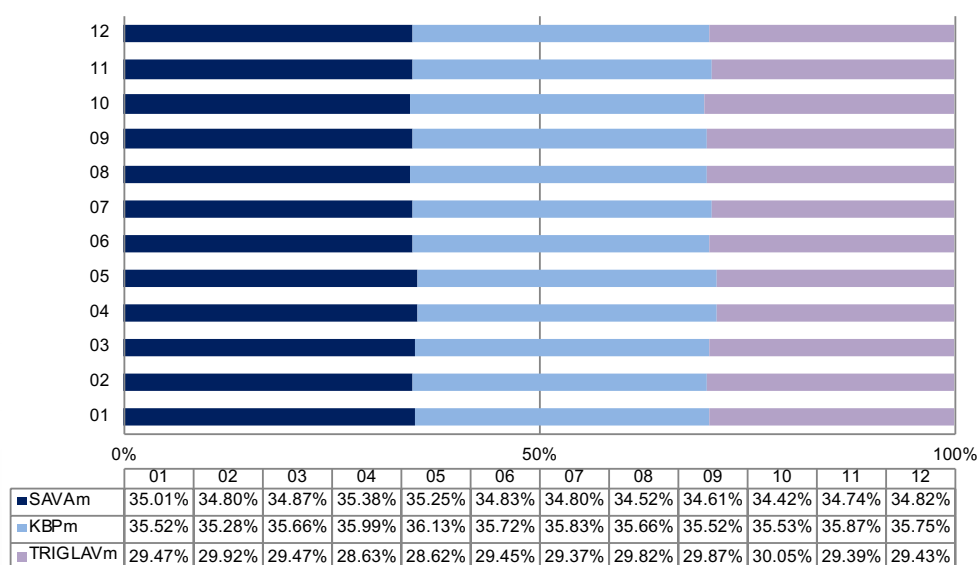
in the second pillar with a written declaration for the continuation of membership in the mandatory pension fund, within three months from the completion of insurance seniority. If these members do not submit a written declaration, their membership in the mandatory pension fund ceases after the expiration of this period.

5.2. Data on membership in mandatory pension funds

Insured persons who are mandatory members in fully funded pension insurance are obliged to become members of a mandatory pension fund within three months, calculated from the date of first employment. The Fully Funded Pension Insurance Fund temporarily allocates these insured persons to mandatory pension funds, according to random selection, from the moment of their employment, so that their assets are invested immediately after employment. If within the legal period they do not sign a membership contract with any company, these insured persons remain members of the mandatory pension fund in which they were previously temporarily allocated.

The weight, according to which the temporary allocation of insured persons to mandatory pension funds through random selection is done, is determined by MAPAS for each mandatory pension fund, on the first working day of each month. The weight depends on the value of the contribution commission that the pension company collects and on the return in nominal value realized by the pension fund, where the return (70%) has a greater influence compared to the contribution commission (30%). The weights used for the allocation of insured persons to mandatory pension funds during 2025 are shown in graph 5.1.

Chart 5.1. Weighting for the distribution of members in mandatory pension funds



⁴The formula for calculating the weighting is regulated by the Rulebook on membership in mandatory pension funds.

Starting from April 2019, insured persons are allocated to three mandatory pension funds, since on 1.4.2019 the mandatory pension fund TRIGLAVz started operating. Since May 2022, the support period for the operation of a new mandatory pension fund regarding the allocation of insured persons according to the provisions of the regulation has expired. Consistently with the fact that, even in 2025, all three pension companies collected contribution commissions in the same amount, the weight values were mostly influenced by the values of the returns realized by the mandatory pension funds. In 2025, the weight of TRIGLAVz is smaller compared to SAVAZ and BKPz because the return of TRIGLAVz in this period was lower. Also, throughout 2025, the weight value of BKPz is slightly higher (on average by one percentage point) compared to the weight value of SAVAZ.

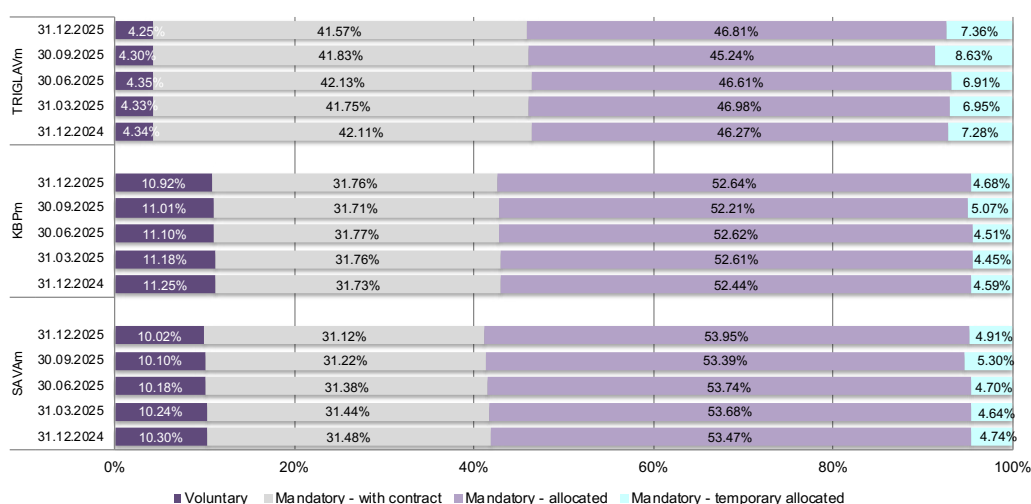
The total number of members and temporarily allocated insured persons in mandatory pension funds in 2025 increased almost the same as the previous year, specifically by 3.20% compared to 2024. With this, ending on December 31, 2025, the total number of members and temporarily allocated insured persons in mandatory pension funds reaches 630,396. Regarding the distribution of membership according to mandatory pension funds, even in 2025, the largest number of insured persons are members of SAVAZ and BKPz. That is, from the total number of members and temporarily allocated insured persons according to mandatory pension funds, as of 31.12.2025, 45.47% are in BKPz, 42.18% are in SAVAZ, and 12.35% are in TRIGLAVz. In this case, compared to 2024, a lower percentage participation of membership is observed in SAVAZ and in BKPz (by about one percentage point), that is, a higher percentage participation of membership in TRIGLAVz (by about one percentage point).

From the total number of members of the second pillar, 61,261 or 10% are voluntary members, while 569,135 or 90% are mandatory members. From the total number of mandatory members, 206,157 members have signed a membership contract, 330,797 have not signed a contract and are permanently allocated, while 32,181 insured persons are temporarily allocated. In 2025, a decrease in the number of new insured persons signing membership contracts is observed compared to the previous year. That is, about 11% of insured persons who have an obligation to become members of a mandatory pension fund in 2025 and for whom the deadline for the selection of the mandatory pension fund has expired, have signed a membership contract, while others, about 89%, have not signed a contract and have remained in the fund where they were previously allocated.

In the structure of members and temporarily allocated insured persons according to membership status, in 2025, no sudden or significant changes occurred for SAVAZ and BKPz. The structure of members and temporarily allocated insured persons according to membership status, in 2025, is similar in SAVAZ and BKPz. In this case, it can be observed that in every quarter, the percentage participation of voluntary members gradually falls, while the participation of mandatory members increases, which is also expected, since the influx of mandatory members increases every year. Also, it can be observed that the percentage participation of mandatory members who have signed a membership contract and the participation of mandatory members who are permanently allocated remains at almost the same level during the year.

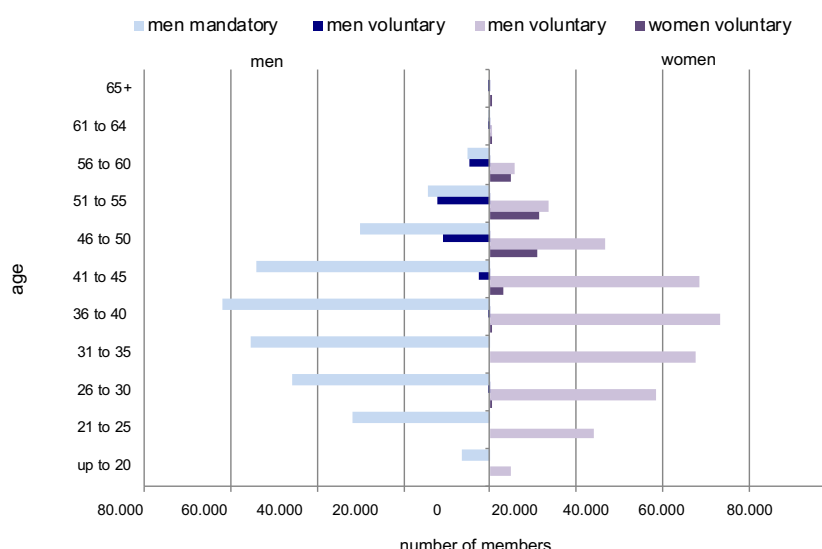
After operating for more than six years, the structure of members and temporarily allocated insured persons according to the membership status of TRIGLAVz still differs from the structure of SAVAz and BKPz. The participation of voluntary members in TRIGLAVz is smaller compared to the participation of voluntary members in SAVAz and BKPz, while the participation of temporarily allocated insured persons in TRIGLAVz is larger compared to the participation of temporarily allocated insured persons in SAVAz and BKPz. Voluntary members in TRIGLAVz are insured persons who have signed transfer contracts from SAVAz or BKPz to TRIGLAVz. Also, it can be observed that the percentage participation of mandatory members who have signed a membership contract has decreased slightly, unlike the participation of mandatory members who are permanently allocated, which has increased slightly during the year. The structure of members and temporarily allocated insured persons according to mandatory pension funds and according to membership status in 2025 is presented at the quarterly level, in graph 5.2.

Chart 5.2. Structure of members and temporarily distributed insured persons by membership status and mandatory pension funds (MPFs)



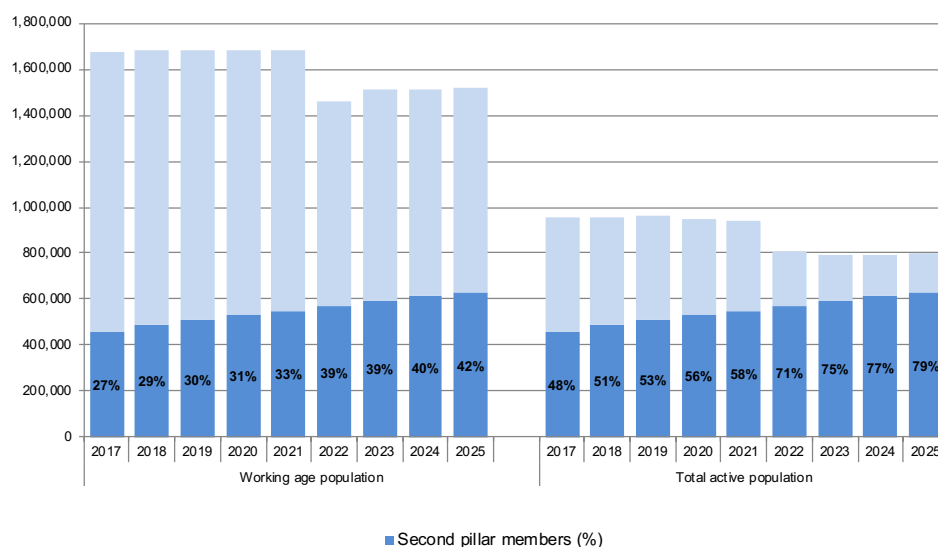
The analysis of the structure of members according to age shows that the members, in the largest number, are young people. Mandatory members are young people, where 65% of mandatory members are up to 40 years old, while voluntary members are slightly older, and 45% of them are up to 50 years old. The average age of mandatory members is 37 years (for both men and women), of voluntary members is 51 years (for both men and women), while of all members, in total, is 38 years. The structure of members of the two-pillar pension system according to age, gender, and membership category is presented in graph 5.3.

Chart 5.3. Structure of two-pillar pension system members by age, gender, and membership category



According to ESHS data, at the end of 2025, the total number of working-age population in the RMV reached 1,517,408, while the total active population reached 796,399. As of the end of 2025, about 42% of the total working-age population in the RMV are members of the two-pillar system, that is, about 79% of the total active population in the RMV are members of the two-pillar pension system. The increase in the participation of members of the two-pillar pension system in the total working-age population and active population in the RMV, for the period from 2017 to 2025, is presented in graph 5.4.

Chart 5.4. Participation of two-pillar pension system members in the total working-age population and active population, by year, 2017-2025



⁵Source: State Statistical Office – Active population in NRM, Results from the Labour Force Survey, 2025

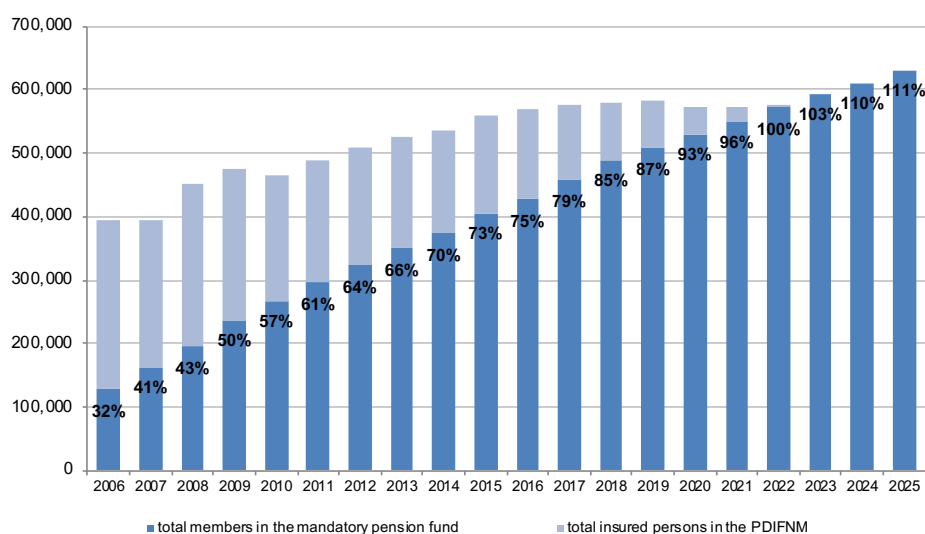
⁶Working-age population – consists of all persons aged 15 to 79

⁷Economically active population – consists of employed and unemployed persons

⁸By law, the cessation of contribution payments does not affect the membership status in the mandatory pension fund. About 70% of the total number of insured persons in the NORM Pension and Disability Insurance Fund (PDIF) are members of the two-pillar pension system who have had at least one payment into a mandatory pension fund in 2025

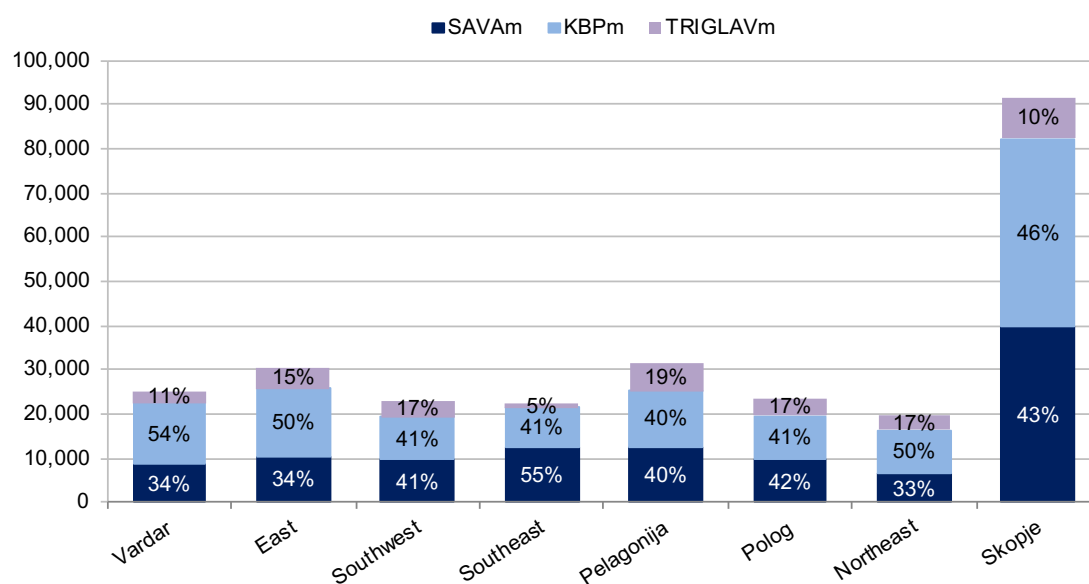
According to the data of the Fully Funded Pension Insurance Fund regarding the number of insured persons ending on 31.12.2025, the total number of members in mandatory pension funds is larger than the total number of insured persons in the Fully Funded Pension Insurance Fund. In graph 5.5, the increase in the participation of members of the two-pillar pension system in the total number of insured persons in the Fully Funded Pension Insurance Fund since the beginning of the second pillar's operation can be seen.

Chart 5.5. Participation of two-pillar pension system members in the number of insured persons in the NORM PDIF, by year, 2006-2025



The structure of members in mandatory pension funds, according to statistical regions in the RMV, is given in graph 5.6. The largest number of members in all three mandatory pension funds is in the Skopje Region. The smallest number of members in SAVAz is in the Northeastern Region, while the smallest number of members in BKPz and in TRIGLAVz is in the Southeastern Region.

Chart 5.6. Structure of members in the second pillar, by statistical region



⁹Statistical regions are defined according to the SSO – territorial units. The nomenclature of territorial units is based on the territorial organization of local self-government in the NRM and is harmonized with the EU classification.

¹⁰MAPAS does not possess data on the statistical region for all members of mandatory pension funds, because the majority of members have not signed a membership contract and are permanently distributed.

5.3. Transfer of a member from one mandatory pension fund to another

Every member of a mandatory pension fund has the right to transfer to another mandatory pension fund if they are not satisfied with the mandatory pension fund where they belong, that is, with the company that manages it. If the person has been a member of a mandatory pension fund for less than 24 months, during the transfer, they are obliged to pay a transfer commission. If the person has been a member of any fund for longer than 24 months, then the transfer to another fund is free of charge. During the transfer, all assets from the member's account are also transferred.

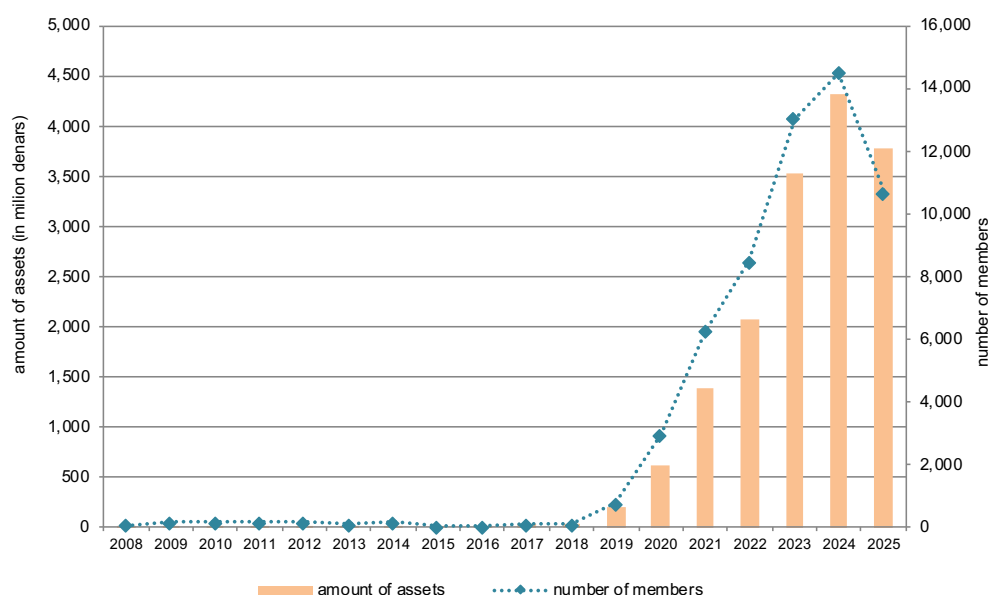
In table 5.1, data are given for the number of members who have transferred from one mandatory pension fund to another and for the value of assets transferred from one mandatory pension fund to another, on this basis, during 2025.

Table 5.1. Transfers of members from one mandatory pension fund to another

2025		MPF to which members have transferred, i.e. to which funds have been transferred			Total
		SAVA	KB first z	TRIGLAVz	
Members who have left the MPF	SAVAz		1.072	2.951	4.023
	BKPz	972		3.330	4.302
	TRIGLAVz	600	1.758		2.358
	Total	1.572	2.830	6.281	10.683
Funds transferred from MPF (in denars)	SAVAz		420.554.906	948.079.031	1.368.633.937
	BKPz	404.442.258		1.045.562.102	1.450.004.360
	TRIGLAVz	271.377.799	685.158.447		956.536.246
	Total	675.820.057	1.105.713.353	1.993.641.133	3.775.174.543

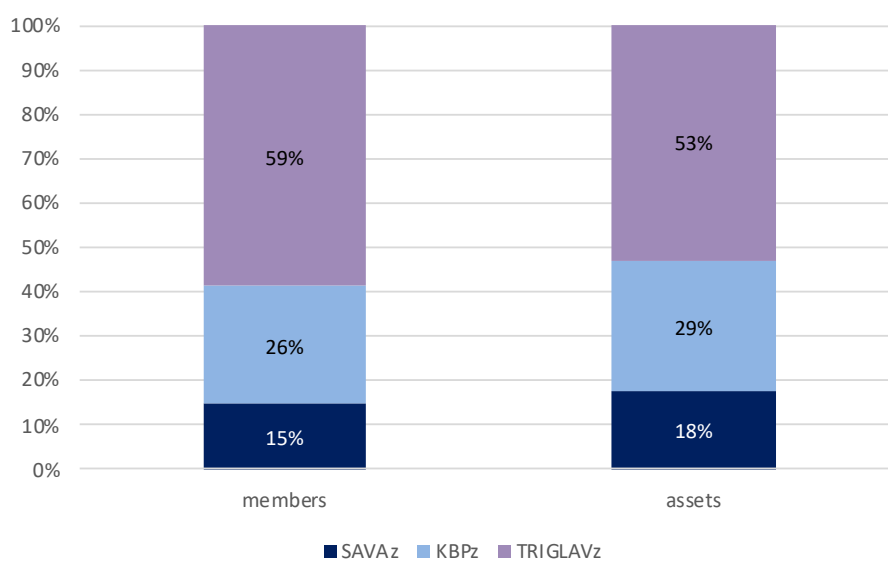
The mobility in the trend of transferring members from one mandatory pension fund to another, which was triggered by the beginning of the operation of the third mandatory pension fund in 2019, has continued in 2025. During 2025, the total number of members in mandatory pension funds who transferred from one fund to another reached 10,683, which represents 1.69% of the total number of members. The percentage participation of members who made a change of mandatory pension fund compared to the total number of members in 2025 decreased, and the number of members who changed the mandatory pension fund is smaller compared to 2024. In graph 5.7, an overview of all transfers of members from one mandatory pension fund to another and total assets transferred from one fund to another from 2008 to 2025 is given.

Chart 5.7. Overview of member transfers and total assets transferred from one mandatory pension fund to another (2008-2025)



In 2025, the largest part, or 59%, of members who chose to transfer to another mandatory pension fund transferred to TRIGLAVz, then 26% transferred to BKPz, and 15% of members who chose to transfer to another mandatory pension fund transferred to SAVAz. As for assets, the largest part, or 53%, of the assets of members who chose to transfer to another mandatory pension fund were transferred to TRIGLAVz, 29% were transferred to BKPz, and 18% of assets were transferred to SAVAz. In graph 5.8, the distribution of member transfers from one mandatory pension fund to another and the distribution of assets transferred from one mandatory pension fund to another in 2025 is presented.

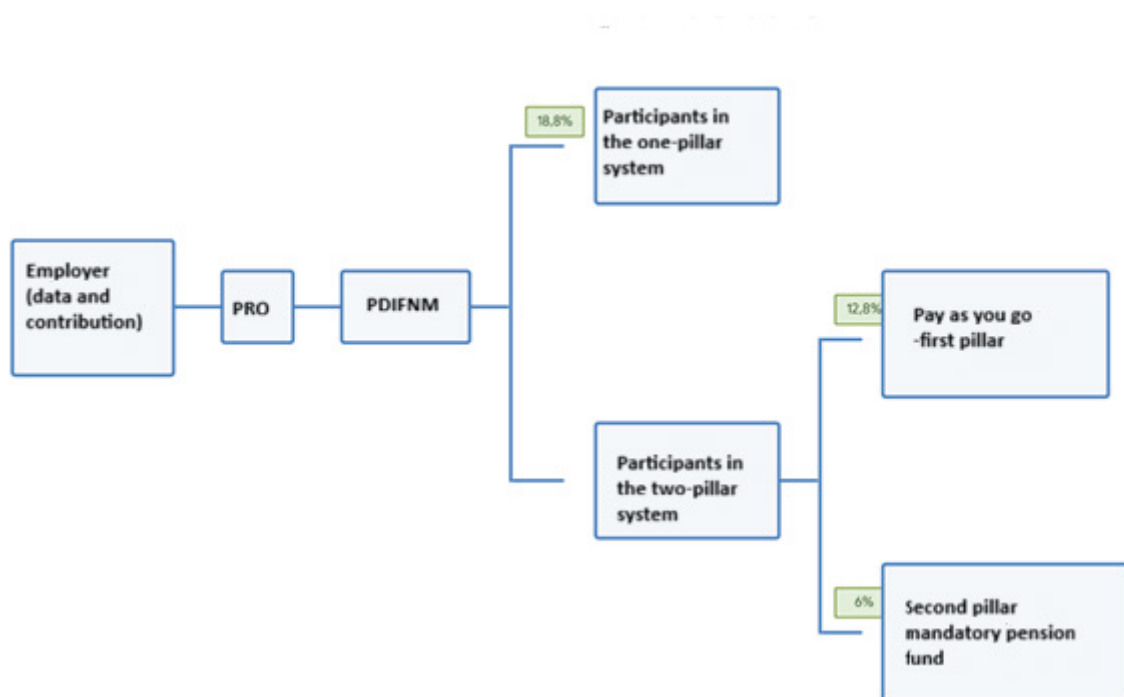
Chart 5.8. Distribution of members who have transferred and assets that have been transferred to another mandatory pension fund in 2025



5.4. Contributions to mandatory pension funds

The payment of contributions for pension and disability insurance is made by the contribution obligor, that is, the employer, on behalf of the employee. The Public Revenue Office (PRO) performs the integrated collection of contributions from mandatory social insurance (contribution for pension and disability insurance, contribution for health insurance, and contribution for unemployment in case of unemployment) and personal income tax.

Chart 5.9. Schematic representation of the payment and distribution of contributions



For the insured persons participating in the single-pillar system, the full contribution paid remains in the MPF Fund (for the year 2025, it amounted to 18.8% of the gross salary). For the insured persons included in the two-pillar system, the MPF Fund distributes the paid contribution between the first and second pillar. The amount of the contribution transferred to the mandatory pension fund reaches 6% of the gross salary, while the contribution remaining in the MPF Fund is the amount obtained as the difference between the total contribution for pension and disability insurance and the contribution paid to the mandatory pension fund (for the year 2025, it amounted to 12.8% of the gross salary ($12.8\% = 18.8\% - 6\%$)). Immediately, and no later than five working days from the receipt of the contributions, the MPF Fund transfers the contributions of the members of the mandatory pension funds to the individual accounts in the selected mandatory pension funds, provided that, within the same period, the relevant data in accordance with the law have also been received, which enable the MPF Fund to fulfill this obligation. If the MPF Fund does not transfer the members' contributions to the accounts of the selected mandatory pension funds immediately, and no later than within five working days from the day of receipt of the contributions due to the lack of relevant data, the MPF Fund is obliged within a period not longer than three months from the day of receipt of the contributions to provide the relevant data and make the transfer of the members' contributions to the accounts of the selected mandatory pension funds to the custodian of the assets. Afterwards, the MPF Fund sends data to the companies and MAPAS regarding the performed transfer of contributions.

During 2025, contributions in the amount of about 17.48 billion denars were transferred to the mandatory pension funds, which represents about 1.67% of the GDP of the RSM. The total contributions paid into mandatory pension funds continue to grow and in 2025 they have increased by 12.95% compared to the total contributions paid in 2024. The contributions paid in detail by months (in million denars) are presented in table 5.2.

Table 5.2. Contributions paid into the second pillar

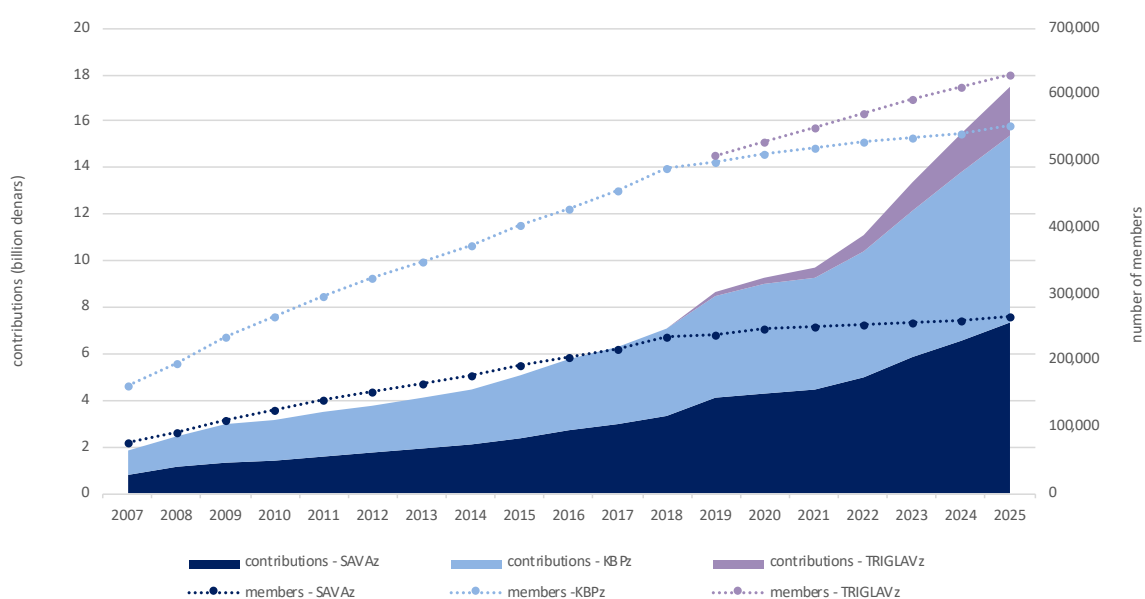
(in million denars)

	Total 2024	Jan.	Feb.	Mar.	Apr.	Maj	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total 2025
SAVAz	6.616	532	566	572	600	626	607	624	570	617	634	599	793	7.341
BKPz	7.189	590	618	624	650	684	662	680	623	686	678	654	867	8.018
TRIGLAVz	1.671	148	157	159	167	176	174	180	169	186	188	180	237	2.122
Total	15.476	1.271	1.341	1.356	1.417	1.487	1.444	1.484	1.362	1.489	1.500	1.434	1.897	17.481

¹Source for GDP: SSO – Release: Gross Domestic Product, fourth quarter of 2025 – estimated data

In graph 5.10, the growth of total contributions (in billion denars), paid into the second pillar by fund, for each year, from the beginning of the work of the mandatory fully funded pension insurance until 2025, as well as the total number of members by fund, at the end of each year, in the same period is presented. The contributions paid on an annual level increase in all pension funds, mostly due to the increase in the number of members, as well as the increase in salaries over the years, since the amount of the contribution that is transferred to the mandatory pension funds does not change and since 2012 it reaches 6% of the gross salary.

Chart 5.10. Contributions paid and members in the second pillar



5.4.1. Commission for untimely transfer of contributions

The amendments to the Law on mandatory fully funded pension insurance of 28.12.2018 provide for the obligation of the MPF Fund to pay a commission for untimely transfer of contributions in cases when the MPF Fund has not distributed the insured persons who were mandatory members of the second pillar according to the criteria before the adoption of the legal amendments; in case the MPF Fund does not distribute the insured persons who are mandatory members of the second pillar according to the new membership criteria within three months after their inclusion in the mandatory pension and disability insurance; as well as in case the MPF Fund does not transfer the contributions of the members of the mandatory pension funds to the accounts of the selected mandatory pension funds within three months from the day of receipt of the contributions. The funds for the mandatory fully funded pension insurance, realized on the basis of untimely and incomplete payment of the contribution, are transferred to the individual account of the member of the mandatory pension fund.

The value of the commission for untimely transfer of contributions is determined based on the assessment of the state of a hypothetical individual account of the member of the mandatory pension fund, who has an identical history of contribution payments as the insured person with untimely distribution, respectively based on the assessment of the state of a part of the assets in the individual account of the member of the mandatory pension fund, the value of the total contributions transferred untimely and commissions from contributions that the pension company collects.

In 2025, the MPF Fund transferred to the mandatory pension funds a total of about 0.87 million denars as a commission for untimely transfer of contributions for members for whom it had not transferred the contributions to the accounts of the selected mandatory pension funds within three months from the day of receipt of the contributions. In table 5.3, detailed data for the commissions transferred for untimely transfer of contributions by funds are presented.

¹²The formula for calculating the commission for the untimely transfer of contributions is regulated by the Rulebook on the untimely transfer of contributions.

Table 5.3. Commissions paid for the untimely transfer of contributions for contributions transferred untimely into the second pillar in 2025 (in million denars)

Mandatory pension fund	Commission for untimely transfer of contributions
SAVAz	0,37
BKPz	0,43
TRIGLAVz	0,07
Total	0,87

5.4.2. Assets returned to the MPF Fund

During 2025, a part of the assets paid into the mandatory pension funds (about 684 million denars) was returned to the MPF Fund for several reasons:

- realization of the right to disability or family pension;
- surplus of contributions paid into the second pillar due to technical errors or overpayments by the employer;
- termination of membership contracts or cancellation of distribution;
- termination of the membership of the insured persons who during the period of insurance have fulfilled insurance service with increased duration (benefited service), which enables the reduction of the age limit for the realization of the right to old-age pension for at least one year; and
- termination of the membership of the insured person employed for the first time before 1.1.2003, born before 1.1.1967, who has not signed a statement for the continuation of membership.

In 2025, the largest part of the assets returned to the MPF Fund (71%) refers to the termination of the membership of the insured persons who during the time of insurance have fulfilled insurance service with increased duration that enables the reduction of the age limit for the realization of the right to old-age pension for at least one year, and who have not submitted a written statement for the continuation of membership in the mandatory pension fund within three months from the completion of that insurance service.

The structure of the assets returned to the MPF Fund, according to the mandatory pension funds, is presented in detail in table 5.4.

Table 5.4. Structure of assets returned to the NORM PDIF, by MPFs

(in million denars)

Reason	From the mandatory pension fund			Total
	SAVAz	BKPz	TRIGLAVz	
Realized pension	73,73	68,36	7,00	149,09
- disability pension	20,48	17,84	1,11	39,43
- family pension	53,26	50,52	5,89	109,66
Contribution payment surplus	9,22	9,25	2,435	20,90
Termination of contracts and cancellation of deliveries	2,55	7,25	0,28	10,08
Termination of membership	204,51	216,01	29,35	449,88
- members who, during the insurance period, have completed an insurance period of increased duration (benefited period), which enables the reduction of the age limit for realizing the right to old-age pension for at least one year	204,02	216,01	29,35	449,39
- members employed for the first time before 1.1.2003, born before 1.1.1967, who have not signed a declaration	0,49	0,00	0,00	0,49
Total	290,02	300,87	39,07	629,96

5.5. Investment and structure of the portfolio of mandatory pension funds

Usually, in mandatory capital-funded pension systems, proactive control and quantitative and qualitative investment restrictions are used in the initial phase. Starting from this, in the law and in the by-laws, the goals and principles of investment, the types of instruments where the assets of mandatory pension funds can be invested, the conditions that the regulated secondary capital markets must fulfill where the assets of mandatory pension funds are traded, the quality of instruments where the assets of mandatory pension funds can be invested, the countries or groups of countries where the assets of mandatory pension funds can be invested, investment restrictions within instruments and issuers, prohibited investments, exceeding investment restrictions, etc. are defined.

The company is obliged to invest the assets of the mandatory pension fund in accordance with legal and by-law provisions, as well as with its investment strategy, with the aim of realizing the highest return, exclusively for the benefit of the members and retired members of the mandatory pension fund. Through diversification and financial analysis, it must minimize the risk of losses arising as a result of non-payment by

the issuer or the other contracting party, losses resulting from the influence of domestic and foreign financial markets, losses in the real value of the mandatory pension fund assets due to inflation, as well as losses that are a consequence of the sale of mandatory pension fund assets to ensure the liquidity of the mandatory pension fund. During this process, the member of the management board and the supervisory board in the company, during the management and control of the investment of the mandatory pension fund assets, is obliged to apply a degree of care, efficiency and skill that a reasonable person would apply during the investment of his own assets. Every member of the management board and the supervisory board in the company must fulfill his obligation in accordance with his fiduciary duties and must ensure their implementation by every employee and person engaged in work in the company.

In the law and in the by-laws it is regulated that the assets of mandatory pension funds can be invested in bank deposits and certificates of deposit, in bonds and in other debt securities, in stocks and in commercial bills, issued by issuers with headquarters in the RSM and abroad, in EU or OECD member states. Given that it is necessary to achieve proper diversification between different types of investments, maximum restrictions for investment in a certain company and maximum restrictions of values that can be invested in certain types of instruments are provided. With the aim of preventing investments in instruments that are not suitable for the investment of mandatory pension funds, investments in stocks, bonds and other securities that are not quoted on the official market or that are not traded publicly, instruments that cannot be legally disposed of, instruments that cannot be valued immediately, most forms of property that cannot be valued immediately, as well as items of uncertain value (for example: antiques, works of art, etc.) are legally prohibited.

Since the assets of mandatory pension funds are in constant growth, their growth is accompanied by the possibility of entering a larger number of capital markets and in larger volume, as the domestic market is becoming small in relation to the needs for the investment of mandatory pension fund assets. This is also done with the aim of enabling greater diversification of assets during their investment and a greater selection of companies for the investment of mandatory pension fund assets by the companies. The maximum investment restrictions are presented in table 5.5.

Table 5.5. Maximum investment limits

Investments abroad (EU and OECD)	50%
- bonds and other securities issued by foreign governments and central banks	50%
- securities issued by foreign non-state companies, banks or investment funds	30%
Securities issued or guaranteed by RMV in the domestic market or by BPRMV	80%
Bank deposits, certificates of deposit, bonds, mortgage-backed securities and other securities issued by domestic banks	60%
- bank deposits	30%
Bonds issued by local self-government units and by domestic joint-stock companies that are not banks, as well as commercial receipts from domestic joint-stock companies that are not banks	40%
-bonds issued by local government units	10%
Shares issued by domestic joint stock companies	30%
Participation documents (quotas) and shares in open-end, closed-end and private investment funds in the Republic of Macedonia	5%
-participation documents (quotas) in private investment funds	1,5%

MAPAS can prescribe investment restrictions on certain types of instruments differently from the restrictions determined by law, which will apply within a period also determined by MAPAS, but not more than five years. In 2019, decisions were adopted for additional restrictions, according to which the maximum percentage of the value of the assets of the mandatory and voluntary pension fund that can be invested in deposits in banks that have a license issued by the NBRNM (if they carry interest), respectively in bonds and other securities issued or guaranteed by the RSM in the domestic market, in a period of one year from the date of the first payment to the mandatory and voluntary pension fund, reaches 100%.

Investment structure of mandatory pension funds SAVAz and BKPz, since the beginning of the system's operation (for the period 2006–2024 on an annual basis, and for 2025 on a quarterly basis) is presented in chart 5.11, while the investment structure of mandatory pension fund TRIGLAVz since the beginning of the fund's operation (01.04.2019) and on a quarterly basis for 2025 is presented in chart 5.13.

Chart 5.11. Investment structure of SAVAz

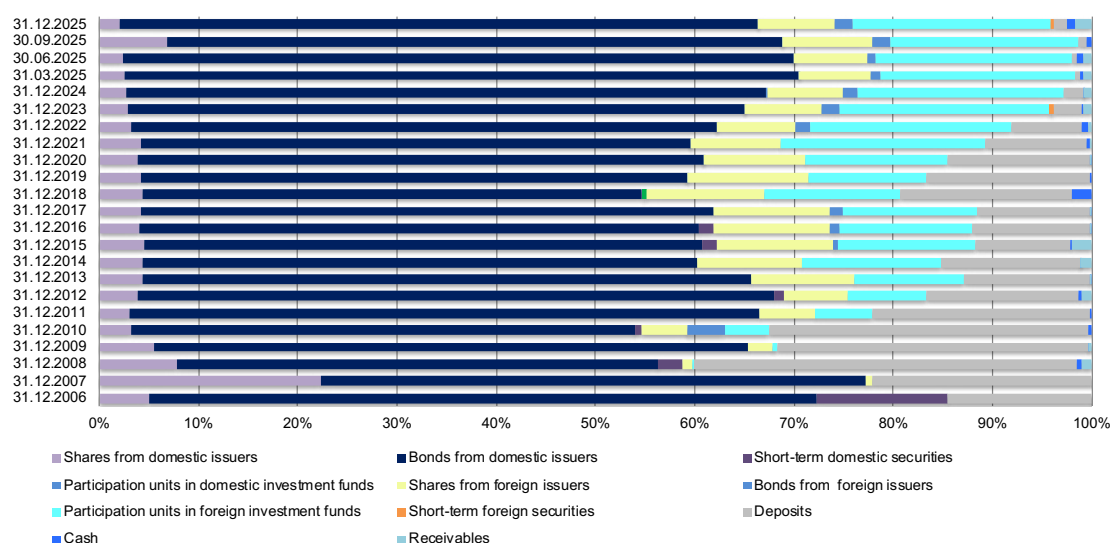


Chart 5.12. Investment structure of BKPz

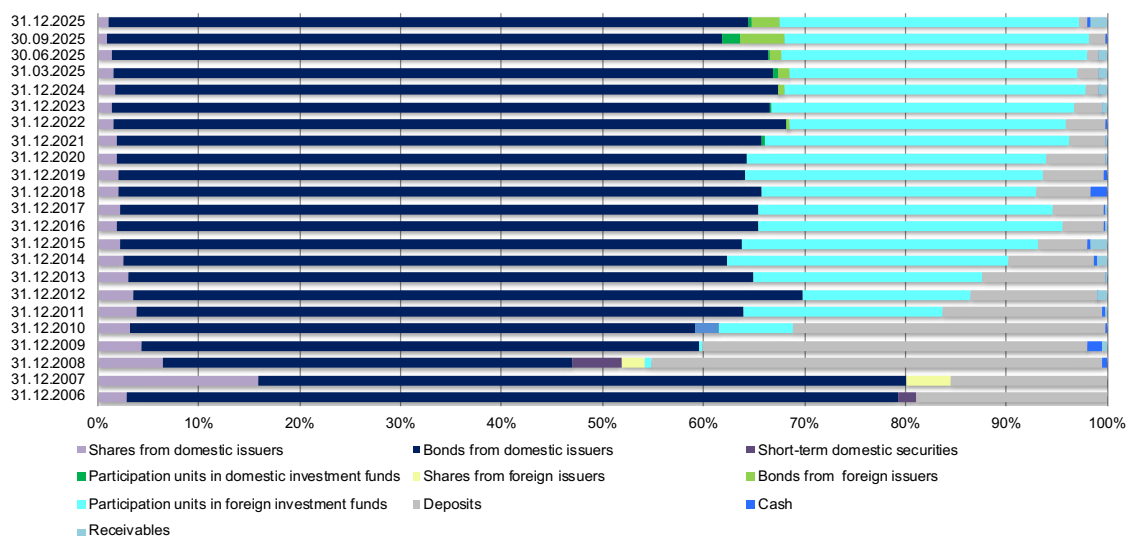
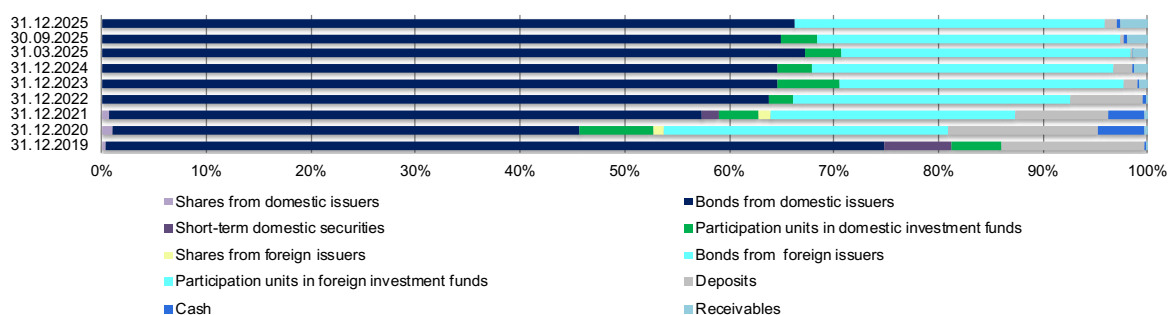


Chart 5.13. Investment structure of TRIGLAVz

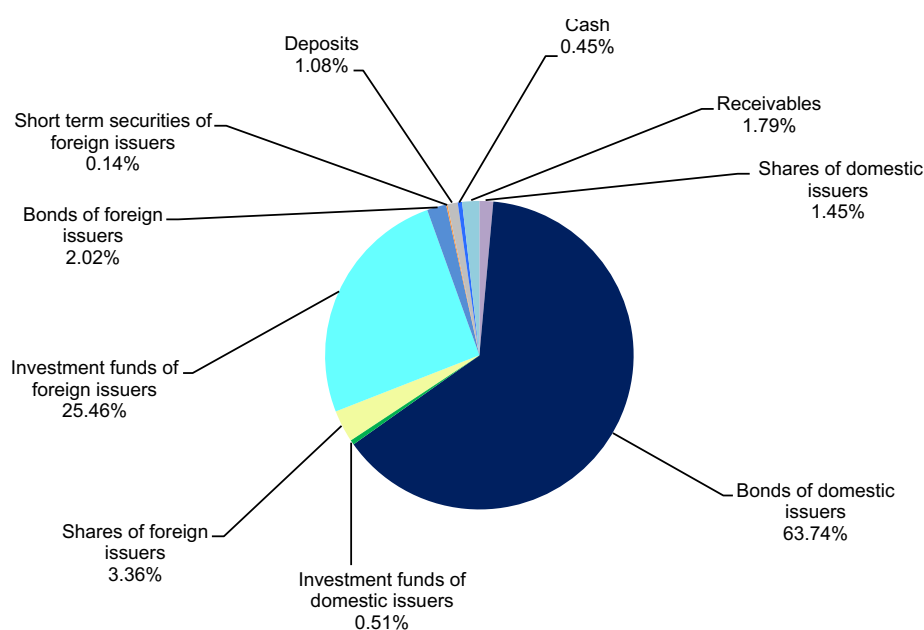


The structure of the investments of the total assets of mandatory pension funds, with a status as of 31.12.2025, does not differ much compared to the structure of investments of mandatory pension funds with a status as of 31.12.2024 and it is presented in graph 5.14.

The share of domestic bonds, which include only government bonds, reaches 63.74%, which represents a decrease of one percentage point compared to the status as of 31.12.2024 (64.93%). Also, the share of bank deposits (1.08%) and the share of domestic stocks (1.45%) have recorded a slight decrease compared to the status of last year. A very small part of the investments of mandatory pension funds belongs to investments in quotas of domestic investment funds (0.51%).

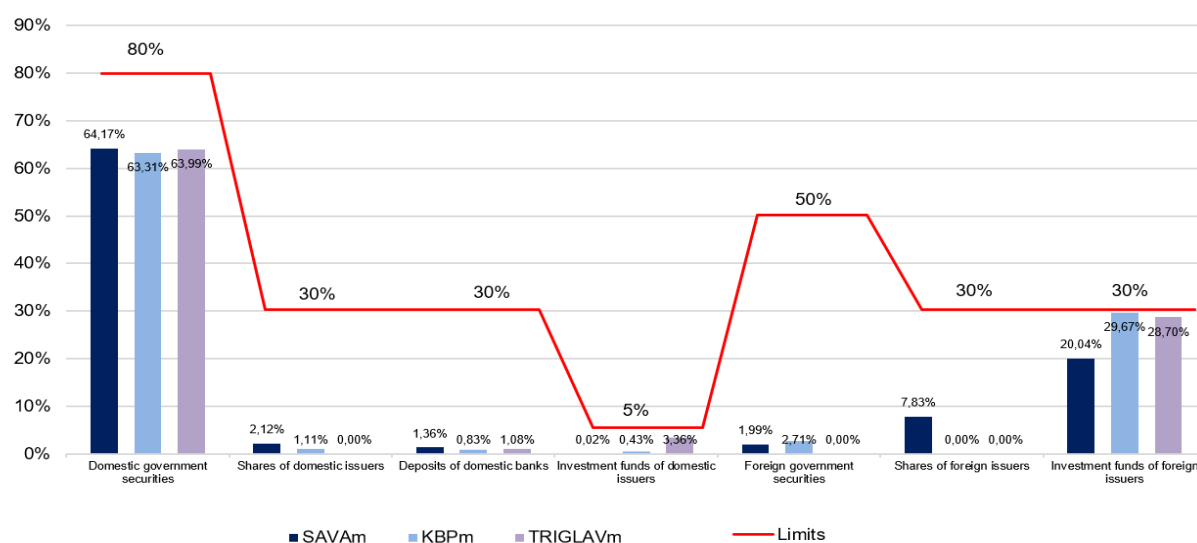
On account of the decrease in the share of investments in instruments issued by domestic issuers, in 2025 the share of investments abroad increased by one percentage point in relation to the previous year and reached 30.98%. In 2025, one pension fund also invested in foreign government bills (treasury bills), therefore investments in foreign securities include investments in foreign government bonds (2.02%), foreign government bills (0.14%), quotas in investment funds (25.46%) and investments in stocks (3.36%). The remaining assets consist of cash with 0.45% and receivables with 1.79%.

Chart 5.14. Investment structure of total assets of mandatory pension funds as of 31.12.2025



During 2025, all three mandatory pension funds invested within the legal maximum investment limits. Chart 5.15 presents the percentage share in the portfolio by asset class for SAVAz, BKPz, and TRIGLAVz, as well as the legal limits, as of December 31, 2025.

Chart 5.15. Asset classes in MPF portfolios compared to legal limits



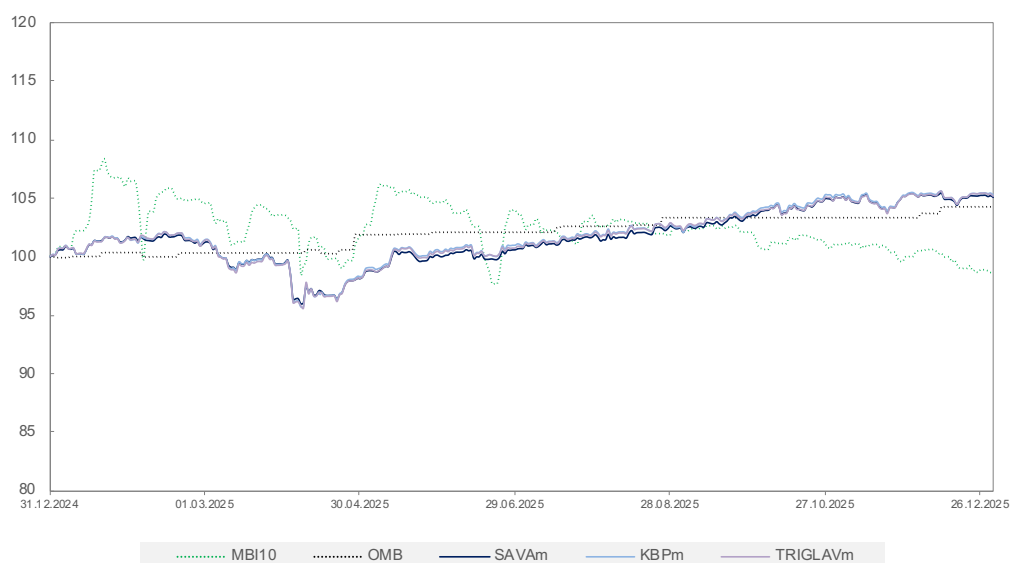
Just as in the previous year, in 2025, a small percentage of mandatory pension fund assets (1.45%) were invested in shares of domestic issuers. In 2025, exposure to shares decreased slightly for SAVAz and KBPz compared to 2024. In this regard, exposure to shares in domestic issuers is higher at SAVAz (2.12%) compared to KBPz (1.11%). As of 31.12.2025, TRIGLAVz has no investments in shares of domestic issuers.

Comparatively, the movement of the value of the Macedonian Stock Exchange Index - OVER10, the Macedonian Stock Exchange Bond Index - OMB, and the values of the accounting units of mandatory pension funds during 2025 are presented in Chart 5.16. The value of the SAVAz accounting unit recorded an increase of 5.14%, the KBPz accounting unit an increase of 5.21%, and the TRIGLAVz accounting unit an increase of 5.14%. During 2025, the OVER10 recorded a decrease of 1.43%, while the OMB recorded an increase of 4.30% during 2024.

¹³Movements are presented through the change of indices/units relative to the initial index equal to 100, on 31.12.2024.

¹⁴Source: Macedonian Stock Exchange AD Skopje – Annual Statistical Bulletin 2025

Chart 5.16. Comparative movement of the value of OVER10, OMB, and the value of the MPF accounting unit, year 2025



In 2025, more than 60% of mandatory pension fund assets consisted of government securities, specifically domestic government securities (64.17% for SAVAz, 63.31% for KBPz, and 63.99% for TRIGLAVz) and foreign government securities (1.99% for SAVAz and 2.71% for KBPz).

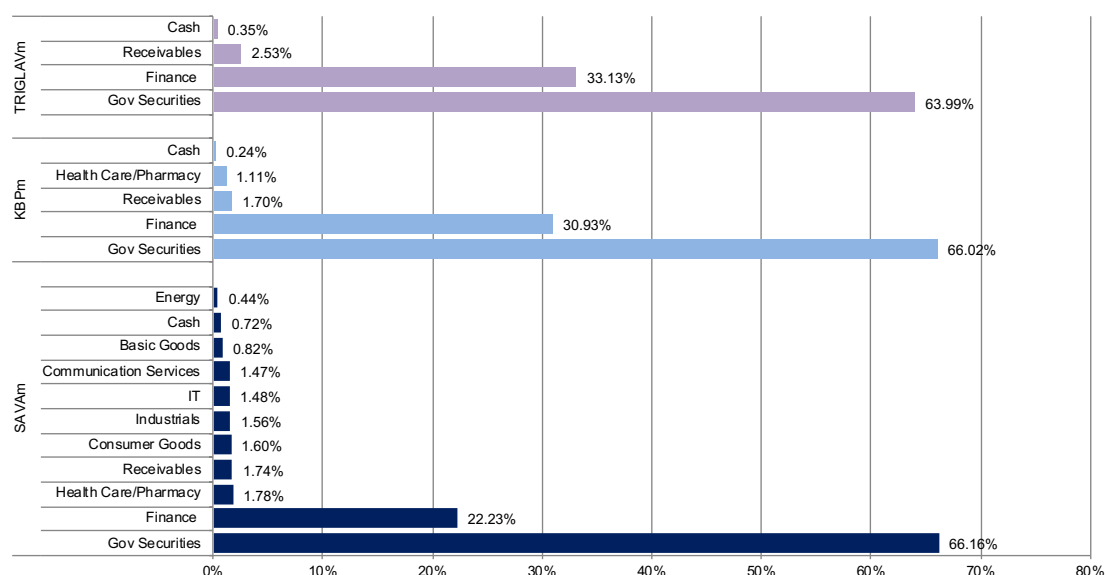
Looking by sector, more than one-fifth of the assets of the three pension funds are investments in instruments from issuers/joint-stock companies in the financial sector, specifically 22.23% for SAVAz, 30.93% for KBPz, and 33.13% for TRIGLAVz. Within this sector:

- For SAVAz, the largest share consists of units in foreign and domestic investment funds (90.26%) and domestic bank deposits (6.11%), while financial services (2.84%) and shares in domestic banks (0.80%) have a smaller share.
- For KBPz, within the financial sector, the share of foreign and domestic investment funds dominates (97.32%), followed by domestic bank deposits (2.68%).
- For TRIGLAVz, within the financial sector, the share of foreign and domestic investment funds dominates (96.75%), followed by domestic bank deposits (3.25%).

In addition to the aforementioned sectors, mandatory pension funds also invest in other sectors: pharmaceuticals, consumer goods, industry, basic materials, information technology, communication services, and energy, but with a much smaller participation (from 0.44% to 1.78%).

The investment structure of mandatory pension funds by sector is presented in Chart 5.17.

Chart 5.17. Structure of MPF investments by sector



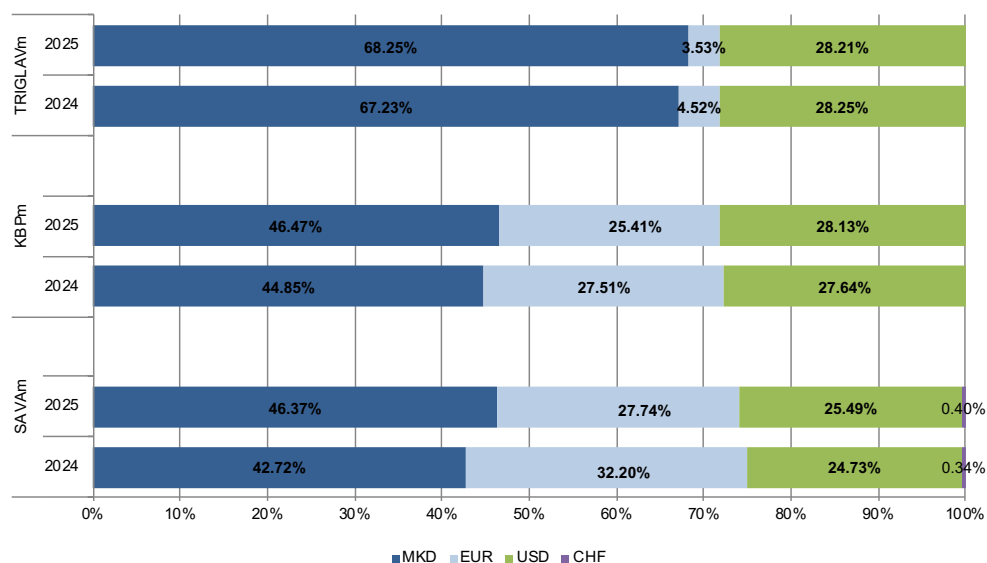
According to the currency structure of the mandatory pension fund assets, which is presented in Chart 5.18, it can be observed that in 2025, for all three mandatory pension funds, the majority of assets are invested in the domestic currency (46.37% for SAVAz, 46.47% for KBPz, and 68.25% for TRIGLAVz), which also marks an increase in participation compared to 2024 for all funds. Consequently, the share of assets invested in instruments in foreign currencies has decreased.

For SAVAz, the share of instruments in euros decreased more significantly (27.74%), while the share of instruments in US dollars increased slightly (25.49%). A very small portion of SAVAz assets is invested in Swiss francs (0.40%).

For KBPz, the share of instruments in euros (25.41%) is lower than the share of instruments in US dollars (28.13%).

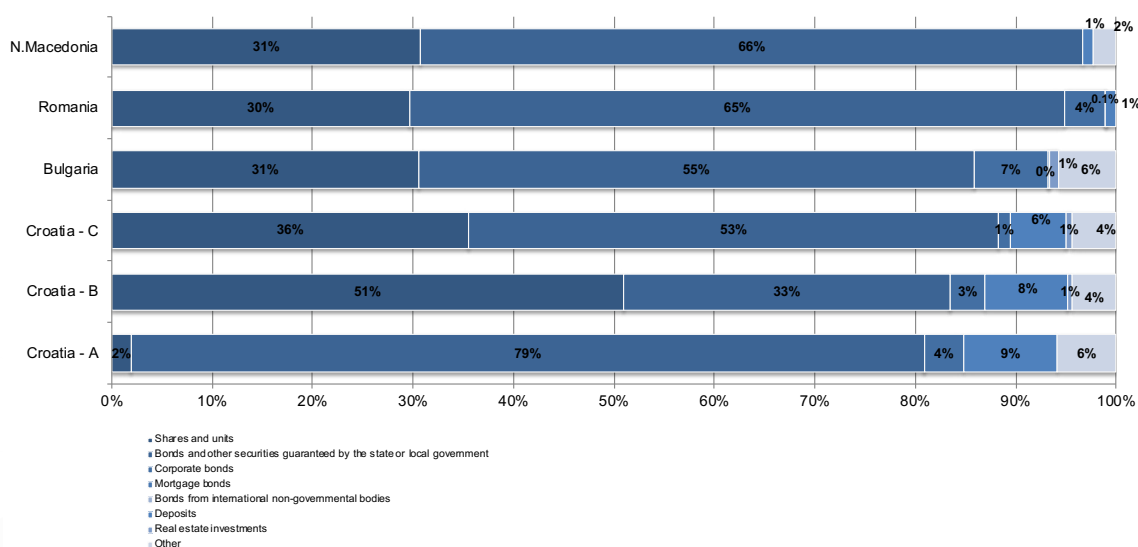
The currency structure of TRIGLAVz differs from that of SAVAz and KBPz regarding the share of instruments in euros and denars. The weight of TRIGLAVz assets remains on the side of assets invested in instruments in denars (68.25%), followed by 28.21% of assets invested in instruments in US dollars, while the smallest portion of assets is invested in instruments in euros (3.53%).

Chart 5.18. Currency structure of MPF assets, 2024–2025



When comparing with countries in the region that have pension systems similar to the Macedonian one, similarities can be seen, as well as significant differences in the investment portfolios of mandatory pension funds. Chart 5.19 presents the pension fund portfolios (which correspond to the mandatory pension funds in North Macedonia) in several countries and in the NRM, as of December 31, 2025.

Chart 5.19. Pension fund portfolios in several countries and in the NRM



If the portfolios of mandatory pension funds are examined by type of instrument, it can be observed that, in all countries, over 50% of pension fund assets are invested in bonds and other securities guaranteed by the state or local government (66% in North Macedonia, 65% in Romania, 55% in Bulgaria, and 53% in Croatia B).

The remaining assets are invested in various ways. The most investment in stocks and shares is in Croatia B (36%), followed by North Macedonia and Bulgaria (31%), and Romania (30%). Pension funds in Croatia B have the most investments in deposits (6%), followed by North Macedonia and Romania (1%), and Bulgaria (less than 1%). Pension funds have also invested in corporate bonds, namely 7% in Bulgaria, 4% in Romania, and 1% in Croatia B.

In 2025, besides pension funds in Bulgaria (1%), pension funds in Croatia B (1%) also had investments in real estate (in other countries, this instrument is most often not permitted). Regarding the exposure of mandatory pension fund portfolios to instruments issued by foreign issuers, it can be observed that pension funds in Croatia B (39%) have a higher exposure to instruments from foreign issuers compared to pension funds from North Macedonia (31%).

¹⁵Sources: www.hanfa.hr; www.fsc.bg; www.asfromania.ro and own calculations

5.6 Net assets, accounting unit and rate of return of mandatory pension funds

The contributions paid into mandatory pension funds, reduced by the compensation from contributions, are invested immediately. The realized total return is attributed to the assets in the mandatory pension fund, respectively individual members' accounts. Once a month, companies also collect compensation for managing the assets, which is calculated on a daily basis, as a percentage of the net assets of the mandatory pension fund.

Furthermore, during each transaction, with the assets of the mandatory pension fund, transaction provisions are collected by the mandatory pension fund itself. Every day, the value of the assets of the mandatory pension fund is assessed. It is determined based on the market value of each individual asset or based on the amortized value of the asset, if the instrument is held until maturity, or in the portfolio available for sale, or if its market value cannot be assessed.

Changes in the assets of mandatory pension funds from the beginning to the end of the year occur due to:

- inflow of contributions;
- inflow of compensations for untimely transfer of contributions in case of untimely transfer of contributions;
- outflow due to compensation and transaction provisions;
- inflow due to transfer from another mandatory pension fund (for persons who were previously temporarily distributed to another fund, and then signed an agreement with the current fund and for persons who were members in another fund, and then transferred to the current fund);
- outflow due to transfer to another mandatory pension fund (for persons who were temporarily distributed to the relevant fund, but then signed an agreement with another fund and persons who were members in the relevant fund, and then transferred to another fund);
- outflow for persons who have terminated their membership agreements, outflow due to surplus of paid contribution, outflow due to realization of the right to disability or family pension and outflow for persons whose membership in the mandatory pension fund has ceased, who during the insurance have achieved insurance service with increased duration that enables the reduction of the age limit for the realization of the right to old-age pension for at least one year;

¹⁶In Croatia, there are multi-funds, specifically three categories of pension funds: A (higher risk), B (portfolios existing at the time of introducing multi-funds), and C (lower risk).

¹⁷Data for foreign investments for Bulgaria as of 31.12.2025 were not available in the received data.

- outflow due to payment of inheritance;
- outflow due to one-off payments for persons who have not realized the right to old-age pension;
- outflow due to payment of old-age pension – programmed withdrawals;
- outflow due to payment of family pension – programmed withdrawals;
- (un)realized profit or loss from investments.

Starting from the value of net assets, at the end of last year, and taking into account all the above-mentioned changes, the value of net assets at the end of the year is reached, which is presented in table 5.6.

Table 5.6. Changes in MPF assets

(in million denars)

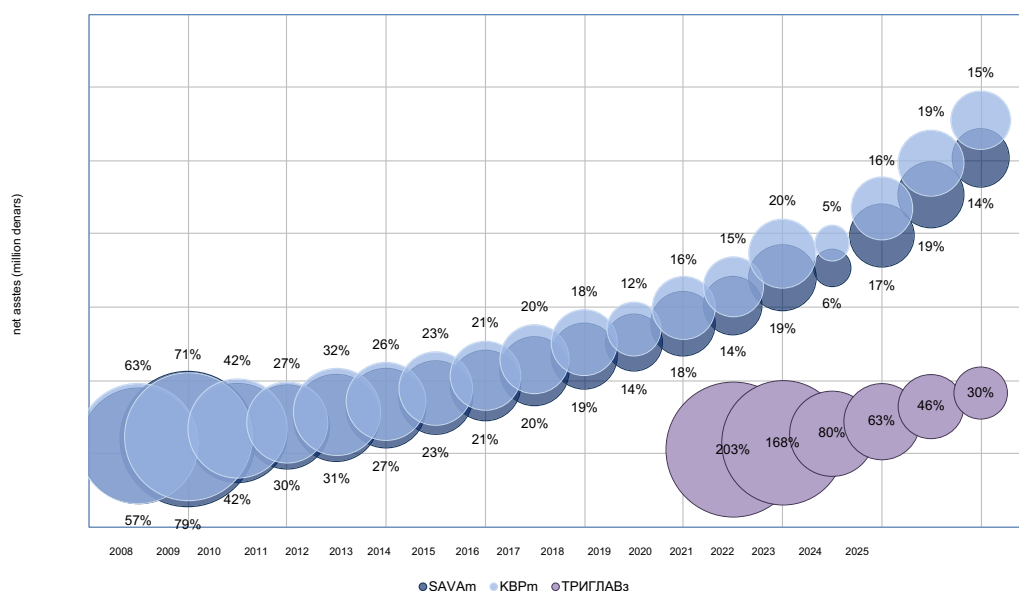
	SAVAz	BKPz	TRIGLAVz	Total
Net assets as of 31.12.2024	70.682,46	79.340,24	12.831,23	162.853,93
Contributions	7.341,13	8.018,44	2.121,60	17.481,17
Contribution fees	124,83	136,35	36,08	297,26
Reduced contributions for compensation from contributions	7.216,30	7.882,09	2.085,52	17.183,91
Compensation for untimely transfer of contributions	0,37	0,43	0,07	0,87
Compensation from assets	270,09	303,72	52,54	626,35
Expenses for brokerage commissions	1,95	1,31	0,18	3,45
Transfer from another fund	679,22	1.107,76	1.994,09	3.781,07
Transfer to another fund	1.370,59	1.453,29	957,20	3.781,07
Transfer to the PDIFNM Fund based on contract termination, contribution refund, retirement and termination of membership	290,02	300,87	39,07	629,96
Inheritance payment	19,92	21,52	2,48	43,92
Old age pension payment – scheduled withdrawals	4,00	6,11	0,05	10,16
Single payment	0,13	0,05	0,00	0,18
Family pension payment – scheduled withdrawals	0,88	0,00	0,00	0,88
Gross profit from investments	4.118,29	4.684,86	817,56	9.620,70
Net profit from investments	3.846,24	4.379,83	764,84	8.990,91
Net assets as of 31.12.2025	80.739,06	90.928,51	16.676,95	188.344,53

The total net assets of mandatory pension funds, as of 31.12.2025, reached 188.34 billion denars or about 3.06 billion euros, which represents 18.04% of the GDP of the RSM.

Chart 5.20 presents the net asset values of mandatory pension funds at the end of each year (2008–2025) and their percentage growth compared to the net assets of the previous year. It can be observed that the net assets of both SAVAz and KBPz are growing with a similar trend. The highest growth for both SAVAz and KBPz was observed in 2009 compared to 2008, while the lowest growth was observed in 2022 compared to 2021. The annual growth of SAVAz and KBPz assets after 2023 already follows the expected trend. In 2025, a slightly reduced growth

is observed compared to the growth in 2024. For TRIGLAVz, a significant increase in net assets is observed in the initial years of the fund's operation.

Chart 5.20. Growth of MPF net assets in percentage compared to the previous year



The movement of the value of net assets and cumulative contributions, as well as the growth of paid contributions and the growth of net assets of SAVAz and KBPz, from the beginning of the system's operation (i.e., from the date of the first payment, 01.01.2006) until 31.12.2025, are presented in Chart 5.21 and Chart 5.22.

The growth of the net assets of mandatory pension funds is implied by the increase in paid contributions and investment results. After the slowdown in growth in 2022, an increase in the growth of net assets was observed again in 2023. For 2025, about 71% of the increase in net assets is due to paid contributions. Compared to the early years of the funds' operation, the share of paid contributions in the total growth of net assets shows a gradual decrease, except in 2022. Additionally, it can be observed that, during the early years, the share of cumulative contributions in total net assets was significantly high, then it gradually decreased, and in the last three years, it reached an average of 65%.

Chart 5.21. Growth of net assets compared to the growth of paid contributions in SAVAz

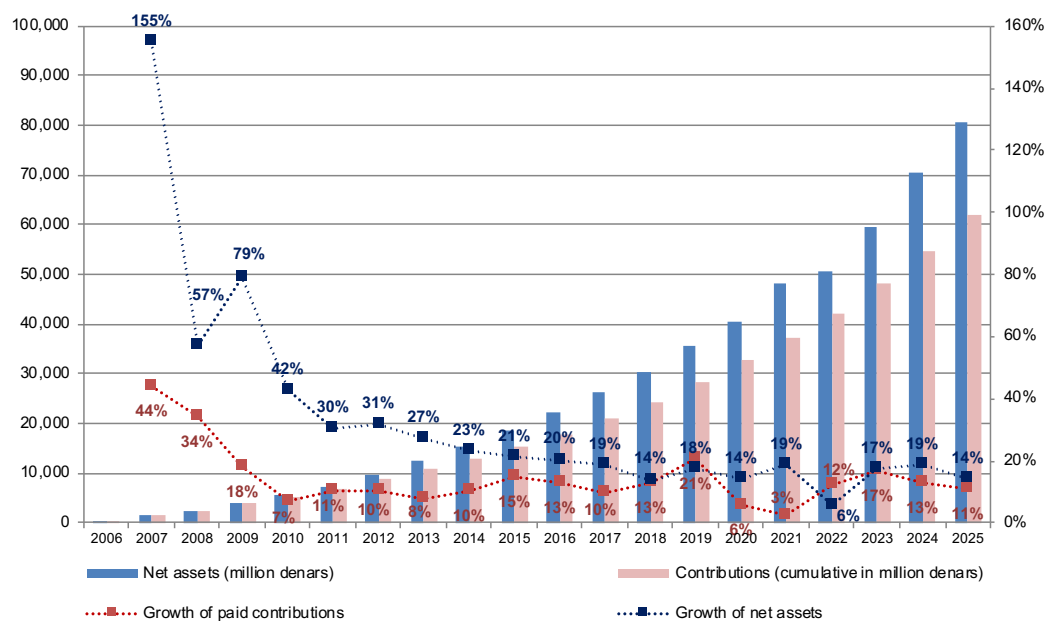


Chart 5.22. Growth of net assets compared to the growth of paid contributions in KBPz

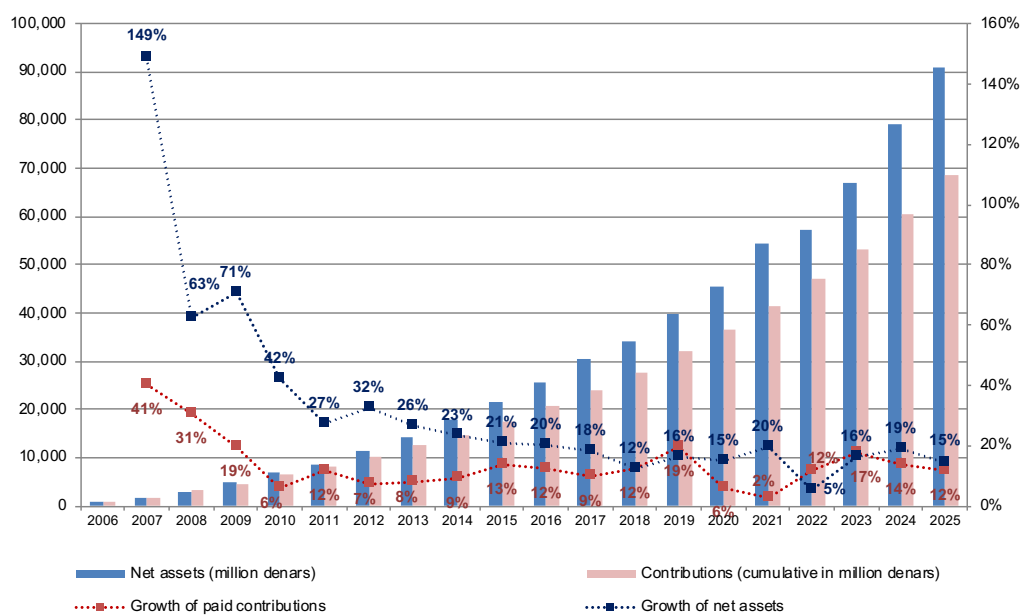
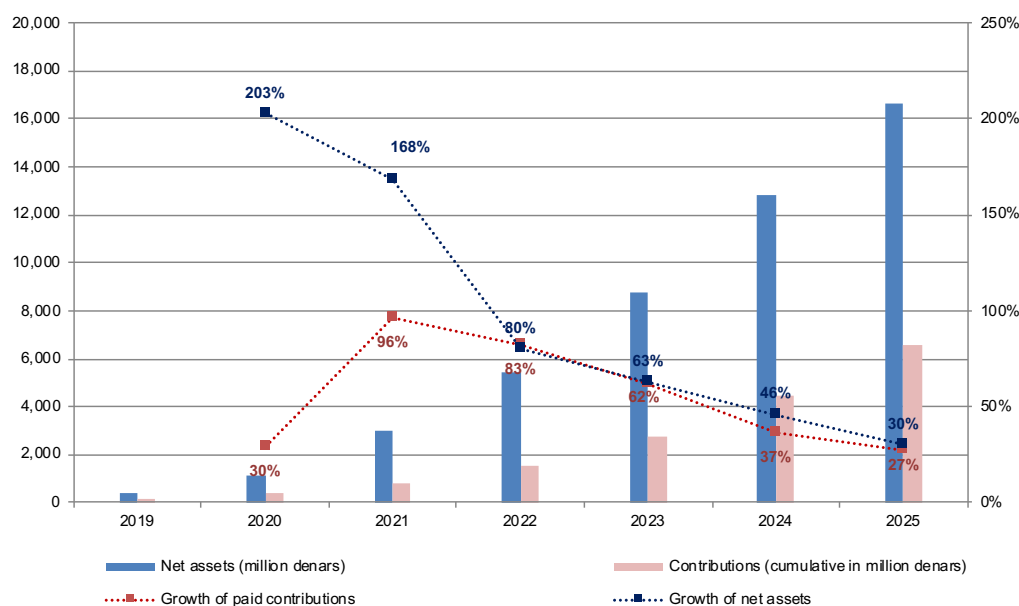


Chart 5.23. Growth of net assets compared to the growth of paid contributions in TRIGLAVz



For SAVAz and KBPz, net assets and cumulative contributions have grown continuously since the beginning of the system's operation. The largest growth in net assets (about 150%) and paid contributions (about 40%) for both SAVAz and KBPz was observed in 2007. This is likely due to the significant percentage increase in membership and contributions compared to the previous year, as well as a high growth rate of the accounting unit. This was followed by a decline in the growth of both net assets and paid contributions. Over the years, there has been a gradual stabilization, with the growth of net assets over the last five years averaging about 15%, while the growth of paid contributions averages 11%. In 2025 compared to 2024, a decrease in the growth of paid contributions (11% for SAVAz and 12% for KBPz) and a decrease in the growth of net assets (14% for SAVAz and 15% for KBPz) were observed.

The movement of the value of net assets and cumulative contributions, as well as the growth of paid contributions and net assets of TRIGLAVz for the seven-year period of its operation (2019–2025), is presented in Chart 5.23. Although reduced, TRIGLAVz also showed growth in net assets and cumulative contributions in 2025 compared to 2024. The growth of TRIGLAVz's net assets, in addition to being driven by the increase in paid contributions, is largely due to assets transferred to TRIGLAVz from SAVAz and KBPz based on agreements for the transfer of members who moved from those funds to TRIGLAVz.

Accounting units are used for recording the assets of mandatory pension funds. An accounting unit represents a proportional part of the total net assets of the mandatory pension fund. The value of the accounting unit is equal to the value of the net assets divided by the total number of accounting units in all individual accounts and sub-accounts. The initial value of a pension fund's accounting unit is 100 denars. Pension funds, including those in North Macedonia, are subject to cyclical

phenomena and movements, which mean increases or decreases in the values of their accounting units, depending on the investment of assets and the movement in the value of the instruments in which the pension fund assets are invested, as well as the collection of fees and commissions.

The movement of the value of the accounting units of mandatory pension funds from the beginning of the system's operation until 31.12.2025 is provided in Table 5.7, Chart 5.24, and Chart 5.25. Since the inception of SAVAz and KBPz, an upward trend in accounting units has been observed. On 01.04.2019, the third mandatory pension fund, TRIGLAVz, began operations. In 2025, although slowed, the upward trend in the values of the accounting units of all three mandatory pension funds continued (5.14% for SAVAz and TRIGLAVz, and 5.21% for KBPz). The slowed growth is due to a decrease in the value of the accounting unit at the end of the first quarter and the beginning of the second quarter (due to movements in foreign financial markets), followed by a gradual increase in the unit. By their nature, pension funds operate over the long term, so their performance should be evaluated in the long term.

Table 5.7. Value of the accounting unit from the beginning of the system

Date	Value per accounting unit (in denars)		
	SAVAz	KBPz	TRIGLAVz
31.12.2006	105,929336	106,265900	
31.12.2007	115,511364	115,303221	
31.12.2008	100,155213	107,116421	
*31.12.2009	116,874672	120,667142	
31.12.2010	125,009646	129,590887	
31.12.2011	129,003093	130,697013	
31.12.2012	139,225567	142,372582	
31.12.2013	151,117506	153,757419	
31.12.2014	160,733889	164,578077	
31.12.2015	170,193521	174,392410	
31.12.2016	179,771032	184,786292	
31.12.2017	189,686331	195,037486	
31.12.2018	193,113009	196,706281	
31.12.2019	213,757775	218,317207	101,578448
31.12.2020	220,489334	227,667060	101,665261
31.12.2021	241,504146	252,373824	110,128711
31.12.2022	235,843874	246,231776	108,891957
31.12.2023	254,969666	264,141459	116,463817
31.12.2024	278,518719	288,532506	128,039370
31.03.2025	276,749434	286,476862	276,749434
30.06.2025	280,483275	291,539875	280,483275
30.09.2025	288,400197	299,472638	288,400197
31.12.2025	292,831861	303,569101	292,831861

**In the second half of 2009, both companies, SAVA and KB Prvo, made decisions to reclassify financial instruments held until maturity into the category of financial instruments available for sale. In this process, the companies performed a revaluation of the value of the financial instruments by applying the objective, fair value, and determined the value of the assets, net assets, the value of accounting units, and the number of accounting units, which caused a relatively high adjustment in the value of the accounting units.*

Chart 5.24. Value of the MPF accounting unit from the beginning of the system

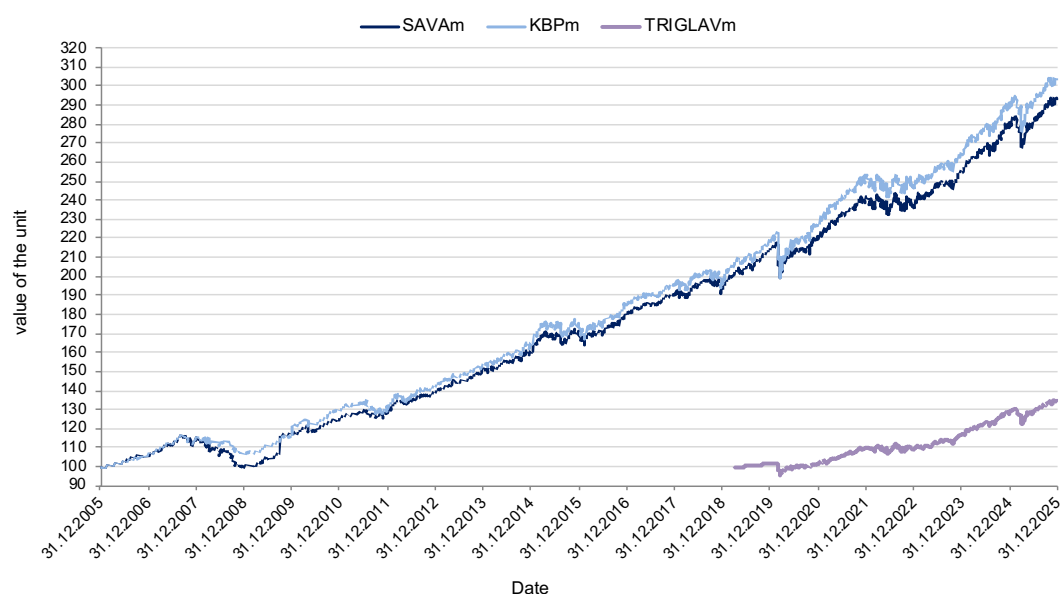
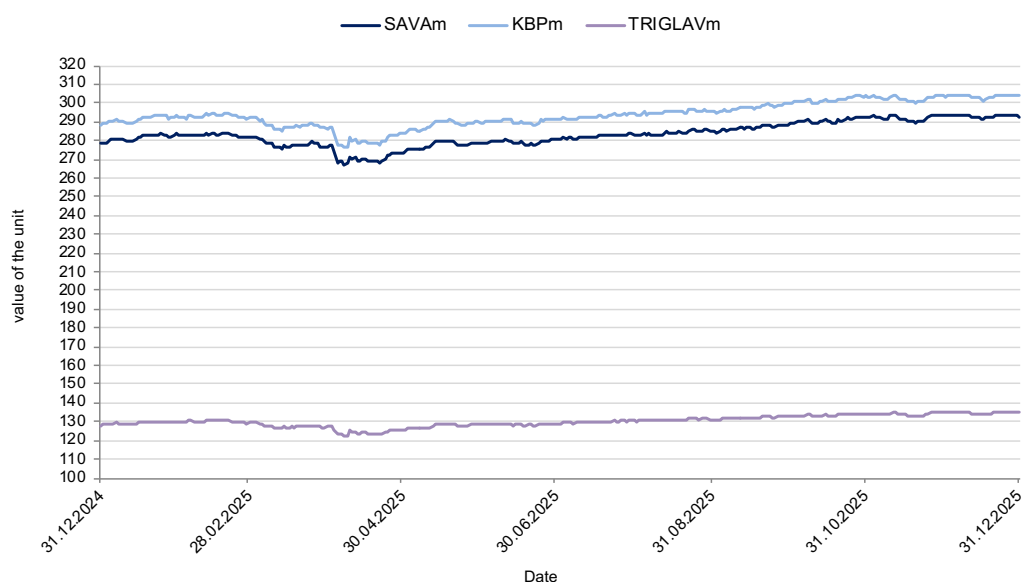


Chart 5.25. Value of the MPF accounting unit in 2025



¹⁸TRIGLAVz is included in comparative analyses for return with returns calculated for the relevant periods, in accordance with the regulation, because it has existed for longer than 12 months, but shorter than 84 months.

Usually, the return for pension funds is calculated for the last several years, discounted to an annual level. Thus, in the Macedonian pension system, it is legally regulated that the return be calculated for a period of seven years (calculation period), discounted to an annual level, in nominal and real amounts. If the fund has existed for less than 84 months, but longer than 12 months, the return is calculated at the end of June, or December, for the period from the first June, or December, after the establishment of the fund, until the end of June, or December, when the calculation is performed. In that case, the calculation period reaches 78, 72, 66, 60, 54, 48, 42, 36, 30, 24, 18, or 12 months.

The return in nominal amount represents the percentage change (increase) of the value of the accounting unit on the last valuation date of the calculation period and the value of the accounting unit on the last day of the month preceding the first month in the calculation period, converted into an equivalent annual rate of return in nominal amount.

The return in real amount, for each calculation period, converted into an equivalent annual rate of return in real amount, is calculated based on the annual rate of return in nominal amount and the change in the level of living expenses in the calculation period, discounted to an annual level. The return of mandatory pension funds, by periods, discounted to an annual level, is presented in Table 5.8.

Table 5.8. Return of MPF*

Period ²⁰	SAVAz		KBPz		TRIGLAVz	
	At face value	In real value	At face value	In real value	At face value	In real value
01.01.2006 - 31.12.2008	0,05%		2,32%			
31.12.2006 - 31.12.2009	3,33%		4,32%			
31.12.2007 - 31.12.2010	2,67%		3,97%			
31.12.2008 - 31.12.2011	8,80%		6,86%			
31.12.2009 - 31.12.2012	6,00%		5,66%			
31.12.2006 - 31.12.2013	5,20%	2,16%	5,41%	2,37%		
31.12.2007 - 31.12.2014	4,83%	2,67%	5,21%	3,05%		
31.12.2008 - 31.12.2015	7,87%	6,45%	7,21%	5,80%		
31.12.2009 - 31.12.2016	6,34%	4,74%	6,27%	4,67%		
31.12.2010 - 31.12.2017	6,13%	4,63%	6,01%	4,51%		
31.12.2011 - 31.12.2018	5,93%	4,72%	6,01%	4,80%		
31.12.2012 - 31.12.2019	6,31%	5,74%	6,29%	5,72%		
31.12.2013 - 31.12.2020	5,54%	4,84%	5,76%	5,06%		
31.12.2014 - 31.12.2021	5,98%	4,48%	6,29%	4,79%		
30.06.2019 - 31.12.2021					3,84%	1,01%
31.12.2015 - 31.12.2022	4,77%	0,73%	5,05%	1,00%		
30.06.2019 - 31.12.2022					2,40%	-4,40%
31.12.2016 - 31.12.2023	5,12%	0,51%	5,23%	0,63%		
30.06.2019 - 31.12.2023					3,40%	-2,76%
31.12.2017 - 31.12.2024	5,64%	0,74%	5,75%	0,84%		
30.06.2019 - 31.12.2024					4,55%	-1,34%
31.03.2018 - 31.03.2025	5,56%	0,72%	5,69%	0,85%		
30.06.2019 - 31.03.2025					4,23%	-1,29%
30.06.2018 - 30.06.2025	5,35%	0,28%	5,57%	0,49%		
30.06.2019 - 30.06.2025					4,32%	-1,47%
30.09.2018 - 30.09.2025	5,43%	0,19%	5,68%	0,43%		
30.06.2019 - 30.09.2025					4,61%	-1,14%
31.12.2018 - 31.12.2025	6,12%	0,74%	6,39%	0,99%		
30.06.2019 - 31.12.2025					4,64%	-0,99%
Start* - 31.12.2025	5,52%	2,29%	5,71%	2,48%	4,50%	-0,94%

¹⁹The formulas for calculating the return in nominal and real amounts are defined in the Rulebook on the valuation of assets of mandatory and voluntary pension funds..

²⁰Until the adoption of the amendments to the Law on Mandatory Fully Funded Pension Insurance in January 2013, the return of a mandatory pension fund was calculated for a 3-year period, in nominal terms only.

Given the long-term nature of pension insurance, it is important to calculate the return of mandatory pension funds since the inception of the system—or the commencement of the fund's operation—discounted to an annual level. For SAVAz, this return reaches 5.52% in nominal terms and 2.29% in real terms, while for KBPz, it reaches 5.71% in nominal terms and 2.48% in real terms. The return since the start of TRIGLAVz's operation, discounted to an annual level, is 4.50% in nominal terms and -0.94% in real terms.

The movement of the return in nominal terms, over the twenty years of the existence of mandatory fully funded pension insurance, can be seen in Chart 5.26, which shows the returns by period (from the beginning of the system to the relevant date), from the start of the system until 31.12.2025, by fund (for SAVAz and KBPz). The chart also presents returns by period from the start of TRIGLAVz's operation to the relevant date.

At the beginning of the system's existence, an increase in return is observed; thus, at the end of 2006 and 2007, high returns were recorded, while at the end of 2008, the lowest returns were observed as a result of negative developments in domestic and foreign financial markets. This was followed by a gradual recovery from the crisis and an increase in returns until the end of 2009 and 2010. At the end of 2011, a slight decrease in return was observed compared to the end of 2010. During the following years, growth was observed (with minor deviations in the growth of returns until the end of 2015 and the first half of 2016, as well as returns in 2018).

The lower returns in 2018 were primarily due to the impact of prices in global financial markets, which showed greater volatility during 2018 and a decline at the end of that year. During 2019, a gradual increase in returns was observed. In 2020, lower returns were observed compared to 2019 for SAVAz and KBPz, mainly due to unfavorable conditions in financial markets under the circumstances of the Coronavirus pandemic. TRIGLAVz, in its initial years of operation and under exceptional circumstances due to unfavorable financial market conditions during the pandemic, recorded a nominal return of less than zero, which was already offset in the following period. After the decline in returns in 2022 due to the global crisis caused by the military conflict between Ukraine and Russia, a gradual increase in returns for all three pension funds has been observed since 2023.

Chart 5.26. MPF return (in nominal amount)

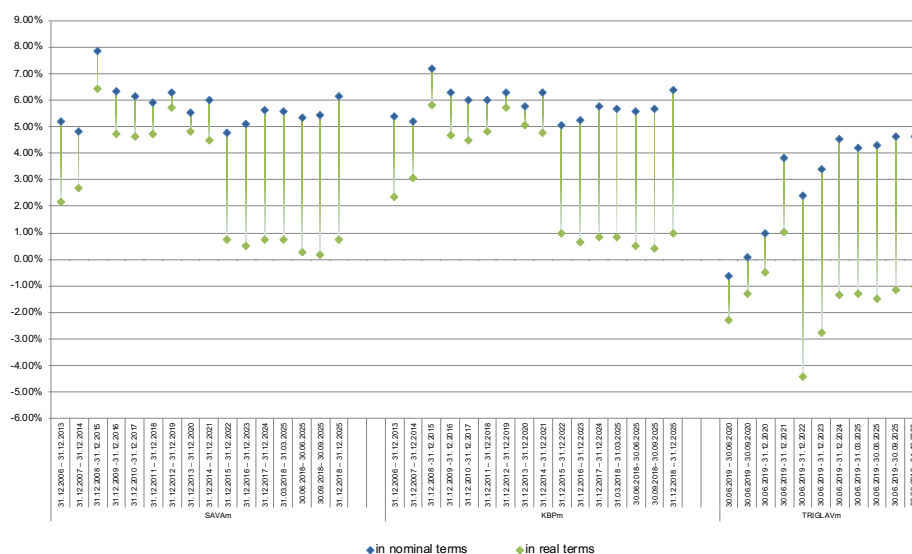


The movement of the return in nominal and real terms, in the period from 2013 to 2024 (on an annual level) and in 2025 (on a quarterly level), according to seven-year periods and converted into equivalent annual rates of return, by mandatory pension fund, can be seen in Chart 5.27. This chart also presents the movement of the return in nominal and real terms for TRIGLAVz for the relevant periods in accordance with the regulation, as it has existed for longer than 12 months but shorter than 84 months.

In 2025, the return in both nominal and real terms recorded an increase for both SAVAz (from 5.56% to 6.12% in nominal terms and from 0.72% to 0.74% in real terms) and KBPz (from 5.69% to 6.39% in nominal terms and from 0.85% to 0.99% in real terms). Thereby, the lowest nominal return was observed in the second quarter, while the lowest real return was observed in the third quarter for pension funds that have existed for more than seven years. The return of the third mandatory pension fund, which began operations in April 2019, also recorded an increase in 2025 in both nominal terms (from 4.23% to 4.64%) and real terms (from -1.29% to -0.99%).

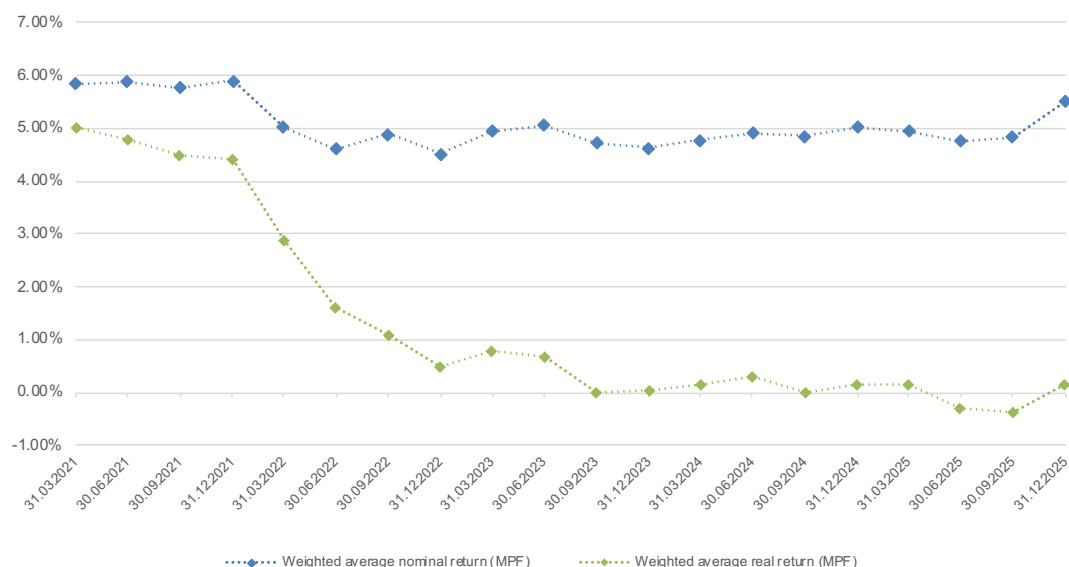
In the examined period (2013–2025), the change in the level of living expenses in the calculation periods, discounted to an annual level, showed a decrease until 2019, which influenced the gradual convergence of real returns toward nominal returns. In the period after 2019 (especially in 2022 and the third quarter of 2025), it recorded an increase, which influenced the gradual divergence of real returns from nominal returns.

Chart 5.27. Nominal and real return of MPF, 2013–2025



The seven-year return for the mandatory fully funded pension insurance system for the period 31.12.2018–31.12.2025, calculated through the change in the weighted average of the accounting units of mandatory pension funds and discounted to an annual level, reached 5.51% in nominal terms and 0.16% in real terms. At the end of 2025, a higher nominal return was observed compared to the end of 2024, with a trend toward reaching the returns realized at the end of 2021. The real return at the end of 2025 remained at the same level as at the end of 2024, meaning that the annual growth of living expenses in the calculation periods still significantly impacts the real return. Data for the seven-year return, calculated via the weighted average change in accounting units, is presented in Chart 5.28 for each quarter from 2021 to 2025.

Chart 5.28. Weighted average nominal and real return of MPF, 2021–2025



5.7. Compensation in Mandatory Pension Funds

To perform their functions—managing fund assets, valuation, membership management, maintaining individual accounts, member notification, and paying fees to MAPAS, the Pension and Disability Insurance Fund (PIOSM), the custodian, and covering their own expenses—pension companies collect fees from contributions, assets, and transfers, in accordance with the Law.

This method of financing is common for pension systems similar to the Macedonian one. The fee collected as a percentage of contributions is paid once upon contribution, after which the contribution is invested until the assets are withdrawn. The fee collected from assets is deducted at the end of each month from the total managed assets. Contribution-based fees have a “front-loaded” weight (relatively high in the initial years), while asset-based fees have a “back-loaded” weight (as accumulated assets grow significantly closer to retirement). Viewed long-term, the contribution-based fee has no significant impact on the member’s final pension amount, whereas the asset-based fee becomes increasingly significant over time.

The types and levels of fees charged by companies managing mandatory pension funds in 2025 are presented in Table 5.9.

²¹The average value is calculated as the weighted average of the accounting units of mandatory pension funds relative to their net assets.

Table 5.9. Fees charged by companies managing mandatory pension funds in 2024

Type of compensation	SAVA	BKPz	TRIGLAVz
Compensation from contributions	1,70%*	1,70%*	1,70%
Kompensim mujor nga vlera e mjeteve neto të fondit të detyrueshëm pensional	0,030%**	0,030%**	0,030%
Monthly compensation from the value of the net assets of the mandatory pension fund			
Number of days ****	Amount of compensation for passage	Amount of compensation for passage	Amount of compensation for passage
Number of days ≤ 720	15 euros	15 euros	15 euros
Number of days > 720	no compensation is paid for the passage	no compensation is paid for the passage	no compensation is paid for the passage

*The legally defined maximum for 2025 is 2.00% (previously 1.80% for all MPFs).

**The rate is equal to the legally defined maximum for 2019 (previously 0.035% for both SAVAz and KBPz).

*** From April 2019. The rate is equal to the legally defined maximum for 2019.

**** The number of days is calculated from the date the member gained status in the existing fund (or the first of the month for which the member acquired the right to contribute, in case of first-time membership) until the date of transfer to the new fund.

Initially, the fee from contributions was determined by tender, with the starting fee for SAVA and KB Prvo reaching 8.50%. Subsequently, with the development of the system, a reduction in fees charged by state institutions from the companies, and an increase in total contributions and assets (which serve as the basis for fee calculation), a continuous and gradual decrease in these fees followed. The levels of contribution-based fees collected since the beginning of the system, including 2025, are presented in Table 5.10.

²²Context from source text: *Administrative Charges for Funded Pensions: An International Comparison and Assessment*, Edward Whitehouse, June 2000.

Table 5.10. Levels of contribution-based fees collected by pension companies in the second pillar

Pension company	AMOUNT	Implementation dat
SAVA	9,90%	By tender
	8,50%	From the beginning of the system (2006)
	7,90%	Since July 2007
	6,90%	Since Feb. 2008
	6,50%	Since May 2009
	5,50%	Since Jan. 2010
	4,50%	Since Jan. 2011
	4,00%	Since Jan. 2012
	3,75%	Since Jul.2013
	3,50%	Since Jan. 2014
	3,25%	Since Jan. 2015
	3,00%	Since Jan. 2016
	2,75%	Since Jan. 2017
	2,50%	Since Jan. 2018
	2,25%	Since Jan. 2019
	2,00%	Since Jan. 2020
	1,90%	Since Jan. 2023
	1,80%	Since Jan. 2024
	1,70%	Since Jan. 2025
KB first	9,90%	By tender
	8,50%	From the beginning of the system (2006)
	7,90%	Since Jul.2007
	6,80%	Since Feb.2008
	5,50%	Since Jan. 2010
	4,50%	Since Jan. 2011
	4,00%	Since Jan. 2012
	3,75%	Since Jul.2013
	3,50%	Since Jan. 2014
	3,25%	Since Jan. 2015
	3,00%	Since Jan. 2016
	2,75%	Since Jan. 2017
	2,50%	Since Jan. 2018
	2,25%	Since Jan. 2019
	2,00%	Since Jan. 2020
	1,90%	Since Jan. 2023
	1,80%	Since Jan. 2024
	1,70%	Since Jan. 2025
TRIGLAVz	2,25%	Since Apr.2019
	2,00%	Since Jan. 2020
	1,90%	Since Jan. 2023
	1,80%	Since Jan. 2024
	1,70%	Since Jan. 2025

The compensation from assets was legally defined and, until May 2013, it amounted to 0.05% per month of the net asset value of the mandatory pension fund, then until December 2014, it reached 0.045%. From January 2015 to December 2016, the compensation was 0.04%. From January 2017, the compensation from assets was 0.035%. Since January 2019, the compensation from assets has been 0.030%.

Since 2013, the law established the maximum level of compensation from contributions and assets that pension companies could charge and provided for their further gradual reduction. In 2025, all pension companies reduced the level of compensation from contributions from 1.80% to 1.70% of the contributions paid into the mandatory pension funds.

The collection of fees (in million denars) by the companies during 2025 is presented in Table 5.11.

Table 5.11. Collection of fees by companies in 2025

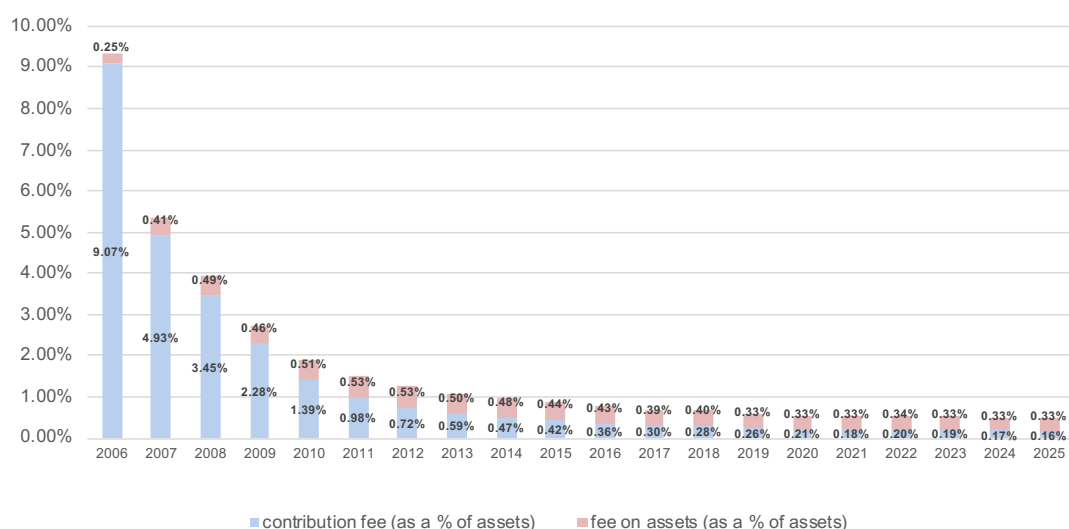
(in million denars)

	Total 2024	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total 2025
SAVAz Total	353,56	30,54	31,40	31,31	31,38	32,48	32,45	33,12	32,52	33,68	34,39	34,05	37,60	394,92
From Contributions	119,06	9,05	9,62	9,73	10,21	10,65	10,32	10,62	9,70	10,49	10,78	10,18	13,48	124,83
From assets	234,50	21,49	21,77	21,58	21,17	21,83	22,13	22,51	22,83	23,18	23,61	23,87	24,12	270,09
BKPz Total	393,49	34,15	34,97	34,83	34,81	36,21	36,19	36,88	36,29	37,74	38,10	37,98	41,91	440,07
From Contributions	129,37	10,04	10,52	10,62	11,05	11,64	11,26	11,56	10,59	11,66	11,53	11,13	14,75	136,35
From assets	264,13	24,11	24,46	24,22	23,76	24,57	24,92	25,32	25,70	26,08	26,57	26,86	27,16	303,72
TRIGLAVz Total	68,96	6,43	6,68	6,70	6,79	7,14	7,24	7,48	7,42	7,83	7,98	7,94	8,99	88,62
From Contributions	30,06	2,51	2,66	2,70	2,84	3,00	2,97	3,07	2,88	3,16	3,19	3,07	4,03	36,08
From assets	38,90	3,92	4,01	4,00	3,95	4,14	4,27	4,41	4,54	4,67	4,79	4,87	4,97	52,54

The fees collected by pension companies from fund members and fund assets have been continuously decreasing throughout the years of operation of the second pillar, as can be seen in Table 5.10 and Chart 5.29. Chart 5.29 presents the amounts of fees collected annually as a percentage of assets at the end of each year, which are consistently declining and in 2025 totaled 0.49% of total assets (consisting of 0.16% in fees from contributions and 0.33% in fees from assets).

Chart 5.29. Fees collected by pension companies in the second pillar 2006–2025

(as % of assets)



Transaction commissions related to transactions for the acquisition or transfer of assets of a mandatory pension fund are paid from the mandatory pension fund's assets to selected legal entities that perform securities services, both domestically and abroad. Transaction commissions are calculated as a percentage of the value of each executed transaction.

During 2025, a total of 1.95 million denars in transaction commissions were charged from SAVAZ, 1.31 million denars from KBPz, and 0.18 million denars from TRIGLAVz.

5.8. Payment of Pensions from Mandatory Fully Funded Pension Insurance

The conditions for acquiring pension rights are the same for both the first and second pillars: an age limit of 64 years for men and 62 years for women, with a minimum of 15 years of service.

From the first pillar, a portion of the old-age, family, and disability pension is paid, as well as the minimum pension. The first-pillar pension is calculated as a defined pension according to a pre-determined formula (a specific percentage, depending on years of service, multiplied by the pension base, which is determined by valorized wages from the entire period of service).

From the second pillar, a portion of the old-age pension is paid in a form chosen by the member:

- Pension annuities with the total amount of assets accumulated in the member's individual account, paid for life by an insurance company authorized for that purpose; or
- Programmed withdrawals from the assets accumulated in the member's individual account, paid by the company managing the mandatory pension fund; or
- A cooperation of the aforementioned methods

The provision of pension annuities and programmed withdrawals is regulated by the Law on the Payment of Pensions and Pension Benefits from Fully Funded Pension Insurance.

If an insured person who has acquired the right to a disability pension is a member of the second pillar, the total amount of assets in that member's account is transferred to the PIOSM Fund, and the full disability pension is paid by the PIOSM Fund. Exceptionally, if the accumulated assets exceed the amount necessary for the payment of the disability pension (in accordance with the Law on Pension and Disability Insurance), the member may choose to use a pension from the second pillar instead.

In the case of the death of a member of the mandatory pension fund from the second pillar whose family members are entitled to a family pension, the total amount of assets in the member's account is transferred to the PIOSM Fund, and the full family pension is paid by the PIOSM Fund. Exceptionally, if the accumulated assets exceed the amount necessary for the family pension, the beneficiary may choose to use a pension from the second pillar instead.

In 2025, 91 disability pensions and 263 family pensions were realized by second-pillar members (or their family members), for which their accumulated assets were transferred to the PIOSM Fund. In 2025, 51 second-pillar members began receiving old-age pensions via programmed withdrawals. Additionally, in 2025, temporary programmed withdrawals began for a family member of 1 deceased member who acquired the right to a family pension. Throughout 2025, old-age pensions were paid via programmed withdrawals to a total of 116 retired members (including those who began withdrawals in previous years), and temporary programmed withdrawals were paid to family members of four deceased members.

There are cases where assets are paid from an individual account without the acquisition of a pension right:

- When a deceased member has no family members entitled to a family pension, the assets in the account become part of the estate and are handled in accordance with the Law on Inheritance.;
- When a member does not qualify for an old-age pension under the Law on Pension and Disability Insurance because they have not completed at least 15 years of service, they may receive a pension only from the second-pillar assets if the pension is equal to or greater than 40% of the lowest pension amount. If the calculated pension is less than 40%, the mandatory pension fund will pay the accumulated assets to the member in a lump sum. In these cases, the pension or lump-sum payment may be executed after reaching age 65.

During 2025, assets were paid as inheritance from the individual accounts of 126 deceased members. Additionally, lump-sum payments were made to 2 members.

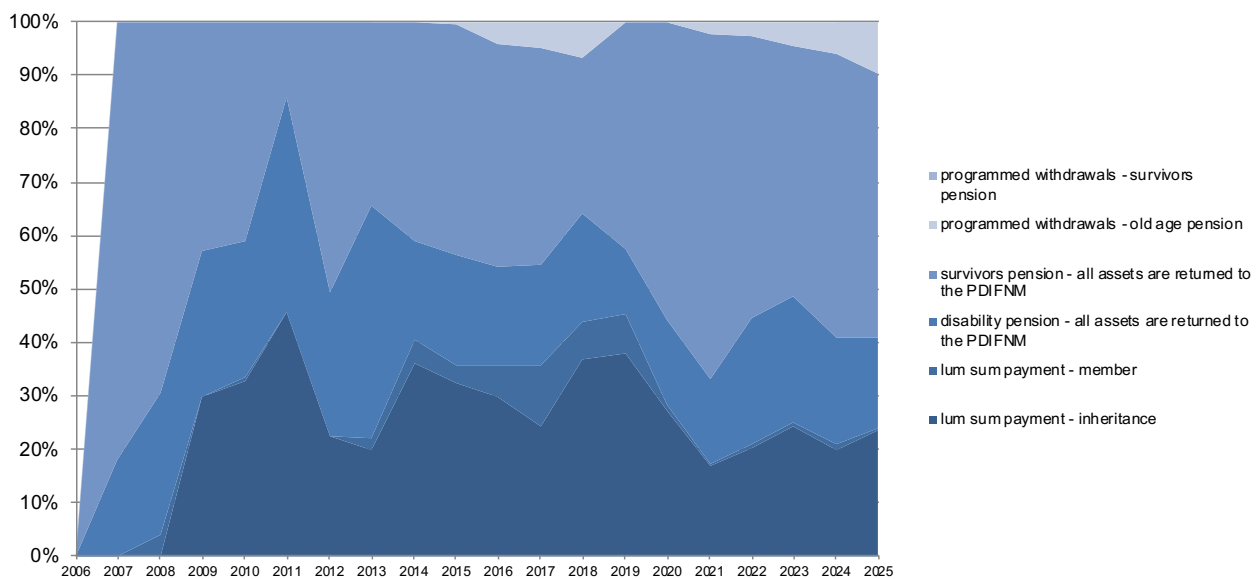
A more detailed overview of realized pensions and payments for second-pillar members in 2025, by mandatory pension fund, is provided in Table 5.12.

Table 5.12. Realized pensions and payments for members in the second pillar in 2025

Type of pension and payment / Mandatory pension fund	SAVAz	KBPz	TRIGLAVz	Total
Disability pension	47	42	2	91
Family pension	131	121	11	263
Old age pension – scheduled withdrawals	20	31	0	51
Family pension – scheduled withdrawals	1	0	0	1
One-time payment – member	1	1	0	2
One-time payment – inheritance	59	56	11	126
Total	259	251	24	534

Chart 5.29 shows the structure of realized pensions and payments from the second pillar over the twenty years of its existence, including the year 2025. The number of payments is still quite small because the members are primarily younger individuals. The majority of payments occur in cases of a member's death, either through a realized family pension or the payment of an inheritance. This is followed by payments based on realized disability pensions, while the number of lump-sum payments to members and payments via programmed withdrawals remains lower.

Chart 5.29. Structure of realized pensions and payments from the second pillar since the beginning of the system



6. Information on Voluntary Pension Funds

In the voluntary fully funded pension insurance, as of 2025, there are a total of 35,944 members, which means an increase in membership during the year by 7.07%. In 2025, a small increase in the growth rate of membership is recorded compared to the previous year. Of the total number of members in the third pillar, around 53% are members with a voluntary individual account, while around 47% are participants in a pension scheme with a professional account. The new voluntary pension fund created slightly higher movement in member transfers from one to another voluntary pension fund in 2025 as well.

During 2025, a total of around 625.06 million denars was paid into the voluntary pension funds. Total assets of voluntary pension funds achieved growth similar to the total assets of mandatory pension funds, i.e., increased by 15.84% and reached 5.06 billion denars, representing around 0.48% of the GDP of RNM. The investment structure of voluntary pension funds is similar to the investment structure of mandatory pension funds. Domestic government bonds have the largest share at 58.84%, representing an increase of three percentage points compared to the previous year. A smaller portion of the assets is invested in domestic equities (4.04%), deposits in domestic banks (3.21%), and domestic investment funds (1.36%), with a decrease observed in deposits and domestic equities compared to 2024. Foreign investments remain almost unchanged and amount to 31.44%, where investments in foreign investment funds have the largest share (24.24%), and a smaller portion in foreign equities (4.09%), foreign government bonds (2.97%), and foreign short-term securities (0.14%).

In 2025, although slowed down, the growth trend of accounting unit values of the four voluntary pension funds continued (5.79% at SAVAd, 4.60% at KBPd, 4.62% at TRIGLAVd, and 5.17% at VFPd). The slowed growth is due to the decrease in the value of the accounting unit at the end of the first and beginning of the second quarter (due to movements in foreign financial markets), followed by a gradual increase of the unit.

Regarding returns, in 2025 a moderate growth of the annual return in nominal amount was recorded for voluntary pension funds for the seven-year period 2019–2025 as well. However, the increased cost of living continues to have a significant impact on returns in real amount. At the third-pillar level, the average annual return was 5.69% in nominal amount and 0.33% in real amount. In 2025, 424 pension benefits and payouts were realized from the third pillar.

6.1. Purpose of Voluntarily Funded Capital Pension Insurance

The primary purpose of voluntarily funded capital pension insurance is to provide higher income after retirement for insured persons who are already covered by the single-pillar and/or two-pillar pension system, to provide pensions for persons who are not personally covered by mandatory pension insurance or are not covered by others, and to provide prerequisites for establishing occupational pension schemes in the process of harmonizing the social security system in the Republic of North Macedonia (RNM) with EU systems. The fundamental principles of voluntarily funded capital pension insurance are: provision of additional funds in case of old age, membership on a voluntary basis, capital financing based on the principle of defined contributions, investment of funds based on security, risk diversification, and maintaining adequate liquidity, as well as transparency.

Voluntary pension insurance enables the inclusion of a large group of people from the population of the RNM, as well as persons who are not citizens of the RNM. It enables additional savings for old age, thereby increasing material security in old age. Furthermore, in accordance with common practices in many European countries where occupational pension schemes exist, through which employers or citizens' associations organize and finance additional pension insurance for their employees or members, this has also been enabled in the RNM. Since European social security systems are under increasing pressure, professional pensions will increasingly play the role of supplementing income after retirement in the future. For these reasons, professional pensions should be developed as a supplement to social security with the aim of ensuring safe, permanent, and efficient social security, which should guarantee a decent standard of living in old age. In the third pillar, an employer or a citizens' association (the insurer) may organize and finance an occupational pension scheme and pay contributions into a voluntary pension fund for its employees and members. Multiple employers or multiple citizens' associations may jointly organize and finance occupational pension schemes. The insurer signs an agreement with the company it has chosen to manage the voluntary pension fund, in which the occupational pension scheme will be included.

It is expected that voluntarily funded capital pension insurance will have a significant additional impact on the economy as a whole, through increasing population savings, increasing investment power, and stimulating the development and deepening of the capital market through the investment of voluntary pension fund assets, increasing demand for new instruments, and through new financial services, etc.

Voluntarily funded capital pension insurance became operational in the second half of 2009, when existing companies were granted licenses to manage voluntary pension funds. The open voluntary pension fund "NLB pensija plus" – Skopje began operations on July 15, 2009, and the KB Prv open voluntary pension fund – Skopje, on December 21,

2009. In June 2018, MAPAS approved the change of the name of the pension fund Open voluntary pension fund – “NLB Pensija plus” Skopje to Open voluntary pension fund Sava pensija plus. Triglav open voluntary pension fund – Skopje began operations on March 1, 2021. VFP open voluntary pension fund – Skopje began operations on October 18, 2022.

6.2. Membership in Voluntary Pension Funds

A person may obtain membership in a voluntary pension fund in three ways:

1. by signing a membership agreement for a voluntary pension fund between the person and the company and opening an individual voluntary account,
2. by signing a membership agreement for a voluntary pension fund between the person, the natural person paying on behalf of and for the account of the person (the payer), and the company, and opening an individual voluntary account,
3. by participating in an occupational pension scheme organized by their employer or by the association they are a member of and opening a professional account.

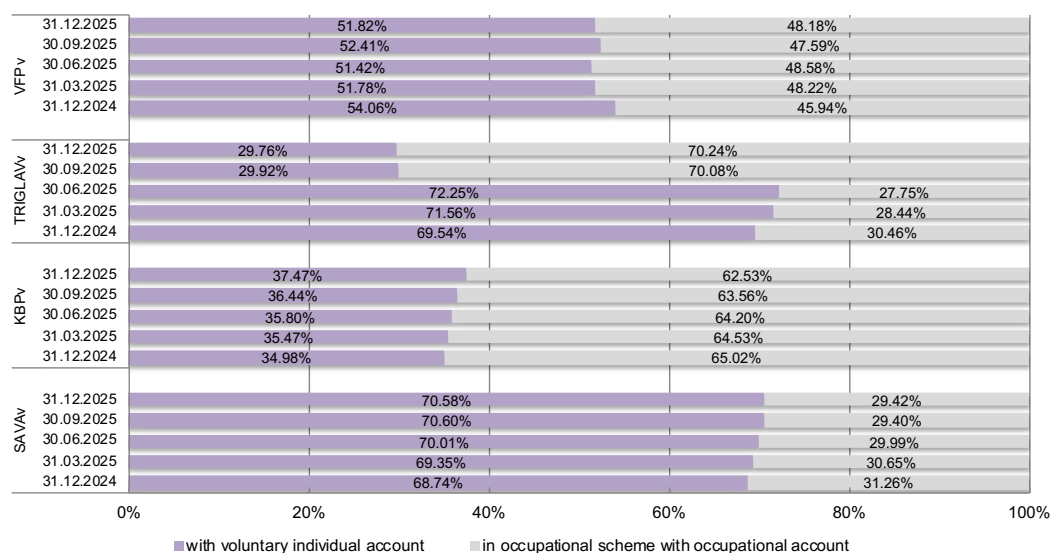
A person may have only one individual voluntary account and one professional account. These accounts may be in the same or in different voluntary pension funds.

In voluntarily funded capital pension insurance, as of December 31, 2025, there are a total of 35,944 members, which means 2,372 more members compared to December 31, 2024, representing an increase in membership of 7.07%. In 2025, a slight increase in membership growth is observed compared to the previous year. Out of the total number of members in the third pillar, 18,932 or about 53% are members with individual voluntary accounts, while 17,012 or about 47% are participants in a pension scheme with a professional account. Since TRIGLAVd and VFPd still had a relatively small number of members (out of the total number of members, 1.53% are in TRIGLAVd and 2.29% in VFPd), regarding the distribution of members by voluntary pension funds as of December 31, 2025, for the voluntary pension funds operating since 2009, there is no significant change compared to the situation in the previous year; specifically, about 45.28% of members are in SAVAd, while about 50.90% are in KBPd.

From Chart 6.1, which shows the structure of members by voluntary pension fund and by type of membership in 2025 on a quarterly basis, a significant difference can be observed regarding the type of membership in the four voluntary pension funds. Regarding the structure of members by type as of December 31, 2025, in SAVAd and KBPd there is no significant change compared to the situation in the previous year. Specifically, SAVAd has a larger number of members with individual voluntary accounts (70.58%), while KBPd has more members in pension schemes with professional accounts (62.53%). Regarding the structure of members by type as of December 31, 2025, in TRIGLAVd there is a larger change compared to the situation in the

previous year, and at the end of 2025, in TRIGLAVd, the larger number are members in pension schemes with professional accounts (70.24%). In VFPd, there is also no significant change compared to the situation in the previous year, and the distribution of membership is more equal, although the larger number are members with individual voluntary accounts (51.82%).

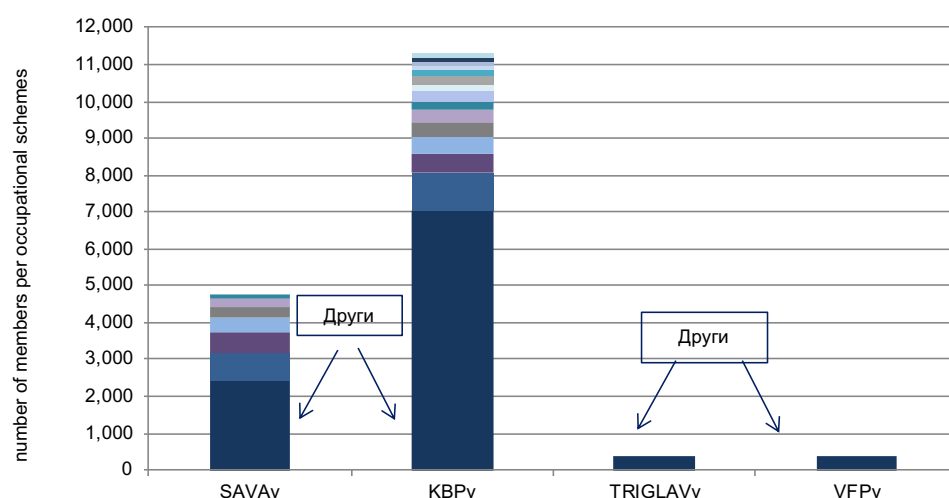
Chart 6.1. Structure of members by VPF and by type of membership



Based on experience to date, most often, members who have individual accounts pay funds themselves, while in a small number of cases, there are members for whom a payer pays the contribution (out of a total of 17,859 members who have individual accounts, only 1,073 members or 5.67% have a payer). Voluntarily funded capital pension insurance also enables the membership of persons who are not citizens of the Republic of North Macedonia. In the existence of the third pillar so far, there is a very small number of members who are foreign citizens (0.01% of the total number of members).

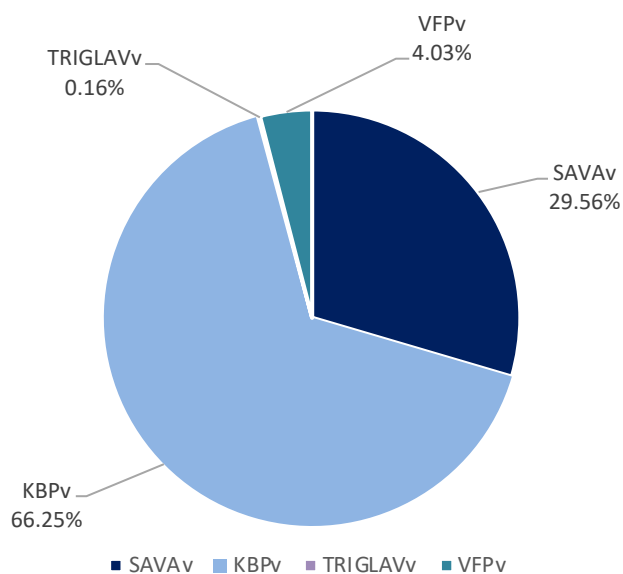
Regarding the participation of members in occupational pension schemes, in SAVAd, 4,787 members are participants in 1,269 occupational pension schemes; in KBPD, 11,442 members are participants in 2,844 occupational pension schemes; in TRIGLAVd, 387 members are participants in 7 occupational pension schemes; and in VFPd, 396 members are participants in 173 occupational pension schemes. There are occupational pension schemes with several dozen members and occupational pension schemes with only 1 to 2 members. Out of the total number of schemes, 21 occupational pension schemes have over 100 members, and four schemes have over 500 members, of which one has over 1,000 members. The distribution of members in occupational pension schemes by fund is given in Chart 6.2, in which only schemes with more than 100 members are presented individually, while the other schemes are included in the item "others."

Chart 6.2. Distribution of members in the third pillar in occupational pension schemes



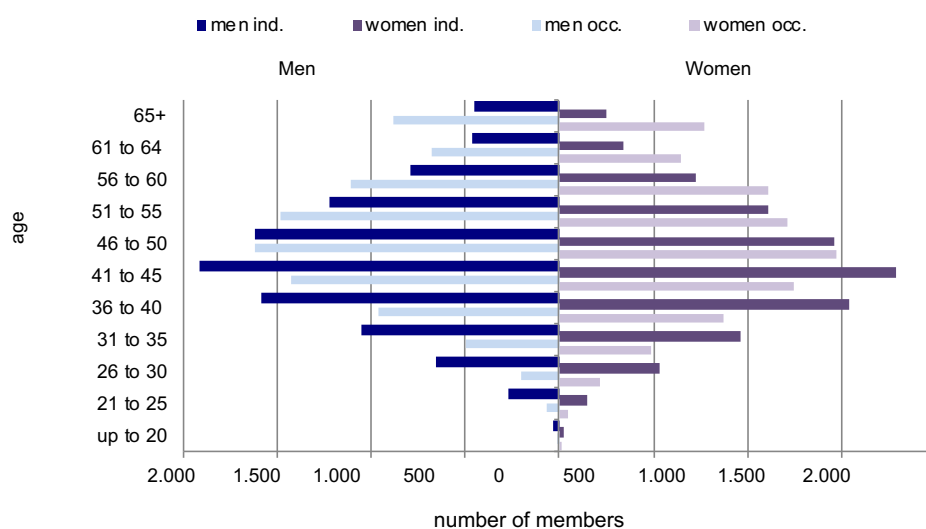
Regarding the distribution of occupational pension schemes by voluntary pension fund, as of December 31, 2025, the largest number of pension schemes are in the pension funds that have been operating since 2009 (66.25% in KBPd and 29.56% in SAVAd), while 4.03% of the pension schemes are in VFPd and only 0.16% in TRIGLAVd. The distribution of pension schemes by voluntary pension fund is presented in Chart 6.3.

Chart 6.3. Distribution of occupational pension schemes by VPF



The structure of members in the third pillar, by age, gender, and type of membership, is presented in Chart 6.4.

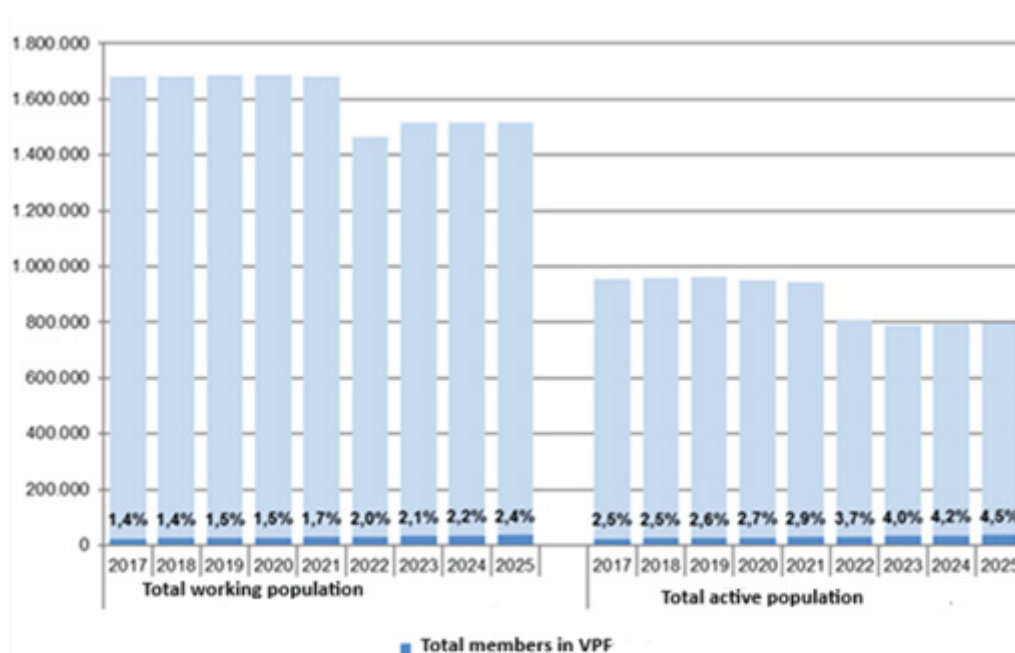
Chart 6.4. Structure of members in the third pillar by age, gender, and type of membership



From this graphical representation, it can be observed that there are more elderly members in the third pillar compared to the second pillar. About 56% of members with individual voluntary accounts are up to 45 years old, while about 54% of members with professional accounts are up to 50 years old. Members with professional accounts are older compared to members with individual accounts. The average age of members with individual accounts is 45 years for men and 44 for women, while that of members with professional accounts is 50 years for both men and women, and the average age of all members cooverned is 47 years.

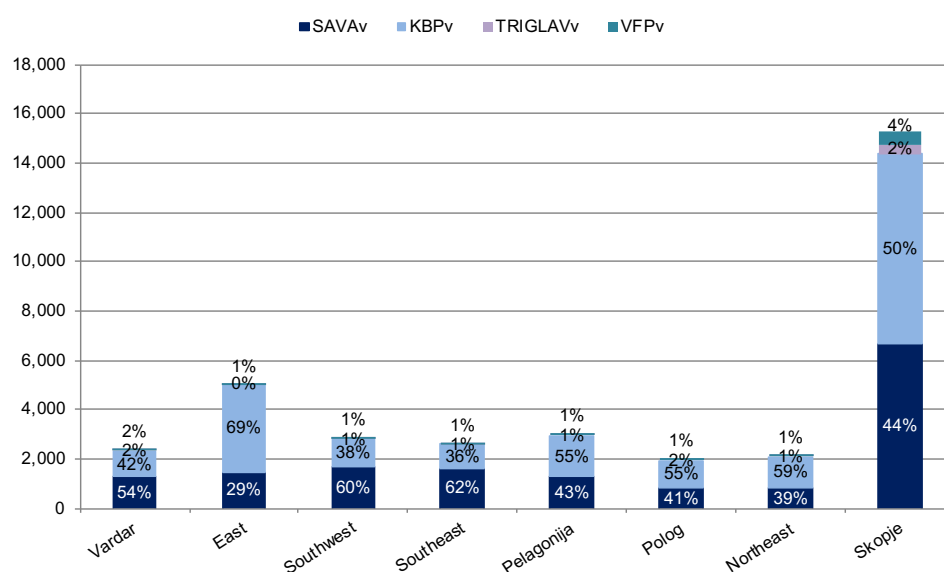
The participation of the total number of third-pillar members in the total working-age population and the total active population, although increased in 2025, is still small. As of the end of 2025, only about 2.4% of the total working-age population in the Republic of North Macedonia are third-pillar members, and about 4.5% of the total active population in the Republic of North Macedonia are third-pillar members. The growth in the participation of third-pillar members in the total working-age and active population in the Republic of North Macedonia, in the period from 2017 to 2025, is presented in Chart 6.5. This result indicates that there is significant potential for the development of the third pillar.

Chart 6.5. Participation of members in the third pillar in the total working-age and active population, by year, 2017–2025



The structure of members in voluntary pension funds by statistical region in the Republic of North Macedonia is given in Chart 6.6.

Chart 6.6. Structure of members in the third pillar, by statistical region



The largest number of members in the four voluntary pension funds is from the Skopje region: 7,665 members in KBPd, 6,693 members in SAVAd, 545 members in VFPd, and 374 members in TRIGLAVd. The fewest members in SAVAd are from the Polog region (831 members), the fewest members in KBPd are from the Southeast region (961 members), the fewest members in TRIGLAVd are from the East region (9 members), while the fewest members in VFPd are from the Polog region (25 members).

²³The statistical regions are defined according to the State Statistical Office – territorial units. The nomenclature of territorial units is based on the territorial organization of local self-government in the Republic of North Macedonia and is harmonized with the EU classification.

6.3. Transfer of a Member from One Account to Another in the Same or a Different Voluntary Pension Fund

Persons have the right to choose a voluntary pension fund and the right to change the chosen voluntary pension fund according to their own preference at any time. If the member has been a member of the existing voluntary pension fund for less than 12 months, they must pay a transfer fee during the transfer; otherwise, the transfer is free. During the transfer, the total assets from the member's account are also transferred. Furthermore, when a participant in an occupational pension scheme moves from one insurer to another, they have the right to transfer the funds saved in the occupational scheme to a professional account or an individual voluntary account if the new insurer has not organized an occupational pension scheme or has not included the person in it. A member who is a participant in an occupational pension scheme has the right to transfer funds to an individual voluntary account if they are no longer employed or are no longer a member of a citizens' association.

Table 6.1 provides data on the number of members who transferred from one voluntary pension fund to another and the amount of assets transferred from one voluntary pension fund to another on that basis during 2025.

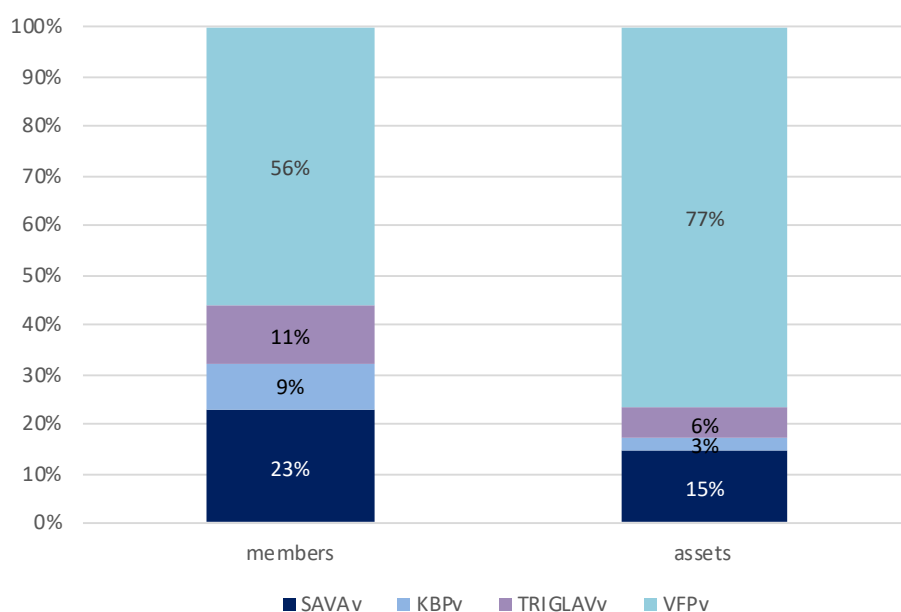
Table 6.1. Transfers of members from one voluntary pension fund to another

2025		The VPF to which members have transferred, respectively to which funds have been transferred.				
		SAVAd	BKPd	TRIGLAVd	VPFd	Total
Members who have transferred from VPF (Voluntary Pension Funds)	SAVAd		12	11	40	63
	BKPd	27		7	48	82
	TRIGLAVd	3	0		1	4
	VPFd	6	3	0		9
	Total	36	15	18	89	158
Funds transferred from VPF (in denars)	SAVAd		1.838.049	3.217.031	31.433.269	36.488.349
	BKPd	5.766.570		1.444.160	27.466.642	34.677.372
	TRIGLAVd	34.162	0		46.506	80.668
	VPFd	5.376.485	129.398	0		5.505.883
	Total	11.177.217	1.967.447	4.661.191	58.946.417	76.752.272

The commencement of the fourth voluntary pension fund, VFP, caused a somewhat greater movement in the transfers of members from one voluntary pension fund to another in 2022 and 2023. However, during 2025, the total number of members in voluntary pension funds who transferred from one voluntary pension fund to another remained at almost the same level as the previous year, reaching 158, which represents 0.44% of the total number of members. During this, 36 members transferred to SAVAd, 15 members to KBPd, 18 members to TRIGLAVd, and 89 members to VFPd. During the transfer, 11.18 million denars were transferred to SAVAd, 1.97 million denars to KBPd, 4.66 million denars to TRIGLAVd, and 58.95 million denars to VFPd. Also, in 2025, there were transfers within the same pension fund from one professional scheme to another and from a professional scheme to an individual voluntary account.

In 2025, the majority or 56% of members who chose to transfer to another voluntary pension fund moved to VFPd, followed by 23% who moved to SAVAd, 11% who moved to TRIGLAVd, and 9% to KBPd. Regarding assets, the majority or 77% of the assets of members who chose to transfer to another voluntary pension fund were transferred to VFPd, 15% were transferred to SAVAd, 6% of the assets were transferred to TRIGLAVd, and 3% to KBPd. Chart 6.7 provides the distribution of member transfers and the distribution of assets transferred to another voluntary pension fund in 2025.

Chart 6.7. Distribution of members who transferred and assets that were transferred to another voluntary pension fund in 2025



6.4. Contributions to Voluntary Pension Funds

Payment of a voluntary contribution can only be made for a person who meets the conditions for membership in a voluntary pension fund, in accordance with the Law on Voluntarily Funded Pension Insurance. The payment of a voluntary contribution, on behalf of and for the account of a member who has an individual voluntary account, can be made by the member themselves and/or the payer. The payment of a voluntary contribution, on behalf of and for the account of a member who has a professional account, can be made only by the insurer. Payments are made from a transaction account or through a transaction linked to the transaction account of the member and/or the payer or the insurer. The voluntary contribution is paid into a separate monetary account of the voluntary fund, which is kept by the custodian of assets, and is allocated to the individual voluntary account or the professional account of the member, depending on the method of membership and after fulfilling the conditions for membership.

The member, the payer, and the insurer have the right to freely determine the amount of the voluntary contribution paid and the dynamics of the payment, while changing the payment amount or stopping the payment does not affect the right of membership in the fund, i.e., it does not imply termination of membership. The amounts of voluntary contributions are determined by the insurer for all participants in the occupational pension scheme, which they organize and finance, and are determined as a percentage of the salary of the member who is included in the occupational pension scheme.

During 2025, a total of 625.06 million denars was paid into voluntary pension funds, which represents about 0.06% of the GDP of the Republic of North Macedonia. Contributions paid in detail by month (in million denars) are presented in Table 6.2.

Table 6.2. Contributions to the third pillar by month and fund

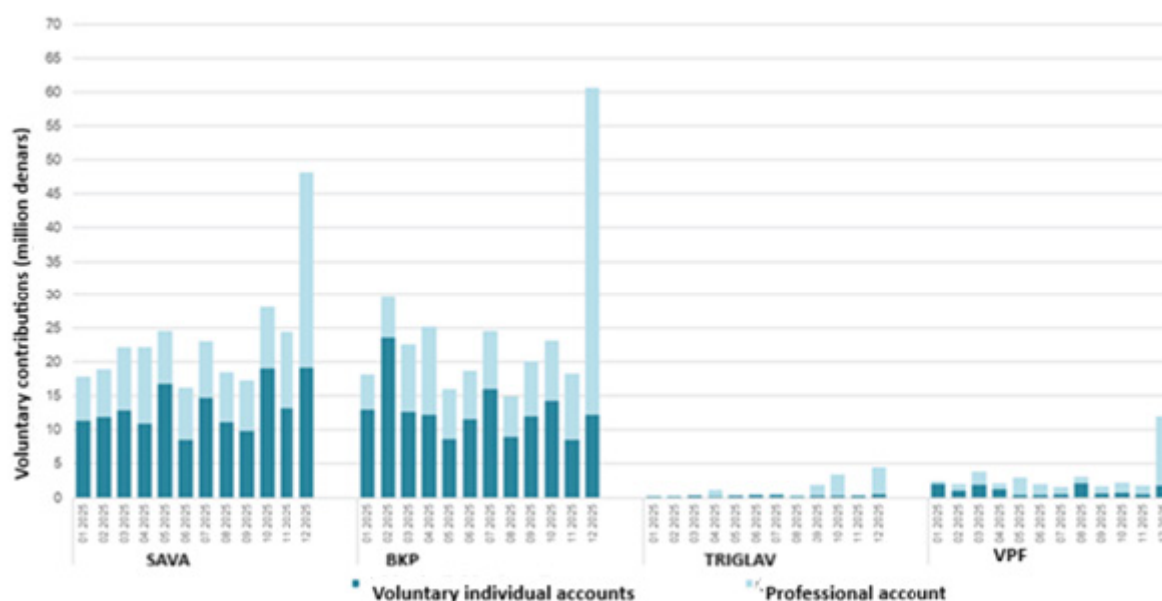
(in million denars)

	Total 2024	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total 2025
SAVAd	239,55	17,83	18,88	22,20	22,14	24,53	16,18	23,00	18,48	17,30	28,12	24,44	48,21	281,30
BKPd	262,01	18,16	29,66	22,58	25,21	15,96	18,69	24,54	14,85	20,08	23,10	18,31	60,64	291,77
TRIGLAVd	3,94	0,22	0,28	0,38	1,10	0,38	0,50	0,63	0,39	1,85	3,37	0,40	4,52	14,01
VPFd	28,43	2,46	2,04	3,83	2,14	2,98	2,05	1,60	3,07	1,71	2,26	1,83	12,00	37,97
Total	533,92	38,67	50,85	48,99	50,58	43,85	37,42	49,77	36,79	40,95	56,84	44,98	125,36	625,06

In 2025, the total amount of voluntary contributions paid into the third pillar recorded an increase of 17.07% compared to 2024. During this period, the total amount of voluntary contributions paid increased in all voluntary pension funds: by 17.43% in SAVAd, by 11.36% in KBPd, by 255.65% in TRIGLAVd, and by 33.55% in VFP.

In 2025, the distribution of voluntary contributions across all four voluntary pension funds cooverned, paid into professional accounts and individual voluntary accounts, was nearly equal, although the majority were paid into individual voluntary accounts (52.60%). Regarding the individual funds in 2025, SAVAd and KBPd showed a nearly identical distribution of contributions, with the majority paid into individual voluntary accounts (56.54% at SAVAd and 52.58% at KBPd). At TRIGLAVd and VFPd, more than two-thirds of contributions were paid into professional accounts (77.60% at TRIGLAVd and 65.42% at VFPd). The distribution of payments by account type and by fund, on a monthly basis, is provided in Chart 6.8.

Chart 6.8. Distribution of payments in the third pillar by account type and by fund



6.5. Investment and Portfolio Structure of Voluntary Pension Funds

In voluntarily funded pension insurance, just as in mandatory funded pension insurance, proactive control and quantitative and qualitative investment restrictions are used in the initial phase. However, unlike mandatory funded pension insurance, voluntary insurance has more liberal conditions regarding investment.

In addition to the instruments permitted for mandatory pension funds, voluntary pension funds are also allowed to invest abroad in debt securities issued by the European Central Bank, the European Investment Bank, and the World Bank, as well as debt securities issued by local self-government units. Since it is necessary to achieve adequate diversification among different types of investments in voluntary pension funds as well, maximum investment limits are provided for a specific company and a specific economic group, as well as maximum limits on the amounts that can be invested in certain types of instruments. In order to prevent investments in instruments that are not suitable for the investment of voluntary pension funds, the law prohibits investments in stocks, bonds, and other securities that are not quoted on the official market or are not publicly traded, instruments that cannot be legally disposed of, instruments that cannot be valued immediately, various forms of assets that cannot be valued immediately, and items with uncertain value. Maximum investment limits are presented in Table 6.3.

Table 6.3. Maximum investment limits

Investments abroad (EU, OECD)	50%
- Bonds and other securities issued by foreign governments and central banks of foreign countries, as well as debt securities issued by the European Central Bank, the European Investment Bank and the World Bank.	50%
- Debt securities issued by local self-government units, foreign non-state companies or banks, shares issued by foreign companies or banks, as well as participation certificates, shares and other securities issued by investment funds.	30%
Securities issued or guaranteed by RMV in the domestic market or by BPRMV	80%
Bank deposits, certificates of deposit, commercial paper, bonds, and mortgage-backed securities issued by domestic banks.	60%
Bonds issued by local self-government units and by domestic joint-stock companies that are not banks, as well as commercial papers from domestic joint-stock companies that are not banks.	40%
- Bonds issued by local government units.	10%
Shares issued by domestic joint stock companies.	30%
Documents for participation and shares of Macedonian investment funds.	5%

The investment structure of the voluntary pension funds SAVAd and KBPd, from the beginning of their operations (for the 2009–2024 period, on an annual basis, and for 2025, on a quarterly basis), is presented in Chart 6.9 and Chart 6.10. The investment structure of the voluntary pension fund TRIGLAVd from the beginning of its operations (March 1, 2021 – 2024 and on a quarterly basis for 2025) is presented in Chart 6.11. The investment structure of the voluntary pension fund VFPd (for the period from the beginning of its operations, October 18, 2022 – 2024, and on a quarterly basis for 2025) is presented in Chart 6.12.

Chart 6.9. Investment structure of SAVAd

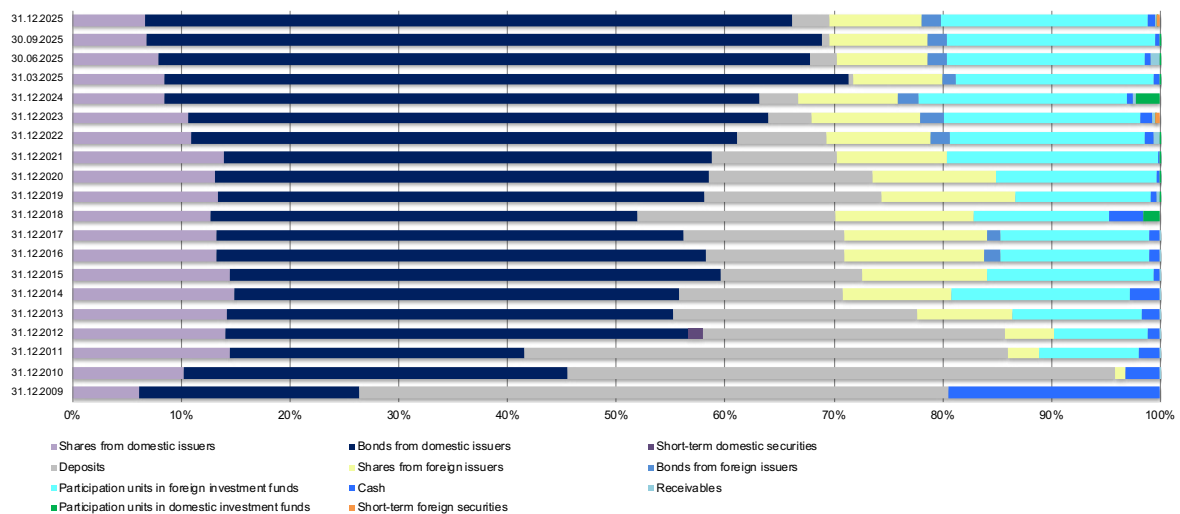


Chart 6.10. Investment structure of KBPd

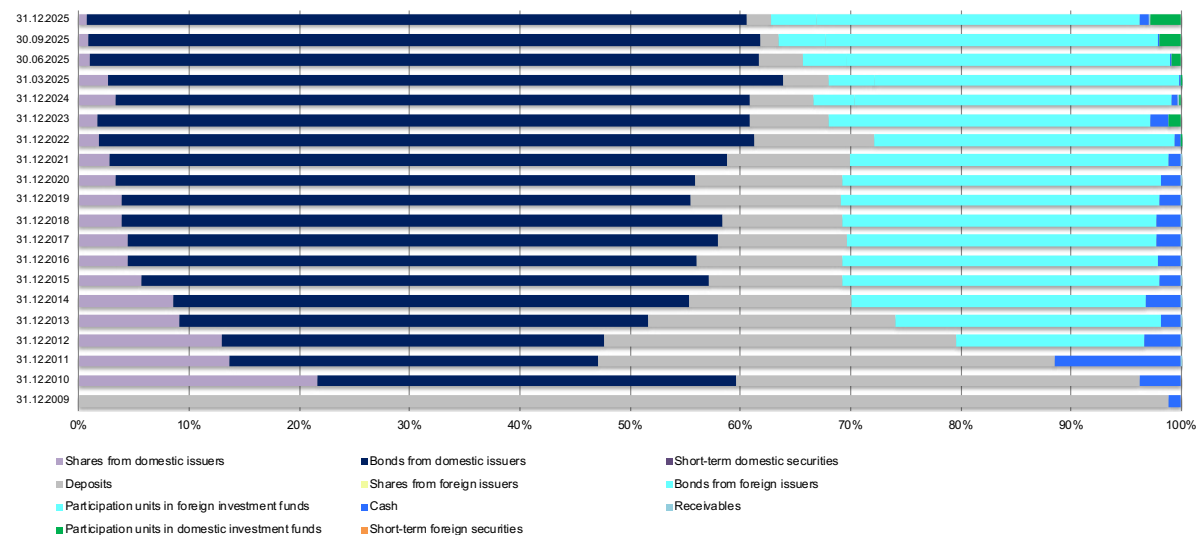


Chart 6.11. Investment structure of TRIGLAVd

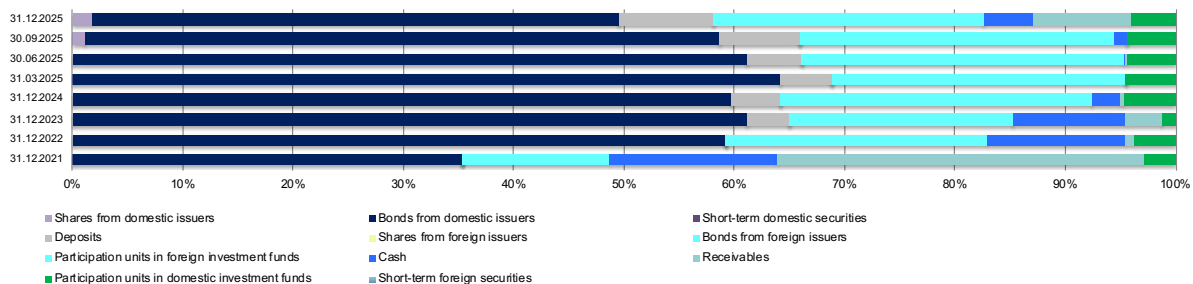
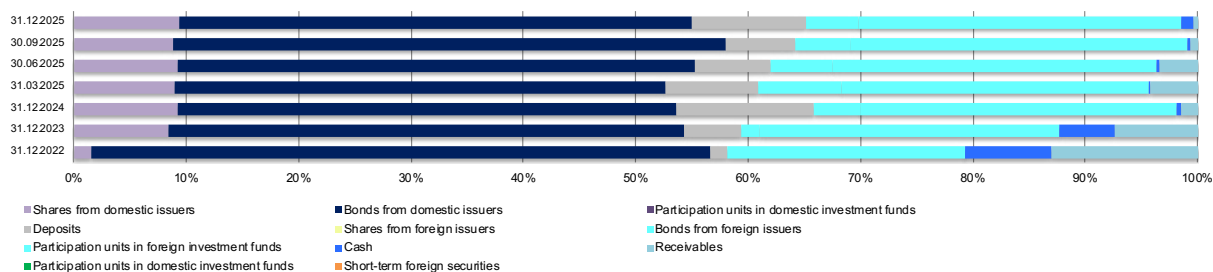


Chart 6.12. Investment structure of VPPFd



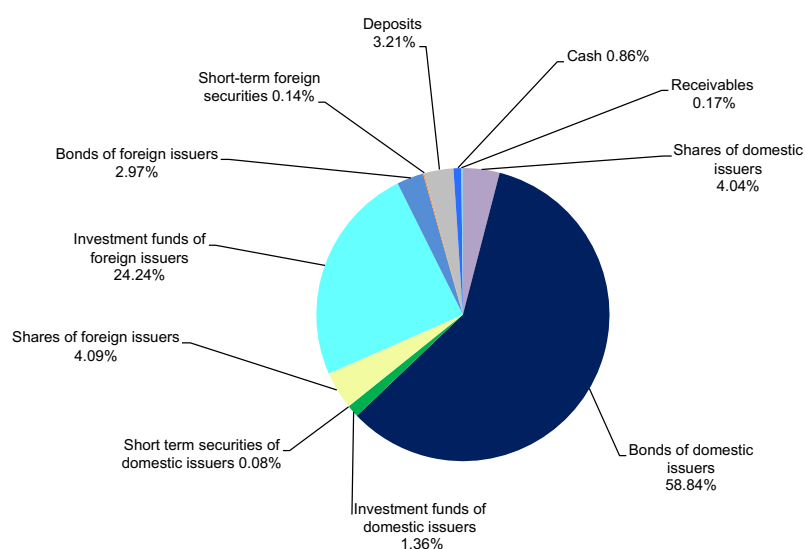
The structure of the total assets of voluntary pension funds as of December 31, 2025, does not differ significantly compared to the investment structure of voluntary pension funds as of December 31, 2024, and is presented in Chart 6.13. The share of domestic bonds, which include only government bonds, reached 58.84%, meaning it increased by three percentage points compared to December 31, 2024. In 2025, a small portion (0.08%) of the assets of voluntary pension funds was also invested in short-term government securities.

The share of deposits in domestic banks decreased again in 2025 by almost two percentage points compared to 2024, reaching 3.21%. Also, the share of stocks of domestic issuers is decreasing compared to the previous year by two percentage points, reaching 4.04%. A very small portion of voluntary pension fund investments belongs to investments in shares of domestic investment funds (1.36%).

In 2025, the share of investments abroad remained at almost the same level compared to the previous year, reaching 31.44%. In 2025, three pension funds also invested in foreign government bonds, while one pension fund also invested in short-term foreign government securities, so

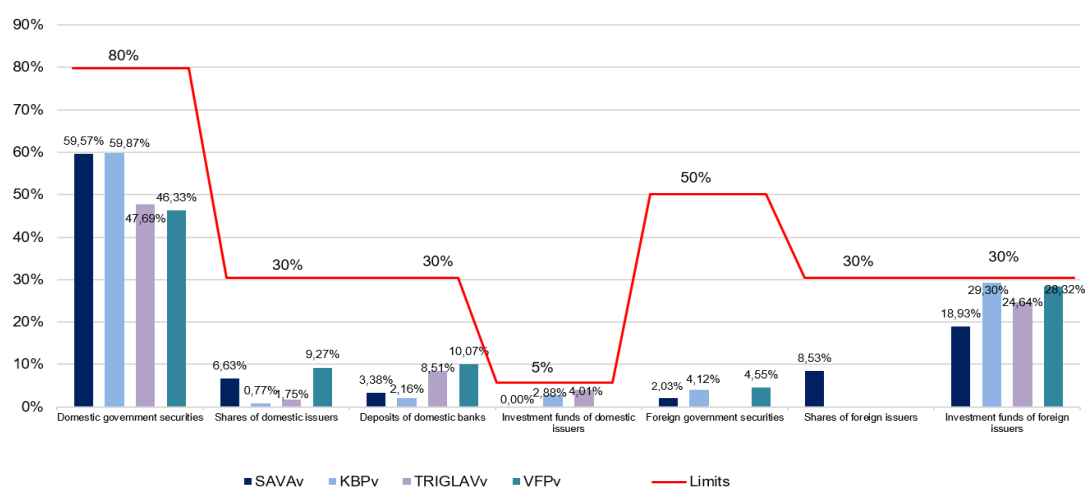
investments in foreign securities include investments in foreign government bonds (2.97%), short-term foreign government securities (0.14%), shares of investment funds (24.24%), and investments in stocks (4.09%). Other assets consist of cash (0.86%) and receivables (0.17%).

Chart 6.13. Investment structure in the third pillar as of December 31, 2025



During 2025, the four voluntary pension funds invested within the maximum investment limits. Chart 6.14 presents the percentage share in the portfolio by asset class for SAVAd, KBPd, TRIGLAVd, and VFPd, as well as the legal limits as of December 31, 2025.

Chart 6.14. Asset classes in the portfolio of VPFs compared to legal limits



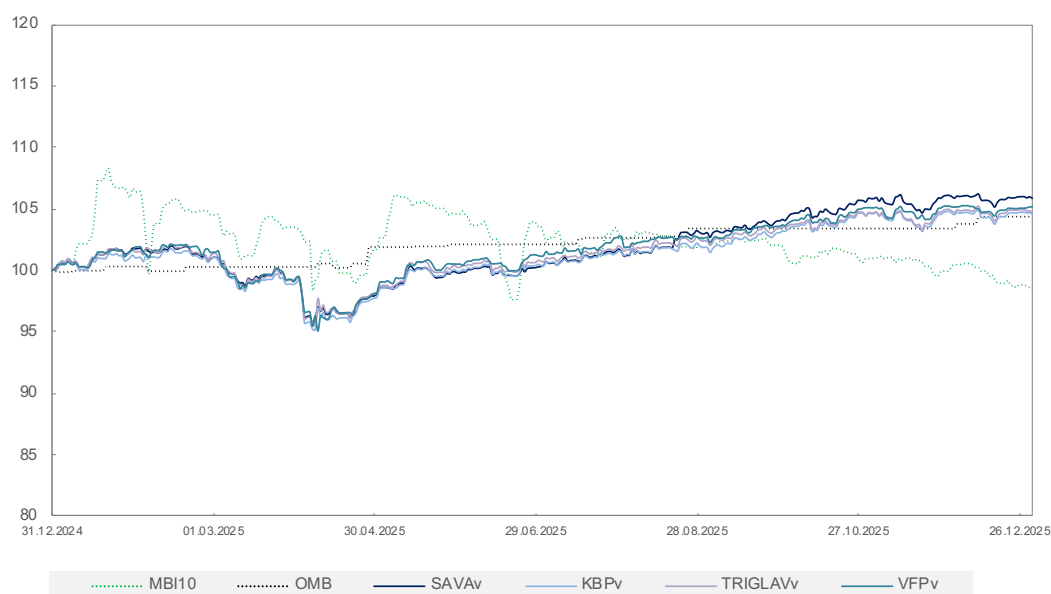
Voluntary pension funds have a greater exposure of assets in stocks from domestic issuers (4.04%) compared to mandatory pension funds, although the exposure to stocks in domestic issuers differs across all pension funds. In this regard, the exposure to stocks in domestic issuers is significantly higher in SAVAd (6.63%) and VFPd (9.27%) compared to TRIGLAVd (1.75%) and KBPd (0.77%).

Comparatively, the movement of the value of the Macedonian Stock Exchange Index - OVER10, the Macedonian Stock Exchange Bond Index - OMB, and the accounting unit values of the voluntary pension funds during 2025 are presented in Chart 6.15. The accounting unit value of SAVAd recorded an increase of 5.79%, the accounting unit of KBPd an increase of 4.60%, the accounting unit of TRIGLAVd an increase of 4.62%, and the accounting unit of VFPd recorded an increase of 5.17%. During 2025, OVER10 recorded a decrease of 1.43%²⁴. During 2025, OMB recorded an increase of 4.30%.

²⁴Движењата се прикажани преку промената на индексите/единиците во однос на почетен индекс еднаков на 100, на 31.12.2024 година.

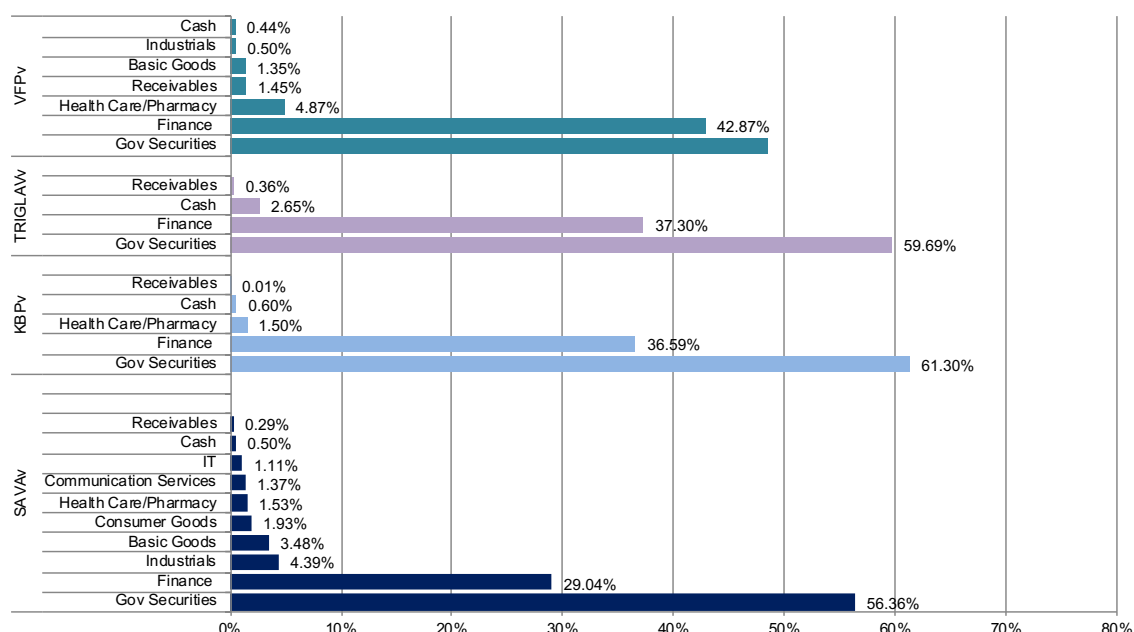
²⁵Извор: Македонска берза АД Скопје – Годишен статистички билтен 2025.

Chart 6.15. Comparative movement of the value of OVER10, OMB, and the value of the accounting unit of the VPFs, 2025



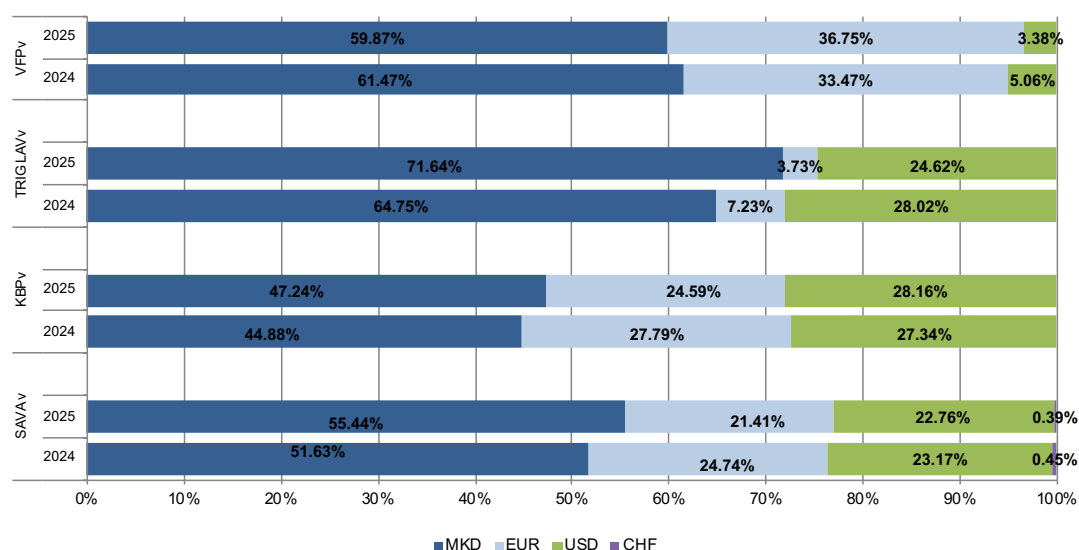
For voluntary pension funds as well, the majority of assets in 2025 were invested in government securities—specifically, domestic government securities (59.57% in SAVAd, 59.87% in KBPd, 47.69% in TRIGLAVd, and 46.33% in VFPd) and foreign government securities (2.03% in SAVAd, 4.12% in KBPd, and 4.55% in VFPd). These were immediately followed by investments in instruments from issuers/joint-stock companies in the financial sector (25.47% in SAVAd, 34.34% in KBPd, 38.91% in TRIGLAVd, and 41.64% in VFPd). Within this sector, for SAVAd, the largest share consists of units in foreign and domestic investment funds (74.37%), followed by domestic bank deposits (13.29%), stocks in domestic banks (8.87%), and financial services (3.47%). For KBPd, within the financial sector, the share of foreign investment funds dominates (93.72%), while the remainder belongs to domestic bank deposits (6.28%). For TRIGLAVd, within the financial sector, the share of foreign and domestic investment funds also dominates (73.62%), with the remainder consisting of domestic bank deposits (21.88%) and stocks in domestic banks (4.49%). For VFPd, within the financial sector, the share of foreign and domestic investment funds dominates (68.27%), with the remainder allocated to domestic bank deposits (24.27%) and stocks in domestic banks (7.46%). In addition to the aforementioned sectors, voluntary pension funds also invest in other sectors: basic commodities, pharmaceuticals, consumer goods, industry, information technology, and communications services, but with significantly smaller shares (from 0.77% to 3.03%). The investment structure of voluntary pension funds by sector is presented in Chart 6.16.

Chart 6.16. Investment structure of VPFs by sector



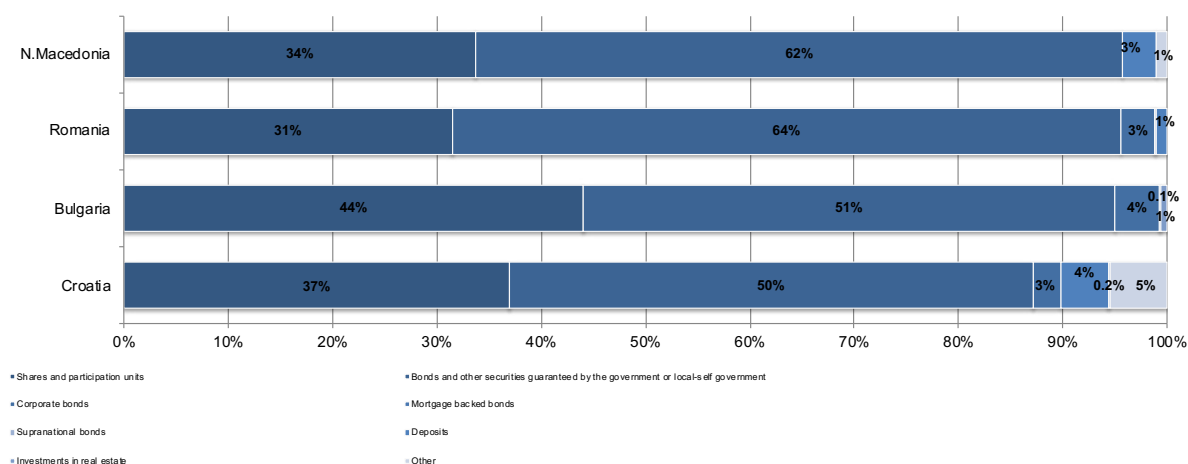
Regarding the currency structure of voluntary pension fund assets, presented in Chart 6.17, it is observed that there was no significant difference in 2025 compared to the currency structure in 2024. Specifically, in 2025, the majority of SAVAd's assets were invested in instruments in the domestic currency (55.44%), while the share in euro-denominated instruments reached 21.41%. At SAVAd, the share in denar-denominated instruments increased compared to the previous year, while the share in euro-denominated instruments decreased. At KBPd, the majority of assets were invested in instruments in the domestic currency (47.24%), while the share in euro-denominated instruments reached 24.59%. In 2025, compared to the previous year, the share in denar-denominated instruments at KBPd increased, while the share in euro-denominated instruments decreased. The share of investments in US dollars at SAVAd (22.76%) decreased, while at KBPd (28.16%) it increased compared to the previous year. The currency structure at SAVAd also includes a small portion of instruments in Swiss francs of 0.39%. The currency structure of TRIGLAVd differs from the currency structure of SAVAd and KBPd. The weight of TRIGLAVd assets is still on the side of assets invested in denar-denominated instruments (71.64%). In 2025, a decrease in the share of foreign currency instruments was observed; specifically, 3.73% of TRIGLAVd assets were invested in euro-denominated instruments, while 24.62% of assets were invested in US dollar-denominated instruments. Furthermore, the currency structure of VFPd also differs from the currency structures of SAVAd, KBPd, and TRIGLAVd. At VFPd, the majority of assets were invested in instruments in the domestic currency (59.87%), followed by the share in euro-denominated instruments (36.75%), while the smallest is the share of US dollar-denominated instruments (3.38%).

Chart 6.17. Currency structure of VPF assets, 2024–2025



If a comparison is made with countries that have pension systems similar to the Macedonian system, similarities can be observed, but there are also differences in the investment portfolios of voluntary pension funds. Chart 6.18 provides a comparison of investments as of December 31, 2025, of voluntary pension funds in the Republic of North Macedonia with the investments of voluntary pension funds in several countries in the region that have implemented voluntarily funded pension insurance.

Chart 6.18. Voluntary pension fund portfolios in several countries and in the RMV



If voluntary pension fund portfolios are examined by instrument, it can be observed that pension funds in almost all countries have the highest exposure to bonds and other securities guaranteed by the state or local government (in Romania 64%, in North Macedonia 62%, in Bulgaria 51%, with the lowest percentage in Croatia at 50%). Exposure to bank deposits is highest in Croatia at 4% and in North Macedonia at 3%. In Romania and Bulgaria, exposure to deposits is significantly lower (about 1% in Romania and less than 1% in Bulgaria). Regarding investments in stocks and shares, the largest percentage of assets in stocks and shares is invested by pension funds in Bulgaria (44%), Croatia (37%), North Macedonia (34%), and Romania (31%). Pension funds have also invested in corporate bonds, specifically 4% in Bulgarian pension funds and 3% in Romania and Croatia. In 2025, besides pension funds in Bulgaria (1%), pension funds in Croatia (0.2%) also had investments in real estate (in other countries, this instrument is usually not permitted). Regarding investment abroad, pension funds in Croatia have a greater exposure in foreign investments at 37%, compared to pension funds in North Macedonia at 31%.

²⁶Source: www.hanfa.hr; www.dsc.bg; www.asfromania.ro and own calculations.

6.6. Net Assets, Accounting Unit, and Return Rate of Voluntary Pension Funds

The method for calculating net assets, the accounting unit, and the return of voluntary pension funds is the same as for mandatory pension funds.

Changes in the assets of voluntary pension funds, from the beginning to the end of the year, occur due to:

- Inflow of contributions;
- Outflow due to transaction fees and commissions;
- Outflow due to incorrect payment of converted contributions;
- Inflow due to transfers from another voluntary pension fund (for persons who were members of another fund and subsequently transferred to the current one);
- Outflow due to transfers to another voluntary pension fund (persons who were members of the respective fund and subsequently transferred to another);
- Outflow due to payment of inheritance;
- Outflow due to payment of pension benefits (lump-sum and multiple payments);
- Profits/losses (realized and unrealized) from investments.

Starting from the value of net assets at the end of the previous year and taking into account all the aforementioned changes, one arrives at the value of net assets at the end of the year (as presented in Table 6.4).

Table 6.4. Changes in the assets of voluntary pension funds

(in million denars)

	SAVAd	BKPd	TRIGLAVd	VFPd	Total
Net assets as of 31.12.2024	2.119,35	2.059,77	19,35	166,14	4.364,61
Contributions	281,30	291,77	14,01	37,97	625,06
Contribution fees	6,44	7,07	0,19	0,96	14,67
Reduced contributions for compensation from contributions	274,86	284,71	13,82	37,01	610,39
Compensation for untimely transfer of contributions	0,04	2,47	0,00	0,29	2,80
Compensation from assets	20,09	19,36	0,22	1,92	41,60
Expenses for brokerage commissions	0,23	0,22	0,01	0,08	0,53
Transfer from another fund	11,18	1,97	4,66	58,95	76,75
Transfer to another fund	36,49	34,68	0,08	5,51	76,75
Transfer to the PDIFNM Fund based on contract termination, contribution refund, retirement and membership termination	2,47	2,97	0,00	0,00	5,45
Inheritance payment	69,67	76,58	0,28	3,85	150,38
Old age pension payment – scheduled withdrawals	148,64	118,33	1,36	13,40	281,72
One-time payment	128,32	98,74	1,14	11,39	239,59
Family pension payment – scheduled withdrawals	2.425,04	2.328,49	38,61	263,83	5.055,97

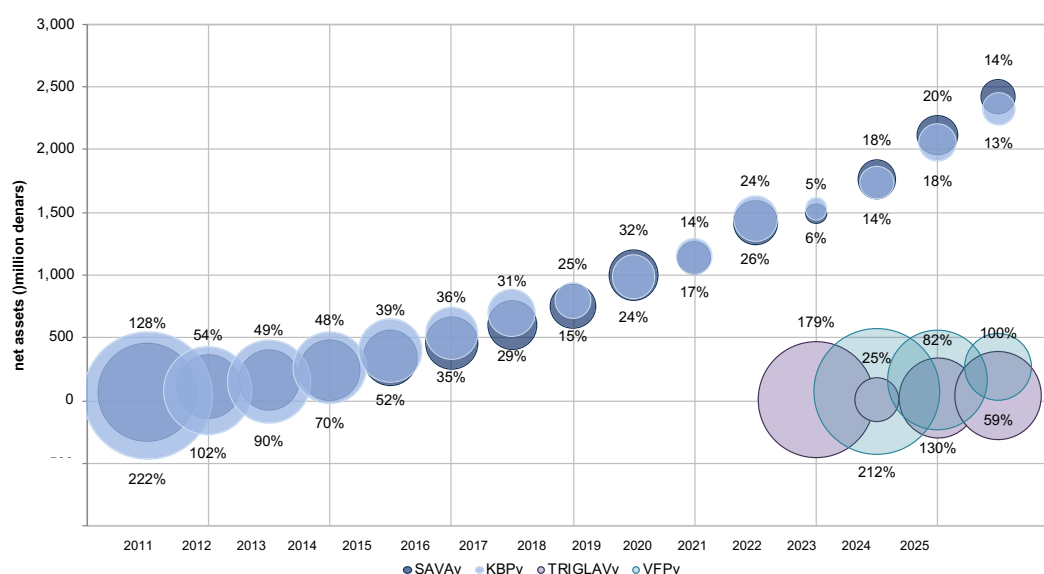
Total net assets in voluntary pension funds, as of December 31, 2025, amounted to approximately 5.06 billion denars or about 82.21 million euros, which represents about 0.48% of GDP.

Chart 6.19 presents the net asset values at the end of all years and their percentage growth compared to the net assets of the previous year. In this context, it can be observed that the net assets of SAVAd and KBPd grow with a similar trend. The highest growth was observed in 2011 compared to 2010, while the smallest growth was observed in 2022 compared to 2021. The annual growth of SAVAd and KBPd assets after 2023 already follows the expected trend. In 2025, a slightly lower growth was observed compared to the growth in 2024.

For TRIGLAVd and VFPd, a large increase in net assets is also observed in the second year of the funds' operation compared to the first year. For TRIGLAVd, higher growth was observed in 2025, while for VFPd, lower asset growth was observed compared to the growth in 2024.

²⁰Data for investments abroad for Bulgaria and Romania, as of December 31, 2025, are not available in the data obtained. [2] Source for GDP: State Statistical Office – Press Release – Gross Domestic Product, for 2025.

Chart 6.19. Growth of net assets of SAVAd, KBPd, TRIGLAVd, and VFPd in percentage compared to the previous year.



The movement of the value of net assets and cumulative contributions, as well as the growth of paid contributions and the growth of net assets in SAVAd and KBPd, are shown in Chart 6.20 and Chart 6.21. The growth of the net assets of voluntary pension funds is driven by the increase in paid contributions and investment results. After the decline in growth in 2022, a new increase in the growth of net assets was observed in 2023. The share of cumulative contributions in total net assets during the first years is significantly large, and subsequently decreases, with the exception of 2022.

²⁸Source for GDP: State Statistical Office – Press Release - Gross Domestic Product, for 2025.

Chart 6.20. Growth of net assets compared to the growth of paid contributions in SAVAd

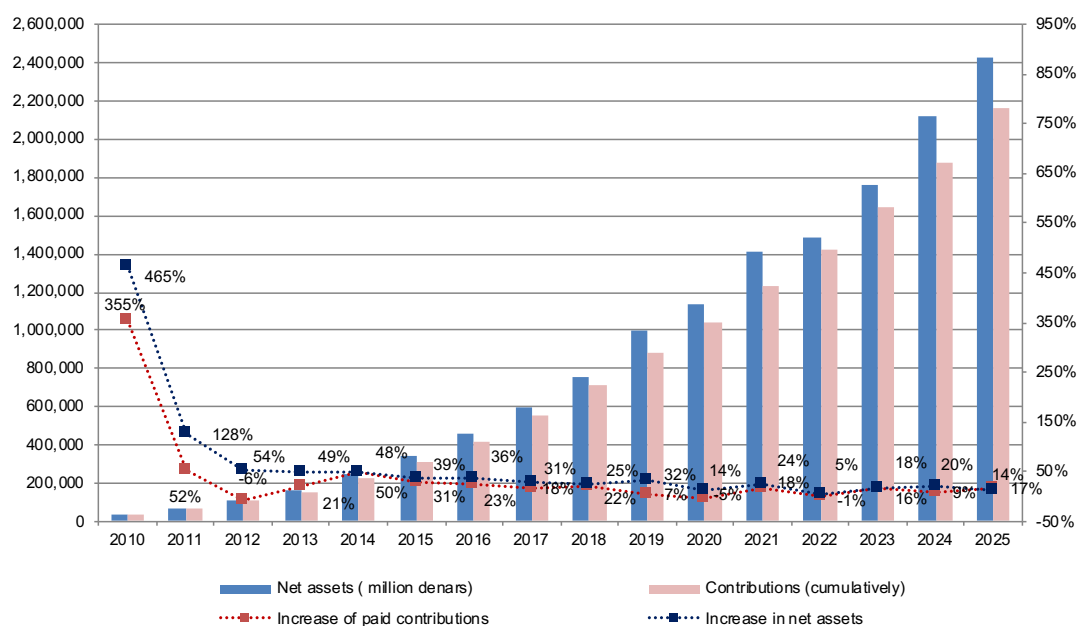


Chart 6.21. Growth of net assets compared to the growth of paid contributions in KBPd

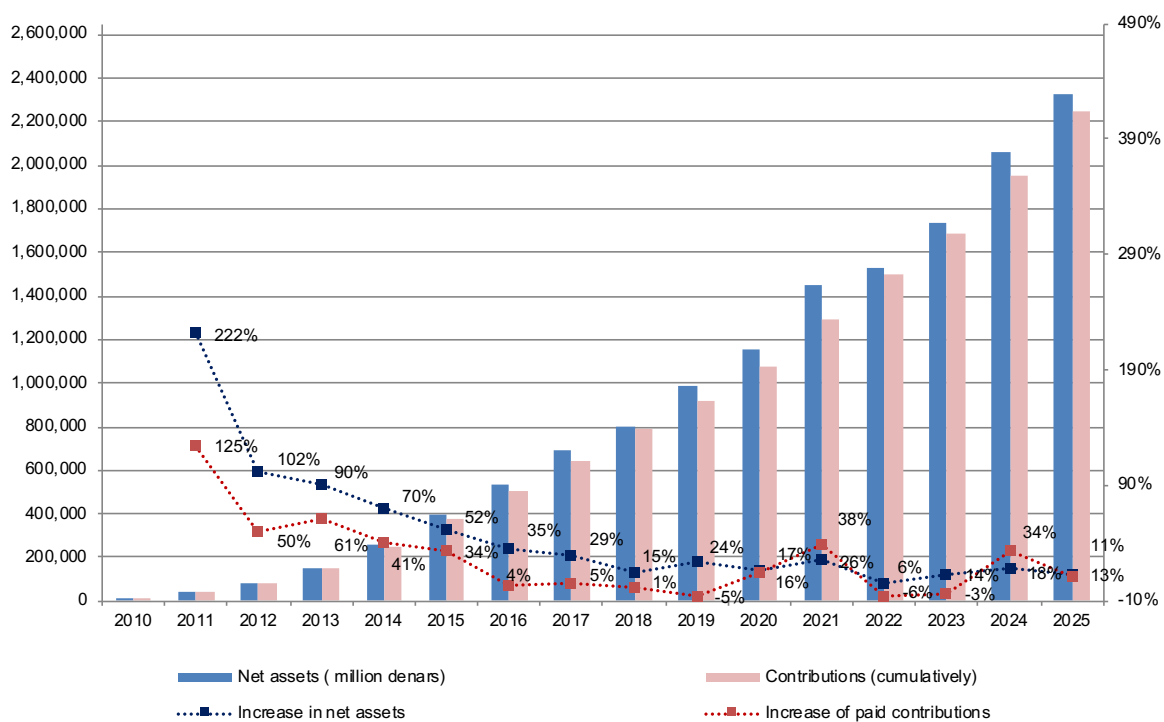


Chart 6.22. Growth of net assets compared to the growth of paid contributions in TRIGLAVd

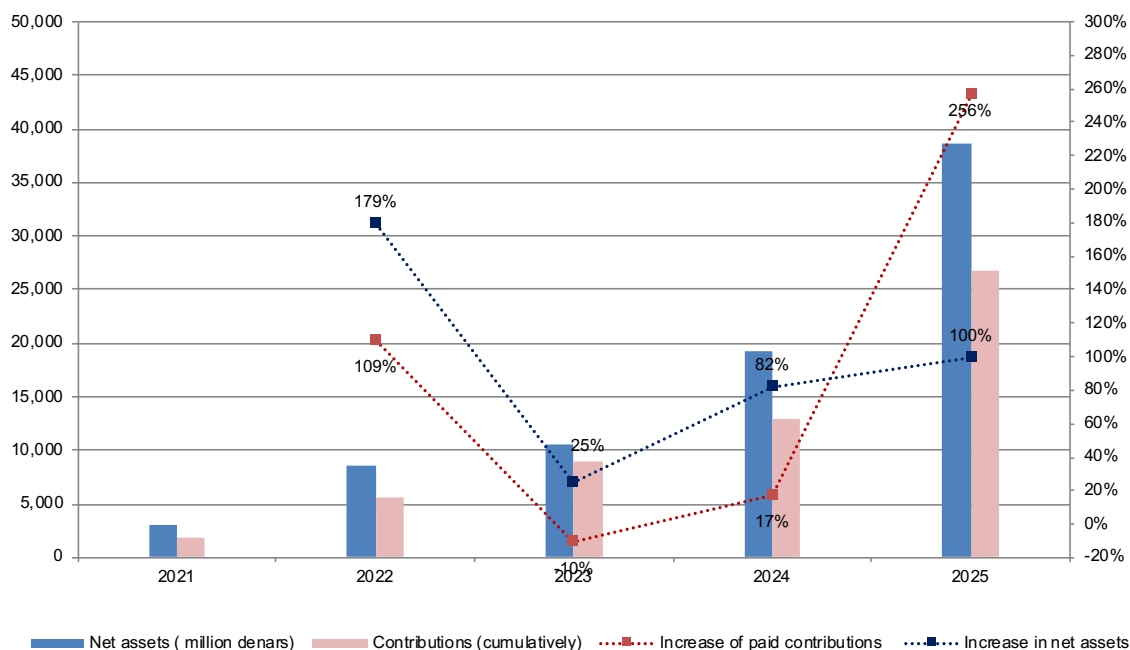
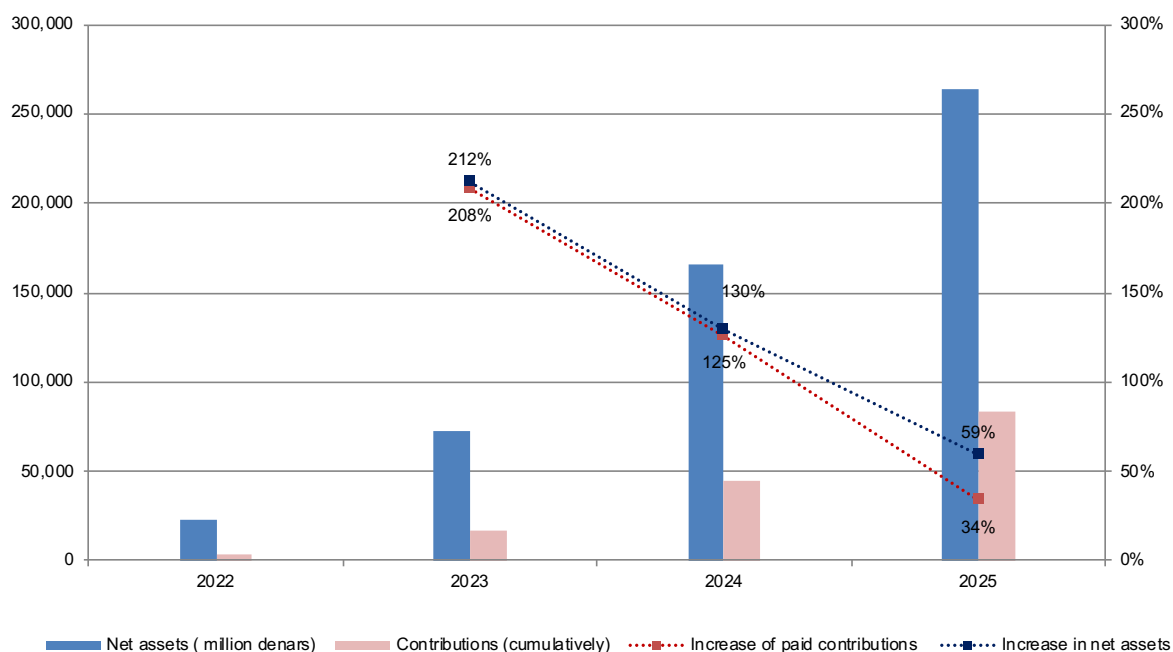


Chart 6.23. Growth of net assets compared to the growth of paid contributions in VFpd



At SAVAd, following a reduced growth of net assets in 2022 (5%), an upward trend in net asset growth was observed again in 2023 and 2024, while this growth slowed in 2025 (14%). Regarding paid contributions, after a 1% decline in 2022, growth in paid contributions was observed in 2023, and after a slowed growth in 2024, 2025 saw an increase in the growth rate compared to the previous year (17%). Similarly, at KBPd, following reduced growth in 2022, an increase in net asset growth was observed in 2023 and 2024, while growth slowed in 2025 (13%). Regarding paid contributions, after declines in 2022 and 2023, growth was observed in 2024, which then moderated to 11% in 2025.

The movement of net asset values and cumulative contributions, as well as the growth of paid contributions and net assets for TRIGLAVd (for the 2021–2025 period) and VFPd (for their first three years of operation, 2022–2025), are shown in Chart 6.22 and Chart 6.23, respectively. TRIGLAVd showed significant growth in net assets (100%) and a 256% increase in paid contributions in 2025 compared to 2024. The growth in TRIGLAVd's net assets is attributed more to paid contributions than to assets transferred from other pension funds. VFPd saw net asset growth (59%) and growth in paid contributions (34%) in 2025 compared to 2024. For VFPd, the growth in net assets was driven not only by paid contributions but also, to a greater extent, by assets transferred from other pension funds based on concluded transfer agreements.

The movement of accounting unit values for the voluntary pension funds from the commencement of their operations through December 31, 2025, is provided in Table 6.5, Chart 6.24, and Chart 6.25. Since the inception of SAVAd and KBPd, an upward trend in accounting units has been observed. The third voluntary pension fund, TRIGLAVd, began operations on March 1, 2021, and the fourth, VFPd, began on October 18, 2022. In 2025, the growth trend in the accounting unit values of all four voluntary pension funds continued, albeit at a slower pace (5.79% for SAVAd, 4.60% for KBPd, 4.62% for TRIGLAVd, and 5.17% for VFPd). This slowed growth was due to a decline in accounting unit values at the end of the first quarter and the beginning of the second quarter (due to movements in foreign financial markets), followed by a gradual recovery. However, given the long-term nature of pension funds, their performance should be evaluated over the long term.

Table 6.5. Accounting unit value from the inception of the VPFs

Date	Value of the accounting unit			
	SAVAd	BKPd	TRIGLAVd	FVPd
15.09.2009	100,000000			
21.12.2009	102,815757	100,000000		
31.12.2009	103,061825	100,204385		
31.12.2010	107,592926	106,891617		
31.12.2011	111,854726	112,639593		
31.12.2012	118,742851	119,129537		
31.12.2013	130,511147	129,015451		
31.12.2014	140,946772	139,908803		
31.12.2015	147,535595	146,709341		
31.12.2016	154,578083	154,465341		
31.12.2017	164,155073	162,989756		
31.12.2018	169,649887	163,696595		
31.12.2019	188,197689	181,404697		
31.12.2020	191,209810	188,085163		
31.12.2021	210,750156	207,793725	103,476074	
31.12.2022	204,936103	201,600542	101,945390	98,791716
31.12.2023	222,263888	214,618876	108,442676	118,645563
31.12.2024	245,499550	234,952226	118,666065	122,445954
31.03.2025	243,276704	232,350023	117,780147	121,267863
30.06.2025	246,104713	236,180587	119,610100	123,878798
30.09.2025	255,301374	242,505924	122,796356	126,886844
31.12.2025	259,704656	245,749635	124,143948	128,777921

Chart 6.24. Accounting unit value from the inception of the VPFs

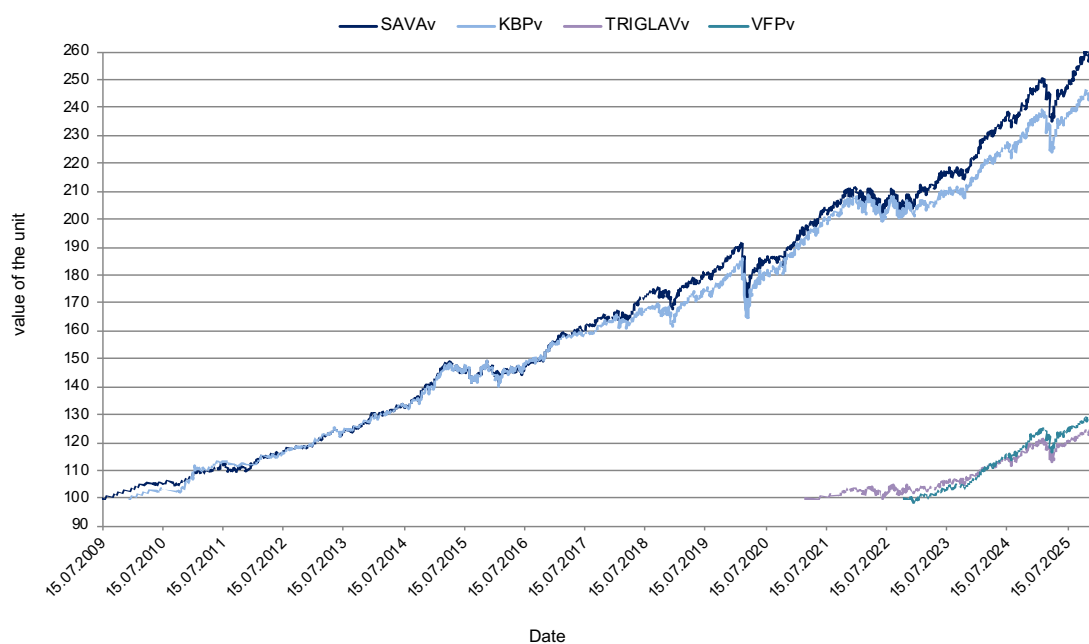
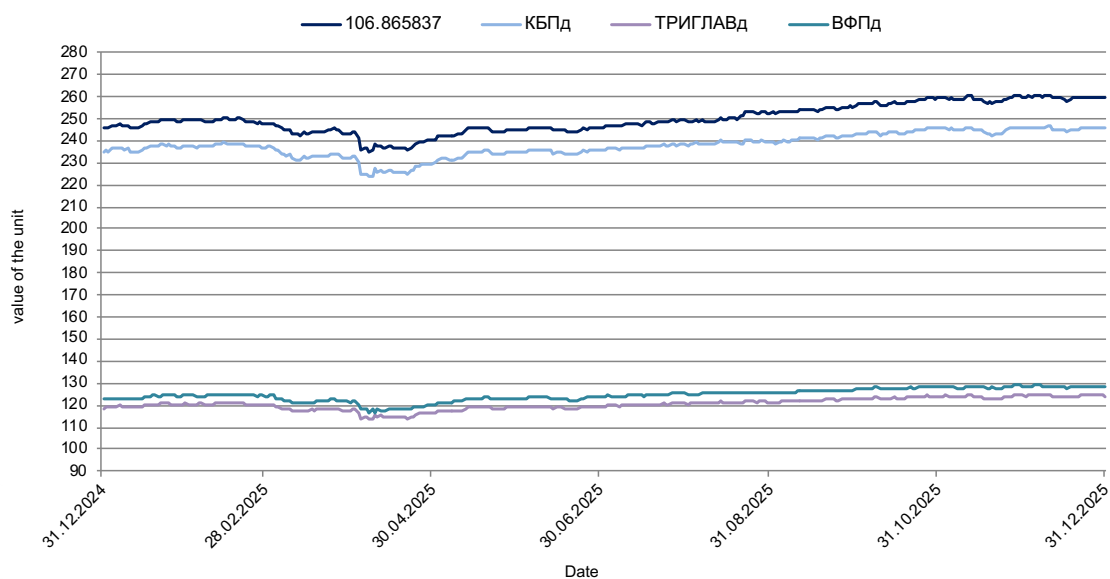


Chart 6.25. Accounting unit value of the VPFs in 2025



The return of voluntary pension funds by period, reduced to an annual level, is presented in Table 6.6.

Table 6.6. Return of the VPFs

Period ³⁰	SAVAd		BKPd		TRIGLAVd		VFPd	
	In a nominal value	In a real value	In a nominal value	In a real value	In a nominal value	In a real value	In a nominal value	In a real value
31.12.2009 - 31.12.2010	4,40%		6,67%					
31.12.2009 - 31.12.2011	4,18%		6,02%					
31.12.2009 - 31.12.2012	4,83%		5,93%					
31.12.2009 - 31.12.2013	6,08%	3,00%	6,52%	3,42%				
31.12.2009 - 31.12.2014	6,46%	4,09%	6,90%	4,52%				
31.12.2009 - 31.12.2015	6,16%	4,25%	6,56%	4,64%				
31.12.2009 - 31.12.2016	5,96%	4,36%	6,37%	4,77%				
31.12.2010 - 31.12.2017	6,22%	4,72%	6,21%	4,71%				
31.12.2011 - 31.12.2018	6,13%	4,91%	5,48%	4,27%				
31.12.2012 - 31.12.2019	6,80%	6,22%	6,19%	5,62%				
31.12.2013 - 31.12.2020	5,60%	4,90%	5,53%	4,82%				
31.12.2014 - 31.12.2021	5,91%	4,41%	5,81%	4,31%				
31.12.2015 - 31.12.2022	4,80%	0,77%	4,64%	0,61%				
30.06.2021 - 31.12.2022					0,84%	-11,60%		
31.12.2016 - 31.12.2023	5,32%	0,71%	4,81%	0,22%				
30.06.2021 - 31.12.2023					3,01%	-6,16%		
31.12.2022 - 31.12.2023							8,20%	4,42%
31.12.2017 - 31.12.2024	5,91%	1,00%	5,36%	0,47%				
30.06.2021 - 31.12.2024					4,80%	-3,14%		
31.12.2022 - 31.12.2024							11,31%	7,03%
31.03.2018 - 31.03.2025	5,74%	0,89%	5,26%	0,44%				
30.06.2021 - 31.03.2025					4,27%	-2,96%		
31.12.2022 - 31.03.2025							9,54%	6,10%
30.06.2018 - 30.06.2025	5,33%	0,26%	5,12%	0,06%				
30.06.2021 - 30.06.2025					4,40%	-3,12%		
12.31.2022 - 30.06.2025							9,48%	5,13%
30.09.2018 - 30.09.2025	5,49%	0,25%	5,23%	0,00%				
30.06.2021 - 30.09.2025					4,78%	-2,58%		
31.12.2022 - 30.09.2025							9,53%	5,16%
31.12.2018 - 31.12.2025	6,27%	0,88%	5,97%	0,60%				
30.06.2021 - 31.12.2025					4,76%	-2,35%		
31.12.2022 - 31.12.2025							9,23%	4,99%
Starting* - 31.12.2025	5,97%	2,75%	5,76%	2,49%	4,57%	-2,52%	8,30%	4,23%

*The start for SAVAd is 15.7.2009, for KBPd is 21.12.2009, for TRIGLAVd is 1.3.2021 and for VFPd is 18.10.2022.

²⁹TRIGLAVd and VFPd are included in the comparative return analyses with returns calculated for the respective periods, in accordance with the regulations, as they have been in existence for longer than 12 months, but shorter than 84 months.

³⁰Until the adoption of amendments to the Law on Pension Insurance with Voluntary Capital Financing, from January 2013, the return of a voluntary pension fund was calculated for a period of 3 years, only in nominal amounts.

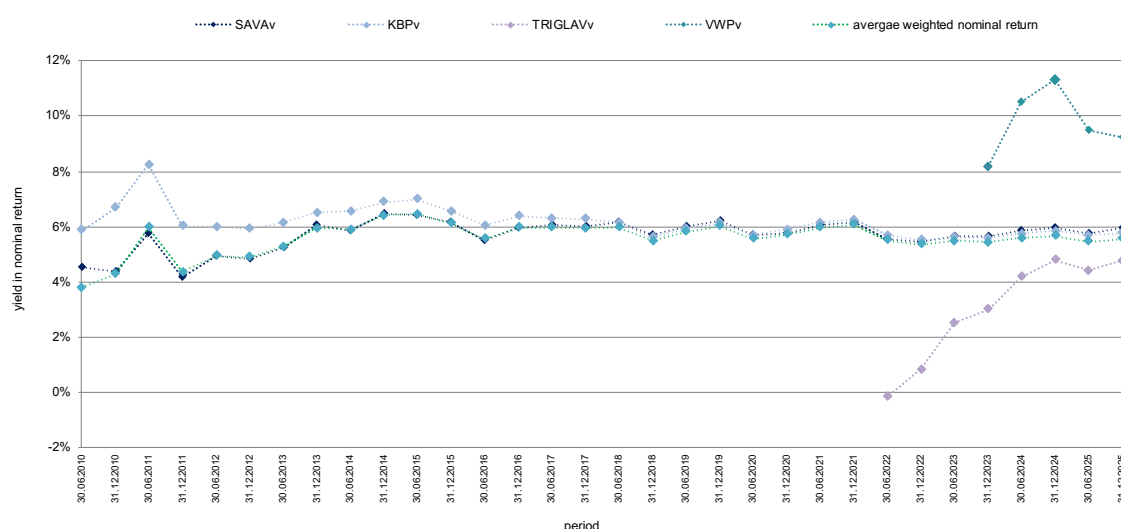
The return on the individual and/or professional voluntary account is variable and depends on the return of the voluntary pension fund and on the fees charged by the company. The return, i.e., the profit, is a parameter that cannot realistically be predicted, because it depends on the conditions of the capital market and the general economy.

The return of voluntary pension funds is calculated in the same way and according to the same formula as the return of mandatory pension funds.

Given the long-term nature of pension insurance, it is good to also calculate the return of voluntary pension funds from the beginning of their existence, reduced to an annual level, which for SAVAd amounts to 5.97% in nominal terms, i.e., 2.75% in real terms; for KBPd 5.76% in nominal terms, i.e., 2.49% in real terms; for TRIGLAVd 4.57% in nominal terms, i.e., 2.52% in real terms; while for VFPd the return in nominal terms amounts to 8.30%, i.e., 4.23% in real terms.

The movement of the return in nominal terms, by period, can be seen in Chart 6.26, where the returns by period are presented, from 31.12.2009 to 31.12.2025, by fund. In the beginning, an increase in return is observed, so that, at the end of the first half of 2011, high returns are observed in both voluntary pension funds, while at the end of 2011, there was a decrease in returns. Then, in the following years, a gradual increase in return follows until mid-2015, after which a decrease in return is observed, until mid-2016, and then an increase in return is observed again, including the end of 2016. In 2019, an increase in return is observed compared to the return at the end of 2018. In 2020, lower returns are observed compared to 2019 for SAVAd and KBPd, mainly due to unfavorable conditions in the financial markets under the conditions of the Corona virus pandemic. After the decrease in returns in 2022 due to the global crisis caused by the military conflict between Ukraine and Russia, in 2023 a small increase in returns is observed for SAVAd and KBPd. TRIGLAVd, in the initial years of its operation and under extraordinary circumstances due to unfavorable conditions in the financial markets, recorded a return in nominal terms of less than zero, which was already compensated in the subsequent period and in 2023 an increase in return is observed compared to 2022. VFPd in the first year of its operation records a high return. In 2024, an increase in return is observed for all pension funds. In 2025, a decrease in return is observed for all pension funds compared to the return in 2024.

Chart 6.26. Return of VPFs (in nominal terms)



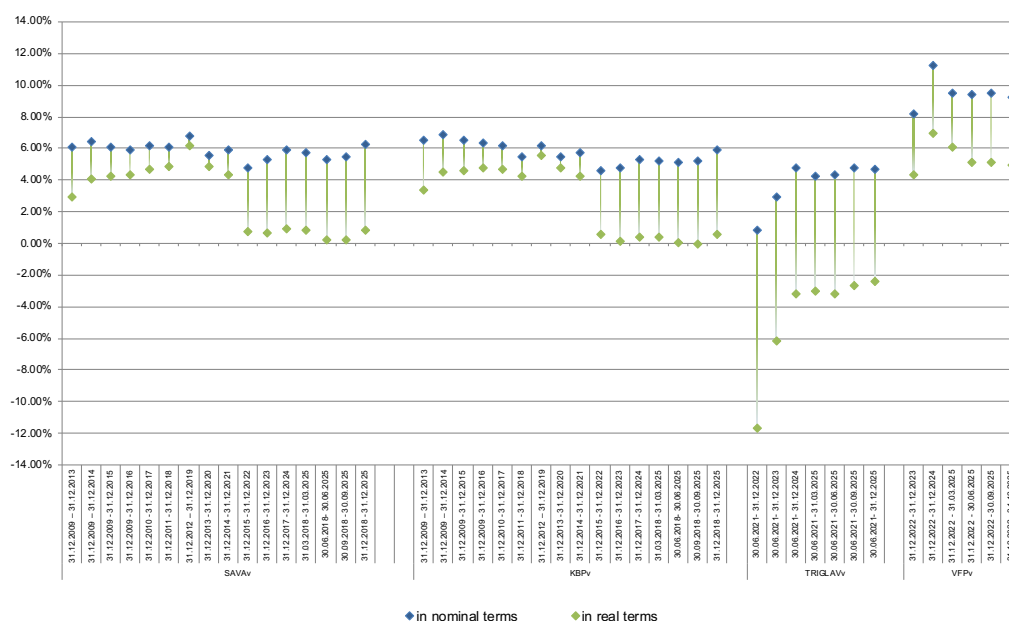
The movement of the return in nominal and real terms, in the period from 2013 to 2024 (at an annual level) and in 2025 (at a quarterly level), according to the respective periods defined by law, converted into an equivalent annual rate of return, by voluntary pension fund, can be seen in Chart 6.27. This chart also presents the movement of the return in nominal and real terms of TRIGLAVd and VFPd, for the respective periods in accordance with the regulation, as they have existed for longer than 12 months, but shorter than 84 months.

In 2025, the return in nominal terms shows an increase both for SAVAd (from 5.74% to 6.27%) and for KBPd (from 5.26% to 5.97%), while the return in real terms for SAVAd remains at almost the same level (0.88%), while for KBPd it shows an increase (from 0.44% to 0.60%). In this regard, for pension funds that have existed for more than seven years, the lowest amount of return in nominal terms was recorded in the second quarter, while the lowest amount of return in real terms was recorded in the third quarter.

Also, the return of the third voluntary pension fund, TRIGLAVd, which started operating in March 2021, in 2025 recorded an increase in nominal terms (from 4.27% to 4.76%) and in real terms (from -2.96% to -2.35%). The fourth voluntary pension fund, VFPd, at the end of 2025 realized an increase in the return in nominal terms (from 9.54% to 9.23%) and a decrease in the return in real terms (from 6.10% to 4.99%).

In the reviewed period (2013 - 2025), the change in the level of living expenses in the accounting periods, reduced to an annual level, until 2019 shows a decrease, which affects the gradual approximation of returns in real terms towards returns in nominal terms, while in the period after 2019 (especially in 2022) it shows an increase, which affects the gradual divergence of returns in real terms from returns in nominal terms.

Chart 6.27. Return in nominal and real terms of VPFs, 2013 – 2025



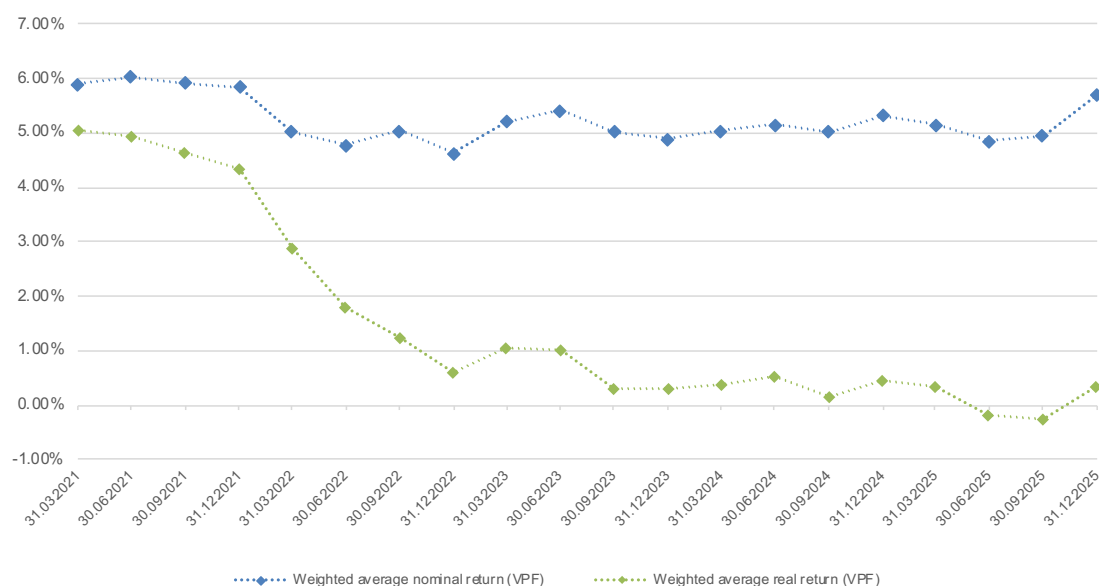
The seven-year return at the level of voluntarily funded pension insurance for the period 31.12.2018 – 31.12.2025, calculated through the change in the weighted average of the accounting units of voluntary pension funds, reduced to an annual level, is 5.69% in nominal terms, i.e., 0.33% in real terms.

At the end of 2025, a higher return in nominal terms is observed compared to the end of 2024, with a tendency to reach the return realized at the end of 2021.

The return in real terms at the end of 2025 remains at the same level as at the end of 2024, which means that the annual increase in the level of living expenses in the accounting periods still significantly affects the return in real terms. Data on the seven-year return at the level of voluntarily funded pension insurance, calculated through the change in the weighted average of the accounting units of voluntary pension funds, for each quarter in the period from 2021 to 2025, are presented in Chart 6.28.

³³The average value is calculated as the weighted average of the accounting units of voluntary pension funds in relation to the net assets of the voluntary pension funds.

Chart 6.28. Weighted average return in nominal and real terms of VPFs, 2021 – 2025



6.7. Fees in Voluntary Pension Funds

For the performance of their functions regarding the management of voluntary pension fund assets, valuation of assets, membership, maintenance of individual and professional voluntary accounts of members and notification of members, as well as for the payment of fees for MAPAS and the custodian, the companies, in accordance with the Law on Voluntarily Funded Pension Insurance, charge a fee from contributions, a fee from assets, and a transfer fee.

The fee from contributions is charged as a percentage of every contribution paid into the voluntary pension fund, prior to its conversion into accounting units. The company charges this fee at the same percentage to all members of the voluntary pension fund, except in the case of members participating in a professional pension scheme or in the case of long-term membership.

The monthly fee from assets represents a percentage of the net asset value of the voluntary pension fund, which is calculated on every asset valuation date of the voluntary pension fund (in accordance with the current bylaw, the valuation date is every day) and is charged once a month. The transfer fee is charged in the event of a member moving from one voluntary

pension fund to another voluntary pension fund, provided that the transferring member has been a member of the existing voluntary pension fund for less than one year. The law sets the maximum amounts, while it is the right of the companies to determine the amounts of the specific types of fees within the legal maximum.

The fees charged by the companies managing voluntary pension funds in the Republic of North Macedonia for 2025 are presented in Table 6.7.

Table 6.7. Fees charged by companies managing voluntary pension funds in 2025

Type of compensation	SAVA	KB first	TRIGLAV	VPFd
Compensation from contribution*	2,50% ³²	2,50% ³³	2,50% ³⁴	2,90%
Monthly compensation from the value of the net assets of the voluntary pension fund	0,075% ³⁵	0,075% ³⁶	0,075%	0,075%
Compensation for passage				
Number of days**	Amount of compensation for passage	Amount of compensation for passage	Amount of compensation for passage	Amount of compensation for passage
Number of days ≤ 360	10 euros	10 euros	10 euros	10 euros
Number of days > 360	No transfer fee is charged.	No transfer fee is charged.	No transfer fee is charged.	No transfer fee is charged.

For members who are participants in a professional pension scheme, the company may determine a lower amount for this fee.

*** The number of days is determined based on the number of days from the date when the member acquired the status of a member in the existing voluntary pension fund to the date of signing the membership contract with the future voluntary pension fund.*

The level of fees from contributions, which have been charged from the beginning of the operation of the third pillar, including the year 2025, is presented in Table 6.8.

Table 6.8. Level of fees from contributions charged by pension companies in the third pillar

Pension company	Amount	Implementation date
SAVA	5,25%	From the start of the fund (July 15, 2009)
	3,80%	From March 1, 2011
	2,90%	From January 1, 2017
	2,50%	From May 1, 2021
BK first	5,50%	From the start of the fund (December 21, 2009)
	4,00%	From April 24, 2010
	2,90%	From July 1, 2013
	2,50%	From January 1, 2023
TRIGLAV	2,90%	From March 1, 2021
	2,50%	From April 29, 2025
VPF	2,90%	From the start of the fun (October 18, 2022)

Since the beginning of the operation of voluntary pension funds, the pension companies SAVA and BK first have reduced the fee from contributions three times. The fee from assets since the beginning of the operation of the third pillar was 0.15% per month of the net asset value of the voluntary pension fund. Also, in 2011, both companies also reduced the fee from assets, specifically to 0.100% for SAVA and to 0.075% for KB Prvo. In 2021, SAVA once again reduced the fee from assets and it now amounts to 0.075%. In 2025, TRIGLAV also reduced the fee from contributions.

The collection of fees (in thousands of denars) by companies managing voluntary pension funds during 2025, by month and by type of fee, is provided in Table 6.9.

³²From 1 May 2021 (previously was 2,90%)

³³From 1 January 2023 (previously was 2,90%).

³⁴From 29 April 2025 (previously was 2,90%)

³⁵From 1 May 2021 (previously was 0,100%).

³⁶From 1 January 2011 (previously was 0,15%).

Table 6.9. Collection of fees by companies in 2025 (in thousands of denars)

	Total 2024	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total 2025
SAVAd Total	22.805	2.018	2.062	2.117	2.073	2.195	2.007	2.200	2.119	2.112	2.411	2.334	2.887	26.535
From Contributions	5.446	411	436	509	498	574	366	533	425	395	657	555	1.086	6.445
From assets	17.359	1.608	1.626	1.608	1.576	1.621	1.641	1.667	1.694	1.717	1.753	1.779	1.801	20.090
BKPD Total	23.142	2.012	2.318	2.108	2.137	1.966	2.049	2.217	2.000	2.143	2.244	2.143	3.096	26.433
From Contributions	6.363	450	738	549	616	395	459	606	367	495	567	449	1.379	7.069
From assets	16.778	1.562	1.581	1.559	1.522	1.571	1.590	1.611	1.633	1.648	1.677	1.695	1.717	19.365
TRIGLAV Total	237	21	23	26	47	26	29	32	27	36	45	32	70	413
From Contributions	110	6	7	10	31	9	12	14	9	17	24	9	46	195
From assets	127	15	15	16	16	17	17	17	18	19	21	23	24	218
VPFd Total	1.792	196	186	242	201	211	205	205	251	228	231	234	497	2.885
From Contributions	730	70	53	102	58	61	51	43	83	46	44	45	303	961
From assets	1.062	126	132	139	143	150	154	161	168	182	186	189	194	1.924

Transaction commissions, in relation to transactions for the acquisition or transfer of voluntary pension fund assets, are paid from the assets of the voluntary pension fund and are charged by selected legal entities that perform securities services, both domestically and abroad. Transaction commissions are calculated as a percentage of the value of each executed transaction.

During 2025, a total of approximately 225 thousand denars in transaction commissions were charged from SAVAd, approximately 221 thousand denars were charged from KBPD, a total of 6 thousand denars were charged from TRIGLAVd, while 81 thousand denars in transaction commissions were charged from VFP.

6.8. Payment of Pension Benefits from Voluntarily Funded Pension Insurance

The conditions for acquiring the right to a pension benefit and the method of payment of pension benefits from the third pillar are more liberal compared to the second pillar; however, it should be kept in mind that these are savings for the period after retirement. Specifically, assets may be withdrawn no earlier than ten years before the age for acquiring the right to an old-age pension, in accordance with the Law on Pension and Disability Insurance, which at the moment would mean no earlier than age 54 for men, and 52 for women. Also, assets may be withdrawn in the event that a member is determined to have a general incapacity for work by the Commission for Assessment of Working Capacity at the Pension and Disability Insurance Fund of North Macedonia, regardless of age. In the event of the death of a member of a voluntary pension fund, the assets from the member's account become part of the inheritance estate and are handled in accordance with the Law on Inheritance.

Assets from the third pillar are used, at the member's choice, in the following types of pension benefits:

- single or multiple payment of assets;
- pension annuity paid by an insurance company authorized for this purpose;
- programmed withdrawals paid by the company managing the voluntary pension fund, or
- a coovernation of the above-mentioned options.

The insurance of pensions and pension benefits, which are paid from the second and third pillars, is regulated by the Law on Payment of Pensions and Pension Benefits from Capital-Funded Pension Insurance.

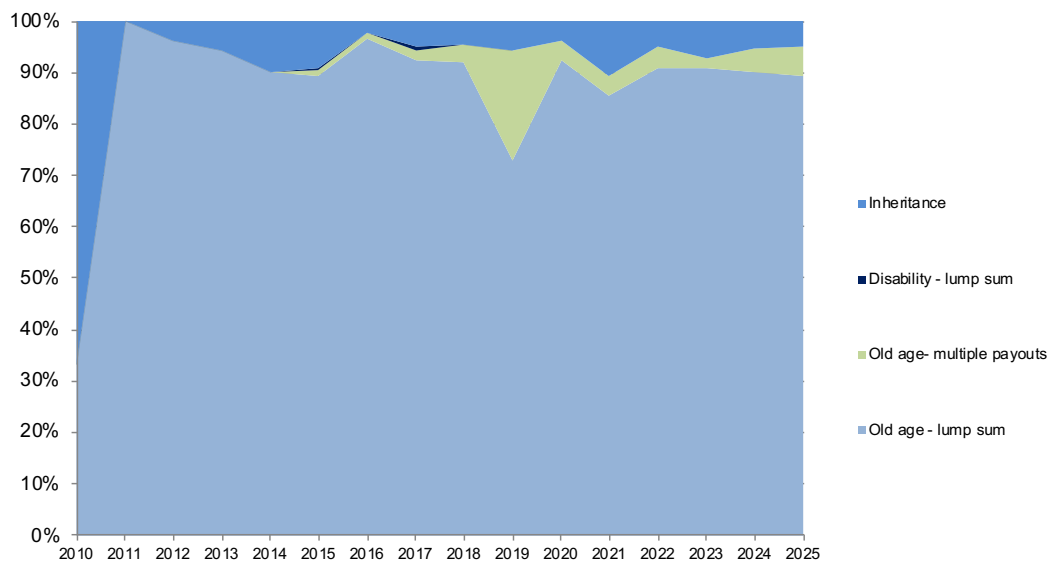
In 2025, 424 pension benefits and payments were realized from the third pillar. The majority of the realized pension benefits were for cases where age criteria were met, partly as single payments and a small part as multiple payments. In 2025, one member realized a pension benefit as a single payment based on disability, while a portion of the payments in the third pillar were in the event of the death of a member, through the payment of an inheritance. A detailed overview of pension benefits and payments realized for third-pillar members, by voluntary pension fund and type of account, for 2025, is provided in Table 6.10.

Table 6.10. Pension benefits and realized payments of members from the third pillar in 2025

Type of pension compensation and payment / Voluntary pension fund	SAVAd		BKPd		TRIGLAVd		FPFd		Total
	Individual accounts	Professional account	Individual accounts	Professional account	Individual accounts	Professional account	Individual accounts	Professional account	
Old age - lump sum payment	107	66	58	145	2	0	1	3	382
Old age - lump sum payment	8	2	5	9	0	0	0	0	24
Disability - lump sum payment	1	0	0	0	0	0	0	0	1
Legacy	4	2	5	10	0	0	0	0	21
Total	120	70	68	164	0	0	1	1	424

Chart 6.29 presents the structure of pension benefits and payments realized for third-pillar members from the beginning of the operation of the third pillar, by year, up to the end of 2025. The number of payments is small because the system is still new and the members are relatively young people. The majority of payments are single payments in cases where age criteria were met, followed by payments in cases of the member's death as an inheritance payment. There is also a small number of single payments based on disability, as well as multiple payments based on met age criteria.

Chart 6.29. Structure of pensions and payments realized from the third pillar since the beginning of operation



7 • Marketing and Agents of Pension Companies

To protect the interests of existing, future, and retired members of fully funded pension insurance and to ensure fair and objective public information, marketing is conducted in a regulated environment established by law and bylaws.

During 2025, an agent examination was organized in five exam sessions, and out of a total of 191 present candidates, 104 passed, or 54% of the present candidates. In doing so, in 2025, a registration of a total of 58 agents was performed, and re-registration was performed for 2 agents.

In 2025, the average number of concluded contracts per agent decreased compared to 2024. The number of agents who concluded contracts in 2025 slightly increased at KB First, and slightly decreased at SAVA and TRIGLAV.

For the protection of the interests of existing and future members and retired members of capital-funded pension insurance, as well as to ensure fair and objective information to the public, marketing is conducted in a regulated environment defined by law and bylaws.

Marketing activities comprise all efforts aimed at advertising pension companies and mandatory and voluntary pension funds, as well as providing information and concluding contracts for membership in mandatory and voluntary pension funds and for the payment of assets from them. These activities include: advertising the operations of pension companies and the pension funds they manage; providing information on the characteristics of mandatory and voluntary capital-funded pension insurance; providing information on fees and transaction commissions; providing information on the returns of mandatory and voluntary pension funds; providing information on the investment portfolios of mandatory and voluntary pension funds; providing information on individual accounts, individual voluntary accounts, and professional accounts; enrolling members and transferring them from one mandatory or voluntary pension fund to another; concluding contracts for programmed withdrawals, lump-sum payments, and multiple payments; as well as other activities for advertising and providing information related to the operations of pension companies and pension funds. A pension company may conduct marketing activities for a pension fund on its premises, on the premises of its business associates for marketing, or outside these locations, either directly or through the appropriate means of communication (telephone, fax, internet). Marketing premises must meet specific conditions defined by law.

To enable MAPAS to carry out its supervisory function over marketing materials, the pension company is required to submit to MAPAS, as a photocopy or on an appropriate external medium, every published marketing material within three days of its publication. If MAPAS considers that any advertisement or other written material may be misleading, it may, by decision, prohibit its further publication or distribution and order the publication of a corrected version of that material within a deadline determined by MAPAS itself.

A person who performs marketing, i.e., an agent, may be an employee of the pension company or another person engaged by the pension company under a contract. An agent may perform marketing activities for pension funds and/or conclude contracts for membership or payment of assets only for the pension funds managed by the pension company where they are employed or engaged by contract. The agent is required to be present during the conclusion of a contract for membership in a pension fund, a transfer contract, a contract for programmed withdrawals, a contract for lump-sum payment, and a contract for multiple payments, and is obligated to sign such a contract. The agent is required to carry out all contacts with the member, retired member, or persons entitled to become members and retired members of the pension fund personally and is not permitted to conclude contracts through other persons. Furthermore, the agent plays an important role when the member chooses the type of pension payment from capital-funded pension insurance and is personally obligated to present offers for the member's projected future pensions, including a detailed explanation of the characteristics and assumptions used for all types of pension payments.

A person may perform marketing activities only after their registration in the Register of Agents maintained by MAPAS. MAPAS determines the manner and procedure for taking the exam for

agents and the manner and procedure for registering a person in the Register of Agents. During 2025, an exam for agents was organized in five examination sessions, and out of a total of 191 candidates present, 104 passed, or 54% of the candidates present. Table 7.1 provides detailed data on the candidates present who passed the exam for agents in 2025, by pension company.

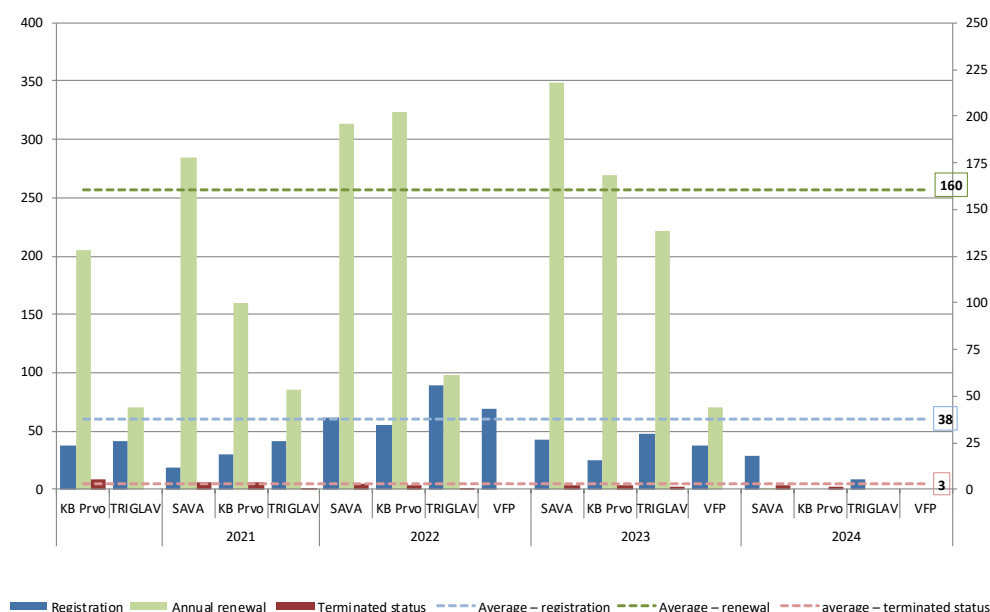
Table 7.1. Candidates present who passed the exam for agents by pension company in 2025

Pension company	Present	They have passed	Have passed (in %)
SAVA	53	27	51%
BK first	53	27	51%
TRIGLAV	47	25	53%
VFP	38	25	66%
Total	191	104	54%

During 2025, a total of 58 agents were registered, of which 17 were agents of SAVA, 9 agents of KB Prvo, 10 of TRIGLAV, and 22 agents of VFP. Re-registration was carried out for 1 agent of SAVA and 1 agent of TRIGLAV. During 2025, a total of 6 agents had their agent status terminated, of which 4 were agents of SAVA, and one agent each from KB Prvo and TRIGLAV. Since December 2023, the obligation for pension companies to carry out annual renewal of agent registration has been removed. An overview of the number and average values of registered, renewed, and terminated agent statuses from 2020 to 2025 by pension company is provided in Chart 7.1. It can be observed that the number of registered agents (the number of agents who re-registered is included in the number of registered agents) at all pension companies in 2025 is smaller compared to previous years.

³⁷Re-registration of an agent for a pension company is performed for an agent who was previously an active agent of another pension company.

Chart 7.1. Number of registered, renewed, and terminated agent statuses by year and pension company



Regarding the number of membership contracts in mandatory pension funds concluded by agents since the inception of the system, it can be observed from Chart 7.2 that the highest number of agents, who on average also concluded the most membership contracts, was in 2005. This is given the fact that it was the beginning of the system, and December 31, 2005, was the deadline for voluntary members to choose whether to join the two-pillar system and sign a contract. In the following years, the number of agents concluding contracts consistently decreased year by year, while simultaneously the average number of contracts concluded per agent increased until 2011. Subsequently, until 2014, the average number of contracts concluded per agent fell significantly. In the following years, the number of agents who concluded contracts and the average number of contracts concluded per agent remained at an approximately similar level. In 2019, when the third pension company began operations, an increase in the number of agents who concluded contracts was observed again, as well as a minimal increase in the average number of contracts concluded per agent compared to 2018. The growth in the average number of contracts concluded per agent continued for the next four years, primarily due to the increase in the average number of contracts concluded per agent at TRIGLAV. In 2024, the average number of contracts concluded per agent remained at almost the same level as in 2023. Meanwhile, the number of agents who concluded contracts in 2024 remained at the same level as the previous year at SAVA, while at KB Prvo and TRIGLAV there was a decrease. In 2025, the average number of contracts concluded per agent decreased compared to 2024. The number of agents who concluded contracts in 2025 increased slightly at KB Prvo, while it decreased slightly at SAVA and TRIGLAV.

Chart 7.2. Number of agents who concluded membership contracts in MPFs and the average number of contracts per agent

