

Grant Thornton L.L.C.

Nr. 74
Dt. 29.04.2025
PRISHTINE

KOSOVO PENSION SAVINGS TRUST PENSION ASSETS

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

As at and for the year ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF COMPREHENSIVE INCOME	4
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO PARTICIPANTS	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7-35

Independent Auditor's Report

To the Governing Board and Management of
Kosovo Pension Savings Trust

Grant Thornton LLC

Rexhep Mala 18
10000 Pristina
Kosovo

T +383 (0)38 247 801
F +383 (0)38 247 802
E Contact@ks.gt.com
VAT No. 330086000

Opinion

We have audited the financial statements of Kosovo Pension Savings Trust – Pension Assets ("KPSTPA"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in net assets, statement of accounting unit and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the KPSTPA as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the IFRS accounting standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the KPSTPA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kosovo, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of Kosovo Pension Savings Trust – Pension Assets as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion in their report on 12 April 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS accounting standards as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance of Kosovo Pension Savings Trust regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

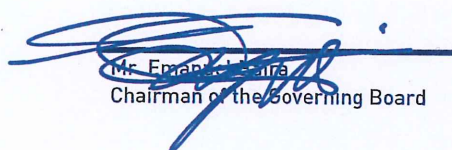
Grant Thornton LLC
Prishtina,
29 April 2025

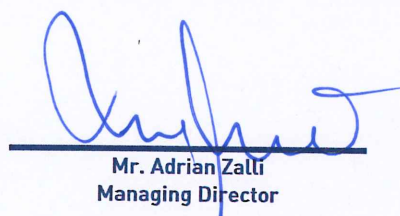

Suzana Stavrikj
Statutory Auditor

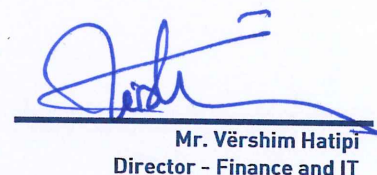


	Notes	As at December 31 2024	As at December 31 2023
		EUR	EUR
Assets			
Cash and cash equivalents	4	12,149,224	152,330,062
Contribution and other receivables	5	22,707,429	19,577,370
Financial assets at Fair Value through Profit or Loss (FVPL)	6	2,520,478,848	2,013,518,138
Treasury bills / bonds	7	497,620,930	446,355,984
Term deposits	7	151,548,068	89,740,686
Total assets		3,204,504,499	2,721,522,240
Liabilities			
Due to KPSTOP	8	673,025	581,097
Other liabilities	9	524,208	699,365
Total liabilities		1,197,233	1,280,462
Net assets attributable to participants		3,203,307,266	2,720,241,778

Authorised for issue by the Governing Board and Management of KPST and signed on their behalf on 28 February 2025.


Mr. Emrah Kallaku
Chairman of the Governing Board


Mr. Adrian Zalli
Managing Director


Mr. Vërshim Hatipi
Director - Finance and IT

The accompanying notes from 1 to 15 form an integral part of these financial statements

	Notes	Year ended December 31 2024	Year ended December 31 2023
		EUR	EUR
Income			
Net gain on financial assets at FVPL	6	217,781,335	61,043,051
Interest income calculated using the effective interest rate method, net	4, 7	19,831,898	16,479,824
Dividend Income	6	6,077,038	8,140,670
Other income	10	3,500,000	2,000,000
Total income		247,190,271	87,663,545
Operating expenses			
Fees charged on participants' accounts	11	(10,567,254)	(9,421,417)
Total operating expenses		(10,567,254)	(9,421,417)
(Charge) / Release of expected credit losses, net	7	(105,034)	230,845
Increase in net assets attributable to participants		236,517,983	78,472,973

The accompanying notes from 1 to 15 form an integral part of these financial statements

	Participants' Contributions	Retained Earnings	Total
	EUR	EUR	EUR
As at January 1, 2023	1,971,106,545	455,537,639	2,426,644,184
Contributions	288,915,435	-	288,915,435
Repurchases due to withdrawal of savings	(54,221,437)	(17,384,979)	(71,606,416)
Repurchases due to refunds	(2,175,945)	(8,453)	(2,184,398)
Increase in net assets attributable to participants	-	78,472,973	78,472,973
As at December 31, 2023	2,203,624,598	516,617,180	2,720,241,778
Contributions	318,944,959	-	318,944,959
Repurchases due to withdrawal of savings	(52,932,160)	(16,816,631)	(69,748,791)
Repurchases due to refunds	(2,535,382)	(113,281)	(2,648,663)
Increase in net assets attributable to participants	-	236,517,983	236,517,983
As at December 31, 2024	2,467,102,015	736,205,251	3,203,307,266

The accompanying notes from 1 to 15 form an integral part of these financial statements

	Notes	Year ended December 31 2024	Year ended December 31 2023
		EUR	EUR
Cash flows from operating activities			
Increase in net assets attributable to participants		236,517,983	78,472,973
Adjustments for:			
Gains on financial assets held at FVPL (net of fees withheld)		(214,523,361)	(58,387,849)
Charge / (Release) of expected credit losses, net	7	105,034	(230,845)
Interest income	4,7	(19,831,898)	(16,479,824)
		2,267,758	3,374,455
Adjustments for net changes in operating assets and liabilities:			
Increase in financial assets at FVPL, net	6	(292,437,349)	(265,880,278)
(Increase) / Decrease in Treasury bills / bonds, net	7	(49,775,942)	105,900,129
(Increase) / Decrease in term deposits, net	7	(61,500,000)	47,441,002
Increase in Due to KPSTOP	8	91,928	16,418
(Decrease) / Increase in liabilities for non-contributions	9	(3,903)	15,869
Increase in other receivables	5	(9,410)	(17,053)
Cash flows used in operations		(401,366,918)	(109,149,458)
Interest received		17,947,657	16,586,563
Net cash flows used in operating activities		(383,419,261)	(92,562,895)
Cash flows from financing activities			
Participants' contributions received		315,807,132	286,181,346
Withdrawal of savings		(69,920,045)	(71,231,847)
Refunds		(2,648,664)	(2,187,013)
Net cash flows from financing activities		243,238,423	212,762,486
Net (decrease) / increase in cash and cash equivalents		(140,180,838)	120,199,591
Cash and cash equivalents at the beginning of the year		152,330,062	32,130,471
Cash and cash equivalents at the end of the year	4	12,149,224	152,330,062

The accompanying notes from 1 to 15 form an integral part of these financial statements

1 GENERAL

The Kosovo Pension Savings Trust (hereinafter "KPST"), registered at address: Rr. Agim Ramadani No. 182-184, 10000 Prishtina, Republic of Kosovo, with registration number 90000225; was created by UNMIK Regulation 2001/35 on 22 December 2001, subsequently replaced by Regulation No. 2005/20, further replaced by Law No. 03/L-084 of the Republic of Kosovo, further replaced by Law No. 04/L-101 of the Republic of Kosovo, the latter complemented by additions and amendments of Laws No. 04/L-168, No. 05/L-116 and No. 07/L-016; as a not-for-profit, financial institution whose sole and exclusive purpose is to administer and manage individual accounts for savings pensions, assuring the prudent investment and custody of pension assets, and paying the proceeds of individual accounts to purchase annuities for savings pensions, as management trustee acting on behalf of participants' and beneficiaries.

Law No. 04/L-101 provides for a pension savings program, funded by contributions of both employees and their employers, and administered and invested through the KPST. Under this defined contribution system, all employed residents of Kosovo and their employers are required to make pension contributions (except for foreign employees with temporary stay in Kosovo). KPST is maintaining individual accounts for each participant to which contributions as well as investment returns are credited.

The KPST is overseen by a Governing Board, consisting of members that are investment and pension experts, or have experience in representing employees and/or employers of Kosovo. According to Law No. 04/L-101, one non-voting member shall represent the interests of the Government. During 2024 and 2023, the Governing Board was operating without a non-voting member. From March 2023 KPST operated without any Governing Board members as their mandates had expired. Five members of the Governing Board were appointed by the Assembly of Kosovo in July 2023, sufficient to provide a quorum, and additional two voting members were appointed in December 2024.

These financial statements are for KPST Pension Assets (or "KPSTPA") which consist of contributors' pension savings (pension assets). The financial statements for KPST Operations (or "KPSTOP"), which is the entity managing and administering contributors' pension savings (pension assets), are prepared separately from the financial statements for pension assets.

During 2023, KPSTPA assets were invested in the Conservative Portfolio for participants 63 years and older, and in the Standard Portfolio for all the other participants. This changed on April 1, 2024 with the introduction of the intermediate portfolio, the Balanced Portfolio, for participants 58-62 years old.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of KPSTPA have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and its interpretations adopted by the International Accounting Standards Board (IASB).

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention, except for financial assets held at FVPL, which are measured at fair value. The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the KPST. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.8 Significant estimates and judgments.

The financial statements are prepared as of and for the years ended December 31, 2024 and 2023. Current and comparative data stated in these financial statements are expressed in Euro, unless otherwise stated. Where necessary, comparative figures have been reclassified to conform to changes in presentation for the current year.

Presentation of financial statements and notes

For the purpose of clarity, the financial statements and the notes to the financial statements are prepared using the concepts of materiality and relevance.

This means that the line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the primary financial statements.

Similarly, information not considered material is not presented in the notes.

Going concern

KPST management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.3 Changes in accounting policies and disclosures

i) Initial application of new standard and amendments to the existing standards effective for the current reporting period

The following amendments to the existing standards issued by the International Accounting Standards Board are effective for the current period:

- **Classification of Liabilities as Current or Non-current (Amendments to IAS 1)** - effective for annual reporting periods beginning on or after 1 January 2024.
- **Lease Liabilities on sale or upon return (Amendments to IFRS 16)** - effective for annual reporting periods beginning on or after 1 January 2024.
- **Disclosure of Supplier Financial Agreements (Amendments to IAS 7 and IFRS 7)** - effective for annual reporting periods beginning on or after 1 January 2024.

The adoption of the above did not have a material impact on the financial statements of KPSTPA.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

2.3 Changes in accounting policies and disclosures (continued)

ii) New standards and amendments to existing standards in issue not yet adopted

At the date of authorisation of these financial statements, the following new standards and amendments to existing standards were in issue, but not yet mandatory for annual reporting period December 31, 2024:

- **Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards” and IFRS 7 “Financial Instruments: Disclosures” and IFRS 9 “Financial Instruments” and IFRS 10 “Consolidated Financial Statements” and IAS 7 “Statement of Cash Flows”** - effective for annual reporting periods beginning on or after 1 January 2026.
- **IFRS 18 Presentation and Disclosure in Financial Statements** - effective for annual reporting periods beginning on or after 1 January 2027.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** - effective for annual reporting periods beginning on or after 1 January 2027.
- **Lack of Exchangeability (Amendments to IAS 21)** - effective for annual reporting periods beginning on or after 1 January 2025.
- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date was deferred indefinitely until the research project on the equity method has been concluded).

KPSTPA has elected not to adopt these new standards and amendments to existing standards in advance of their effective dates. KPSTPA anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the valuation of financial assets and on financial statements of the KPSTPA in the period of initial application.

3 MATERIAL ACCOUNTING POLICIES

KPSTPA has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

3.1 Financial instruments

Financial assets and liabilities carried on the statement of financial position include investments, cash and cash equivalents, term deposits, receivables, and liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised in the KPSTPA statement of financial position when it becomes a party to the contractual provisions of the instrument or on the date on which they are originated.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis.

Classification and measurement of financial assets and financial liabilities

Under IFRS 9, financial assets are classified on the basis of the business model adopted for managing the assets and on their contractual cash flow characteristics into one of the following measurement categories:

- Amortised cost (AMC);
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVPL).

On initial recognition, KPSTPA classifies financial assets as measured at amortised cost or the Fair Value through Profit and Loss (FVPL).

A financial asset is measured at AMC if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payment of Principal and Interest (SPPI).

All other financial assets of the KPSTPA are measured at FVPL.

The KPSTPA has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents, investment in Treasury bills / bonds and term deposits. These financial assets are held to collect contractual cash flow.
- Other business model: this includes investment in open-end funds, which are composed from equity investments, debt securities, derivatives, etc. These financial assets are managed, and their performance is evaluated, on a fair value basis. The KPSTPA is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The KPSTPA has not taken the option to irrevocably designate any equity securities as FVOCI.

Generally, financial liabilities are measured at amortised cost.

The SPPI test (solely payment of principal and interest on the principal amount outstanding)

The second step in the classification of the financial assets in portfolios being "held to collect" relates to the assessment of whether the contractual cash flows are consistent with the SPPI test. The principal amount reflects the fair value at initial recognition less any subsequent changes, e.g. due to repayment. The interest must represent only consideration for the time value of money, credit risk, other basic lending risks and a profit margin consistent with basic lending features. If the cash flows introduce more than de minimis exposure to risk or volatility that is not consistent with basic lending features, the financial asset is mandatorily recognised at FVPL.

In general, the KPSTPA portfolios of financial assets that are "held to collect" have contractual cash flows that are generally consistent with the SPPI test.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

Subsequent measurement

Amortised cost: The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any differences between the initial amount and the maturity amount, and for financial assets, adjusted for any loss allowance. Interest income from these financial assets is calculated using the effective interest rate method.

Financial assets at fair value through profit and loss: These assets are subsequently measured at fair value. Net gains and losses from changes in fair value, including any foreign exchange gains and losses, are recognised as 'Net gains/losses on financial assets at FVPL, in the statement of comprehensive income.

Impairment

KPSTPA assesses on a forward-looking basis the expected credit losses (ECL) associated with debt instrument assets carried at amortised cost. KPSTPA recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (a) KPSTPA transfers substantially all the risks and rewards of ownership, or (b) KPSTPA neither transfers nor retains substantially all the risks and rewards of ownership and KPSTPA has not retained control.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expired).

3.2 Cash and cash equivalents

For cash flow purposes, cash and cash equivalents consist of cash at bank and broker, cash on hand and short-term deposits with an original maturity of up to three months. Bank deposits that require a notice to be given prior to their withdrawal, but which the Governing Board has no intentions of redeeming are excluded from cash and cash equivalents.

3.3 Contributions

Contributions from participants are accounted on cash basis, except contributions for the last month of the period, which are recognised on accrual basis and recognised in the statement of financial position as contribution receivables as further described in Note 5.

3.4 Fees charged on participants' accounts

Fees charged on participants' accounts are accrued on daily basis and are recognised as an expense in the statement of comprehensive income. The formula for calculating the daily fees is:

$$\text{Fee} = [\text{Gross Participants' Assets}] * [\text{Rate}] / [\text{Number of calendar days in a year}].$$

Details of fees charged are presented in Note 11. On the other hand, the balance of (a) fees; and (b) the difference between the value of redeemed units due to refunds (redemption value) and the amount refunded to the payee (nominal contribution); payable at the end of the period are presented in the statement of financial position as Due to KPSTOP, and are further detailed in Note 8.

3.5 Non-Contributions

Incoming transfers to the KPSTPA collection account with CBK, which at the time of processing a bank statement are identified as not being pension contributions are classified as liabilities for non-contributions and are not unitised. Examples of such transfers typically include employer overpayments or payments for other obligations (e.g. taxes), as well as returned benefit payments due to incorrect bank account details or closed bank accounts. The balance of such non-contributions, payable at the end of the period, is presented in Note 9 as liabilities for non-contributions.

3.6 Taxation

KPST pension assets are exempt from the payment of corporate profit taxes.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Withdrawals of savings and refunds

Withdrawals of savings (benefit payments), as well as refunds of contributions made in error, are accounted for in the period in which the redemption of respective units occurs. The balance of (a) the value of redeemed units due to the withdrawal of savings; and (b) the nominal value of redeemed units due to refunds; payable by the end of the period, are presented in the statement of financial position as liabilities for repurchased units, and are further detailed in Note 9.

The withdrawal of savings from a participant's account can be made in the following cases:

Participant reaches the retirement age of 65

A participant retiring with a balance of savings below or equal to the threshold of EUR 3,000, receives proceeds in a lump-sum payment. On the other hand, if the participant retires with a balance above this threshold, he/she has the option to receive 20% of the balance in a lump-sum payment, while the rest must be received in phases, via monthly proceeds of the phased withdrawal programme, until the savings are depleted. Monthly payments are set at 1% of the balance of the account when units are repurchased, or EUR 200, whichever is greater.

The portion that is to be received in phases, is transferred by KPST to the commercial bank of participant's choice, with the bank subsequently making monthly payments to the retiree. Given that participant's assets are no longer in the care of KPST, they are no longer accounted for by KPSTPA.

Participant is in receipt of a disability pension

A participant in receipt of a disability pension, as issued for a given number of years by the Ministry of Finance, Work and Transfers, can withdraw savings via the phased withdrawal programme. The proceeds are limited to EUR 2,400 for each of the years the disability pension covers, or the full balance of savings, whichever is lower. Same as above, these assets are no longer accounted for by KPSTPA, as proceeds are transferred to the commercial bank, which makes monthly payments of EUR 200 to the participant until the funds are depleted.

Participant is not, and was not, obliged to contribute to the pension fund

A foreign national, who never held Kosovo citizenship, and was never issued, by the Ministry of Internal Affairs, the status of a permanent resident in Kosovo, can withdraw their pension savings in lump-sum, provided the Tax Administration confirms that the participant is not, and was not, ever obliged to make pension contributions.

Participant dies prior to reaching retirement age

An eligible beneficiary opts to receive his/her share, of a deceased participant's savings, via a (a) lump-sum payment, or (b) transfer to their own savings account with KPST. The priority of eligible beneficiaries is as follows: (1) spouse, (2) children, and (3) others, as decided by a court or a notary.

The rules for the withdrawal of savings, including thresholds, are set by the CBK in their Rule for the withdrawal of pension savings. The phased withdrawal rules are conditional until such time as annuities shall be available in Kosovo.

3.8 Significant estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Management also needs to exercise judgement in applying the KPSTPA accounting policies. Estimates and underlying assumptions are reviewed on an on-going basis.

This note provides an overview of the areas that involve a higher degree of judgement and complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in related notes together with information about the basis of calculation for each affected line item in the financial statements.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Explanation of these inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3.9.5, which also sets out key sensitivities of the ECL to changes in these elements.

Several significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number of relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial risk management

The KPSTPA activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The KPSTPA overall risk management programme seeks to maximise the returns derived for the level of risk to which the KPSTPA is exposed and seeks to minimise potential adverse effects on the KPSTPA financial performance.

When it comes to assessing the risk of financial instruments which form part of assets of KPSTPA, most investments are through Open-end funds, which effectively means that the day-to-day risk management function is outsourced to the providers of Open-end funds. The maximum loss is equal to carrying values of financial assets. The management of these risks is carried out by the investment managers and from management and board of KPST.

The investment policy above all requires for invested assets, whether directly or indirectly, to be highly diversified across issuers, asset classes and investment approaches utilised by open-end funds. As a way to manage the direct risks the policy sets limits as to the proportion of assets that can be invested in instruments of a given asset class, as well as limits as to the proportion of assets that can be invested in instruments of a given investment approach, as disclosed in Note 13.f) of these financial statements. Within this framework the Governing Board makes decisions whether to increase or reduce the exposure to a certain instrument depending on its performance, underlying holdings, correlation with other instruments, as well as beliefs for the short and medium-term prospect for the given asset class and investment style of the instrument. KPST itself does not engage in forward contracts, swaps or derivatives in order to manage and control these risks to assets of KPSTPA.

The Investment and Risk Department of KPST on regular basis analyses the compliance of direct investments, as well as indirect investments through underlying holdings of open-end funds, with the Investment Policy of KPST. The risks and volatility of both direct and indirect holdings are also assessed on regular basis. The findings are reviewed by the Investment Committee of the Governing Board of KPST and serve as an aide for investment decisions.

Presented below are standard risks to which KPSTPA financial assets were directly exposed to on reporting dates.

3.9.1 Interest rate risk (Standard, Balanced and Conservative Portfolios)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at reporting date KPSTPA had no liabilities exposed to the interest rate risk but had direct investments in Treasury bills / bonds and term deposits with commercial banks with a fixed interest rate in the amount EUR 649,168,998 (2023: EUR 536,096,670). There were no direct investments in floating interest rate securities.

3.9.2 Price risk (Standard and Balanced Portfolio)

The assets are exposed to equity securities price risk. This arises from investments held by KPSTPA for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the euro, the price initially expressed in foreign currency and then converted into euros will also fluctuate because of changes in foreign exchange rates. Note 3.9.3 'Currency risk' below sets out how this component of price risk is managed and measured.

Despite the moderately reduced sensitivity to changes in the fair value of investments through Open-end funds, price risk remains the most significant direct risk factor of KPSTPA invested assets. KPSTPA through its investment policy attempts to manage this risk by diversifying investments in uncorrelated Open-end funds which in turn hold within their portfolios different classes of assets and have different investment styles and objectives.

Sensitivity Analysis of price changes in Open-end funds

Had the prices of Open-end funds been 5% higher/lower on reporting date, net participants' assets would have been increased/decreased by EUR 126,023,942 (2023: EUR 100,675,907).

The maximum drawdown for the Standard portfolio for the 1-year period ending December 31, 2024 was 3.5%, and for the 3-year period it was 7.6% (2023: 4.2%, and 7.6% respectively). The maximum drawdown for the Balanced Portfolio, for the 9 months since inception, was 1.7%.

For the Standard portfolio the ratio of performance vs volatility for the 1-year period ending December 31, 2024 was 1.77; where the annualised volatility was 4.9% and the performance +8.8% (2023: 0.66, 4.9% and +3.0% respectively). On the other hand, the ratio for the 3-year period was 0.35; where the annualised volatility was 5.4% and the annualised performance +1.9% (2023: 0.49, 5.1% and +2.5% respectively).

For the Balanced Portfolio, for the 9 months since inception, the ratio of performance vs volatility was 1.33; where the annualised volatility was 4.1% and the performance was +5.4%.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial risk management (continued)

3.9.3 Currency risk (Standard and Balanced Portfolio)

Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. As at reporting dates the direct investments in Treasury bills / bonds and term deposits were all EUR denominated.

To manage the currency risk through Open-end funds, the investment policy of KPST allows only up to 20 percent of KPSTPA total assets to be directly invested in funds which are not denominated in EUR and provide no EUR hedging. No such limitation exists for indirect placements, i.e. underlying investments made by open-end funds themselves.

Out of the 22 funds through which KPST was invested on reporting date: (a) 13 were EUR denominated, total amount of EUR 2,109,342,632 or 65.8% of total assets; (b) 9 were USD denominated, total amount of EUR 411,136,216, or 12.8% of total assets (2023: 12 EUR denominated funds amounting EUR 1,646,036,940 or 60.5% of total assets, and 9 USD denominated funds with EUR 367,481,198, or 13.5% of total assets). Although funds are EUR or USD denominated, their underlying holdings will be in many currencies at varying allocation percentages. Some fund managers use currency derivatives to manage and control the currency risk. However, as fund holdings are not determined or controlled by KPST, and assets are not invested directly by KPST in pure USD instruments at any significant level, no sensitivity analysis is performed on the effects of currency shifts on the comprehensive income for the year ended December 31, 2023 and 2024.

3.9.4 Liquidity risk (Standard and Conservative Portfolios)

Liquidity risk is the risk that KPSTPA will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Prudent liquidity risk management implies maintaining sufficient cash, availability of funds through adequate credit facilities and ability to collect timely - within the terms established - the amounts due from third parties.

Liquidity risk is being managed by evaluating monthly redemptions arising from the withdrawal of savings as well as refunds and retaining sufficient cash for this purpose. The liquidity risk is low given that the average monthly redemptions for the year ended December 31, 2024 amounted to EUR 6,047,392, and were well below the average monthly incoming contributions for the year amounting EUR 26,317,261 (2023: EUR 6,118,238 and EUR 23,848,445, respectively).

Investments measured at fair value (through Open-end funds) can all be redeemed within 1-5 days and are presented here in the short-term category. Investments of KPSTPA assets in Treasury bills / bonds have an original maturity of up to ten years whereas term deposits with banks have an original maturity of between 1 and 3 years.

The table below presents the remaining contractual maturities of financial assets and liabilities of KPSTPA.

	As at December 31 2024			As at December 31 2023		
	Up to 1 year	1-5 years	5-10 years	Up to 1 year	1-5 years	5-10 years
	EUR	EUR	EUR	EUR	EUR	EUR
Financial assets						
Cash and cash equivalents	12,149,224	-	-	152,330,062	-	-
Financial assets at FVPL	2,520,478,848	-	-	2,013,518,138	-	-
Treasury bills / bonds	119,779,011	215,682,664	162,159,255	107,599,471	252,868,620	85,887,893
Term deposits	61,855,325	89,692,743	-	42,443,059	47,297,627	-
Contribution and other receivables	22,707,429	-	-	19,577,370	-	-
	2,736,969,837	305,375,407	162,159,255	2,335,468,100	300,166,247	85,887,893
Financial liabilities						
Total liabilities	1,197,233	-	-	1,280,462	-	-
Maturity gap						
	2,735,772,604	305,375,407	162,159,255	2,334,187,638	300,166,247	85,887,893

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial risk management (continued)

3.9.5 Credit risk (Standard, Balanced and Conservative Portfolios)

Credit risk is the risk of financial loss to KPSTPA if a customer or counterparty to financial instruments fails to meet its contractual obligations.

Credit quality analyses

The KPSTPA exposure to credit risk arises in the respect of the following instruments:

- **Cash at bank** - Cash at bank consists of cash in current accounts with CBK and the broker. As at December 31, 2024, 90% of all cash at bank was held at the CBK account. The credit rating for the Republic of Kosovo is BB-; however, due to its short-term nature, credit risk is not considered significant and no impairment loss is calculated.
- **Treasury bills / bonds** - According to the law, KPSTPA may invest up to 30% of pension assets in the Government securities issued by the Republic of Kosovo. As at December 31, 2024 the exposure of KPSTPA in securities issued from the Government of Kosovo was decreased to 13.6% (2023: 16.4%). Kosovo Treasuries are BB- rated. The exposure in treasury bills and bonds from other countries was 1.9% of total assets (2023: nil) and included investment grade treasuries of Austria and Italy.
- **Term Deposits** - consist of term deposits placed with commercial banks in the Republic of Kosovo. As of December 31, 2024, the highest exposure to a single bank in the term deposits portfolio was 34% (2023: 36%).
- **Open-end funds** - the underlying investments of some of the open-end funds, in which KPSTPA assets are invested in, are exposed to credit risk via placements in corporate and sovereign bonds as well as other debt instruments. As these are (a) measured at fair value; and (b) it is not possible to obtain sufficient details to reliably assess the credit worthiness of each underlying investment of these open-end funds; no impairment loss is calculated.

Excepted Credit Loss (ECL)

At each reporting date, KPSTPA measures the loss allowance on financial assets measured at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, KPSTPA measures the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that amounts may be credit impaired.

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

Measurement of ECL

In estimating ECL, KPSTPA uses published default rates for issuers of the same rating. When the rating is not available, the default rates for issuers most similar are used. The measurement is adjusted for (a) the duration if a given security has less than a year to maturity; (b) the typical recovery rates for similar issuers; and (c) the discount factors for respective security yields.

Given the above inputs, all Treasury bills / bonds and term deposits were evaluated using the Stage 1, 12-month impairment model, and there were no movements in stages during the year ended December 31, 2024.

3.9.6 Concentration risk (Standard, Balanced and Conservative Portfolios)

Concentration risk is the potential for a loss in value of an investment portfolio or a financial institution when an individual or group of exposures move together in an unfavourable direction.

As at reporting date, the geographical allocation of assets based on direct investments, as per the domicile of where open-end funds and ETFs are registered, was: Ireland 35.3%; Kosovo 19.4%; Luxembourg 19.1%; United States 11.9%; France 11.5%; and The rest 2.8% (2023: France 31.2%; Kosovo 26.0%; Luxembourg 16.4%; United States 12.5%; Ireland 10.7%; and The rest 3.2%).

As at reporting date, the geographical allocation of direct investments as well as indirect investments via underlying holdings of open-end funds and ETFs, was: United States 46.2%; Kosovo 19.4%; France 7.4%; United Kingdom 4.1%; Japan 3.2%; Italy 2.9%; Germany 2.0%; Holland 1.4%; Canada 1.3%; Switzerland 1.2%; and The rest 10.7% (2023: Kosovo 26.0%; United States 24.4%; France 14.7%; United Kingdom 6.5%; Italy 3.4%; Holland 2.6%; Spain 2.2%; Germany 2.2%; Sweden 1.8%; Finland 1.8%; and The rest 14.4%).

As at reporting date, the top 10 exposures to a single entity were 27.6% of assets and included: Kosovo Treasury 13.6%; Microsoft 2.1%; Apple 1.8%; Italian Treasury 1.8%; Alphabet 1.8%; Deposits with NLB Bank 1.8%; Nvidia 1.6%; Deposits with ProCredit Bank 1.6%; Austrian Treasury 1.0%; and Amazon 1.0% (2023: Top 10 of 31.9% of assets, including Kosovo Treasury 16.4%; Groupe BPCE 2.3%; Credit Agricole 2.3%; Credit Mutuel 2.1%; Societe General 2.1%; BNP Paribas SA 1.6%; Nordea Bank 1.3%; Intesa Sanpaolo 1.3%; Italian Treasury 1.2%; and Deposits with NLB Bank 1.2%).

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial risk management (continued)

3.9.7 Fair value measurement

Financial assets and liabilities are grouped into three fair value hierarchical levels based on the significance of the incoming data used during the measurement of the fair value of the financial instrument:

- Level 1: quoted prices (not adjusted) on the active markets for identical assets or liabilities;
- Level 2: other incoming data, aside from the quoted prices, included in Level 1 which are available for asset or liability observing, directly (i.e. as prices), or indirectly (i.e. made of prices); and
- Level 3: incoming data on the asset or liability that are not based on data available for market observing.

Financial instruments not presented at fair value

The following table summarises the carrying amounts and fair values to those financial assets and liabilities that are not presented in the Statement of financial position at their fair value as at December 31, 2024 and 2023.

	Level	As at December 31 2024		As at December 31 2023	
		Carrying Value	Fair value	Carrying Value	Fair value
		EUR	EUR	EUR	EUR
Financial assets					
Cash and cash equivalents	2	12,149,224	12,149,224	152,330,062	152,330,062
Treasury bills / bonds	2	497,620,930	496,461,413	446,355,984	442,030,063
Term deposits	2	151,548,068	154,156,603	89,740,686	85,808,678
Contribution and other receivables	3	22,707,429	22,707,429	19,577,370	19,577,370
		684,025,651	685,474,669	708,004,102	699,746,173
Financial liabilities					
Total liabilities	3	1,197,233	1,197,233	1,280,462	1,280,462
		1,197,233	1,197,233	1,280,462	1,280,462

The carrying value of cash and cash equivalents, contribution and other receivables as well as financial liabilities are a reasonable approximation of their fair value due to their short-term maturity. The fair value of Kosovo Treasuries and term deposits is evaluated by discounting based on interpolated yields of Kosovo Treasuries for respective durations. The fair value of other treasuries represents their market value on reporting date. The fair value of Treasury bills / bonds consists of Kosovo Treasuries amounting EUR 434,779,653 and investment grade treasuries from other countries amounting EUR 61,681,760 (2023: EUR 442,030,063 and EUR nil, respectively).

Financial instruments presented at fair value

As of the reporting dates, the financial instruments of KPSTPA presented at fair value are explained as follows:

Class of investment	Level	As at December 31 2024	As at December 31 2023
		EUR	EUR
Financial assets at FVPL	1	2,520,478,848	2,013,518,138

Fair value measurements listed above are recurring. There were no movements of funds between levels during the year ending December 31, 2024 and 2023. The fair values of financial assets traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from the fund manager.

3.9.8 Exposure through indirect holdings

Majority of KPSTPA assets are invested through open-end funds which trade in different asset classes and employ varying investment and risk policies. As a result, KPSTPA assets are exposed to different risks for its indirect investments depending on the assets invested with a given fund, with the main risks summarised being: Price; Credit / Counterparty; Country / Political; Interest Rate / Currency.

4 CASH AND CASH EQUIVALENTS

	As at December 31 2024	As at December 31 2023
	EUR	EUR
Central Bank of Republic of Kosovo (CBK)	10,927,417	151,925,005
Cash accounts with brokers	1,221,807	405,057
Total cash and cash equivalents	12,149,224	152,330,062

From January 1, 2023 – August 4, 2023 a positive interest of 0.25% p.a., and from August 5, 2023 – December 31, 2024 a positive interest of 0.30% p.a., was provided on the daily balance of the KPSTPA cash account with the Central Bank of Kosovo.

The brokers provided a positive interest of between 0.25% p.a. and 1.5% p.a. on daily balances from January 1, 2024 - December 31, 2024, and a positive interest of 0.25% p.a. on daily balances from January 1, 2023 - December 31, 2023.

The interest income for respective periods were as follows:

	Year ended December 31 2024	Year ended December 31 2023
	EUR	EUR
Central Bank of Republic of Kosovo	127,202	123,063
Cash accounts with brokers	113,880	31,564
Total interest income	241,082	154,627

5 CONTRIBUTION AND OTHER RECEIVABLES

Contributions and other receivables as at December 31, 2024 in the amount EUR 22,707,429 (2023: EUR 19,577,370) relate to contributions received in the collection account 1-18 days after reporting date in the amount EUR 22,698,019 (2023: EUR 19,560,192) and the interest receivable on cash and cash equivalents in the amount EUR 9,410 (2023: EUR 17,178).

Law No 07/L-016 on Economic Recovery Covid-19, amending Law No 04/L-101 on Pension funds of Kosovo, came into force on December 7, 2020. This amendment allowed for the early withdrawal of 10% of the balance of savings to all participants, for a period of four months after coming into force, i.e. up to April 6, 2021. Furthermore, the amendment foresaw that participants with a balance of savings lower than or equal to EUR 9,999.00 (effectively withdrawing EUR 999.90 or less) shall, starting from 2023 onwards, be reimbursed by the Government of Republic of Kosovo in a manner and timetables agreed in consultation with KPST. Participants withdrawing EUR 999.90 or less numbered 372,652, and their withdrawals amounted to EUR 101,772,746. This represented the amount originally owed by the Government to such participants.

The Government in 2022 decided to reimburse the total owed in instalments starting from 2023. In 2023 the memorandum was signed between the Government and KPST detailing that priority for the reimbursements will be provided to participants with (1) permanent withdrawals; and (2) earlier dates of birth.

In this respect, during July 2023 the Government reimbursed the first instalment in the amount of EUR 5,431,049 for a total of 12,090 participants. The second instalment in July 2024 was in the amount of EUR 1,873,876 and reimbursed a further 4,255 participants.

In its budget for the fiscal year 2025, the Government has allocated EUR 3,000,000 for the third instalment. Since budget allocations are generally initial plans, the exact amount would be determined when actual reimbursements are made.

6 FINANCIAL ASSETS AT FVPL

a) Investments in open-end funds (in EUR)

							2024
Fund	Note	As at January 1	Additions	Gains or (losses)	Fees withheld	Redemptions	As at December 31
		EUR	EUR	EUR	EUR	EUR	EUR
IE00B03HD316	6.1	119,953,739	463,174,475	48,683,208	(621,899)	-	631,189,523
LU0257969260	6.2	162,769,170	-	18,407,327	-	-	181,176,497
LU0539147214	6.3	232,134,896	-	8,439,196	-	-	240,574,092
FR0007038138	6.4	849,040,517	25,319,172	26,113,123	(635,282)	(532,000,212)	367,837,318
US78468R5569	6.5	55,506,017	-	1,960,971	(204,707)	-	57,262,281
US37954Y6730	6.6	63,745,183	-	16,362,952	(346,300)	-	79,761,835
US46435U7138	6.7	64,391,579	-	14,809,221	(222,313)	-	78,978,487
LU2305367323	6.8	28,283,645	35,000,000	3,450,471	-	(66,734,116)	-
US46138E6288	6.9	31,434,451	-	2,781,829	(26,459)	(34,189,821)	-
US9229087443	6.10	61,550,538	-	12,851,226	(27,650)	-	74,374,114
IE00BQN1K901	6.11	90,047,414	-	9,893,407	(239,873)	(7,999,974)	91,700,974
LU1829219390	6.12	23,892,604	-	4,156,826	(17,542)	(28,031,888)	-
IE00BKWQ0F09	6.13	31,764,192	-	(1,293,841)	(58,312)	-	30,412,039
GB00B15KYG56	6.14	25,814,601	-	(102,038)	(29,323)	(25,683,240)	-
JE00B8DFY052	6.15	27,433,379	-	1,243,739	(8,526)	(28,668,592)	-
IE00B5M1WJ87	6.16	21,991,190	-	1,069,981	(69,942)	-	22,991,229
GB00B15KXV33	6.17	34,264,437	-	5,080,811	(139,450)	(12,499,956)	26,705,842
US46434G8481	6.18	31,972,649	-	(963,107)	(27,918)	(30,981,624)	-
IE00BH04GL39	6.19	26,930,801	-	391,584	(18,736)	-	27,303,649
US4642885622	6.20	15,629,945	27,999,558	4,257,710	(132,321)	-	47,754,892
US69374H7411	6.21	14,967,191	9,999,937	2,069,966	(129,476)	-	26,907,618
LU1681041890	6.22	-	39,999,930	(994,009)	(71,083)	-	38,934,838
LU2133056387	6.23	-	37,999,831	4,879,454	(78,054)	-	42,801,231
IE00BJ38QD84	6.24	-	25,999,885	4,765,155	(79,615)	-	30,685,425
LU2802595350	6.25	-	106,734,116	2,580,831	-	-	109,314,947
IE00BRKWGL70	6.26	-	270,999,948	27,469,833	(69,328)	-	298,400,453
US37954Y2366	6.27	-	7,999,997	(279,726)	(2,116)	-	7,718,155
US4642875318	6.28	-	7,999,923	(304,765)	(1,749)	-	7,693,409
Total investments in open-end funds		2,013,518,138	1,059,226,772	217,781,335	(3,257,974)	(766,789,423)	2,520,478,848

In addition to net gains of EUR 217,781,335 from the revaluation and redemption of open-end funds, EUR 6,077,038 were received as dividends during the year ended December 31, 2024, making for total net gains from open-end funds in the value of EUR 223,858,373.

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

a) Investments in open-end funds (in EUR) (continued)

							2023
Fund	Note	As at January 1	Additions	Gains or (losses)	Fees withheld	Redemptions	As at December 31
		EUR	EUR	EUR	EUR	EUR	EUR
IE00B03HD316	6.1	1,078,243	110,801,837	8,103,677	(30,018)	-	119,953,739
LU0257969260	6.2	148,462,915	-	14,306,255	-	-	162,769,170
LU0539147214	6.3	224,068,597	-	8,066,299	-	-	232,134,896
FR0007038138	6.4	382,119,647	533,172,517	16,006,885	(258,977)	(81,999,555)	849,040,517
US78468R5569	6.5	56,943,838	-	(1,241,047)	(196,774)	-	55,506,017
US37954Y6730	6.6	59,069,111	-	14,981,588	(305,553)	(9,999,963)	63,745,183
US46435U7138	6.7	60,062,495	-	4,576,252	(247,168)	-	64,391,579
LU2305367323	6.8	1,540,491	23,000,000	3,743,154	-	-	28,283,645
US46138E6288	6.9	67,214,478	-	(11,396,017)	(184,077)	(24,199,933)	31,434,451
US9229087443	6.10	118,823,433	-	(829,024)	(43,100)	(56,400,771)	61,550,538
IE00BQN1K901	6.11	79,301,062	-	10,960,895	(214,543)	-	90,047,414
LU1829219390	6.12	53,615,661	-	16,462,594	(185,046)	(46,000,605)	23,892,604
IE00BKWQ0F09	6.13	29,529,067	-	2,290,227	(55,102)	-	31,764,192
GB00B15KYG56	6.14	30,100,598	-	(4,153,992)	(132,005)	-	25,814,601
JE00B8DFY052	6.15	-	36,999,951	3,479,125	(47,906)	(12,997,791)	27,433,379
IE00B5M1WJ87	6.16	-	20,999,983	1,044,219	(53,012)	-	21,991,190
GB00B15KXV33	6.17	-	34,999,865	(633,998)	(101,430)	-	34,264,437
US46434G8481	6.18	-	70,002,291	(8,446,783)	(181,046)	(29,401,813)	31,972,649
IE00BH04GL39	6.19	-	24,999,587	1,935,702	(4,488)	-	26,930,801
US4642885622	6.20	-	14,999,970	635,467	(5,492)	-	15,629,945
US69374H7411	6.21	-	14,999,985	(26,186)	(6,608)	-	14,967,191
IE00B504KX99		200,172,086	-	(9,690,431)	-	(190,481,655)	-
IE00BYX8XD24		21,339,112	-	(722,816)	(44,748)	(20,571,548)	-
LU0406802768		2,223,726	23,000,000	(2,998,153)	(150,100)	(22,075,473)	-
US4642882249		22,171,891	-	(7,577,067)	(69,258)	(14,525,566)	-
LU1390062245		75,868,822	-	1,082,704	(110,437)	(76,841,089)	-
US46434V6213		55,544,738	-	1,083,522	(28,314)	(56,599,946)	-
Total investments in open-end funds		1,689,250,011	907,975,986	61,043,051	(2,655,202)	(642,095,708)	2,013,518,138

In addition to net gains of EUR 61,043,051 from the revaluation and redemption of open-end funds, EUR 8,140,670 were received as dividends during the year ended December 31, 2023, making for total net gains from open-end funds in the value of EUR 69,183,721.

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

b) Investments in open-end funds (in Units)

						2024
Fund	Note	As at January 1	Additions	Redemptions	As at December 31	As at December 31
		Units	Units	Units	Units	Price (EUR)
IE00B03HD316	6.1	4,059,142	13,787,455	-	17,846,597	35.3675
LU0257969260	6.2	3,991,701	-	-	3,991,701	45.3883
LU0539147214	6.3	10,654,206	-	-	10,654,206	22.5802
FR0007038138	6.4	789	23	(482)	330	1,118,777.6754
US78468R5569	6.5	447,928	-	-	447,928	127.8381
US37954Y6730	6.6	2,043,786	-	-	2,043,786	39.0265
US46435U7138	6.7	1,766,651	-	-	1,766,651	44.7052
LU2305367323	6.8	262,135	302,860	(564,995)	-	-
US46138E6288	6.9	706,045	-	(706,045)	-	-
US9229087443	6.10	454,877	-	-	454,877	163.5038
IE00BQN1K901	6.11	11,323,870	-	(896,195)	10,427,675	8.7940
LU1829219390	6.12	185,270	-	(185,270)	-	-
IE00BKWQ0F09	6.13	162,910	-	-	162,910	186.6800
GB00B15KYG56	6.14	1,972,387	-	(1,972,387)	-	-
JE00B8DFY052	6.15	2,366,987	-	(2,366,987)	-	-
IE00B5M1WJ87	6.16	966,221	-	-	966,221	23.7950
GB00B15KXV33	6.17	4,160,325	-	(1,310,790)	2,849,535	9.3720
US46434G8481	6.18	820,176	-	(820,176)	-	-
IE00BH04GL39	6.19	1,146,870	-	-	1,146,870	23.8071
US4642885622	6.20	234,885	375,431	-	610,316	78.2462
US69374H7411	6.21	554,730	374,606	-	929,336	28.9536
LU1681041890	6.22	-	364,695	-	364,695	106.7600
LU2133056387	6.23	-	1,520,200	-	1,520,200	28.1550
IE00BJ38QD84	6.24	-	498,950	-	498,950	61.5000
LU2802595350	6.25	-	1,067,341	-	1,067,341	102.4180
IE00BRKWGL70	6.26	-	6,512,592	-	6,512,592	45.8190
US37954Y2366	6.27	-	482,886	-	482,886	15.9834
US4642875318	6.28	-	98,895	-	98,895	77.7937

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

b) Investments in open-end funds (in Units) (continued)

						2023
Fund	Note	As at January 1	Additions	Redemptions	As at December 31	As at December 31
		Units	Units	Units	Units	Price (EUR)
IE00B03HD316	6.1	44,147	4,014,995	-	4,059,142	29.5515
LU0257969260	6.2	3,991,701	-	-	3,991,701	40.7769
LU0539147214	6.3	10,654,206	-	-	10,654,206	21.7881
FR0007038138	6.4	367	500	(78)	789	1,076,809.3939
US78468R5569	6.5	447,928	-	-	447,928	123.9173
US37954Y6730	6.6	2,382,614	-	(338,828)	2,043,786	31.1898
US46435U7138	6.7	1,766,651	-	-	1,766,651	36.4484
LU2305367323	6.8	17,170	244,965	-	262,135	107.8970
US46138E6288	6.9	1,391,035	-	(684,990)	706,045	44.5219
US9229087443	6.10	904,511	-	(449,634)	454,877	135.3125
IE00BQN1K901	6.11	11,323,870	-	-	11,323,870	7.9520
LU1829219390	6.12	541,370	-	(356,100)	185,270	128.9610
IE00BKWQ0F09	6.13	162,910	-	-	162,910	194.9800
GB00B15KYG56	6.14	1,972,387	-	-	1,972,387	13.0880
JE00B8DFY052	6.15	-	3,497,987	(1,131,000)	2,366,987	11.5900
IE00B5M1WJ87	6.16	-	966,221	-	966,221	22.7600
GB00B15KXV33	6.17	-	4,160,325	-	4,160,325	8.2360
US46434G8481	6.18	-	1,656,100	(835,924)	820,176	38.9827
IE00BH04GL39	6.19	-	1,146,870	-	1,146,870	23.4820
US4642885622	6.20	-	234,885	-	234,885	66.5430
US69374H7411	6.21	-	554,730	-	554,730	26.9810
IE00B504KX99		132,022,218	-	(132,022,218)	-	-
IE00BYX8XD24		2,776,000	-	(2,776,000)	-	-
LU0406802768		7,504	72,352	(79,856)	-	-
US4642882249		1,193,261	-	(1,193,261)	-	-
LU1390062245		678,612	-	(678,612)	-	-
US46434V6213		1,187,125	-	(1,187,125)	-	-

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

c) Fees and rebates for investments in open-end funds – charged to and presented in the financial statements of KPST Operations

Fund	Note	Year ended December 31 2024			Year ended December 31 2023		
		Gross fee	Rebate	Net fee	Gross fee	Rebate	Net fee
		EUR	EUR	EUR	EUR	EUR	EUR
IE00B03HD316	6.1	621,899	(208,938)	412,961	30,018	(4,707)	25,311
LU0257969260	6.2	743,813	-	743,813	670,184	-	670,184
LU0539147214	6.3	1,324,620	-	1,324,620	1,279,152	-	1,279,152
FR0007038138	6.4	635,282	(271,328)	363,954	258,977	(163,614)	95,363
US78468R5569	6.5	204,707	-	204,707	196,774	-	196,774
US37954Y6730	6.6	346,300	-	346,300	305,553	-	305,553
US46435U7138	6.7	222,313	-	222,313	247,168	-	247,168
LU2305367323	6.8	75,913	-	75,913	114,066	(115)	113,951
US46138E6288	6.9	26,459	-	26,459	184,077	-	184,077
US9229087443	6.10	27,650	-	27,650	43,100	-	43,100
IE00BQN1K901	6.11	239,873	-	239,873	214,543	-	214,543
LU1829219390	6.12	17,542	-	17,542	185,046	-	185,046
IE00BKWQ0F09	6.13	58,312	-	58,312	55,102	-	55,102
GB00B15KYG56	6.14	29,323	-	29,323	132,005	-	132,005
JE00B8DFY052	6.15	8,526	-	8,526	47,906	-	47,906
IE00B5M1WJ87	6.16	69,942	-	69,942	53,012	-	53,012
GB00B15KXV33	6.17	139,450	-	139,450	101,430	-	101,430
US46434G8481	6.18	27,918	-	27,918	181,046	-	181,046
IE00BH04GL39	6.19	18,736	-	18,736	4,488	-	4,488
US4642885622	6.20	132,321	-	132,321	5,492	-	5,492
US69374H7411	6.21	129,476	-	129,476	6,608	-	6,608
LU1681041890	6.22	71,083	-	71,083	-	-	-
LU2133056387	6.23	78,054	-	78,054	-	-	-
IE00BJ38QD84	6.24	79,615	-	79,615	-	-	-
LU2802595350	6.25	346,614	-	346,614	-	-	-
IE00BRKWGL70	6.26	69,328	-	69,328	-	-	-
US37954Y2366	6.27	2,116	-	2,116	-	-	-
US4642875318	6.28	1,749	-	1,749	-	-	-
IE00B504KX99	-	-	-	-	1,032,156	-	1,032,156
IE00BYX8XD24	-	-	-	-	44,748	-	44,748
LU0406802768	-	-	-	-	150,100	(72,086)	78,014
US4642882249	-	-	-	-	69,258	-	69,258
LU1390062245	-	-	-	-	110,437	-	110,437
US46434V6213	-	-	-	-	28,314	-	28,314
Total open-end fund fees and rebates		5,748,934	(480,266)	5,268,668	5,750,760	(240,522)	5,510,238

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

d) Description of open-end funds invested in during the year

Fund	Asset class	Strategy	Fees
6.1 Vanguard Global Stock Index Fund Euro hedged ISIN: IE00B03HD316	Equities	Tracking MSCI World Index	Withheld daily from the fund at 0.18% p.a. A rebate of up to 0.11% p.a. is provided based on assets (2023: 0.18% p.a.)
6.2 Nordea 1 – Global Stable Equity Fund ISIN: LU0257969260	Equities	Value and quality stocks with risk management	Billed at 0.43% p.a. (2023: 0.43% p.a.)
6.3 Nordea 1 –Stable Return Fund X EUR ISIN: LU0539147214	Mixed assets	A mixture of cash, bonds and equities with use of financial derivatives against risks	Billed at 0.56% p.a. (2023: 0.56% p.a.)
6.4 Amundi – Euro Liquidity Fund ISIN: FR0007038138	Cash	Money markets instruments with high liquidity and security	Withheld daily from the fund at 0.057% p.a. A rebate of 0.012% p.a. when assets exceed EUR 50 million (2023: 0.057% p.a.)
6.5 SPDR® S&P Oil & Gas Exploration & Production ETF ISIN: US78468R5569	Equities	Energy	Withheld daily from the fund at 0.35% p.a. (2023: 0.35% p.a.)
6.6 Global X U.S. Infra-structure Development ETF ISIN: US37954Y6730	Real assets	Infrastructure	Withheld daily from the fund at 0.47% p.a. (2023: 0.47% p.a.)
6.7 iShares U.S. Infrastructure ETF ISIN: US46435U7138	Real assets	Infrastructure	Withheld daily from the fund at 0.30% p.a. (2023: 0.40% p.a.)
6.8 Schroder ISF Global Sustainable Growth ISIN: LU2305367323	Equities	Sustainability	Billed at 0.50% p.a. (2023: 0.50% p.a.)
6.9 Invesco KBW Bank ETF ISIN: US46138E6288	Equities	Value	Withheld daily from the fund at 0.35% p.a. (2023: 0.35% p.a.)
6.10 Vanguard Value Index Fund ETF ISIN: US9229087443	Equities	Value	Withheld daily from the fund at 0.04% p.a. (2023: 0.04% p.a.)

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

d) Description of open-end funds invested in during the year

Fund	Asset class	Strategy	Fees
6.11 iShares Edge MSCI Europe Value Factor UCITS ETF ISIN: IE00BQN1K901	Equities	Value	Withheld daily from the fund at 0.25% p.a. (2023: 0.25% p.a.)
6.12 Lyxor EURO STOXX Banks (DR) UCITS ETF ISIN: LU1829219390	Equities	Value	Withheld daily from the fund at 0.30% p.a. (2023: 0.30% p.a.)
6.13 SPDR MSCI Europe Energy UCITS ETF ISIN: IE00BKWQ0F09	Equities	Energy	Withheld daily from the fund at 0.18% p.a. (2023: 0.18% p.a.)
6.14 WisdomTree Industrial Metals ETF ISIN: GB00B15KYG56	Real assets	Metals	Withheld daily from the fund at 0.49% p.a. (2023: 0.49% p.a.)
6.15 WisdomTree Physical Gold - EUR Daily Hedged ETC ISIN: JE00B8DFY052	Real assets	Metals	Withheld daily from the fund at 0.15% p.a. (2023: 0.15% p.a.)
6.16 SPDR S&P Euro Dividend Aristocrats UCITS ETF ISIN: IE00B5M1WJ87	Equities	Dividend Income	Withheld daily from the fund at 0.30% p.a. (2023: 0.30% p.a.)
6.17 WisdomTree WTI Crude Oil ETF ISIN: GB00B15KXV33	Real assets	Energy	Withheld daily from the fund at 0.49% p.a. (2023: 0.49% p.a.)
6.18 iShares MSCI Global Metals & Mining Producers ETF ISIN: US46434G8481	Equities	Metals and mining	Withheld daily from the fund at 0.39% p.a. (2023: 0.39% p.a.)
6.19 EUR Eurozone Government Bond UCITS ETF ISIN: IE00BH04GL39	Fixed Income	Treasury bonds	Withheld daily from the fund at 0.07% p.a. (2023: 0.07% p.a.)
6.20 iShares Residential and Multisector Real Estate ETF ISIN: US4642885622	Real assets	Real Estate	Withheld daily from the fund at 0.48% p.a. (2023: 0.48% p.a.)

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

d) Description of open-end funds invested in during the year

Fund	Asset class	Strategy	Fees
6.21 Pacer Benchmark Data & Infrastructure Real Estate ETF ISIN: US69374H7411	Real assets	Real Estate	Withheld daily from the fund at 0.55% p.a. (2023: 0.60% p.a.)
6.22 Amundi MSCI Europe Quality Factor ETF ISIN: LU1681041890	Equities	Quality	Withheld daily from the fund at 0.23% p.a. (2023: not applicable)
6.23 Amundi MSCI Japan EUR Hedged ETF ISIN: LU2133056387	Equities	Tracking MSCI Japan Index	Withheld daily from the fund at 0.20% p.a. (2023: not applicable)
6.24 SPDR Russell 2000 US Small Cap UCITS ETF ISIN: IE00BJ38QD84	Equities	Tracking Russell 2000 Index	Withheld daily from the fund at 0.30% p.a. (2023: not applicable)
6.25 Schroder ISF Global Sustainable Growth (EUR) ISIN: LU2802595350	Equities	Sustainability	Billed at 0.50% p.a. (2023: not applicable)
6.26 Invesco S&P 500 EUR Hedged ETF ISIN: IE00BRKWGL70	Equities	Tracking S&P 500 Index with EUR Hedging	Withheld daily from the fund at 0.05% p.a. (2023: not applicable)
6.27 Global X Data Center & Digital Infrastructure ETF ISIN: US37954Y2366	Real Assets	Real Estate	Withheld daily from the fund at 0.50% p.a. (2023: not applicable)
6.28 iShares US Digital Infra- structure & Real Estate ETF ISIN: US4642875318	Real Assets	Real Estate	Withheld daily from the fund at 0.41% p.a. (2023: not applicable)

7 TREASURY BILLS / BONDS AND TERM DEPOSITS

	As at December 31 2024	As at December 31 2023
	EUR	EUR
Treasury bills / bonds		
Gross of provisions for expected credit losses	498,330,979	447,135,505
Provision for expected credit losses	(710,049)	(779,521)
Net of provisions for expected credit losses	497,620,930	446,355,984
Term deposits		
Gross of provisions for expected credit losses	152,070,092	90,088,204
Provision for expected credit losses	(522,024)	(347,518)
Net of provisions for expected credit losses	151,548,068	89,740,686
Treasury bills / bonds and term deposits	649,168,998	536,096,670

The movements in provisions for expected credit losses for the years ended December 31, 2024 and 2023 for the above instruments were:

	Treasury bills / bonds	Term Deposits	Debt instruments
	EUR	EUR	EUR
As at January 1, 2023	967,326	390,558	1,357,884
Additions to provision due to new placements	70,873	224,164	295,037
Releases in provision due to maturity / derecognition	(258,678)	(267,204)	(525,882)
Net movement of provisions for expected credit losses	(187,805)	(43,040)	(230,845)
As at December 31, 2023	779,521	347,518	1,127,039
Additions to provision due to new placements	194,704	378,520	573,224
Releases in provision due to maturity / net derecognitions	(264,176)	(204,014)	(468,190)
Net movement of provisions for expected credit losses	(69,472)	174,506	105,034
As at December 31, 2024	710,049	522,024	1,232,073

7 TREASURY BILLS / BONDS AND TERM DEPOSITS (CONTINUED)

As at December 31, 2024 KPSTPA investments in Treasury bills / bonds measured at amortised cost consisted of 40 securities with EUR 499,060,000 in nominal value, original maturities of between 12 months and 10 years, average duration (weighted) of 3.34 years, and average rate/coupon (weighted) of 3.13%. As at December 31, 2023 they consisted of 36 securities with EUR 442,630,000 in nominal value, original maturities of between 12 months and 10 years, average duration (weighted) of 2.95 years, and average rate/coupon (weighted) of 2.92%.

As at December 31, 2024 KPSTPA investments in term deposits measured at amortised cost consisted of 14 deposits with banks that had original maturities of between 1 and 3 years, fixed interest rates, an average duration (weighted) of 1.54 years, and average interest rate of 3.97%. As at December 31, 2023 investments in term deposits measured at amortised cost consisted of 7 deposits with banks that had original maturities of between 1 and 2 years, fixed interest rates, an average duration (weighted) of 1.33 years, and average interest rate of 3.35%.

	Treasury bills / bonds	Term deposits	Debt Instruments
	EUR	EUR	EUR
As at January 1, 2023	552,784,777	136,528,917	689,313,694
New placements	34,569,871	54,000,000	88,569,871
Interest earned	13,267,861	3,057,336	16,325,197
Interest / coupons – received	(13,984,330)	(2,447,605)	(16,431,935)
Principal – matured	(140,470,000)	(101,441,002)	(241,911,002)
Net movement in provisions for expected credit loss	187,805	43,040	230,845
As at December 31, 2023	446,355,984	89,740,686	536,096,670
New placements	156,655,942	103,000,000	259,655,942
Interest earned	15,730,685	3,860,131	19,590,816
Interest / coupons – received	(14,311,153)	(3,378,243)	(17,689,396)
Principal – matured	(106,880,000)	(41,500,000)	(148,380,000)
Net movement in provisions for expected credit loss	69,472	(174,506)	(105,034)
As at December 31, 2024	497,620,930	151,548,068	649,168,998

8 DUE TO KPSTOP

	As at December 31 2024	As at December 31 2023
	EUR	EUR
Fees charged on participants' accounts - payable	651,276	570,836
Plus: Difference from refunds of erroneous contributions	21,749	10,261
Due to KPSTOP	673,025	581,097

9 OTHER LIABILITIES

	Note	As at December 31 2024	As at December 31 2023
		EUR	EUR
Liabilities for the withdrawal of savings	3.7	437,098	608,352
Liabilities for non-contributions	3.5	87,110	91,013
Total other liabilities		524,208	699,365

10 OTHER INCOME

During the year ended December 31, 2024 the Governing Board of KPST decided to pay back into the fund EUR 3,500,000 out of the KPSTOP surplus from investing activities (2023: EUR 2,000,000 out of the KPSTOP surplus from investing activities).

11 FEES CHARGED ON PARTICIPANTS' ACCOUNTS

	Year ended December 31 2024	Year ended December 31 2023
	EUR	EUR
Fees for investment activities	9,150,415	8,132,780
Fees for operational activities	1,416,839	1,288,637
Total fees charged on participants' accounts	10,567,254	9,421,417

Fees are charged on daily basis, for the purpose of financing the activities of KPSTOP, as disclosed in Note 3.4 of these financial statements. The Applicable fee rates for the reporting period, as approved by the Assembly of the Republic of Kosovo in accordance with Law No. 04/L-168, were as follows:

Date from	Date to	Fees for investment activities	Fees for operational activities	Total fees
January 1, 2023	February 7, 2023	0.320% p.a.	0.057% p.a.	0.377% p.a.
February 8, 2023	December 31, 2023	0.320% p.a.	0.050% p.a.	0.370% p.a.
January 1, 2024	December 31, 2024	0.310% p.a.	0.048% p.a.	0.358% p.a.

12 INDIVIDUAL PARTICIPANTS' ACCOUNTS

	As at December 31 2024	As at December 31 2023
	Number of Accounts	Number of Accounts
Accounts with no permanent withdrawals of savings	793,293	760,990
Accounts with permanent withdrawals of savings	80,901	73,973
Total accounts	874,194	834,963

An account with permanent withdrawals of savings represents accounts from which pension savings have been withdrawn due to: (i) the contributor retiring by reaching the pension age of 65 years old or by becoming permanently disabled; or (ii) successors, deemed as rightful heirs, inheriting the pension savings of a deceased participant. Out of 874,194 contributors for whom KPST has opened a pension savings account, 452,366 had contributions belonging to the year ended December 31, 2024 (2023: 442,383 out of 834,963 opened accounts).

Pension contributions are paid to KPST by employers on behalf of employees who are residents in Kosovo at the rate of at least 5% of total employee gross income for each, employee and employer part of contributions. Together with voluntary contributions, the maximum employee and employer can each contribute 15% of total employee gross income.

Employers are obliged to submit payroll data to the Tax Administration of Kosovo (TAK) web portal in order to obtain the payment document for a given month. The self-employed make payments on quarterly basis. TAK makes the information available to KPST and is also responsible for the compliance by employers and enforcing such compliance by way of fines issued to delinquent employers.

Since the TAK electronic declaration portal was introduced and made mandatory in 2012 the vast majority of contributions are allocated to individual accounts at the first attempt. However, in some limited cases contribution payments made by employers are not associated with the correct and/or sufficient information; resulting in contributions not allocated to individual participants accounts.

Unallocated contributions as at December 31, 2024 amounted EUR 2,395,695 (2023: EUR 3,192,323). Main reasons include: (i) employer making the payment but not submitting the list of contributors; (ii) employer submitting the list of contributors but making underpayments and/or overpayments; (iii) contributor personal information in the contributor list (ID and/or name) is not valid; (iv) penalties and fees for late payment (payable to TAK) are included in payments; and (v) the source of payment (employer) is not yet identified.

The administration of KPST does its best to resolve cases of unallocated contributions. If however, six or more years have passed since the contribution was paid and despite best efforts of the administration the contribution remains unallocated, paragraph 3 of Article 3 of the Law No. 05/L-116 amending paragraph 7.11 of the Article 7 of the Law No. 04/L-101 on Pension Funds in Kosovo, allows for the redemption of units of such contributions and for the proceeds of such redemptions are paid to the Kosovo Consolidated Budget (KCB) via the Tax Administration of Kosovo. During 2024 no units were redeemed under this provision, making for EUR nil of proceeds for the KCB (2023: EUR nil).

The total unallocated contributions as percentage of total collected contributions is provided below:

	As at December 31 2024	As at December 31 2023
	EUR	EUR
Unallocated contributions (unitised up to reporting date)	2,395,695	3,192,323
Cumulative contributions unitised up to reporting date	3,032,703,466	2,716,896,334
Unallocated contributions as percentage of unitised contributions up to reporting date	0.079%	0.117%

12 INDIVIDUAL PARTICIPANTS' ACCOUNTS (CONTINUED)

Another way to view the progress of reconciliation process is by comparing allocated funds and net unitised assets under management, as provided below:

	Notes	As at December 31 2024	As at December 31 2023
		Value EUR	Value EUR
Net assets attributable to participants		3,203,307,266	2,720,241,778
<i>Adjusted for:</i>			
Contribution receivables not unitised on reporting date	5	(22,698,019)	(19,560,192)
Balance of provision from impairment losses	7	1,232,073	1,127,039
Net unitised assets attributable to participants		3,181,841,320	2,701,808,625
Balance of funds in individual accounts		3,178,884,603	2,698,237,563
Percentage of net unitised participants' assets in individual accounts		99.91%	99.87%

Net unitised assets attributable to participants as at December 31, 2024 amounting EUR 3,181,841,320 consisted of Standard Portfolio assets amounting EUR 2,652,013,991, Balanced Portfolio assets amounting EUR 376,412,634, and Conservative Portfolio assets amounting EUR 153,414,695. Net unitised assets attributable to participants as at December 31, 2023 amounting EUR 2,701,808,625 consisted of Standard Portfolio assets amounting EUR 2,570,540,693 and Conservative Portfolio assets amounting EUR 131,267,932.

On December 31, 2024, the balance of provisions from impairment losses amounting EUR 1,232,073 consisted of provisions amounting EUR 532,164 belonging to the Standard Portfolio, EUR 412,577 to the Balanced Portfolio, and EUR 287,332 to the Conservative Portfolio. On December 31, 2023, the balance of provisions from impairment losses amounting EUR 1,127,039 consisted of provisions amounting EUR 865,608 belonging to the Standard Portfolio and EUR 261,431 to the Conservative Portfolio.

13 OPERATING SEGMENTS

KPSTPA assets are split in three sub-portfolios, the Standard Portfolio, the Balanced Portfolio, and the Conservative Portfolio, which are its reportable segments. Each segment is managed separately as they have different investment objectives and strategies and contain investments in different products. The Governing Board reviews the strategy and reports of each sub-portfolio at least quarterly.

Presented below statements related to each of the portfolios as at and for the year ending on reporting periods.

a) Statement of financial position

As at December 31 2024				
	Standard	Balanced	Conservative	Total
	EUR	EUR	EUR	EUR
Assets				
Cash and cash equivalents	8,146,036	3,627,598	375,590	12,149,224
Contribution and other receivables	22,705,440	1,501	488	22,707,429
Financial assets at FVPL	2,287,143,307	217,664,822	15,670,719	2,520,478,848
Treasury bills / bonds	259,526,933	109,616,298	128,477,699	497,620,930
Term deposits	97,290,263	45,205,929	9,051,876	151,548,068
Total assets	2,674,811,979	376,116,148	153,576,372	3,204,504,499
Liabilities				
Due to KPSTOP	535,441	91,733	45,851	673,025
Other liabilities	96,692	24,358	403,158	524,208
Total liabilities	632,133	116,091	449,009	1,197,233
Net assets attributable to participants	2,674,179,846	376,000,057	153,127,363	3,203,307,266

As at December 31 2023				
	Standard	Balanced	Conservative	Total
	EUR	EUR	EUR	EUR
Assets				
Cash and cash equivalents	149,885,007	-	2,445,055	152,330,062
Contribution and other receivables	19,576,715	-	655	19,577,370
Financial assets at FVPL	2,013,518,138	-	-	2,013,518,138
Treasury bills / bonds	317,205,897	-	129,150,087	446,355,984
Term deposits	89,740,686	-	-	89,740,686
Total assets	2,589,926,443	-	131,595,797	2,721,522,240
Liabilities				
Due to KPSTOP	539,694	-	41,403	581,097
Other liabilities	151,472	-	547,893	699,365
Total liabilities	691,166	-	589,296	1,280,462
Net assets attributable to participants	2,589,235,277	-	131,006,501	2,720,241,778

13 OPERATING SEGMENTS (CONTINUED)

b) Statement of comprehensive income

Year ended December 31 2024				
	Standard	Balanced	Conservative	Total
	EUR	EUR	EUR	EUR
Income				
Net gain on financial assets at FVPL	205,855,500	11,239,564	686,271	217,781,335
Interest income calculated using the effective interest rate method, net	12,372,671	2,862,309	4,596,918	19,831,898
Dividend Income	5,794,572	282,466	-	6,077,038
Other income	3,205,966	124,103	169,931	3,500,000
Total income	227,228,709	14,508,442	5,453,120	247,190,271
Operating expenses				
Fees charged on participants' accounts	(9,133,863)	(922,131)	(511,260)	(10,567,254)
Total operating expenses	(9,133,863)	(922,131)	(511,260)	(10,567,254)
Release / (Charge) of expected credit losses, net	333,443	(412,577)	(25,900)	(105,034)
Increase in net assets attributable to participants	218,428,289	13,173,734	4,915,960	236,517,983

Year ended December 31 2023				
	Standard	Balanced	Conservative	Total
	EUR	EUR	EUR	EUR
Income				
Net gain on financial assets at FVPL	61,043,051	-	-	61,043,051
Interest income calculated using the effective interest rate method, net	11,923,024	-	4,556,800	16,479,824
Dividend Income	8,140,670	-	-	8,140,670
Other income	2,000,000	-	-	2,000,000
Total income	83,106,745	-	4,556,800	87,663,545
Operating expenses				
Fees charged on participants' accounts	(8,956,113)	-	(465,304)	(9,421,417)
Total operating expenses	(8,956,113)	-	(465,304)	(9,421,417)
Release / (Charge) of expected credit losses, net	304,076	-	(73,231)	230,845
Increase in net assets attributable to participants	74,454,708	-	4,018,265	78,472,973

13 OPERATING SEGMENTS (CONTINUED)

c) Statement of changes in net assets attributable to participants

	Standard	Balanced	Conservative	Total
	EUR	EUR	EUR	EUR
<i>As at January 1, 2023</i>				
Contributions	1,900,997,686	-	70,108,859	1,971,106,545
Retained earnings	431,022,655	-	24,514,984	455,537,639
Total as at January 1, 2023	2,332,020,341	-	94,623,843	2,426,644,184
<i>Movement of contributions due to:</i>				
New contributions	288,915,435	-	-	288,915,435
Withdrawal of savings	(7,992,959)	-	(46,228,478)	(54,221,437)
Refunds	(2,175,945)	-	-	(2,175,945)
Cross-portfolio transfers	(75,382,420)	-	75,382,420	-
Net movement of contributions	203,364,111	-	29,153,942	232,518,053
<i>Movement of retained earnings due to:</i>				
Withdrawal of savings	(1,347,750)	-	(16,037,229)	(17,384,979)
Refunds	(8,453)	-	-	(8,453)
Cross-portfolio transfers	(19,247,680)	-	19,247,680	-
Increase in net participants' assets	74,454,708	-	4,018,265	78,472,973
Net movement of retained earnings	53,850,825	-	7,228,716	61,079,541
<i>As at December 31, 2023</i>				
Contributions	2,104,361,797	-	99,262,801	2,203,624,598
Retained earnings	484,873,480	-	31,743,700	516,617,180
Total as at December 31, 2023	2,589,235,277	-	131,006,501	2,720,241,778
<i>Movement of contributions due to:</i>				
New contributions	318,944,959	-	-	318,944,959
Withdrawal of savings	(4,840,972)	(1,555,882)	(46,535,306)	(52,932,160)
Refunds	(2,535,382)	-	-	(2,535,382)
Cross-portfolio transfers	(336,371,877)	275,482,326	60,889,551	-
Net movement of contributions	(24,803,272)	273,926,444	14,354,245	263,477,417
<i>Movement of retained earnings due to:</i>				
Withdrawal of savings	(1,099,892)	(572,771)	(15,143,968)	(16,816,631)
Refunds	(113,281)	-	-	(113,281)
Cross-portfolio transfers	(107,467,275)	89,472,650	17,994,625	-
Increase in net participants' assets	218,428,289	13,173,734	4,915,960	236,517,983
Net movement of retained earnings	109,747,841	102,073,613	7,766,617	219,588,071
<i>As at December 31, 2024</i>				
Contributions	2,079,558,525	273,926,444	113,617,046	2,467,102,015
Retained earnings	594,621,321	102,073,613	39,510,317	736,205,251
Total as at December 31, 2024	2,674,179,846	376,000,057	153,127,363	3,203,307,266

13 OPERATING SEGMENTS (CONTINUED)

d) NAV per unit

	As at 31 December 2024		
	Standard	Balanced	Conservative
Net unithised participants' assets (Note 12)	EUR 2,652,013,991	EUR 376,412,634	EUR 153,414,695
Units (Note 13.e)	1,454,484,942	361,769,387	69,527,773
NAV per unit	EUR 1.8233	EUR 1.0405	EUR 2.2065

	As at 31 December 2023		
	Standard	Balanced	Conservative
Net unithised participants' assets (Note 12)	EUR 2,570,540,693	-	EUR 131,267,932
Units (Note 13.e)	1,533,358,490	-	61,623,217
NAV per unit	EUR 1.6764	-	EUR 2.1302

e) Statement of unit movements attributable to redeemable participants

	Standard	Balanced	Conservative
	Units	Units	Units
As at January 1, 2023	1,423,896,790	-	46,052,434
Units issued for received contributions	173,927,369	-	-
Units redeemed through withdrawal of savings	(5,667,595)	-	(29,749,043)
Units redeemed through refunds	(1,325,537)	-	-
Units issued due to cross-portfolio transfers	-	-	45,319,826
Units redeemed due to cross-portfolio transfers	(57,472,537)	-	-
As at December 31, 2023	1,533,358,490	-	61,623,217
Units issued for received contributions	179,505,292	-	-
Units redeemed through withdrawal of savings	(3,395,282)	(2,085,314)	(28,500,780)
Units redeemed through refunds	(1,487,399)	-	-
Units issued due to cross-portfolio transfers	-	373,247,581	36,405,336
Units redeemed due to cross-portfolio transfers	(253,496,159)	(9,392,880)	-
As at December 31, 2024	1,454,484,942	361,769,387	69,527,773

The Balanced Portfolio was created for participants aged 58-62 on April 1, 2024. On the day, 178,373,514 units of 42,924 eligible participants, were redeemed from the Standard Portfolio at EUR 1.743856 per unit. The amounting EUR 311,057,723, comprised of EUR 231,487,134 worth of nominal contributions and EUR 79,570,349 worth of gains, was used to issue 311,057,723 units in the Balanced Portfolio, at the starting price of 1 EUR per unit, for said participants.

The Conservative Portfolio on the other hand was launched in 2022 for participants aged 63 and over.

Throughout 2024 more participants became eligible for transfer from the Standard to the Balanced and Conservative Portfolios, as well as from the Balanced to the Conservative Portfolio. Redemption and purchase of additional units from portfolios, were carried out at respective unit prices of each portfolio on transfer date.

13 OPERATING SEGMENTS (CONTINUED)

f) Exposure and limits by type of investment and return strategy

As at 31 December 2024						
	Standard		Balanced		Conservative	
	Limit	Allocation	Limit	Allocation	Limit	Allocation
	%	%	%	%	%	%
<i>By type of investment</i>						
Pure equity funds	50-100	54.4	40-75	44.4	-	-
Real assets	0-45	9.7	0-10	4.6	-	-
Multi-asset funds	0-35	8.5	0-35	4.4	-	-
Pure fixed income	0-50	14.5	20-70	41.2	50-99	89.6
Cash and money markets	0-30	12.9	0-50	5.4	1-40	10.4
<i>By return strategy</i>						
Growth (Directional)	50-80	54.4	40-65	44.4	-	-
Stability (Absolute return)	0-50	31.7	20-60	45.6	50-99	89.6
Tactical	0-20	1.0	0-10	4.6	-	-
Liquidity	0-10	12.9	0-40	5.4	1-30	10.4

As at 31 December 2023				
	Standard		Conservative	
	Limit	Allocation	Limit	Allocation
	%	%	%	%
<i>By type of investment</i>				
Pure equity funds	0-60	25.6	-	-
Real assets	0-20	9.6	-	-
Multi-asset funds	0-55	9.0	-	-
Pure fixed income	0-60	16.9	90-99	98.2
Cash and money markets	0-50	38.9	1-10	1.8
<i>By return strategy</i>				
Directional return (no risk adjustment)	0-60	29.1	-	-
Targeted/managed risk / Absolute return	0-70	15.4	-	-
Cash and income generating	0-70	55.5	100	100.0

14 RELATED PARTIES

A party is related to an entity if, directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with the entity, the party has an interest in the entity that gives it significant influence over the entity, the party has joint control over the entity, the party is an associate or the party is a member of the key management personnel of the entity or its parent.

KPSTPA is managed by KPSTOP which has full control over the investments of pension assets. Transactions between the two relate to (a) KPSTOP being financed from fees charged on the fund as described in Note 11, net of the difference (positive or negative) between the value of units redeemed through refunds and the nominal value of the contributions refunded, as described in Note 8; as well as (b) surpluses returned to KPSTPA from KPSTOP, as described in Note 10.

15 EVENTS AFTER THE REPORTING PERIOD

There are no subsequent events after the date of the statement of financial position that may require adjustment or disclosure in these financial statements.