



Trusti

**ANNUAL
REPORT
2025**

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Kosovo Pension Savings Trust

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Fondi i Kursimeve Pensionale i Kosovës
Kosovski Penzijski Štedni Fond
Kosovo Pension Savings Trust

TABLE OF CONTENTS

1

Key facts
Mission and ambition
Foreword

 8-25

2

Governance,
management and
finances

 26-45

3

Activities

 46-55

4

Investment of
pension assets

 56-67

5

Contribution and
retirement

 68-73

6

Contributor's
demographics

 74-87

7

Legislation

 88-91

8

Independent Auditor's
Report and Financial
Statements for -
KPST Operations

 ANNEX

9

Independent Auditor's
Report and Financial
Statements for -
KPST Pension Assets

 ANNEX

A C R O N Y M S

KPST
Kosovo
Pension
Savings
Trust

TAK
Tax
Administration
of Kosovo

CBK
Central Bank
of the Republic
of Kosovo

ASSEMBLY
Assembly
of the Republic
of Kosovo

GOVERNMENT
Government
of the Republic
of Kosovo

IFRS
International
Financial
Reporting
Standards

SAA
Strategic
Asset
Allocation

KAS
Kosovo
Agency
of Statistics

PWP
Phased Withdrawal
Program (of pension
savings from KPST)

ETFs
Exchange-traded funds
from a broker, where several
investments (stocks, bonds,
commodities or mixed)
follow a certain index.

NET AUM
Net
Assets
Under
Management

SIP
Statement
of Investment
Principles

1



SUMMARY

Key facts
Mission and ambition
Foreword

KEY FACTS

KPST'S PERFORMANCE FOR THE LAST 10 YEARS (CUMULATIVE)

Period	1 - Year	2 - Years	3 - Years	4 - Years	5 - Years	6 - Years	7 - Years	8 - Years	9 - Years	10 - Years
Gross return (in millions)	€308.9	€556.0	€643.7	€525.0	€752.5	€824.6	€985.4	€900.7	€1,003.4	€1,067.9

2025

2024

STANDARD PORTFOLIO

Unit price at the end of the year	€1.9889	€1.8233
Change of unit price for the year	+9.08%	+8.76%
Gross return on investments for the year	€263,411,809	€224,022,743
Other returns for the year*	€2,500,965	€3,205,966

INTERMEDIATE PORTFOLIO

Unit price at the end of the year	€1.1349	€1.0405
Change of unit price for the year	+9.08%	+4.05%
Gross return on investments for the year	€36,418,466	€14,384,339
Other returns for the year*	€352,525	€124,103

CONSERVATIVE PORTFOLIO

Unit price at the end of the year	€2.2840	€2.2065
Change of unit price for the year	+3.51%	+3.58%
Gross return on investments for the year	€6,025,328	€5,283,189
Other returns for the year*	€146,510	€169,931

TOTAL RETURN ON INVESTMENTS

Gross return on investments for the year	€305,855,603	€243,690,271
Other returns for the year*	€3,000,000	€3,500,000
Total	€308,855,603	€247,190,271

NET ASSETS UNDER MANAGEMENT

Standard Portfolio	€3,167,629,315	€2,674,179,846
Intermediate Portfolio	€439,965,219	€376,000,057
Conservative Portfolio	€173,050,168	€153,127,363
Total of KPST's assets	€3,780,644,702	€3,203,307,266

* Return to pension assets of surplus from investment activities.

2025

2024

CONTRIBUTIONS AND CONTRIBUTORS

Contributions received during the year	€364,281,055	€315,807,132
Contributions received since inception	€3,396,984,521	€3,032,703,466
New accounts opened during the year	37,956	39,231
Account-holders at the end of the year	912,150	874,194
Active contributors at the end of the year	470,283	452,366

RETIREMENT

Newly withdrawn accounts during the year	8,633	7,905
Value of withdrawals for the year	€82,877,315	€69,748,791
Accounts with full withdrawal since inception	88,544	80,901
Value of withdrawals since inception	€783,033,402	€700,156,087

FEES AND EXPENSES

Investment fee	0.30%	0.31%
Operating fee	0.047%	0.048%
Value of fees charged for the year	€11,842,713	€10,567,254
Investment expenses for the year	€6,943,583	€5,660,155
Operating expenses for the year	€1,588,619	€1,233,417

ALLOCATED CONTRIBUTIONS AND eTRUSTI ACCOUNTS

Unallocated contributions at year end	€2,900,934	€2,395,695
Unallocated contributions as % of total contributions	0.085%	0.079%
Number of eTrusti accounts	360,554	339,410

* This number does not include cases of disability.

DISTRIBUTION OF INVESTMENTS

AT 31.12.2025

10 COUNTRIES WITH THE HIGHEST PLACEMENTS

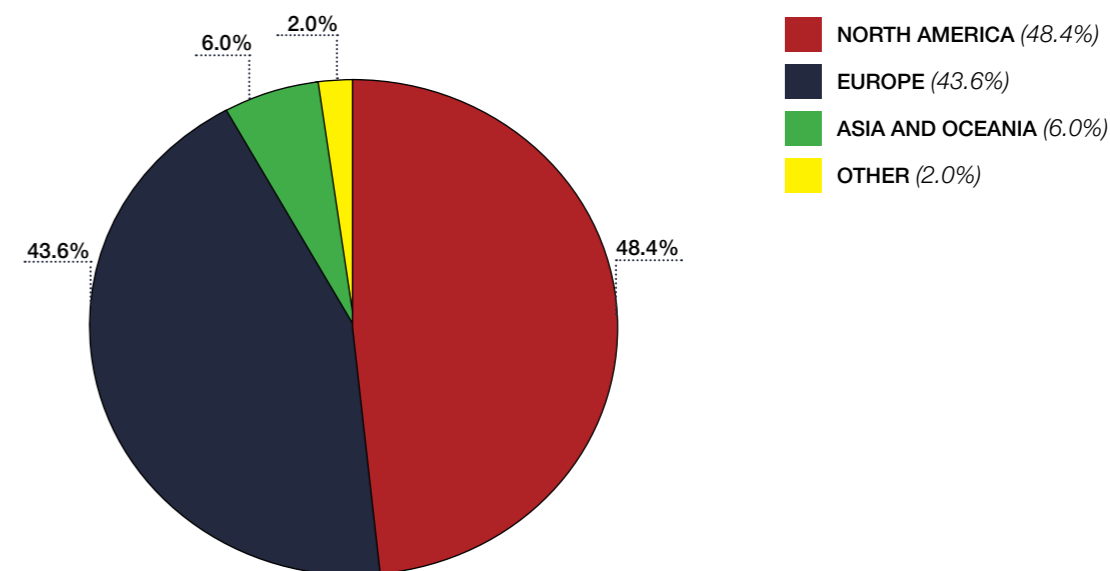
No.	COUNTRY	KPST ASSETS	PERCENTAGE
1.	USA	€1,773,616,630	47.2%
2.	Kosovo	€656,494,836	17.5%
3.	France	€180,145,519	4.8%
4.	United Kingdom	€155,022,047	4.1%
5.	Japan	€137,766,197	3.7%
6.	Germany	€96,942,147	2.6%
7.	Italy	€86,034,567	2.3%
8.	Canada	€42,303,192	1.1%
9.	Netherlands	€41,160,807	1.1%
10.	Spain	€39,494,325	1.1%
TOTAL TOP TEN		€3,208,980,267	85.5%

10 MAIN DESTINATIONS OF PLACEMENT (SINGLE ENTITIES)

No.	SINGLE ENTITIES	KPST ASSETS (in million)	PERCENTAGE
1.	Treasury of Kosovo	€395.9	10.5%
2.	Nvidia	€89.4	2.4%
3.	Microsoft	€77.4	2.1%
4.	Alphabet	€72.4	1.9%
5.	NLB Bank Kosovo	€70.7	1.9%
6.	Apple	€66.8	1.8%
7.	ProCredit Bank Kosovo	€62.0	1.6%
8.	Raiffeisen Bank Kosovo	€51.7	1.4%
9.	Treasury of Italy	€46.4	1.2%
10.	Treasury of France	€45.0	1.2%
TOTAL TOP TEN		€977.7	26.0%

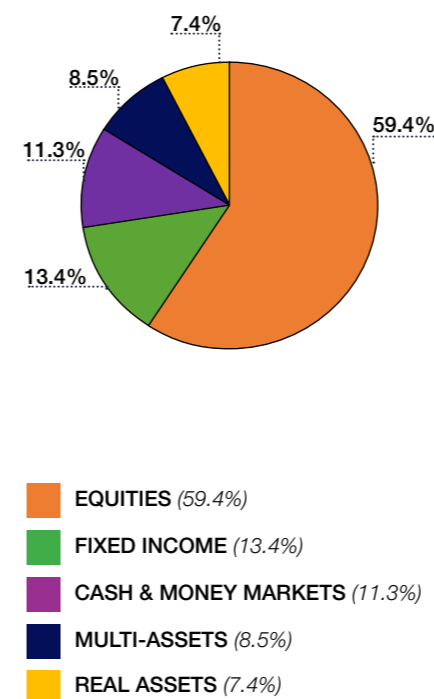
NOTE: KPST cannot guarantee that future investment performance will be the same as in the past. KPST invests its pension assets with the aim of: first, preserving the purchasing power of pension savings and, second, increasing further their value. However, all investments are subject to a level of risk which varies depending on the returns sought. This is also true for investments of KPST which are subject but not limited to a number of risks such as: currency risk, interest rate, credit risk, price risk, political risk, counterparty risk, liquidity risk, among others. More details about each risk and their relation to the funds invested are presented in the financial statements attached to this report.

GLOBAL GEOGRAPHIC DISTRIBUTION OF KPST ASSETS

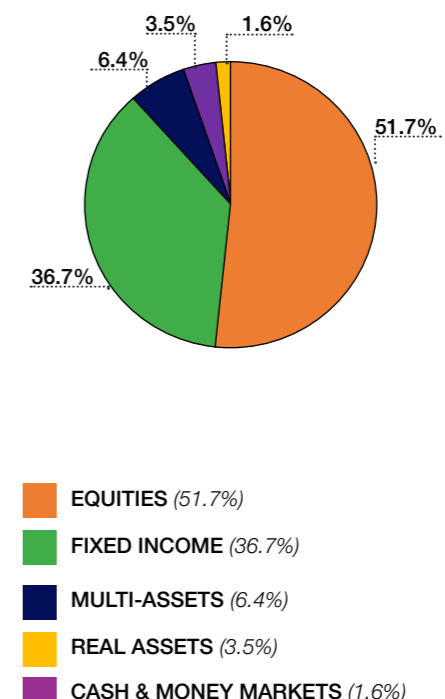


INVESTMENT DISTRIBUTION BY CLASS AS AT DECEMBER 31, 2025 - FOR EACH PORTFOLIO

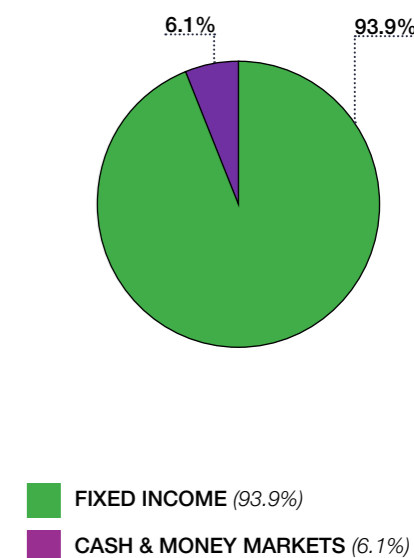
STANDARD PORTFOLIO



INTERMEDIATE PORTFOLIO



CONSERVATIVE PORTFOLIO



INVESTMENTS

OPERATIONS

2025

2024

2023

2023

2024

2025

The number of funds committed at the end of 2025 reached 30, the highest ever. Also, for the first time since its inception, KPST had over 3 billion euros invested in global financial markets.

The net return for the year was: +9.1% for the Standard Portfolio, +9.1% for the Intermediate Portfolio and +3.5% for the Conservative Portfolio. AUM increased by 18.1%.

On April 1, 2024, the third investment portfolio (Intermediate Portfolio) was launched, dedicated to contributors aged 58 to 62. In the Standard Portfolio, exposure to higher-risk instruments increased.

Net return for the year was +8.8% for Standard Portfolio, +4.1% for the Intermediate Portfolio and +3.6% for the Conservative Portfolio. AUM increased by 17.8%.

Preparations for the third investment portfolio (Intermediate) and the Statement of Investment Principles began. In the Standard Portfolio, the reduction of exposure to high-risk instruments continued.

Net return for the year was +3.1% for the Standard Portfolio and +3.5% for the Conservative Portfolio. AUM increased by 12.1%.

Maintenance and advancement of the IPSA software continued without any issues. Updates in the protection and security of the digital data of KPST were conducted. Digital remote services continued to expand.

Unallocated contributions were approximately 0.12%

The changes in the investment portfolios were implemented without difficulty and in a timely manner. Updates to the IT security and KPST website continued. The on-line application for withdrawal of pension savings was launched.

Unallocated contributions were approximately 0.08% of the collected contributions.

We advanced further digital transformation, strengthened cybersecurity - both within the institution and in eTrusti. Also, we have relocated to new premises that support more professional service delivery and the long-term expansion of the institution with appropriate staff.

Unallocated contributions were approximately 0.09% of contributions collected.

GLOSSARY OF TERMS

EQUITIES	Financial instrument that provides ownership in a company, depending on the size of investment.
PORTFOLIO	Is use of several financial instruments such are stocks, bonds, cash, ETFs and others in a common investment; investment results of which are calculated together and compose that portfolio.
NOTES OR BONDS	Financial instrument issued by governments or corporations with a designated maturity limit which usually pays a coupon based on a fixed or flexible interest.
MULTI ASSETS	Investment funds that consist of a mix of instruments in the main financial asset classes (stocks, bonds and cash).
INVESTMENT RISK	It means the likelihood or possibility of incurring losses from the investment undertaken against a certain level of profit.
BENCHMARK	A standard reference level of comparing and analysing the investment performance.
DEFINED CONTRIBUTION	In a defined contribution plan, fixed contributions are paid into an individual account by employer and employee. The contributions are then invested and the returns on the investment (positive or negative) are credited to the individual's account. On retirement, the member's account is used to provide retirement benefits, usually through the purchase of an annuity which then provides a regular income.
STANDARD PORTFOLIO	It is an investment portfolio dedicated to contributors of KPST aged up to 57 years, whose pension funds are invested in a mix of financial instruments such as bank deposits, Kosovo Treasury bonds and mainly in open (mutual) funds and with moderate investment risk.
INTERMEDIATE PORTFOLIO	Is an investment portfolio dedicated to contributors aged 58-62. A portfolio with a lower tolerance to risk than the Standard Portfolio, which in the medium term aims to generate a high return on investment by investing in a wide range of instruments such as stocks, bonds, multi-assets and real assets.

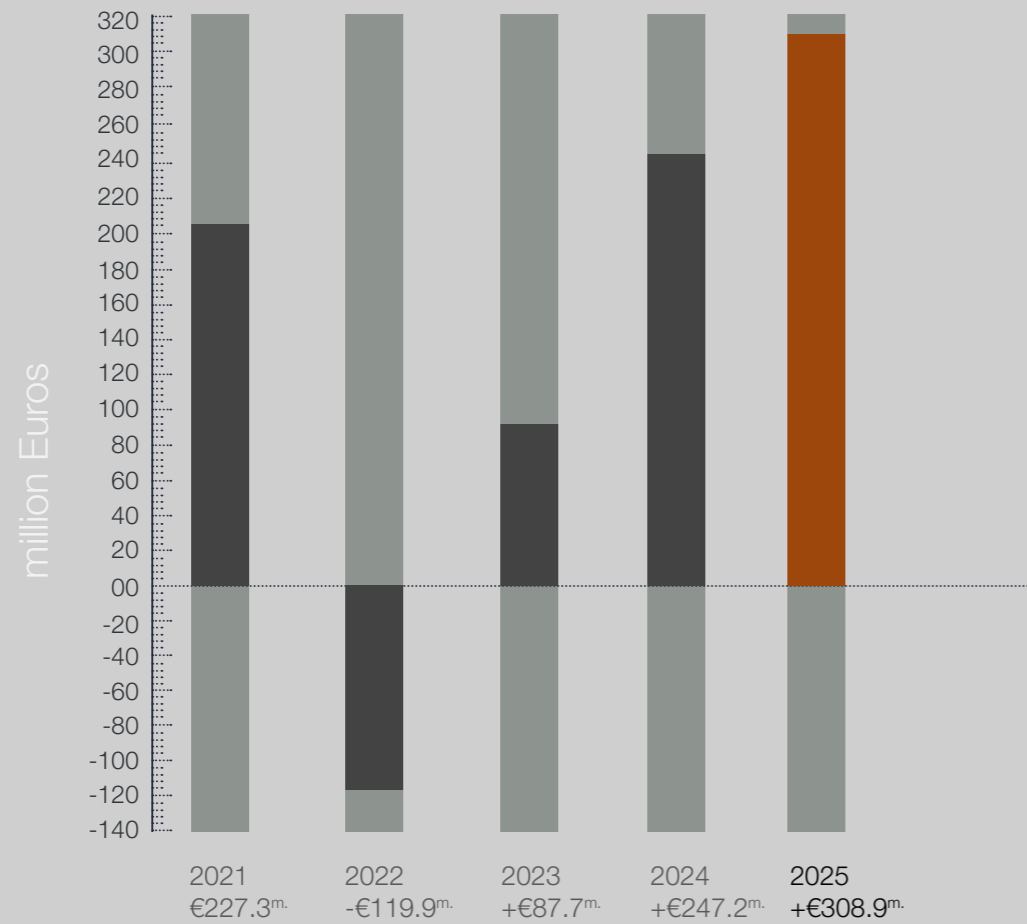
CONSERVATIVE PORTFOLIO	It is an investment portfolio dedicated to contributors of KPST aged 63+, whose pension funds are invested in financial instruments which are limited to kosovo treasury bonds and cash, and with minimal investment risk.
PASSIVE EQUITIES	Pooled and exchange-traded funds, where the selection of stocks derives from an investable index (e.g. MSCI World) and/or subgroups within a universe of securities (e.g. market cap, value, dividend-paying); rather than through active selection and/or views.
ACTIVE EQUITIES	Pooled funds and to a smaller degree exchange-traded funds, which make an active selection from a predefined universe of stocks and/or have an active approach to risk management and/or risk targets.
REAL ASSETS	Long-term investments in natural resources (e.g. farmland, timberland, mineral and mining rights).
KOSOVO TREASURY BONDS	Debt instruments issued by the Treasury of the Republic of Kosovo, typically held to maturity.
TERM DEPOSITS	Term deposits and repurchase agreements with local and international banking institutions, typically held to maturity.
MONEY MARKETS	Highly liquid funds comprising of near-term instruments that yield close to Euribor; used more in times of uncertainty and/or pessimistic outlook for equities, typically yielding more than bank accounts.
CASH AND CASH EQUIVALENTS	Cash balances at bank accounts with the Central Bank of Kosovo and brokers. The cash balance is kept to a minimum with sufficient liquidity to pay for the withdrawal of savings.

LAST FIVE YEARS

89.0% NET GROWTH OF ASSETS

€725.5^{m.} GROSS RETURN

GROSS RETURN FOR EACH YEAR



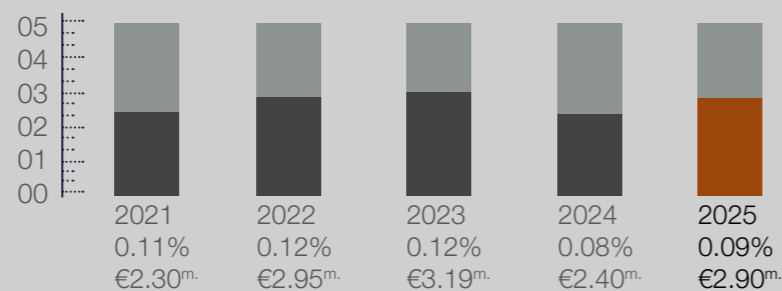
NUMBER OF ACCOUNTS AND CONTRIBUTORS BY GENDER

YEAR	TOTAL ACCOUNTS	MEN	%	WOMEN	%	ACTIVE ACCOUNTS*	MEN	%	WOMEN	%
	(A)	(B)	(B)/(A)	(C)	(C)/(A)	(D)	(E)	(E)/(D)	(F)	(F)/(D)
2021	752,586	483,352	64.2%	269,234	35.8%	419,657	254,808	60.7%	164,849	39.3%
2022	792,995	507,028	63.9%	285,967	36.1%	428,891	262,339	61.2%	166,552	38.8%
2023	834,963	528,532	63.3%	306,431	36.7%	442,383	265,628	60.0%	176,755	40.0%
2024	874,194	553,906	63.4%	320,288	36.6%	452,366	270,191	59.7%	182,175	40.3%
2025	912,150	572,135	62.7%	340,015	37.3%	470,283	279,022	59.3%	191,261	40.7%

* Active accounts represent the number of contributors for whom at least one pension contribution payment has been made during one month of the respective year. Consequently, the figure for each year of active contributors in this table represents the cumulative number of active contributors for the 12 months of that year.

PERCENTAGE OF UNALLOCATED CONTRIBUTIONS AGAINST TOTAL CONTRIBUTIONS AND IN NOMINAL VALUE

CUMULATIVE UNALLOCATED CONTRIBUTIONS





A scenic photograph of a rocky shoreline. In the foreground, a large, smooth, brown rock sits on a patch of snow. The snow is partially melted, revealing dark, rippled sand. In the background, a calm lake reflects the sky, with a small island visible in the distance. The sky is a pale blue with soft, wispy clouds. The overall mood is serene and peaceful.

MISSION AND AMBITION

Our mission is to invest pension savings and to administer the individual accounts of contributors until their retirement.

We strive to achieve our mission through prudent investment of assets and effective administrative processes.

Our ambition is to provide the best possible services to our contributors and to be the most trusted institution in Kosovo.

We strive to achieve our ambition through staff professionalism and integrity and institutional transparency.

FOREWORD

from the Chairman of the Governing Board and Managing Director

Dear Reader,

It is our pleasure to present the Annual Report for 2025, which provides a detailed overview of the financial performance, strategic developments, and institutional progress of the pension fund during the reporting year.

This report, accompanied by audited financial statements, reflects our ongoing commitment to transparency, prudent asset management, and the creation of sustainable long-term value for participants.

The year 2025 marked another successful period for the fund. The gross return for the year reached €309 million, which together with 2024 amounts to a gross return of €556 million over the past two years alone. From a long-term perspective, the fund has generated a total of €1.3 billion in gross returns over 24 years of operation, 21 of which have been characterized by positive performance.

During 2025, assets under management increased by €576 million, reaching €3.2 billion. This growth was primarily driven by investment performance, and to a lesser extent by net inflows - namely new contributions and withdrawals of savings.

The positive performance of both the Standard Portfolio and the Intermediate Portfolio was supported by favorable developments in international financial markets, as well as our proactive and well-diversified approach to asset allocation, including tactical investments in gold and the technology sector.

Among the main drivers of market growth in 2025 were positive global prospects—despite geopolitical risks; advances in artificial intelligence; increased defense spending; and a modest decline in the inflation rate, all of which together contributed to a higher investor appetite for equities.

The Conservative Portfolio continued to fulfill its primary mission - protecting invested assets against market fluctuations and preserving capital for participants nearing retirement - by allocating the majority of its assets to government bonds of the Republic of Kosovo.

At the end of the year, we maintained a cautious approach, reflecting on potential risks that may characterize 2026, including high market valuations and inflationary pressures. Nevertheless, the portfolio structure remains solid, and built to withstand different economic cycles.

Beyond investments, we further advanced digital transformation, strengthened cybersecurity both within the institution and in eTrusti. Also, we have relocated to new premises that support more professional service delivery and the long-term expansion of the institution with appropriate staff.

Our investment and operational activities have been subject to both internal and external audits, confirming high standards of governance and financial control.

We remain committed to our mission: responsibly managing assets, ensuring stability, and maximizing their long-term value, while maintaining full transparency and providing the most accessible services possible to our participants.

Thank you for your continued trust and support.

Sincerely,

Emanuel Bajra
Chairman of the Governing Board

Adrian Zalli
Managing Director



**Standard
Portfolio**

(for ages 15 - 57)

**Intermediate
Portfolio**

(for ages 58 - 62)

**Conservative
Portfolio**

(for ages 63+)

2

GOVERNANCE, MANAGEMENT, AND FINANCES

Organisation, Governing Board and Organization
Board members at year-end
Investment decision-making cycle
Governing Board Committees
Management and Administration
Supervision and Audit
Financing
Expenses

ORGANISATION

KPST was established as the sole institution for managing and investing the mandatory pension contributions of Kosovo employees, and for administering their individual pension savings accounts until their retirement KPST was established by Law in December 2001 as a not-for-profit institution. As such, the sole objective of KPST is to serve the best interests of its contributors.

KPST became fully operational with a Board, Administration and processes in place, in August 2002. At that time the Administration numbered a staff of 22 and had only five units. August 2002 was also the month when the first contributions from employees in the public sector started to be paid in.

In 2003, the self-employed and employed persons from the private sector also joined the scheme. The first investment of pension assets was made in 2003 in a money-market fund. This was followed by investments in indexed equities in 2004 and by investments in debt instruments in 2006. Investments were expanded further into multi-asset vehicles in 2010 and into risk-targeted vehicles in 2011.

During 2014 and 2015, multi-asset funds with managed risk as well as equity funds with dividend and managed risk were added to the investment portfolio. In 2018, the process of selecting a broker for investment in ETF funds was completed in order to provide more investment opportunities to the institution. In 2022, as part of protective measures, investments in high-risk instruments were significantly reduced. On 16 February 2022, the overall investment fund was divided into: the Standard Portfolio (for participants aged 15–62) and the Conservative Portfolio (for participants aged 63 and above). On 1 April 2024, a third investment portfolio was launched (the Intermediate Portfolio), dedicated to participants aged 58–62, making the Standard Portfolio applicable to participants aged 15–57.

In Kosovo, the first investment happened in 2008, in bank deposits, which reached a record level of €231 million by the end of the year.

The first investment in Kosovo treasury bills happened in 2012, and by the end of the year the balance reached €395 million, lower than the peak level of €553 million at the end of 2022. This decline was influenced by higher inflation following the pandemic, which turned this instrument less attractive.

THE GOVERNING BOARD

KPST is governed by the Governing Board, whose members are selected through a public competition. The candidates are reviewed by a Selection Committee, proposed by the Government of Kosovo, and appointed by the Assembly of the Republic of Kosovo for a four-year term. Law No. 04/L-101 of the Republic of Kosovo on Pension Funds in Kosovo, along with its supplements and amendments (Law No. 04/L-168 and Law No. 05/L-116), outlines in detail the functions and responsibilities of KPST and its Governing Board.

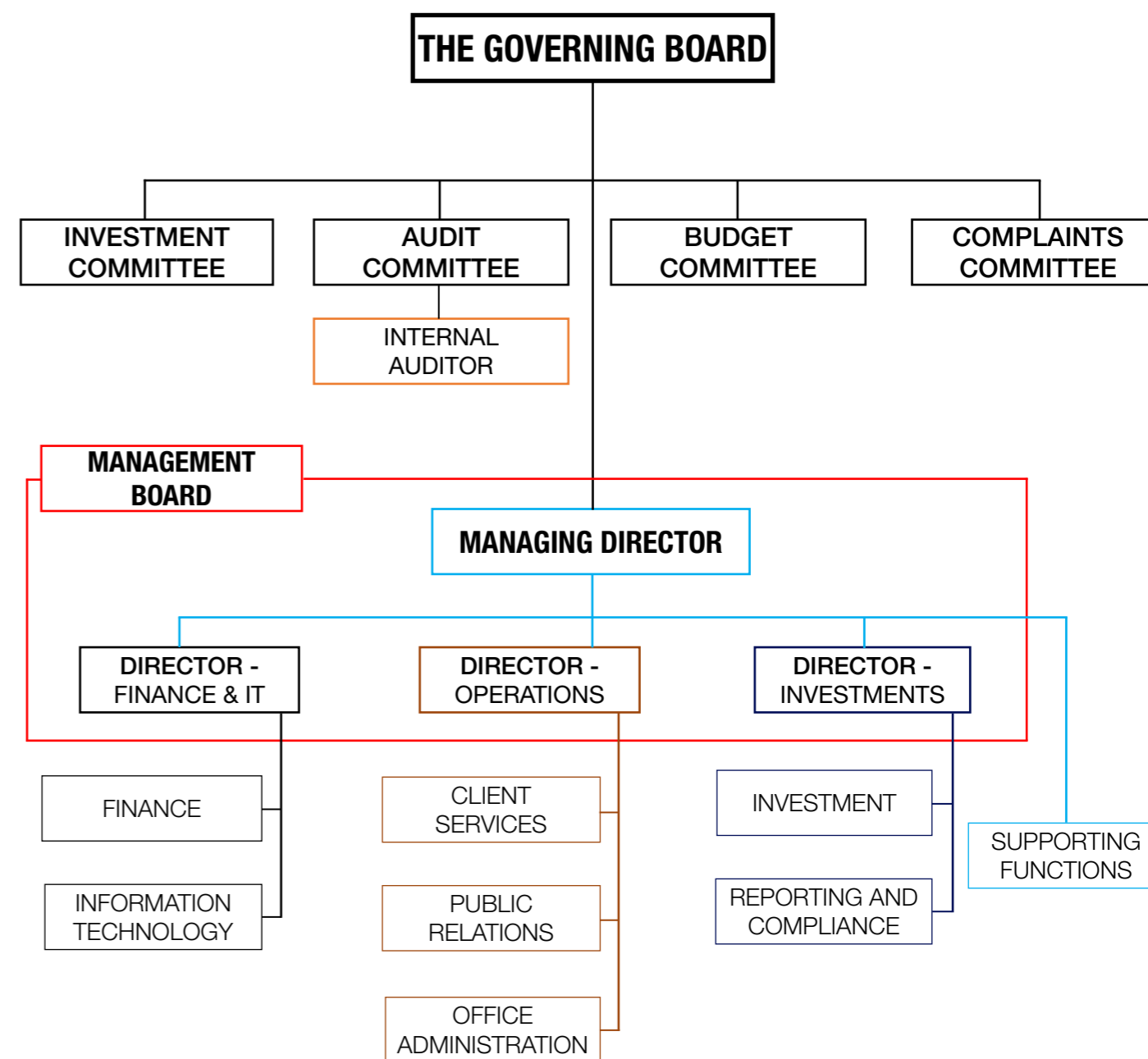
The CBK's Pension Rules provide secondary legislation concerning the investment of pension funds, performance measurement, withdrawal of pension savings, and KPST reporting requirements. The rights and responsibilities of the Governing Board include, but are not limited to: selecting or removing asset managers, custodians, open-ended investment funds, and other third parties; adopting principles and policies for the investment of pension funds; employing executive staff; and approving KPST statements.

The Governing Board consists of seven voting members and one non-voting member representing the Government of Kosovo. As usual, during 2025 as well, the Government's representative member was not appointed to the Governing Board.

At least five of the voting members must have a minimum of ten years of experience in investment or pension fund management. Additionally, the Board must include at least one member with relevant experience to represent the interests of employees in Kosovo, and at least one member with relevant experience to represent the interests of employers in Kosovo.

Throughout 2025, the Governing Board of KPST was fully composed in terms of its voting members.

ORGANISATIONAL STRUCTURE



Governing Board members

at year end of 2025



Mr. Emanuel Bajra

Chairman of the Governing Board, Chairman of the Budget Committee and member of the Investment Committee

A financier and seasoned expert in financial systems and banking and investments, with 21 years of experience across the public and private sectors. He has held various roles in British commercial banking in the City of London, including at Lloyds Banking Group, HBOS, LBCM, and TSB, as well as in private – non-public markets. He has overseen the “Chinese Wall” system in investment banking, specifically within the stockbroking division and Capital Markets of Lloyds Bank, where he evaluated and sanctioned multi-billion-dollar daily trading transactions. He is a qualified and active user of Bloomberg and Reuters trading terminals. He has lecturing experience at universities in Kosovo and abroad. He manages his own multi-million-pound personal investment portfolio



Mrs. Mimoza Mustafa

Member of the Investment Committee, Budget Committee and Complaints Committee

Lecturer at RIT Kosovo (A.U.K), with over 20 years of teaching experience in the field of mathematics and statistics.
Specialised in the field of Quantitative Finance (MSc) and Applied Mathematics.
Her career in the financial sector is linked to important positions in financial institutions (both domestic and international), including the Central Bank of the Republic of Kosovo.
Her main professional interest remains the intersection of applied mathematics and finance, with a particular focus on financial stability and risk management.



Dr. Cyril Demaria

Chairman of the Investment Committee

International private markets expert, with a PhD from the University of St Gallen. Affiliate Professor at EDHEC, and an engaged expert in financial industry in Europe.
He is Managing Director Senior Advisor in charge of Private Markets Strategy at Bank Julius Baer, was Partner at Wellershoff & Partners and Head of Private Markets Research at the Chief Investment Office of UBS.
He is the author of numerous books. His bestseller “Introduction to Private Equity, Debt, and Real Assets” (Wiley, 3rd edition, 2020) is also available in French (8th edition), Portuguese, Mandarin, and Spanish.



Mr. Trim Shala

Member of the Investment Committee, Budget Committee and Audit Committee

A manager with over twenty years of experience in customer service and operations management, with a rich and well-developed combination of knowledge and hands-on experience throughout the entire evolutionary cycle of KPST. His long-term association with KPST has enabled him to develop a deep understanding of its core operations and guiding principles.
He holds a master’s degree (MBA) in business administration from the University of Sheffield in Thessaloniki.
He has proven professional experience in various engagements and development projects in the country.



Dr. Shpresim Vranovci

Chairman of the Audit Committee and member of Investment Committee

Well-known and respected professional in the field of banking and finance, with a rich career of over 20 years and holds the title of Doctor of Science.
He has served in key roles in several wellknown and successful institution in the financial sector in Kosovo. He has a long experience, over 10 years, in higher university education in Kosovo, as a lecturer of financial management and investments.
He has been part of joint initiatives between financial institutions and the government to develop the country’s financial infrastructure, contributing to increased transparency and the development of financial markets.



Mr. Arsim Bruçaj

Member of the Audit Committee and Complaint Committee

With 23 years of experience in banking, finance and consulting, building a successful career in management and managerial positions.
He has in-depth knowledge of financial markets, investments, and risk management. He holds an MSc degree from Staffordshire University and studied at UCLA.
He currently serves as Chief Executive Officer of Swinto Sh.A., and is Chairman of the Board at Virtus Lending Sh.P.K. in Kosovo and Virtus Lending Sh.A. in Albania.
He has in-depth knowledge of financial markets, investments, and risk management.



Mr. Ali Vitija

Chairman of the Complaints Committee

With 18 years of active experience as a trade union representative, he has contributed to the drafting of numerous laws and administrative instructions, as well as the development of policies and strategies for the protection of workers’ rights.
He has a wealth of training in management and economic development. He holds a Master’s degree in Management and a degree in Economics.
He has also participated in numerous seminars end working groups (both domestically and internationally), where he has contributed to the development of regulations and policies aimed at improving working conditions and protecting workers’ rights.

APPOINTED:	July 2023	July 2023	July 2023	July 2023	July 2023	December 2024	December 2024
CURRENT MANDATE:	first	first	first	first	first	first	first

DECISION-MAKING OF THE GOVERNING BOARD

THE RIGHTS AND RESPONSIBILITIES

KPST is governed by the Governing Board, whose members are appointed by the Assembly as fiduciaries of pension assets. The rights and responsibilities of the Board include but are not limited to: adopting principles and policy for the investment of pension assets; defining the strategic asset allocation for the funds of KPST as well as determining the nature and amounts of any changes in allocation, strategy and policy; the selection, monitoring and removal of open-end vehicles and of asset managers to implement the investment strategy and the established asset allocation; the selection of custodians and other third parties; hiring of the executive personnel of KPST; approving financial statements of KPST.

The primary duty of the Governing Board of KPST is to ensure that the assets are invested in a prudent manner consistent with the requirements of the Law and within the framework of its investment principles and policy. The Governing Board recognises that it has a fiduciary responsibility towards the participants and beneficiaries in KPST and will only pursue policies which do not violate this responsibility.

INFORMING OF THE GOVERNING BOARD

KPST Management Board and Investment Unit of KPST provide information on regular basis (daily or weekly - as applicable) to the Governing Board members on KPST's investment performance, on status of contributions received and assets not invested, on maturity of investments in Kosovo bonds and bank deposits, on allocation of investment by categories and investment strategies. And all this in light of maintaining the investment limits consistent with legislation in force.

IMPLEMENTATION OF THE INVESTMENT POLICY

The Governing Board has established the Investment Committee (IC), whose primary responsibility is to support the Governing Board in decisions related to the investment of Assets by providing oversight of the investment function. All policy decisions, allocation targets, and exposure limits are the exclusive responsibility of the Governing Board, based on the recommendations of the IC, while the implementation is delegated to the Management Board of KPST. The IC, based on the proactive recommendations of the Management Board, in accordance with the Statement of Investment Principles (SIP) and the Strategic Asset Allocation (SAA): (a) Decides on the appointment and removal

of asset managers, custodians, intermediaries, and mutual funds; (b) decides to increase or reduce the position in an approved mutual fund or exchange-traded fund; (c) decides to buy or sell individual publicly traded securities or exchange-traded funds.

The Governing Board is aware that when mutual funds or exchange-traded funds are selected for investment of the Assets, the respective fund managers have discretion to buy and sell the underlying securities. However, the IC, based on the analysis of the Management Board, is obligated to continuously review whether the mandate, methodology, and exposures of the respective funds are in alignment with the objectives of KPST.

The Management Board is delegated the authority to: (a) initiate calls for offers and determine the amounts for term deposits with local banks; (b) enter into REPO arrangements with local banks; (c) determine the rate and offering amount for Kosovo Treasury bonds in primary auctions, as well as transactions in the secondary market, and d) Cash management for liquidity purposes.

In all cases, the IC's investment decision must be supported by justification, analysis, and research, as well as an ex-post impact assessment on risk, before implementation can begin.

Cash management for liquidity purposes is delegated to the Management Board.

The IC and/or the Management Board may recommend initiating calls for offers of additional mutual funds or withdrawal from an approved fund. The IC reviews investment decisions and performance on a quarterly basis and reports to the Governing Board whether the investments are aligned with the policy and within acceptable risk levels. The IC may instruct the Management Board to adjust the investment risk position based on their convictions.

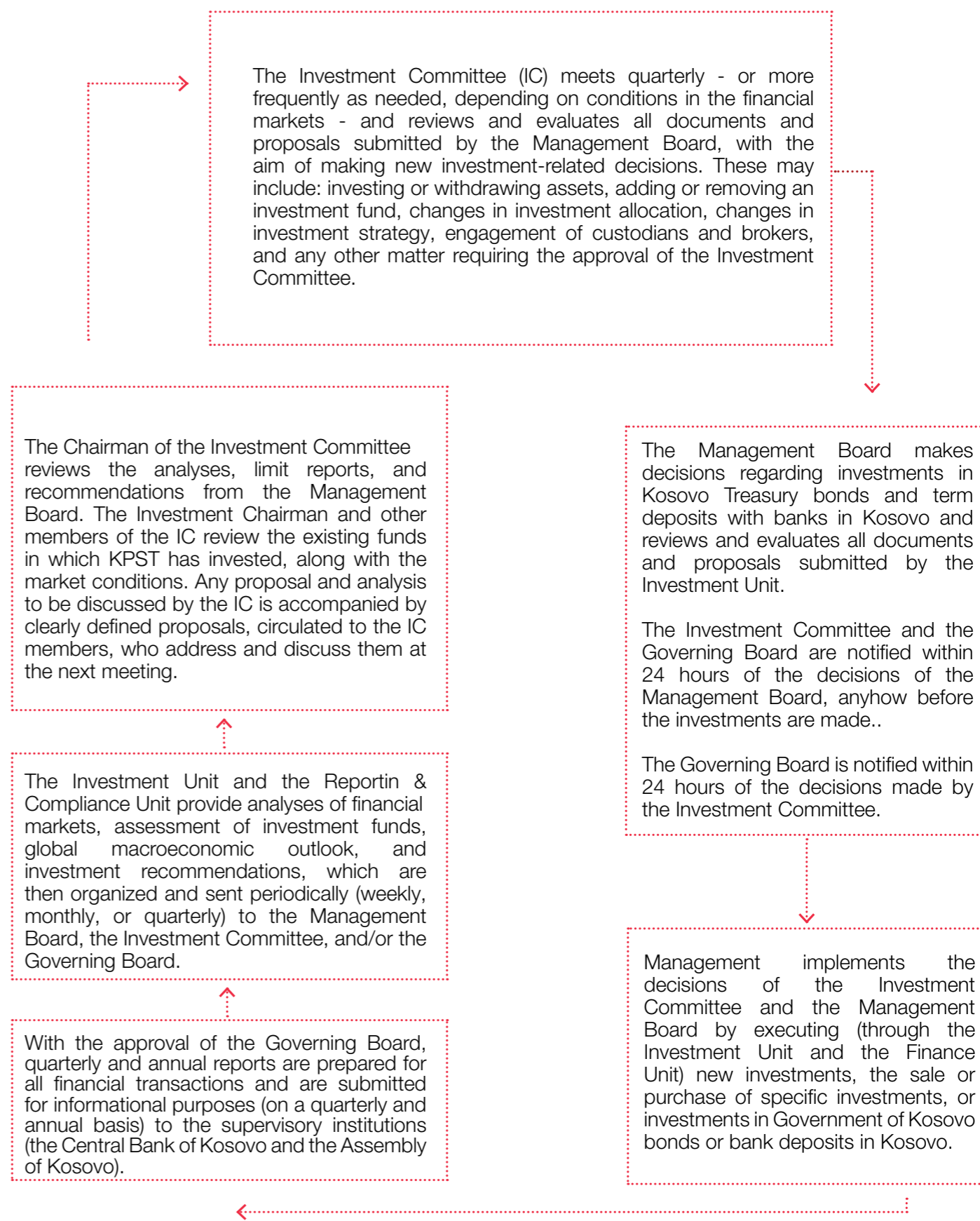
REPORTING AND TRANSPARENCY

KPST publishes on its website all the significant decisions of the Governing Board (related to the investment of assets), and daily it also publishes investment performance on KPST website.

The Governing Board submits detailed reports (quarterly, annually, or whenever requested) to the supervisory institutions. Beyond that, members of the Governing Board hold direct meetings with members of the functional committees of the Assembly of Kosovo, both to present investment performance and to support KPST's request to the Assembly of Kosovo for setting funding fees. The same procedure applies to the approval of the annual report.

KPST, through its Management or Governing Board, is expected to respond transparently to all requests for information from relevant media, disclosing in detail the performance and other data related to KPST's investments.

DECISION-MAKING CYCLE



GOVERNING BOARD COMMITTEES

MANAGEMENT AND ADMINISTRATION

Four permanent committees facilitate the functioning and decision-making of the Governing Board.

INVESTMENT COMMITTEE

Whose main responsibility is to support the Governing Board with decisions related to the investment of Pension Assets, by providing oversight of the investment function. IC members are appointed in accordance with KPST Statute and must have sufficient skills, expertise, professional background, and experience to perform their role effectively.

The IC will continuously monitor and review them based on available information: performance, risks, liquidity, diversification and suitability of investments, and will formally report them to the regular meetings of the Governing Board. The IC will review the SIP at least once a year and propose the amendments to the Board.

Chairman: **Dr. Cyril Demaria**

Members: **Mr. Emanuel Bajra**
Mrs. Mimoza Mustafa
Mr. Trim Shala
Dr. Shpresim Vranovci

Coordinator: *Mr. Minator Maxhuni*

AUDIT COMMITTEE

Amongst many of its function's reviews regulator and auditor reports, and recommends to the Board the necessary action plan required to address findings and issues. The committee also reviews the adequacy of internal procedures and recommend changes if needed.

The committee evaluates the audit plan for the internal audit function, reviews the criteria for the external auditor, and recommends their adoption to the Board.

Dr. Shpresim Vranovci

Mr. Trim Shala
Mr. Arsim Bruçaj
Mrs. Mirlinda Ahmeti (*external member*)

Mr. Visar Perjuci

BUDGET COMMITTEE

Reviews KPST budgetary needs and accordingly makes recommendations for the level of fees to be charged on pension assets. The committee also recommends the Board for approval of the budget of KPST, or changes to it when needed. The committee also reviews KPST expenditures versus the budget.

Chairman: **Mr. Emanuel Bajra**

Members: **Mrs. Mimoza Mustafa**
Mr. Trim Shala

Coordinator: *Mr. Adrian Zalli*

COMPLAINTS COMMITTEE

Reviews contributor requests, claims and complaints addressed to the Board or KPST as a whole. The committee presents its recommendations to the Board and ensures that all cases are responded to within the legal timeframe and in accordance with legal dispositions in force.

Mr. Ali Vitija

Mrs. Mimoza Mustafa
Mr. Arsim Bruçaj

Mr. Agron Krasniqi

KPST administration is led by senior management, which consists of the Managing Director and three directors: the Director of Finance and IT, the Director of Operations, and the Director of Investments.

The management aims to engage effective, professional and morally sound individuals in KPST, believing that only these qualities will lead to higher progress, a healthy working environment and better services for contributors; and, at the same time, in maintaining integrity of KPST.

In order to achieve the above objectives, the Governing Board and Management must ensure that the current administration continues to improve its knowledge and experience, continues to be motivated and puts into operation all mental and professional capacities in the service of advancing internal processes and customer services.

The administration is divided into functional units, for thus ensuring effectiveness and efficiency in work. Carrying out daily tasks (in all operational areas), improving administrative processes, providing assistance to the Management Board for investment analysis, as well as implementing the Board's decisions, are the main tasks of Administration. Its performance is continuously supervised by the Management Board, while it is guided and developed daily by Management.

At the end of 2025, KPST had 40 permanent positions (at the end of 2024: 34 permanent positions—one of which was part-time). In addition to these, there were contract-based engagements for work and specific tasks (with a one-year term) in various areas, according to the institution's needs.

During the year, four officers were recruited: three in the Information Technology unit and one officer in the Support Functions unit. The new positions created under internal procedures during 2025, which were not filled this year, are expected to be filled during 2026.

Women accounted for 33% of staff (2024: 38%); 72% of staff were over 35 years old (2024: 68%), and one staff member had a permanent disability.

Despite all movements and the passage of a year, the average age of KPST staff decreased this year to 42.3 years, down from the previous year (2024: 44.2 years).

1 MANAGING DIRECTOR

3 DIRECTORS

UNIT	INTERNAL AUDIT	FINANCE	INFORMATION TECHNOLOGY	CLIENT SERVICES	PUBLIC RELATIONS	OFFICE ADMINISTRATION	INVESTMENTS	REPORTIN AND COMPLIANCE	SUPPORTING FUNCTIONS
PERMANENT POSITIONS	1	3	8	7	2	8	3	1	3
POSITIONS	1 internal auditor	1 accountant 2 finance officers	1 manager of unit 3 program developers 2 database admin 1 network admin 1 system admin	1 manager of unit 5 pension advisers 1 receptionist	1 manager of unit 1 officer for PR	1 office admin 3 housekeepers 4 security officers	3 investment officers	1 reporting and compliance officer	1 legal officer 1 HR officer 1 risk officer
DESCRIPTION	<ul style="list-style-type: none"> - Ensures the Governing Board that all activities of Management and Administration, as well as processes within KPST, comply with internal procedures, CBK rules, and applicable laws. - Ensures the effectiveness and adequacy of KPST's system and internal controls by conducting regular quarterly audits and providing recommendations for addressing identified issues. - Audit reports are reviewed by the Audit Committee and the Governing Board. - For the purpose of informing the Board, it provides a professional opinion on whether the recommendations of external auditors and CBK examiners have been implemented or not. 	<ul style="list-style-type: none"> - Carry out all financial transactions, including the investment and withdrawal of funds invested through open-end investment funds; maintain accounting records and bookkeeping for pension assets and KPST's operations. - Calculate the unit price of the three investment portfolios, prepare financial statements, as well as monthly and quarterly reports and other reports required for KPST's Governing Board, the Regulator, and the Assembly. - Communicate with all necessary parties for the identification, classification, and accurate processing of all financial transactions. 	<ul style="list-style-type: none"> - Ensures that all KPST's systems operate without interruption and are protected from external interference. It maintains hardware, software, licenses, internal and external networks, servers, data storage, and data security. - Ensures that telephony, internet, and all network systems are always functional and protected. It ensures that the Disaster Recovery Plan is valid on a daily basis and is regularly tested. The unit provides support for all software and hardware requests from other organisational units. - In addition to infrastructure and database management, the unit develops and maintains the core system, intranet, cloud services, websites, and eTrust portal. 	<ul style="list-style-type: none"> - Offers client services. Provides information on individual's account such as pension contributions or the balance of savings, and gives advice to clients on pensions and assistance in applications for the withdrawal of savings.. - Maintains a relationship with employers with the purpose of improving the information and allocating contributions to individual accounts. - In general, staff of this unit are closest to the clients throughout their saving cycle, that is from their first contribution up to the retirement. 	<ul style="list-style-type: none"> - It builds and supports the institution's communication with the media, the public, and other institutions, including the development of interviews and conferences, the preparation of the annual report, and quarterly bulletin; it manages the website (unit manager) and undertakes the role of spokesperson when delegated; prepares reports on access to public documents and the annual performance plan; coordinates and supports document translation and/or simultaneous interpretation; and manages and maintains written communication with clients. - It also manages KPST's social media accounts. The unit manager is also the responsible officer for access to public document 	<ul style="list-style-type: none"> - The office admin is responsible for the overall administration of KPST's office, the implementation of occupational safety measures, cash handling, and the coordination of activities of housekeeping staff and security officers. - The office admin serves also as the Whistleblowing Officer. - Housekeeping staff are responsible for maintaining hygiene in all KPST's office premises and carrying out orders for office supplies. - Security officers are responsible for the safety of staff and the maintenance of KPST's office premises at all times. 	<ul style="list-style-type: none"> - They draft the Asset Allocation Strategy (AAS) document, which includes the latest views on global markets across different regions and key macroeconomic indicators. - Based on this analysis, they also prepare investment recommendations for the Management Board for different asset classes in line with the objectives of KPST's portfolios. - In addition to these duties, the Investment Unit also carries out trading of funds and securities, manages calls for proposals related to the engagement of asset managers, conducts portfolio construction analyses, and prepares various materials required for the Investment Committe. 	<ul style="list-style-type: none"> - Prepares the limits report; reports to the Governing Board and the regulator on the compliance of KSPT's investments with applicable laws, rules, and KPST investment policies; manages the process of establishing relationships with investment funds; monitors compliance and maintenance of investment accounts with asset managers and other parties; provides necessary information on investment portfolios to other KPST units and third parties; issues monthly notifications on fees and rebates, and clarifies any discrepancies or ambiguities with fund managers regarding fees, rebates, and related matters. 	<ul style="list-style-type: none"> - The Legal Officer reviews the overall legality of the institution in relation to applicable legislation and assists in drafting contracts and agreements; provides legal opinions and represents KPST in the judicial system. The Legal Officer also serves as Secretary of the Governing Board. - The Human Resources Officer is responsible for human resources, payment of salaries and other compensations within KPST, as well as preparing the plan and coordinating training for KPST's employees. - The Risk Officer is responsible for conducting analysis and assessment of potential risks within KPST.

SUPERVISION AND AUDIT

KPST, as an independent public institution, is subject to supervision by regulators and audit by independent professional auditors. Since its inception in 2002, KPST's processes and results were approved and certified, confirming its professionalism and quality. At the same time, the Governing Board believes that these supervisions combined with the performance of investments have strengthened institutional credibility and increased the confidence of the public in the Board's decision making and management's work ethic.

KPST notifies quarterly the CBK, the Assembly and the Government on pension fund placements, new investments, return on investments and the reconciliation of pension assets. These reports are published on KPST website for the purpose of informing the public.

Until now, historically, each independent auditor that has audited KPST financial statements (operational and pension assets), which are selected through Kosovo public procurement procedures and approved by the Central Bank of Kosovo, did not result in a qualified opinion of those statements.

The External Auditor, through a Management Letter, may also make recommendations for better functioning of KPST processes.

Apart from quarterly reports to the CBK on the compliance of investments with the law and CBK rules, at the CBK's request, KPST continued throughout 2025 to submit monthly detailed reports to the CBK's Pension Supervision Department. Reporting covers all investment aspects and the overall state of pension assets.

Explanations and data were also provided whenever requested by CBK. Should KPST investments, due to movements in financial markets happen to fall out of compliance with the law, KPST is obliged to notify

CBK and rectify the situation within 180 days. There were no such occurrences in 2025 either.

By May 31st of each year, KPST compiles the Annual Report for the previous year and submit it to CBK, Assembly and Government, jointly with the Financial Statements audited by an independent auditor who can only be selected with CBK's consent. The Annual Report is also published on KPST's website.

In case of serious findings, CBK must also report those to the Assembly, which has not been necessary up to now. KPST also notifies CBK of all Board decisions relating to contributors, fund management and other matters.

KPST employs an internal auditor who reports at least four times a year to the Audit Committee of KPST's Governing Board on all aspects of the institution's activities. In November 2024, a specialist with a fixed-term contract and specific tasks for auditing KPST's Information Technology (IT) was engaged through a public competition. This auditor carried out the audit for 2024 and submitted the relevant findings and recommendations in a report. The same auditor is expected to conduct the IT audit for the period from 1 January 2025 to 30 April 2026. Prior to this, IT audits at KPST were carried out by a company contracted through public procurement.

Since 2018, KPST has been using the services of an external member of the Audit Committee as required by Law on CBK No. 05/L-116, amending Law No. 04/L-101 on Pension Funds in Kosovo, which is independent of KPST Governing Board and Management. That external member is independent from KPST's Governing Board and Management.

RECOMMENDATIONS RAISED BY THE EXTERNAL AND INTERNAL AUDITOR IN 2025 AND THE OUTCOME

RECOMMENDATIONS

Observation:

During our audit procedures, we noted that KPST has not performed an external quality assessment of the Internal Audit Function by an independent qualified assessor within the last five years, as required by the International Standards for the Professional Practice Framework of Internal Auditing (IIA Standards). Failure to obtain an external quality assessment may result in KPST being unable to objectively evaluate the Internal Audit Function's conformance with the IIA Standards and its effectiveness, independence, and alignment with leading practices and stakeholder expectations.

Recommendation:

We recommend that KPST establishes a formal policy requiring an external quality assessment of the Internal Audit Function at least once every five years, in accordance with the IIA Standards. This will ensure ongoing compliance with professional standards, enhance transparency, and support continuous improvement of the Internal Audit Function.

Observation:

During our audit procedures, we noted that KPST has not performed back testing of its results for Expected Credit Loss (ECL) in accordance with IFRS 9. Specifically, there is no evidence that estimated credit losses have been systematically compared with actual credit outcomes. As a result, KPST has not established a process to assess the ongoing performance and reliability of the ECL model. There is a risk that the ECL estimates may not accurately reflect KPST's actual credit risk experience. This may lead to inappropriate measurement of impairment provisions and potential non-compliance with the requirements of IFRS 9, which require ongoing validation of key assumptions and estimation techniques.

Recommendation:

We recommend to the management of KPST to establish a formal process for the ongoing validation and back testing of the ECL model, in line with the principles of IFRS 9. This process should include periodic back testing by comparing estimated credit losses with actual outcomes, analyzing any significant deviations, and updating key assumptions and methodologies where appropriate.

Observation: Retention of personal declarations for longer than necessary, as the law does not provide requirements/guidance regarding the retention period.

Recommendation: The OPP (The Organisation Procedures and Policies) should be amended to clearly define the retention period of annual declarations and the individual/unit responsible for their handling. Records from the mass email provider must be retained.

Observation: The SOP does not include provisions requiring new employees to submit a court certificate.

Recommendation: The OPP should be amended to clearly define the requirement for new employees to submit a court certificate as part of the recruitment process. The provisions should ensure consistent application across all positions or specify exceptions where necessary.

Observation: KPST headquarters building is monitored 24/7 by nine security cameras, and a security guard is present at all times. However, there is no official office map, which would provide a visual representation of critical IT assets, access points, and security controls.

Recommendation: A detailed KPST office map should be created, showing critical IT assets, entry points, and security controls; this would support physical security monitoring and potential risk assessments and IT audits.

The office security map should be regularly updated to reflect ongoing changes in infrastructure, security measures, or policy adjustments.

COMMENTS

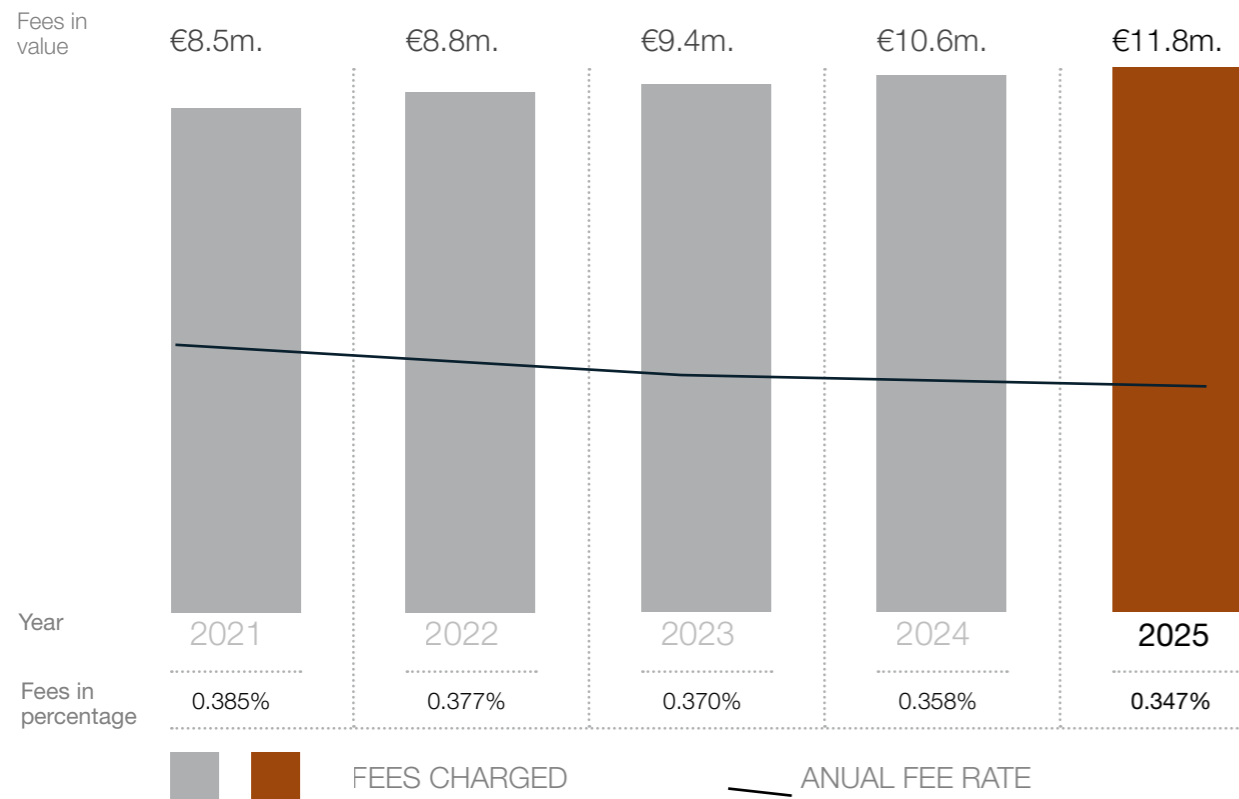
KPST agrees to implement this recommendation by amending the Internal Audit Charter to require that an external quality assessment of the Internal Audit Function be conducted at least once every five years.

KPST agrees and shall implement this recommendation by contracting an independent (external) party to back-test and compare estimated credit losses with actual outcomes, analyse any significant deviations, and suggest updates to key assumptions and methodologies where appropriate.

The OPP has been amended to (a) immediately destroy (delete) individual statements from the server once they have been sent via email through the mass email service; and (b) require the retention of reports generated by the mass email service for audit review purposes.

Management agrees that mandatory data verification for all new hires is required and has implemented this recommendation.

Management agrees that a detailed map reflecting the institution's critical assets should be prepared and has implemented this recommendation.



Annual fees charged on pension assets for 2025 decreased to a total of 0.347% of assets (2024: 0.358%).

Despite the reduction in the fee rate, due to a significant increase in assets under management, the 2025 fees amounted to €11.8 million, which in nominal terms were higher than in the previous year (2024: €10.6 million).

In addition to fee income, KPST also recorded €0.5 million in non-fee income for 2025. As a result, total income for the year 2025 amounted to €12.3 million.

From the total income of KPST, approximately €10.2 million was allocated to financing investment expenditures (2024: €9.2 million), while €1.6 million was allocated to financing operational expenses (2024: €1.4 million).

Investment expenditures this year amounted to approximately €6.9 million (2024: €5.7 million), while operational expenses were around €1.6 million (2024: €1.2 million). In total, expenditures for both categories (investment and operations) amounted to approximately €8.5 million (2024: €6.9 million).

From the 2025 surplus of €3.8 million, €3 million were returned to participations pension assets, while the remaining amount was allocated to KPST's operational reserve.

Regarding non-fee income, it was primarily accumulated through interest earned from the placement of the operational reserve, thereby contributing to the increase in the annual surplus.

FINANCING

KPST is funded in a similar way as all defined contribution pension funds, i.e. by charging fees on assets under management (pension assets).

As a not-for-profit institution, fees charged by KPST should only cover its expenses. The level of fees, based on the recommendations of the Governing Board, is approved by the Kosovo Assembly; providing the Assembly with an implicit degree of control on KPST spendings.

As per the amendments within Law No. 04/L168, the investment fee charged by KPST must cover expenses relating to the investment of pension assets and the operating fee to cover other expenses.

Compared to 2024, KPST reduced the fees charged for 2025 (in percentage terms), both for operational and investment activities. However, as assets under management increased, the revised fees generated higher income than in the previous year.

The operational fee for 2025 of 0.047% annually, continues to be the lowest compared to all similar operators in the region, but it is also amongst the lowest globally. On the other hand, the annual investment fee (of 0.30% annually) is not comparative to the way it is applied to the other similar pension funds in the region and globally.

The standard treatment of investment expenses, in addition to the operating fee charged for the operations of the managing entity, is for investment expenses to be levied on the pension fund itself (i.e. investment expenses are treated as expenses of the fund and not as they are in Kosovo, where they are treated as expenses of the managing entity).

This treatment results in discrepancies between what KPST charges as an investment fee (which must be evaluated before the year starts), and actual expenses (after the year ends).

List of services that KPST offers to contributors

1.	Direct service at the office (service, counseling, information) every working day from 08:00 to 16:00.	6.	Notification by electronic and physical mail regarding retirement and changes to the investment portfolio.
2.	Delivery of account statement at home or via e-mail.	7.	Free retirement application and no charges by KPST for bank transfers.
3.	Printing of account statements at KPST office (for the last year).	8.	Free maintenance on accounts with local commercial banks for the PWP of savings.
4.	Complete maintenance of the pension savings account.	9.	Contract with banks for above-average interest on savings in the withdrawal plan in stages.
5.	The electronic service for online access to the personal pension account; the messaging service via eTrusti, Facebook, and email; as well as telephone service.	10.	Downloading the account statement from the eKosova portal.

EXPENSES

KPST as the managing entity of the fund incurs expenses for the investment of pension assets and for its operations.

Investment expenses

2025
81.4%

Investment expenses include fees that fund managers withhold for access and asset investment in the financial markets; CBK fees for transfer and maintenance of assets; and other expenses such as brokerage and custody fees.

The Governing Board, during the selection process of investment funds, considers the fees that managers charge and managers that offer lower fees have priority during such selection. Also, it should be noted that fund managers charge different management fees depending on their investment strategies (active or passive) and the amounts placed with them.

The potential return also affects the management fees. Money market investment funds (as an example) charge lower management fees compared to funds in equity or even bond markets.

For 2025, KPST's investment expenses accounted 81.4% of the total expenses (2024: 82.1%). In nominal terms, they amounted to €6,943,583 (2024: €5,660,155). Of the total investment expenses, €6,456,198 were for engaged investment funds and ETFs, while €487,385 were for brokerage trading costs, custody, and other investment-related expenses.

2024
82.1%

Thus, for 2025, investment expenses were 22.7% higher than in the previous year. This is directly related both to the increase in assets under management (including invested assets) and to the addition of engaged investment funds.

The execution rate of the planned expenses for the investment fee for 2025 was 67.8% (2024: 61.9%). As a result, in 2025 there was a surplus of €3,295,074 from investment activity. From this amount, by decision of the Governing Board, €3 million were returned to the pension fund.

It is understood that due to the methodology used to determine the planned annual fee for the following year and the actual expenses incurred - which are heavily influenced by tactical investment decisions - the budget execution rate is difficult to predict.

It is worth noting that (typically) actively managed investment funds charge, on average, 0.5% to 1.0% for fund management. In contrast, ETFs have fees ranging from 0.2% to 0.7%.

Annual value of the investment fee

The net investment fee for 2025 and 2024, by each fund that has charged fees on the invested assets of the Kosovo Pension Savings Trust, is presented in the table below. Additional details are provided in the (annex) of financial statements under the Pension Assets section.

	2025	2024
	NET VALUE OF FEES	NET VALUE OF FEES
OPEN-END FUNDS		
Vanguard Global Stock Index Fund Euro hedged	€739,388	€412,961
Nordea 1 – Global Stable Equity Fund	€571,693	€743,813
Nordea 1 – Stable Return Fund X	€725,046	€1,324,620
Amundi – Euro Liquidity Fund	€159,655	€363,954
Invesco QQQ Trust ETF	€82,288	--
Amundi MSCI Europe Quality Factor ETF	€102,712	€71,083
SPDR S&P Oil & Gas Exploration & Production ETF	€156,226	€204,707
Global X U.S. Infra-structure Development ETF	€365,438	€346,300
iShares U.S. Infrastructure ETF	€234,849	€222,313
Vanguard Value Index Fund ETF	€28,691	€27,650
iShares Edge MSCI Europe Value Factor UCITS ETF	€277,094	€239,873
SPDR MSCI Europe Energy UCITS ETF	€36,367	€58,312
Schroder ISF Global Sustainable Growth	--	€75,913
WisdomTree Industrial Metals	--	€29,323
Amundi Euro Stoxx Banks UCITS ETF Acc	--	17,542
WisdomTree Physical Gold - EUR Daily Hedged ETC	€8,445	€8,526
SPDR S&P Euro Dividend Aristocrats UCITS ETF	€83,887	€69,942
WisdomTree WTI Crude Oil ETF	€108,709	€139,450
iShares MSCI Global Metals & Mining Producers ETF	--	€27,918
Vanguard EUR Eurozone Government Bond ETF	€19,120	€18,736
iShares Residential and Multisector Real Estate ETF	€215,977	€132,321
Pacer Data & Infrastructure Real Estate ETF	€123,762	€129,476
Amundi MSCI Japan EUR Hedged ETF	€92,045	€78,054
SPDR Russell 2000 US Small Cap UCITS ETF	€86,209	€79,615
Schroder ISF Global Sustainable Growth	€392,663	€346,614
Invesco S&P 500 EUR Hedged ETF	€142,306	€69,328
Global X Data Center & Digital Infrastructure ETF	€64,274	€2,116
iShares US Digital Infrastructure & Real Estate ETF	€29,315	€1,749
Invesco KBW Bank ETF	--	€26,459
iShares Listed Private Equity UCITS ETF USD	€181,366	--
VanEck Defence UCITS ETF	€80,364	--
Future of Defence UCITS ETF	€69,324	--
Schroder ISF - Global Equity Alpha	€257,480	--
Schroder ISF - Global Multi-Asset Balanced	€138,013	--
Allianz Dynamic Multi Asset Strategy SRI 75	€161,921	--
Blackrock - BGF Global Allocation Fund	€256,934	--
BNP Paribas Funds Health Care Innovators	€125,613	--
JP Morgan - Global Select Equity Fund	€71,030	--
JP Morgan - Global Select Equity Fund EUR Hedged	€215,389	--
Amundi Smart Overnight Return UCITS ETF	€49,704	--
iShares Core FTSE 100 UCITS ETF GBP	€2,901	--
TOTAL FEES FOR OPEN-ENDED FUNDS	€6,456,198	€5,268,668
CBK's expenses for transfers and maintenance	€70,317	€79,465
Expenses for brokers, custodians and other investment expenses	€417,068	€312,022
TOTAL INVESTMENT EXPENDITURE	€6,943,583	€5,660,155

Operating expenses



Operating expenses¹⁾ include all other costs that are not direct investment expenses and consist of compensation, printing and mailing of account statements, office rent and other operating expenses.

For 2025, operating expenses amounted to €1,588,619 (2024: €1,233,417) and participated by 18.6% (2024: 17.9%) of the total expenses of KPST. Operating expenses were €355,202 higher than the previous year (or +28.8%).

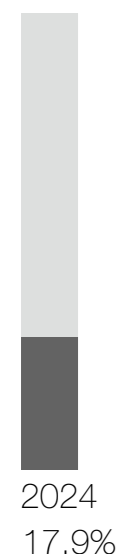
In 2025, the planned operational budget was executed at a rate of 86.0% (2024: 80.1%), in line with previous levels of operational budget execution.

For 2025, the surplus from the operational fee was only €15,437. Meanwhile, together with other income (€492,168), and after deducting provisions expenses (€9,555), the total surplus from operations for the year amounted to €498,050.

Operating expenses increased overall by 28.8% compared to the previous year.

Out of the 15 budget lines listed in the following table, 10 recorded an increase in expenses, four recorded a decrease in expenses, while one budget line remained unchanged.

The figures for each budget line are presented in the table on the following page, while detailed explanations are provided in the attached financial statements.



Operating expenses table

	2025		2024	
	In value	In percentage	In value	In percentage
Staff costs	€925,200	58.2%	€769,812	62.4%
Governing Board expenses	€204,941	12.9%	€96,053	7.8%
Depreciation and amortisation	€174,591	11.0%	€105,332	8.5%
Account statements and other correspondence	€109,433	6.9%	€116,166	9.4%
Office operating expenses	€16,722	1.1%	€30,793	2.5%
Software maintenance	€8,065	0.5%	€18,015	1.5%
CBK supervision charges	€24,061	1.5%	€21,253	1.7%
Professional services/ Contractors/Consultants	€24,307	1.5%	€14,186	1.2%
External audit	€19,000	1.2%	€19,000	1.5%
Lease interest	€24,795	1.6%	€11,040	0.9%
Training, travel and other staff expenses	€7,504	0.5%	€14,788	1.2%
Communication	€14,451	0.9%	€6,714	0.5%
Public education and advertising	€8,052	0.5%	€1,165	0.1%
Bank charges	€2,032	0.1%	€1,977	0.2%
Other charges	€25,465	1.6%	€7,123	0.6%
TOTAL OPERATING EXPENSES	€1,588,619	100.0%	€1,233,417	100.0%

1)

For more information, please refer to the audited financial statements, which, as required by the Law, are prepared in compliance with International Financial Reporting Standards.

3

ACTIVITIES

Governing Board - Management
Account management
Contribution allocation
Client services

ACTIVITIES OF THE BOARD

The main scope of the Governing Board for 2025 included:

- (1) Maintenance of the IPS (Investment Principles Statement);
- (2) Review and approval of the Pension Assets Allocation Strategy (including the addition or removal of investment funds);
- (3) Review and approval of annual fees for the engaged investment funds;
- (4) Review and approval of the Governing Board's Rules of Procedure; and
- (5) Review and approval of the annual fees charged by the Kosovo Pension Savings Trust for investment and operational expenses.

In relation to point (5), the Governing Board also reviewed and approved KPST's annual budget for 2025, based on the recommendations of Management and the Budget Committee.

In addition to the above, the Governing Board also reviewed and approved the recommendations of the Audit Committee and the Complaints Committee.

According to the changes in the Working Procedure of the Governing Board (in force since 2024), the Governing Board has defined in the IPS that decisions regarding investments in global markets will be the responsibility of the Investment Committee, while participation in auctions for Kosovo treasury bills and investments in bank deposits in Kosovo will be the responsibility of the Management Board. In each case, the Governing Board is informed

immediately after any decision made by these two bodies.

This year was the most active ever for KPST in terms of investment decision-making. This was driven both by the increase in assets under management, the maintenance of three investment portfolios, and strategic as well as tactical shifts in response to global developments affecting financial markets. In this context, the Investment Committee moved €2.4 billion in assets, of which approximately €1.3 billion represented additions to investments and €1.1 billion represented withdrawals from international investments. As a result of this level of activity, a record number of investment funds were engaged at the end of 2025, 30 investment funds.

In terms of supporting KPST's ongoing daily operations, the Board reviewed and approved the revision of operational strategies and plans across all areas of KPST's operations, as well as the strategies and plans for the coming years. The Board also supported the plan for relocating KPST's offices, considering this a necessary and long-term solution for the institution.

Board members also participated in important international activities related to investments and pension funds. In addition, the employee representative on the Governing Board held a meeting this year with trade union representatives, attended by 17 representatives of trade union organizations in Kosovo, where they were informed about key issues regarding the functioning of KPST.

ACTIVITIES OF THE MANAGEMENT

Management activities are divided into: (a) the Management Board level (for activities delegated by the Governing Board related to investments), and (b) the Management level (for other routine duties of KPST's daily operations). The Management Board consists of the Managing Director and three directors: Finance and IT, Operations, and Investments. The Management team consists of the Managing Director, the three directors, and the managers of units.

At the Management Board level, Management has supported the Board and the Investment Committee in reviewing the SIP, selecting asset managers and brokers, and in making investments in Government of Kosovo auctions and bank deposits in Kosovo.

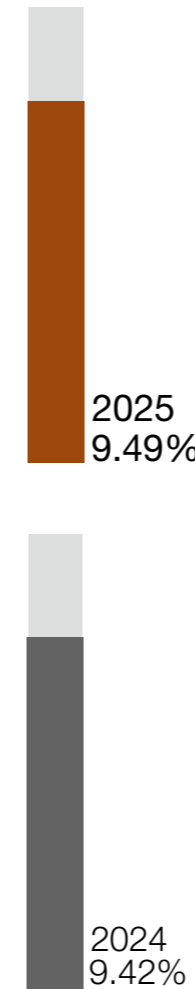
Regarding investments in Kosovo treasury bills, the Management Board made 11 such decisions, with a total value of approximately €108 million. It also made 10 investments in bank deposits, amounting to around €137 million.

At the Management level, efforts continued to ensure that all daily processes (operations) functioned without interruption. This means that contributors' data and information are secure, that services are provided at a high professional standard, and that pension beneficiaries receive their payments on time. It also ensures that periodic reports, including the annual report, are prepared and submitted to supervisory institutions and the Regulator on time or whenever required; that transfers of pension assets to investment funds and KPST accounts are executed accurately; and that communication with asset managers and brokers is carried out in line with the highest professional standards and legal accuracy.

In addition, all decisions of the Governing Board and the Investment Committee must be implemented in a timely manner. At the same time, Management implements all findings and recommendations of the supervisory authority (CBK) and of both external and internal auditors.

ACCOUNT MANAGEMENT

Average number of months for which employees paid contributions.



Out of a total of 912,150 accounts opened since the establishment of KPST, during the 2025 cycle 622,869 statements were sent, of which 455,692 were sent by email and 167,177 by regural mail.

For 2025, 37,371 more statements were sent compared to the previous year, of which 30,144 additional statements were sent by email and 7,227 more by regural mail. The main factor contributing to the increase in the number of statements sent during the year, while accounts excluded from receiving the annual statement were deducted.

Annual statements are not sent in cases where the participant: 1) has had no transactions in the past three years (as stipulated by law); 2) does not have an email address or a physical address on KPST's records; or 3) has permanently withdrawn their pension savings.

The number of individuals with permanent withdrawals since establishment has reached 88,544 accounts.

This year, 55,159 employees and 3,759 self-employed individuals who had contributed in the previous year but not in 2025 became inactive. Meanwhile, 10,913 employees and 329 self-employed individuals resumed contributions in 2025 after not contributing during 2024 and thus were reactivated.

Employers, on average, declared and paid contributions for 9.49 months of 2025, showing a slight increase compared to the previous year (2024: 9.42); while self-employed contributors declared and paid 3.36 quarters of 2025, a very slight decrease compared to the previous year (2024: 3.37).

During the year, KPST opened 37,956 new individual accounts (2024: 39,231), bringing the total number of accounts opened since establishment to 912,150.

Throughout the year, there were 51,218 employers and 25,059 self-employed individuals who paid contributions for the reporting year (2024: 49,080 and 26,028, respectively). While the number of employers increased by 4.4% in 2025, the number of self-employed contributors decreased by 3.7%.



CONTRIBUTION ALLOCATION

In KPST's account, along with pension contributions, it may occur that fines and interest charged by the TAK to employers for late reporting or non-payment of pension contributions are also paid. These fines belong to TAK, and therefore, on a quarterly basis, KPST, in cooperation with TAK, identifies and transfers (refunds) them back to TAK.

However, there are always contributions that are received for which there is no information on whom they belong to, or whether they are even actual contributions. These remain unallocated.

It is worth recalling that unallocated contributions older than six years, under current legislation, may be transferred to the Kosovo budget via TAK. If, after the transfer, evidence is provided showing who the contributions actually belonged to, the law guarantees that KPST can retrieve these funds from TAK and allocate them to the contributor's account, including the average investment return accrued since the transfer.

KPST Governing Board and Management continue to keep the reconciliation of funds for periods less than six years - especially payments from the most recent year - on their list of ongoing commitments.

For 2025, the Board also set an objective regarding unallocated funds, ensuring that this process remains a focus in the institution's daily operations.

It should be noted here that, in addition to the significant improvement in the accuracy of pension contribution reporting (through the EDI portal at the Tax Administration of Kosovo), there is also a growing trend of contributors showing increased interest in the status of their pension savings, reflecting a rise in awareness of the importance of pension contributions.

It is important to recall that the main reasons for the imbalance of contributions include: (i) fines and interest for late declarations/payments; (ii) employers submitting contribution lists but underpaying or overpaying; (iii) invalid contributor data on the list (e.g., personal number or name); (iv) employers making payments but failing to submit the detailed list of contributors for the same (often due to reassessments by inspectors); and (v) unidentified payment.

At the end of 2025, the total value of unallocated contributions was €2,900,934, an increase compared to the previous year, when it stood at €2,395,695.

The main reason for this nominal but not relative increase is the execution of penalties and interest, which are returned to the Tax Administration of Kosovo (TAK) after 31.12.2025, unlike the previous year when they were processed before the end of the year. This is also the primary reason why this figure varies from year to year.

	As of December 31, 2025	As of December 31, 2024
Unallocated contributions	€2,900,934	€2,395,695
Cumulative contributions unitised of the reporting date	€3,396,984,521	€3,032,703,466
Unallocated contributions as a percentage of contributions as of the reporting date	0.085%	0.079%

net balance of funds in individual accounts



CLIENT SERVICES

Kosovo Pension Savings Fund has been operating since its inception with a single service office, headquartered in Prishtina. However, pension services for: printing the account statement, applying for pension and information on pension savings are also offered in the six regional offices of Tax Administration of Kosovo (TAK). This excellent institutional cooperation between KPST and TAK has enabled services in all the main centers of the country without additional costs for TAK in terms of staff employment, payment for rent of regional offices and other operating costs.

KPST provides its services in Pristina through the engagement of five pension officers, one receptionist, one security officer, and the unit manager. During certain periods, one to two interns are engaged, who, by providing services to clients, also gain their first work experience.

Since 2022, when the account management system (IPSA) was changed, the institution has also updated the way it handles services. With the option to electronically download the account statement from the state portal eKosova (in addition to from eTrusti), the most requested service (obtaining the statement) is now easier than ever before.

During 2025, 194,380 contributors received services from KPST office and the regional offices of the Tax Administration of Kosovo (TAK) across the six regions of Kosovo. It is highly positive that the majority of contributors are now self-served, accessing their KPST account statements through the eTrusti and eKosova portals. The number of self-service actions carried out this year on eTrusti exceeded 490 thousand.

Meanwhile, the number of contributors who downloaded their statements via eKosova also increased significantly, exceeding 480,000 self-service actions, the highest figure ever recorded. In total, through eTrusti and eKosova combined, contributors carried out nearly 1 million self-service actions this year.

The most requested service this year was the printing of account statements, with 37,168 statements printed. This accounted for 19% of all services provided by KPST at its Pristina office and the regional offices of the TAK.

Meanwhile, at KPST office alone, the most requested services this year were: account statement printing (10,490 cases), approval of account opening requests in eTrusti (24,207 cases), address updates (5,234 cases), and approval of pension applications (8,732 cases).

At the regional offices of the Tax Administration of Kosovo (TAK), the most requested service was statement printing, with 26,678 cases, accounting for 48% of all services provided across the regional offices.

In addition to all services provided in person, KPST prepared and sent annual statements for 2025 to all active contributors.

For annual reporting purposes, during the 2025 cycle, 622,869 annual statements were sent, of which 455,692 were sent by email and 167,177 by post (2024: 425,548 by email and 159,950 by post).

Contributors approaching retirement age (around 65 years) are also regularly sent letters by post or email, informing them about their retirement eligibility and the procedures for applying for withdrawal of their pension savings.

Additionally, starting in 2022, all contributors who reach the age of 63 and are transferred to the Conservative Portfolio are notified in advance of this change. Similarly, as of April 2024, all contributors who reach the age of 58 and are transferred to the Intermediate Portfolio are also notified of this change.

NUMBER OF ACCOUNTS IN eTRUSTI

2025
339,410

2024
339,410

THE NUMBER OF SELF-SERVICES ON eTRUSTI AND eKOSOVA

2025
970,000

2024
870,000

THE NUMBER OF SERVICES OF PROVIDED FROM KPST OFFICE AND TAK OFFICES - FOR INDIVIDUALS AND EMPLOYERS

2025
194,380

2024
174,743

INCREASE OF NUMBER OF ACCOUNTS IN eTRUSTI

2025

+6%

2024

+7%

#eTrusti is an internet-based service that has been provided since 2008.

Registration procedures are performed online, verifying the identity of the contributor and confirming the e-mail

4

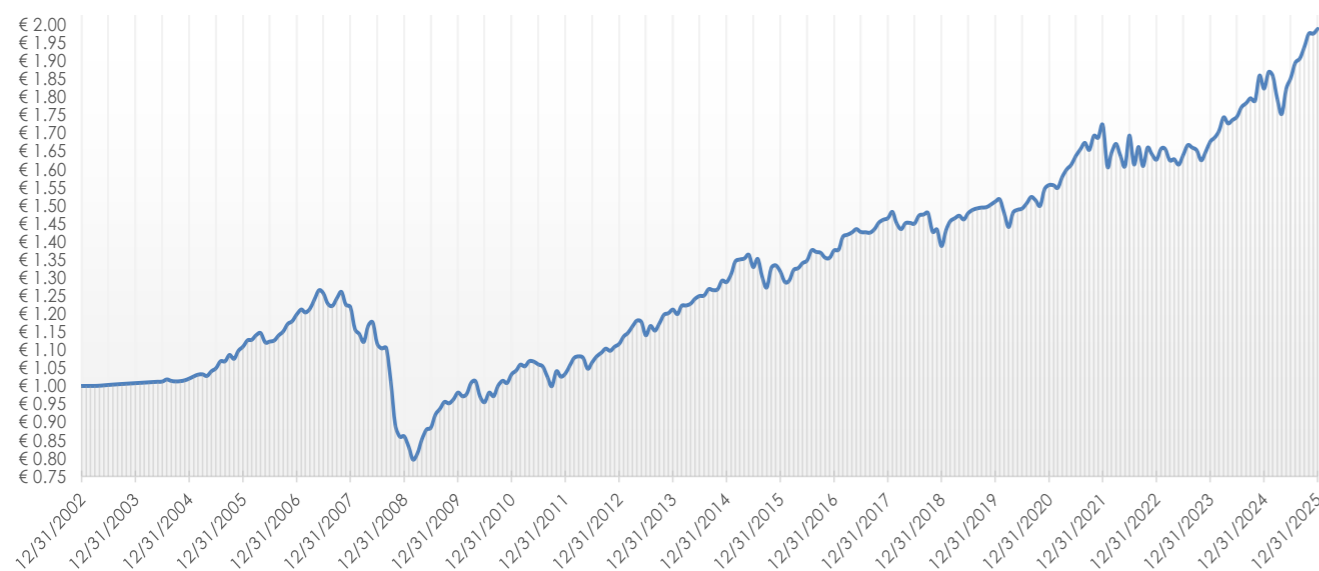


INVESTMENT OF PENSION ASSETS

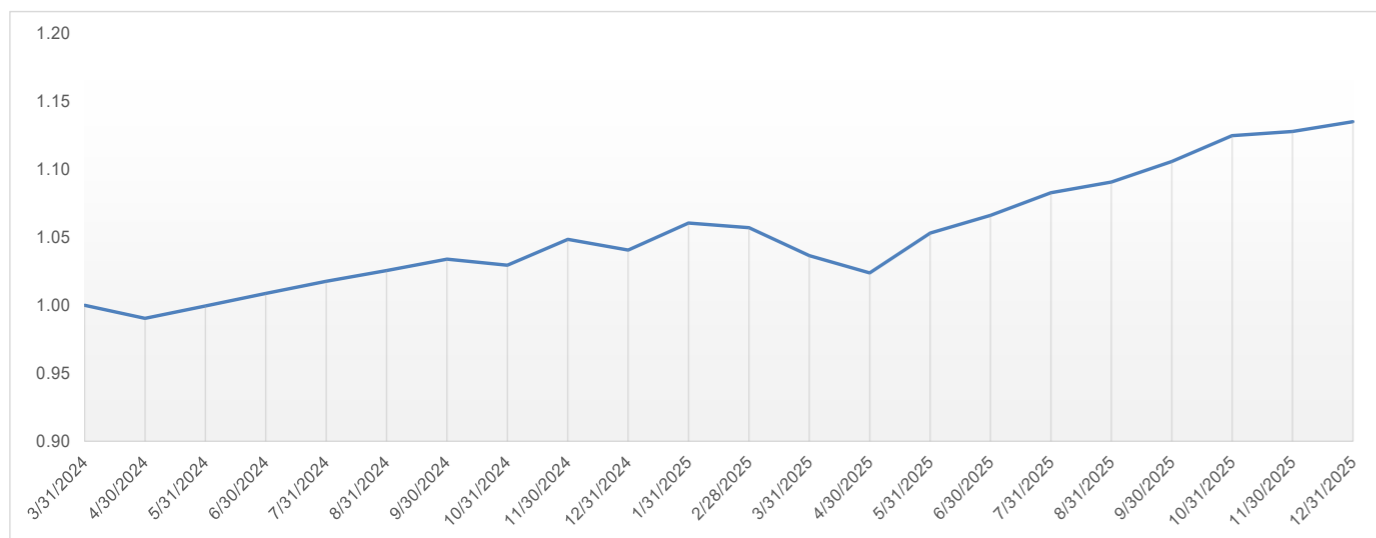
- Statement of Investment Principles
- Investment distribution according to strategic allocation
 - Geographic allocation
 - Main issuers
- Asset classes and currencies
- Investment performance

{Safety of pension assets, diversification of investments, maximum return for the level of risk taken and the maintenance of appropriate liquidity are the core of prudent investment principles of KPST}

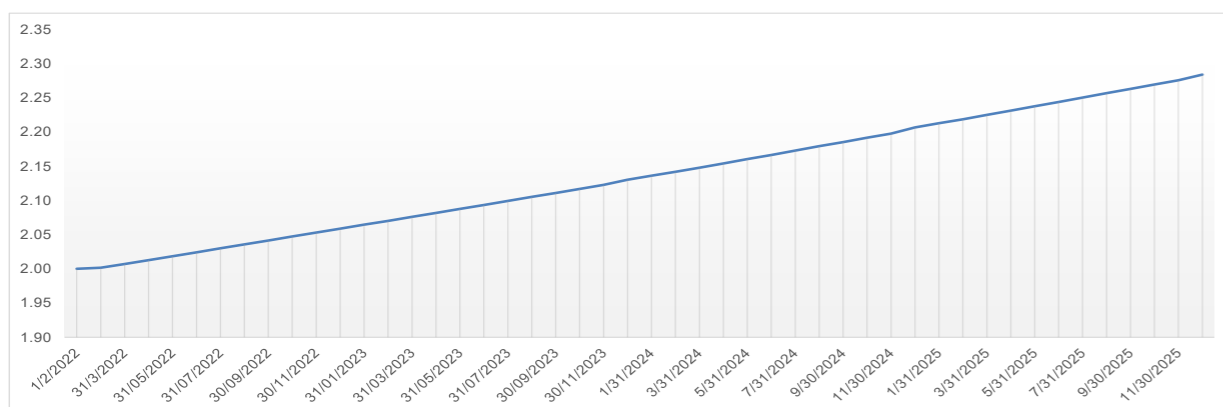
UNIT PRICE MOVEMENT OF THE **STANDARD PORTFOLIO** SINCE INCEPTION



UNIT PRICE MOVEMENT OF THE **INTERMEDIATE PORTFOLIO** SINCE INCEPTION



UNIT PRICE MOVEMENT OF THE **CONSERVATIVE PORTFOLIO** SINCE INCEPTION



STATEMENT OF INVESTMENT PRINCIPLES

According to the Statement of Investment Principles (SIP), revised and effective as of October 28, 2025, KPST will make investment decisions solely in the best interest of its participants, adhering to the following priorities:

- a) The safety of assets;
- b) Diversification of investments;
- c) Maximum return on investments in line with the safety of assets; and
- d) Maintenance of sufficient liquidity.

d) Maintenance of sufficient liquidity.
The Governing Board will strive to ensure that KPST has:

- a) Effective and efficient investment processes;
- b) An adequate level of expertise for investment analysis and overall investment activity; and
- c) A rigorous approach managing investment and operational expenses.

The Governing Board will also take into consideration:

- a) KPST is a long-term investor;
- b) There is a need for effective diversification across different asset classes and within a specific asset class itself;
- c) Although investment performance is measured - and savings withdrawals are paid to participants - in euros, this should not limit investments to euro-denominated assets only; and
- d) Participants must maintain their trust in KPST institution, which is why a prudent investment policy is necessary.

Additionally, according to the SIP, the inflation benchmark determined by the Governing Board is Kosovo's annual Consumer Price Index, published by the Kosovo Agency of Statistics. Setting inflation as a target is key to maintaining focus not only on protecting but also on increasing the real value of assets.

Portfolio allocation by age and investment specifications:

Portfolio	Standard	Intermediate	Conservative
Age-cohort	15-57	58 – 62	63+
Investment Objective ¹⁾	Higher asset growth, exceeding by +3% the 10- year average inflation in Kosovo.	Medium to high asset growth, exceeding by +2% the 10-year average inflation in Kosovo.	Asset protection and stability, matching or exceeding the average Kosovo Treasuries yield for the past two years.
Investment approach	Tilted towards long-term assets with higher expected returns to provide more growth potential.	A more balanced exposure between long-term and low risk assets, to transition the participant from growth to preretirement stage.	Tilted towards lower risk assets with expected low to-moderate returns, to reduce the effects of large and short-term fluctuations in markets.
Risk tolerance	Moderate to High	Moderate	Low
Liquidity	Low liquidity needs that can easily be met from incoming contributions and/or daily tradable instruments.	Low liquidity needs that can easily be met from incoming contributions, transfers into the portfolio or daily tradable instruments.	Moderate liquidity needs which should easily be met from the transfers into the portfolio and maintaining adequate levels of cash.

¹⁾ The Board reserves the right to set additional benchmarks for the performance, risk and liquidity of investments.

INVESTMENT UNIVERSE

Pension assets are invested across various types of asset classes, such as equities, bonds, commodities, and money market instruments. Investments are made either directly or through a range of legal structures and investment funds (e.g., mutual funds and exchange-traded funds) that are considered suitable for KPST as a pension fund and long-term investor. Direct investments should primarily be made in publicly traded securities on regulated markets. Investments in: (a) securities that are not publicly traded on regulated markets; and (b) non-investment grade bonds; should be kept at a low level. The same principle applies to specific securities held within investment funds.

Derivatives, if used, may only be employed for hedging purposes and must be undertaken with care and costefficiency,

taking into account potential exposures to a single counterparty or to other derivatives. Assets must be sufficiently and effectively diversified so as not to rely exclusively on any particular asset class, issuer, or investment fund.

The full Statement of Investment Principles (SIP) can be downloaded from the website at the following link:

[Statement of Investment Principles](#)

INVESTMENT DISTRIBUTION ACCORDING TO STRATEGIC ALLOCATION

According to the Statement of Investment Principles, with the current version in force as of 28 October 2025, the investment limits for all three investment portfolios are defined. In the event that these limits are exceeded at a reporting date, there is a three-month period available to bring the investments back within the prescribed limits. The table below presents the strategic allocation data and the respective limits as of 31 December 2025.

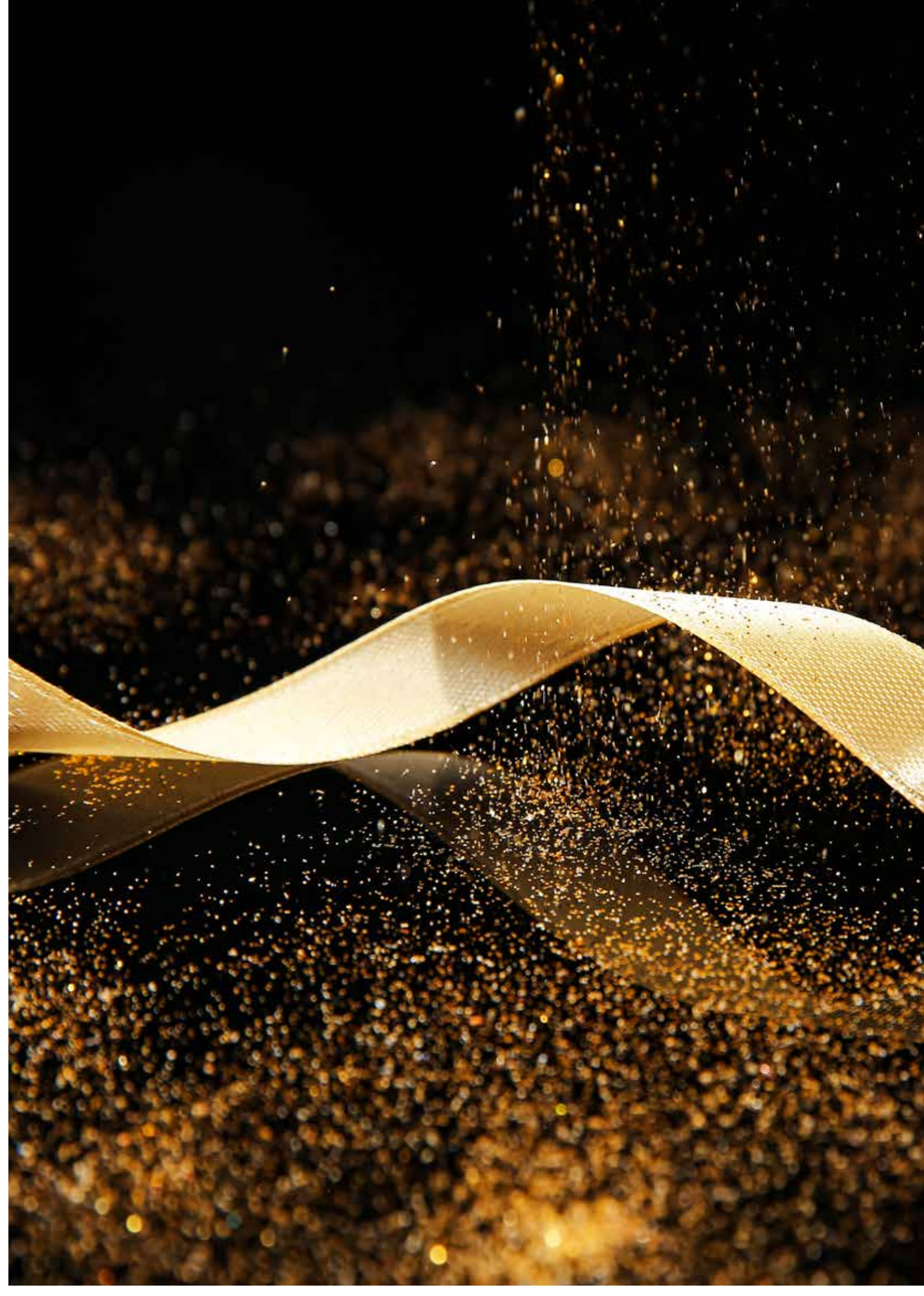
Out of a total of €3,757,805,308 in net allocated assets as of December 31, 2025:

- 1) €3,144,202,608 belonged to the Standard Portfolio (contributors aged 15 to 57 years);
- 2) €440,219,840 belonged to the Intermediate Portfolio (contributors aged 58 to 62 years); and
- 3) €173,382,859 belonged to the Conservative Portfolio (contributors aged 63 years and above).

Strategic allocation investments by weight and limits as of December 31, 2025

CLASSIFICATION	STANDARD PORTFOLIO		INTERMEDIATE PORTFOLIO		CONSERVATIVE PORTFOLIO	
	WEIGHT	LIMIT	WEIGHT	LIMIT	WEIGHT	LIMIT
GROWTH	59.4%	50-80%	51.7%	40-65%	--	0-10%
Equities - Passive	43.7%	40-60%	33.3%	25-40%	--	--
Equities - Active	12.0%	10-40%	16.3%	15-25%	--	0-10%
Equities - Thematic / Individual	3.8%	0-15%	2.2%	0-12%	--	--
Real assets - Growth	--	0-10%	--	0-8%	--	--
Fixed income - High Yield	--	0-5%	--	0-4%	--	--
STABILITY	29.3%	0-50%	46.7%	20-60%	93.9%	50-99%
Fixed Income - Kosovo Treasury	4.4%	0-25%	25.1%	20-60%	84.4%	50-99%
Fixed Income - Investment Grade	3.8%	0-25%	--	0-25%	--	0-30%
Multi assets	8.5%	0-15%	6.4%	0-25%	--	0-10%
Real assets - Core	7.4%	0-15%	3.5%	0-15%	--	--
Term deposits	5.2%	0-10%	11.7%	0-20%	9.5%	0-20%
TACTICAL	6.1%	0-20%	--	0-10%	--	0-10%
All asset classes	6.1%	0-20%	--	0-0%	--	0.0%
LIQUIDITY	5.2%	0-10%	1.6%	0-40%	6.1%	1-30%
Money markets	4.4%	0-10%	0.9%	0-40%	5.4%	0-29%
Cash accounts	0.8%	0-1%	0.8%	0-1%	0.8%	1-10%

Note: Minor differences in column totals are due to rounding.



GEOGRAPHICAL DISTRIBUTION OF INVESTMENTS

(ALL PORTFOLIOS)*

PLACE VALUE	NORTH AMERICA €1,820,674,171	EUROPE €1,637,840,663	ASIA AND OCEANIA €224,585,099	OTHER €76,544,220
PERCENTAGE	48.4%	43.6%	6.0%	2.0%

NO.	COUNTRY	ASSETS	PERCENTAGE
1.	United States	€1,773,616,630	47.18%
2.	Kosovo	€656,494,836	17.46%
3.	France	€180,145,519	4.79%
4.	United Kingdom	€155,022,047	4.12%
5.	Japan	€137,766,197	3.66%
6.	Germany	€96,942,147	2.58%
7.	Italy	€86,034,567	2.29%
8.	Canada	€42,303,192	1.13%
9.	Netherlands	€41,160,807	1.09%
10.	Spain	€39,494,325	1.05%
11.	Austria	€37,352,997	0.99%
12.	Sweden	€28,695,750	0.76%
13.	Switzerland	€24,326,549	0.65%
14.	Australia	€23,451,054	0.62%
15.	Ireland	€21,350,292	0.57%
16.	Luxembourg	€18,400,244	0.49%
17.	Taiwan	€15,646,830	0.42%
18.	Denmark	€13,376,796	0.36%
19.	Finland	€13,256,567	0.35%
20.	China	€12,271,790	0.33%
21.	Singapore	€11,778,174	0.31%
22.	Belgium	€10,973,730	0.29%
23.	Hong Kong	€6,096,634	0.16%
24.	South Korea	€5,908,770	0.16%
25.	Portugal	€5,689,880	0.15%
26.	Brazil	€5,368,453	0.14%
27.	Mexico	€4,440,181	0.12%
28.	Israel	€4,194,185	0.11%
29.	Norway	€4,053,773	0.11%
30.	South Africa	€3,687,339	0.10%
31.	Romania	€2,625,146	0.07%
32.	India	€2,625,011	0.07%
33.	Hungary	€2,013,973	0.05%
34.	Indonesia	€1,032,177	0.03%
35.	Guernsey	€781,064	0.02%
	OTHER	€271,266,527	7.22%
	TOTAL	€3,759,644,153	100.00%

PENSION ASSETS ARE INVESTED THROUGH OPEN-END FUNDS ADMINISTERED BY MANAGERS OF THESE FUNDS IN SHARES, DEBT INSTRUMENTS, CASH AND OTHER FINANCIAL INSTRUMENTS OF GLOBAL CORPORATIONS AND SOVEREIGN TREASURIES. AT THE END OF 2025 KPST HAD DIRECT AND INDIRECT INVESTMENTS IN FINANCIAL INSTRUMENTS OF 4,272 GLOBAL ISSUERS (2024: 3,312).

*THE VALUES IN THIS TABLE DO NOT INCLUDE PROVISIONS.

MAIN ISSUERS

The list of the 25 largest issuers for KPST assets is presented below. KPST creates exposure to these issuers both directly (such as bank deposits and Kosovo government bonds, Eurozone bonds) and indirectly (through mutual funds and exchange-traded funds).

As can be seen, the Treasury of the Republic of Kosovo continued to be by far the largest placement in a single entity in 2025 as well.

It shall be remembered that legal restrictions require that KPST does not exceed placements as follows: a) no more than 30% in the Treasury of Kosovo; b) no more than 20% of assets in debt bonds of a single issuer rated AA or higher; c) 10% in bonds rated A or higher; d) 5% in bonds rated BBB or lower; e) no more than 5% of assets in a single issuer for shares; and f) up to 1% in bonds rated BB+ or lower.

List of the 25 main KPST's placements had investments as of December 31, 2025

NO.	ISSUER	INVESTED ASSETS (in million)
1.	Treasury of the Republic of Kosovo	€395.9
2.	Nvidia	€89.4
3.	Microsoft	€77.4
4.	Alphabet	€72.4
5.	NLB Bank Kosovo	€70.7
6.	Apple	€66.8
7.	ProCredit Bank Kosovo	€62.0
8.	Raiffeisen Bank Kosovo	€51.7
9.	Treasury of Italy	€46.4
10.	Treasury of France	€45.0
11.	Amazon	€39.4
12.	Treasufy of Austria	€32.7
13.	Broadcom	€31.6
14.	Meta Platforms	€31.4
15.	BPB Bank Kosovo	€29.8
16.	Treasury of the USA	€24.2
17.	AstraZeneca	€19.9
18.	Tesla	€19.7
19.	Eli Lilly	€19.2
20.	Groupe Credit Mutuel	€18.3
21.	JPMorgan Chase & Co	€17.2
22.	Johnson & Johnson	€15.8
23.	Visa	€15.2
24.	Banka Ekonomike Kosovo	€15.1
25.	Berkshire Hathaway	€14.1

ASSET CLASSES

Of the 30 funds in which KPST had investments at the reporting date: (a) 22 were denominated in EUR, with a total amount of €2,633,690,292 or 69.6% of total assets; (b) 8 were denominated in USD, with a total amount of €376,620,178 or 10.0% of total assets (2024: 13 funds in EUR with €2,109,342,632 or 65.8% of total assets, and 9 funds in USD with €411,136,216 or 12.8% of total assets).

Although the funds are denominated in EUR or USD, their underlying instruments are held in multiple currencies and in varying allocation percentages.

Asset Allocation by Class as of December 31, 2025 – **STANDARD PORTFOLIO**

ASSET CLASSES	STRATEGY	ASSET VALUE
Passive equities	Growth	€1,373,645,663
Active equities	Growth	€376,542,626
Multi-assets	Stability	€266,498,042
Real assets	Stability	€231,824,437
Cash	Tactical	€193,051,505
Term depositis	Stability	€163,342,914
Bonds – Treasury of Kosovo	Stability	€138,979,112
Money markets	Liquidity	€138,275,821
Bonds	Stability	€120,298,241
Thematic equities	Growth	€118,538,829
Cash at banks	Liquidity	€24,594,092
TOTAL		€3,145,591,282

Asset Allocation by Class as of December 31, 2025 – **INTERMEDIATE PORTFOLIO**

ASSET CLASSES	STRATEGY	ASSET VALUE
Passive equities	Growth	€146,653,585
Bonds – Treasury of Kosovo	Stability	€110,363,905
Active equities	Growth	€71,563,646
Term depositis	Stability	€51,424,039
Multi-assets	Stability	€27,999,781
Real assets	Stability	€15,624,643
Thematic equities	Growth	€9,534,743
Money markets	Liquidity	€3,800,284
Cash at banks	Liquidity	€3,338,134
TOTAL		€440,302,760

Asset Allocation by Class as of December 31, 2025 – **CONSERVATIVE PORTFOLIO**

ASSET CLASSES	STRATEGY	ASSET VALUE
Bonds – Treasury of Kosovo	Stability	€146,566,098
Term depositis	Stability	€16,554,567
Money markets	Liquidity	€9,297,470
Cash at banks	Liquidity	€1,331,976
TOTAL		€173,750,111

RATING OF PLACEMENTS IN DEBT INSTRUMENTS AND INDIRECT CASH INSTRUMENTS			
	--	INVESTMENTS IN KOSOVO	10.5%
	--	OUTSIDE KOSOVO	0.2%
	AAA	PRIME	0.3%
	AA	HIGH	1.8%
	A	UPPER MIDDLE TIER	1.5%
	BBB	LOWER MIDDLE TIER	1.7%
	BB	SPECULATIVE	0.3%
	B	HIGHLY SPECULATIVE	0.1%
	C AND BELOW	HIGH RISK	0.0%

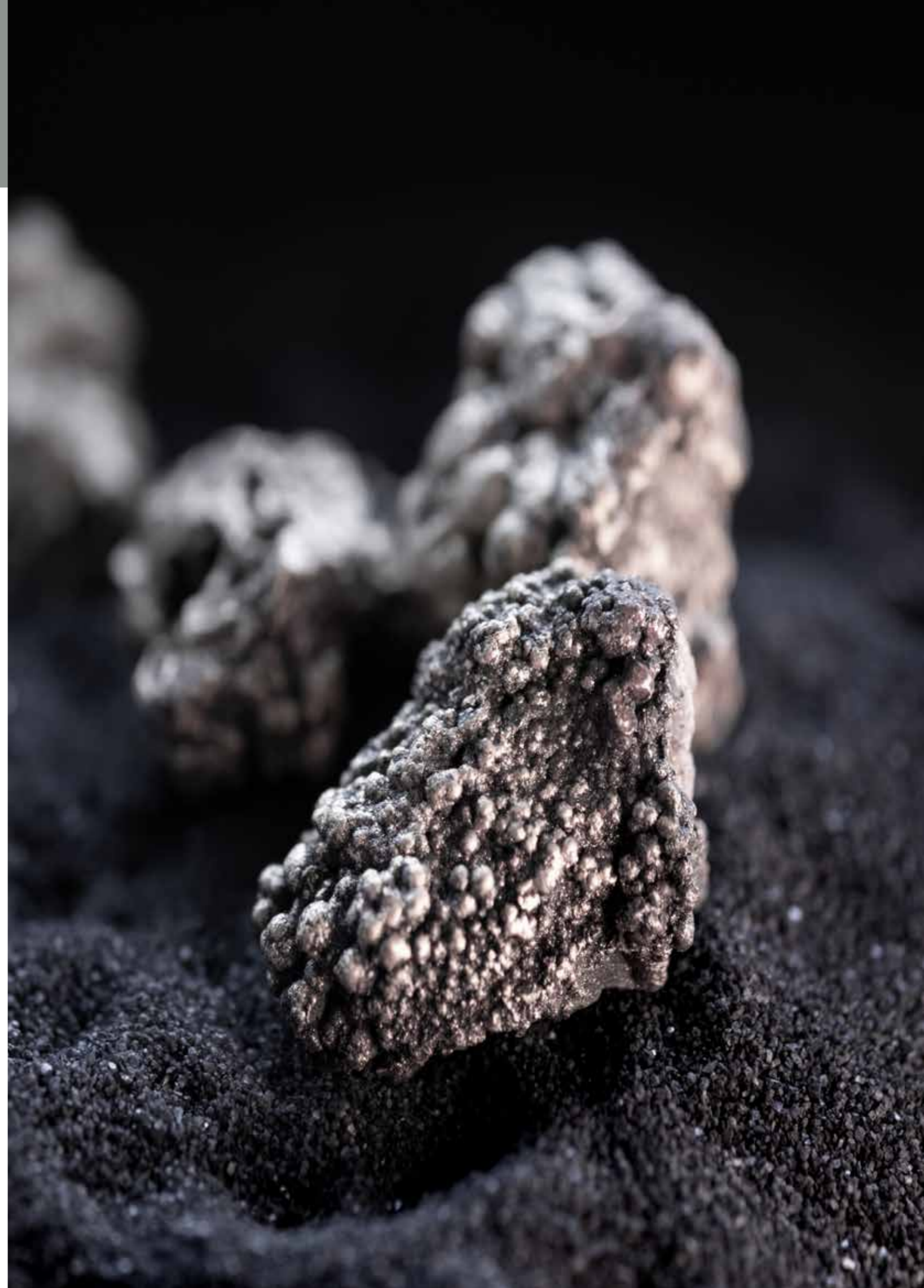
INVESTMENT PERFORMANCE

The total gross return for all three KPST investment portfolios for 2025 reached €308.9 million (2024: €247.2 million).

Of this amount, returns from investments in open-ended investment funds and ETFs amounted to €275.0 million, plus €7.1 million from dividends, for a total of €282.1 million. In addition, investments in Kosovo securities, bank deposits, and income from cash accounts contributed a further €23.8 million. To this amount is also added the surplus returned to the pension fund, in the value of €3.0 million.

Return on investments from allocation in open-end funds and ETFs:

Issuer	Allocation at the year end	Annual gross return
Vanguard Global Stock Index Fund	€766,241,681	€104,799,566
Nordea 1 – Global Stable Equity Fund	€124,791,971	€2,315,474
Nordea 1 –Stable Return Fund X	€87,933,038	€2,358,946
Amundi – Euro Liquidity Fund	€151,373,575	€6,668,289
Invesco QQQ Trust ETF	--	€4,276,335
SPDR S&P Oil & Gas Exploration & Production ETF	€24,081,494	€(7,854,783)
Global X U.S. Infra-structure Development ETF	€68,499,746	€4,102,400
iShares U.S. Infrastructure ETF	€93,912,618	€186,588
Vanguard Value Index Fund ETF	€73,985,061	€ (360,362)
iShares Edge MSCI Europe Value Factor UCITS ETF	€130,789,966	€33,368,888
SPDR MSCI Europe Energy UCITS ETF	--	€3,133,452
WisdomTree Physical Gold - EUR Daily Hedged ETC	--	€5,755,094
SPDR S&P Euro Dividend Aristocrats UCITS ETF	€30,464,444	€3,558,555
WisdomTree WTI Crude Oil ETF	--	€ (4,546,006)
Vanguard EUR Eurozone Government Bond ETF	€27,459,394	€174,865
iShares Residential and Multisector Real Estate ETF	€42,952,109	€(4,586,806)
Pacer Data & Infrastructure Real Estate ETF	--	€(3,060,295)
Amundi MSCI Europe Quality Factor ETF	€71,620,944	€3,816,221
Amundi MSCI Japan EUR Hedged ETF	€53,594,651	€10,885,465
SPDR Russell 2000 US Small Cap UCITS ETF	€31,104,543	€505,327
Schroder ISF Global Sustainable Growth	€105,192,663	€8,677,716
Invesco S&P 500 EUR Hedged ETF	€307,607,637	€39,331,528
Global X Data Center & Digital Infrastructure ETF	€34,925,931	€2,292,397
iShares US Digital Infrastructure & Real Estate ETF	€7,158,676	€(505,418)
iShares Listed Private Equity UCITS ETF USD	€29,938,290	€136,754
VanEck Defence UCITS ETF	€19,783,184	€3,874,918
Future of Defence UCITS ETF	€18,574,047	€2,650,420
Schroder ISF - Global Equity Alpha	€110,738,514	€12,238,514
Schroder ISF - Global Multi-Asset Balanced	€75,665,775	€7,165,775
Allianz Dynamic Multi Asset Strategy SRI 75	€56,180,299	€10,009,687
Blackrock - BGF Global Allocation Fund	€74,718,712	€6,522,192
BNP Paribas Funds Health Care Innovators	€35,696,558	€5,866,100
JP Morgan - Global Select Equity Fund	--	€4,814,107
JP Morgan - Global Select Equity Fund EUR Hedged	€107,383,124	€4,355,436
Amundi Smart Overnight Return UCITS ETF	€193,051,505	€1,153,402
iShares Core FTSE 100 UCITS ETF GBP	€54,890,320	€914,437
Total	€3,010,310,470	€274,995,178
Income from dividends		€7,077,161
Total income from open-end funds and ETFs		€282,072,339



5

CONTRIBUTION AND RETIREMENT

First-time contributing
Contribution
Retirements and benefit payments

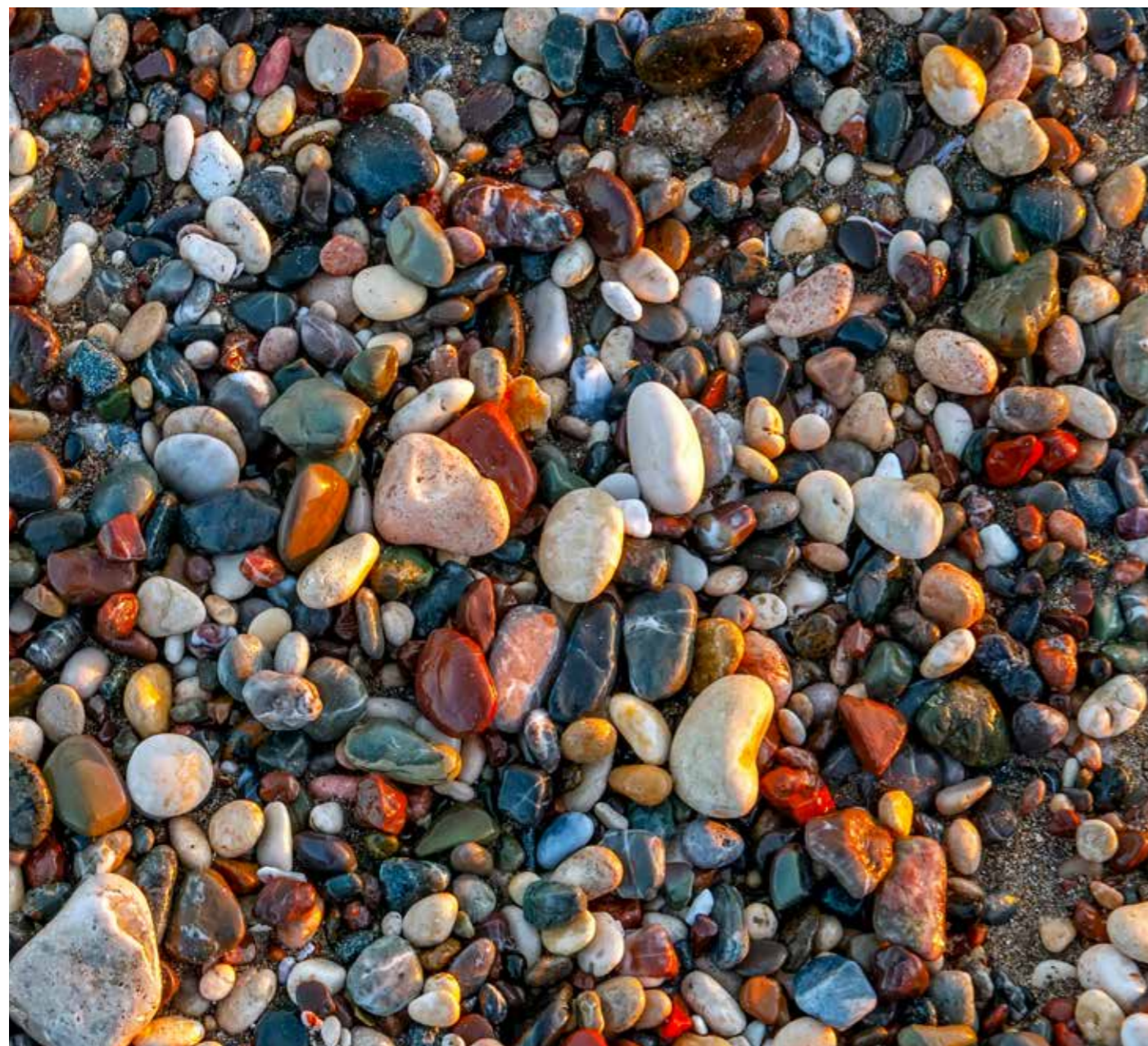
FIRST-TIME CONTRIBUTORS

KPST defines “first-time contributors” as those who opened a savings account for the first time during the reporting year.

First-time contributors totaled 36,465 individuals (2024: 38,040), representing a 4.1% slow compared to the previous year. It appears that 13.9% of them make their first contribution after the age of 40+ (2024: 14.9%), indicating a slight decrease in the entry age of first-time contributors.

The average age of first-time contributors was 26.0 years, while 69.4% of them were 25 years old or younger (2024: respectively 26.3 years and 67.5%).

Women accounted for 52.4% of employees and 37.9% of self-employed individuals within the total number of first-time contributors (2024: 53.5% and 42.6%, respectively).



CONTRIBUTION

Contributions collected from employees and the self-employed this year reached €364.3 million (2024: €315.8 million), representing an increase of 15.4% compared to the previous year.

There were 7,026 new employers this year, marking a 3.9% increase from the previous year (2024: 6,761). In 2024, this figure had declined by 2.9%.

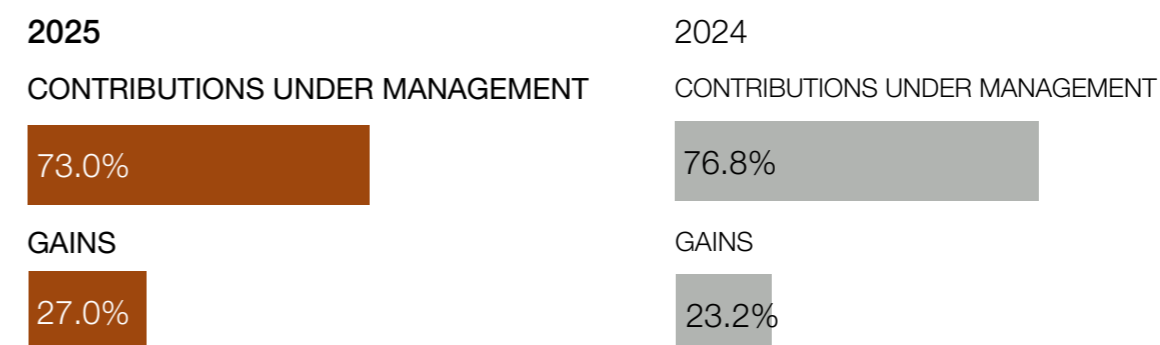
New employers are considered to be businesses, institutions, and other entities that contribute for their employees for the first time.

On the other hand, the average number of active monthly contributors during 2025 reached 357,296, or +2.8% compared to the previous year (2024: 347,486).

By the end of the year, the average balance across all pension savings accounts increased significantly by 13.7% to €4,569 (2024: €4,016). This increase was influenced both by positive investment returns (which affect the entire accumulated balance) and by the rise in the minimum wage (and consequently, the contribution amount).

CONTRIBUTIONS COLLECTED AND NET AUM		
PERIOD	COLLECTED CONTRIBUTIONS (in million)	NET AUM (in million)
2002-2021	€2,189.2	€2,353.2
2022	€2,430.7	€2,411.2
2023	€2,716.9	€2,701.8
2024	€3,032.7	€3,181.3
2025	€3,397.0	€3,757.8

composition of net assets under management



RETIREMENT AND PAYMENTS

During 2025, KPST paid out pensions due to reaching retirement age (65 years), disability (based on decisions of the relevant Ministry), and for death of the participant (the funds were inherited by family members). Withdrawals were also occurred, in accordance with applicable legislation, by foreign nationals - who were not obliged to contribute to KPST. The total funds paid out to all categories in 2025 amounted to €82.9 million (2024: €69.7 million).

Of the total amount withdrawn, €62.8 million represented contributions paid by the contributors themselves, while €20.1 million represented gains generated from the investment of pension assets. Thus, during the year, funds were withdrawn with an average increase (average realized gain) of 24.2% (2024: 24.1%), while withdrawals were made from 8,633 accounts (2024: 7,905 accounts). As a result, the total number of accounts with permanent withdrawals since establishment reached 88,544.

The number of individuals who withdrew funds in 2025 after reaching retirement age was 6,691, or 77.5% of cases (2024: 6,044 or 76.5%). Withdrawals due to disability totaled 1,028 individuals, or 11.9% of cases (2024: 959 individuals or 12.1%). Withdrawals due to death totaled 871 cases, or 10.1% (2024: 867 cases or 11.0%). Contributors with non-resident status in Kosovo accounted for 43 individuals, or 0.5% of cases (2024: 35 individuals or 0.4%).

Since inception until the end of 2025, a total of €783.0 million has been withdrawn by participants. Of this amount, €619.4 million were contributions paid by contributors, while €163.6 million were gains generated from investments. Overall, since establishment, participants' funds have been withdrawn with an average realized gain of 20.9%.

When and how can pension savings be withdrawn?

The participant reaches the retirement age of 65 years

A participant who retires with a savings balance equal to or less than the threshold of €3,000 will receive all their savings in a lump-sum withdrawal. On the other hand, if the participant retires with a balance above this threshold, they have the option to take 20% of the balance immediately, while the remaining amount must be withdrawn in stages, through monthly payments under the phased withdrawal program, until the savings are exhausted.

Monthly payments are set at 1% of the account balance at the time of unit buyback by KPST, or €200, whichever is higher.

The portion withdrawn in phases is transferred from KPST to a commercial bank selected by the participant, and the bank then makes monthly payments to the retiree. Since the participants' funds are no longer under KPST's custody, they are no longer included in KPST's Pension Assets accounting.

The participant receives a disability pension

A participant who is receiving a disability pension for a specified number of years, as determined by the relevant Ministry, can withdraw their savings through the phased withdrawal program. Withdrawals are limited to €2,400 for each year covered by the invalidity pension, or to the entire balance of the savings, whichever is lower. Similarly, as mentioned above, these funds are no longer accounted for by KPST-PA, as they are transferred to the commercial bank, which makes monthly payments of €200 to the participant until the funds are exhausted.

The participant is not, and has not been, obligated to contribute to the pension fund

A foreign citizen who has never held citizenship of Kosovo and has never been granted permanent resident status in Kosovo (by the Ministry of Internal Affairs) may withdraw all pension savings, provided that the person is not a citizen of a country with which the Republic of Kosovo has a bilateral agreement stipulating otherwise.

The participant dies before reaching retirement age

The legitimate heir may choose to receive their share of the deceased participant's savings through (a) a lump sum payment, or (b) a transfer to their own savings account in KPST. The priority of heirs is as follows: (1) spouse, (2) children, and (3) others, as determined by the court or notary.

The rules for withdrawing savings, including thresholds, are defined by the CBK in its Regulation on Pension Savings Withdrawals. The phased withdrawal rules are conditional until annuities are introduced in Kosovo.

WITHDRAWAL OF BENEFITS

PERIOD	PAID CONTRIBUTIONS (in million)	REALISED GAINS (in million)	WITHDRAWAL OF BENEFITS (in million)
2004-2020	€359.3	€79.1	€438.5
2021*	€49.4	€16.1	€65.5
2022	€40.8	€14.1	€54.9
2023	€54.2	€17.4	€71.6
2024	€52.9	€16.8	€69.7
2025	€62.8	€20.1	€82.9
TOTAL	€619.4	€163.6	€783.0

*This includes the amount of early withdrawals of 10% of savings as a measure against Covid-19.

Withdrawal of pension savings for foreign citizens

Withdrawal of pension savings from KPST (according to the Law No. 04/L-101 and to the supplementary law 05/L-116) can be made by all foreign citizens who were and are not obliged to pay pension savings to KPST (excluding citizens of countries with which Kosovo has bilateral agreements otherwise). In the case of foreign citizens, the entire accumulated balance is withdrawn immediately.

Reimbursement of funds withdrawn for COVID-19 economic recovery

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 started with annual reimbursements in 2023. The memorandum, signed between the Government and KPST, details that priority for the reimbursements will be provided to participants with (1) permanent withdrawals; and (2) earlier dates of birth.

In July 2025 the Government reimbursed a further EUR 2,995,026 for 6,905 participants, and the remaining balance on reporting date is EUR 91,472,795 for a total of 349,402 participants (2024: Reimbursed EUR 1,873,876 for 4,255 participants, with the remaining balance on reporting date of EUR 94,467,821 for 356,307 participants).

In its budget for the fiscal year 2026, for the fourth instalment, the Government has allocated EUR 3,000,000. Since budget allocations are generally initial plans, the exact amount would be determined when actual reimbursements are made.

6

CONTRIBUTOR DEMOGRAPHICS

- Contributors
- Geographic distribution of contributors
- Contributors age
- Contributors by type of enterprise
- Average contribution
- Level of contribution

ACTIVE CONTRIBUTION

Active contribution, according to monthly reporting, refers to any individual who has contributed to KPST at least once during the respective month, regardless of the amount of the contribution.

The number of active contributors is presented for each month over the last five years (in the table on the following page), as well as the annual average for each year. The number of contributors for each month represents the engagement of contributors for each month and is not cumulative. From the monthly data, it can be observed that the end of the quarter always shows the highest number of contributors. This happens because self-employed individuals report and make payments quarterly, not every month (as employees do).

This year, the average number of active contributors per month was 357,296 (2024: 347,486).

During the year, 445,853 individuals appeared with at least one contribution as employees, while 19,376 appeared as self-employed contributors (2024: 20,846). Within these figures, 5,054 contributors were counted twice (2024: 4,577), as they appeared both as employees and as self-employed individuals.

This year, compared to the previous year, there was an increase in the number of active contributors in all 12 months. The highest increases were recorded in October and November 2025, with 4.7% and 4.1%, respectively. On average, the number of active contributors this year was 2.8% higher than in the previous year.

The average balance of active accounts at the end of 2025 increased to €6,829 (2024: €5,974), representing an improvement of +14.3%. This increase in the average balance of active accounts was influenced by positive investment returns (which affect the entire accumulated balance), as well as wage increases (in both the public and private sectors) and the increase in the minimum wage for all contributors, which in turn affected new monthly contributions.

On the other hand, the average balance withdrawn upon reaching retirement age was €9,411 in 2025 (2024: €7,905), representing an increase of 19.2% compared to the previous year.

The unsatisfactory state of the average pension savings balance mainly stems from the insufficient contribution level for pension savings (10%), which is the lowest in Europe. Along with the contribution level, Kosovo has also been affected by relatively low wages, especially during the period from 2002 to 2015.

KPST is emphasising, and repeating these facts, believing that this is how it is fulfilling part of its social responsibility: that every citizen of Kosovo should have saved enough for their pension, which will enable them a more safe life, in the financial sense.

As off the current indicators, with this contribution trend, it cannot be planned that the majority of today's employees will be able to have a sufficient pension from the pension savings in KPST, and thus they risk continuing to be a burden on the state and/or society.

THE NUMBER OF ACTIVE CONTRIBUTORS PER MONTH IN THE LAST FIVE YEARS

	2025	2024	2023	2022	2021
JANUARY	345,929	337,840	328,834	315,905	291,571
FEBRUARY	350,457	339,894	330,471	317,639	296,573
MARCH	371,333	360,646	355,133	344,748	330,988
APRIL	358,096	345,894	337,361	328,814	303,679
MAY	354,145	345,295	341,050	330,856	306,769
JUNE	374,168	368,113	364,610	353,434	328,749
JULY	361,863	350,118	346,098	332,154	312,725
AUGUST	354,290	345,964	344,534	331,105	311,886
SEPTEMBER	369,833	363,107	363,584	351,045	332,912
OCTOBER	355,500	339,603	340,433	330,169	324,599
NOVEMBER	349,648	337,768	336,129	321,635	320,014
DECEMBER	342,289	337,586	338,640	321,150	328,195
AVERAGE	357,296	347,486	343,906	331,555	315,722



GEOGRAPHIC DISTRIBUTION

Since a large number of contributors (18% of them) are paid by the Ministry of Public Administration, the office of which is registered in Prishtina, we are not able to analyse where the contributors worked during the year.

This is why KPST presents only analyses based on the addresses of contributors in the municipalities that KPST maintains its registers, and it is not possible to use other data of the geographical area.

in 2025, all 38 municipalities recorded an increase in the number of contributors.

In the top ten ranking, South Mitrovica surpassed Vushtrri this year. Overall, there were no major changes in the ranking of municipalities by number of contributors.

The most notable increase (in percentage terms) among municipalities with a high number of contributors was in South Mitrovica (+6.7%), while, as expected, Prishtina recorded the largest nominal increase in contributors.



CONTRIBUTORS BY MUNICIPALITY

NO.	MUNICIPALITY	NO. OF CONTRIBUTORS	PARTICIPATION	CHANGE FROM 2024	
				IN NUMBER	IN %
1.	Prishtina	82,976	17.64%	2,767	3.45%
2.	Prizren	37,936	8.07%	1,324	3.62%
3.	Ferizaj	30,624	6.51%	1,020	3.45%
4.	Peja	25,562	5.44%	553	2.21%
5.	Gjilan	25,478	5.42%	866	3.52%
6.	Gjakova	23,413	4.98%	293	1.27%
7.	Podujeva	22,898	4.87%	743	3.35%
8.	South Mitrovica	20,092	4.27%	1,253	6.65%
9.	Vushtrria	19,876	4.23%	908	4.79%
10.	Lipjan	17,407	3.70%	686	4.10%
11.	Drenas	15,625	3.32%	668	4.47%
12.	Fushe Kosove	14,037	2.98%	750	5.64%
13.	Suhareka	12,793	2.72%	538	4.39%
14.	Skenderaj	12,544	2.67%	586	4.90%
15.	Rahovec	10,003	2.13%	248	2.54%
16.	Malisheva	9,772	2.08%	474	5.10%
17.	Istog	9,741	2.07%	380	4.06%
18.	Viti	9,189	1.95%	295	3.32%
19.	Kacanik	8,119	1.73%	351	4.52%
20.	Klina	8,001	1.70%	360	4.71%
21.	Kamenica	7,690	1.64%	254	3.42%
22.	Obiliq	7,605	1.62%	383	5.30%
23.	Shtime	6,742	1.43%	316	4.92%
24.	Decan	6,498	1.38%	176	2.78%
25.	Dragash	5,013	1.07%	262	5.51%
26.	Gracanica	2,539	0.54%	214	9.20%
27.	Shterpca	2,082	0.44%	109	5.52%
28.	Partesh	1,579	0.34%	8	0.51%
29.	Hani i Elezit	1,364	0.29%	84	6.56%
30.	Leposaviq	1,261	0.27%	383	43.62%
31.	Novoberda	999	0.21%	77	8.35%
32.	Mamusha	931	0.20%	60	6.89%
33.	Zubin Potok	922	0.20%	118	14.68%
34.	North Mitrovica	887	0.19%	218	32.59%
35.	Zvecan	818	0.17%	206	33.66%
36.	Junik	689	0.15%	9	1.32%
37.	Klllokot	478	0.10%	47	10.90%
38.	Ranillug	371	0.08%	35	10.42%
	Other*	5,729	1.22%	-105	-1.80%

*This is the number of contributors residing outside Kosovo or for whom the KPST did not have information on which municipality they belong to.

CONTRIBUTORS AGE

The average age of all contributors in 2025 increased slightly to 42.0 years from 41.7 at the end of the previous year. This year, the median age of contributors also increased to 40.0 years, from 39.0 years last year.

The average age by gender also showed slight changes. For men, it reached 43.9 years (from 43.5 years), and

the median increased to 42.0 years (from 41.0 years). For women, the average age increased to 38.8 years (from 38.6 years), while the median remained unchanged at 36.0 years.

AVERAGE - MEN:

43.9



MEDIAN - MEN:

42.0

AVERAGE - WOMEN:

38.8



MEDIAN - WOMEN:

36.0

Regarding contributors by age groups, the number of contributors aged 15–24 decreased to 18.5%, from 19.3%, while the 25–34 age group remained unchanged. The 35–44 age group decreased slightly to 22.7% (from 22.9%).

The most notable increase in percentage terms this year was in the 65+ age group, which rose to 1.4% from 0.8%, indicating that contributors in this age group (although still small in number) who choose to remain active after retirement age are increasing.

AGE COHORT	2025	2024
15-24	18.5%	19.3%
25-34	26.6%	26.6%
35-44	22.7%	22.9%
45-54	18.2%	18.1%
55-64	12.5%	12.3%
65+	1.4%	0.8%

CONTRIBUTORS BY TYPE OF ENTERPRISE

The type of enterprise is determined according to their registration in the Kosovo Business Registration Agency or the Ministry of Public Administration.

It should be noted that public and social enterprises (e.g. regional water supply or waste companies, Post of Kosovo, central heating companies, etc.), most of them are registered as joint-stock companies; therefore, they are presented along with other public and social companies in the joint-stock companies' group.

Also, the number of contributors by enterprise does not match the number of active contributors for the year because a contributor appears more than once in the figures by enterprises- if he/she is employed in two or more types of enterprises.

In 2025, there was an increase in the number of contributors from budget organizations, LLCs, joint-

stock companies, and other categories. In contrast, there was a decrease in contributors from individual businesses, NGOs, self-employed individuals, and partnerships.

It is evident that the number of contributors belonging to budget organizations increased significantly this year; however, this is directly linked to the election year, during which three rounds of elections were held. This created a need for additional staff engagement in the organization and management of the electoral process.

Meanwhile, movement in other types of enterprises was moderate. This year, there was a more evident decline in partnerships (-13.0%) and individual businesses (-8.1%).

ENTERPRISE TYPE	2025	2024
Budget organisations	119,349	94,063
LLCs	259,623	249,574
Individual businesses	57,750	62,814
Self-employed	24,432	25,423
Joint stock companies	30,195	29,571
Partnerships	20,397	20,758
NGOs	2,697	3,100
Others	10,786	10,224



AVERAGE CONTRIBUTIONS

In the tables that follow are the data on the average monthly contribution for the last three years through the end of 2025. The data are shown according to the type of contribution, age group, and gender of contributors.

It should be noted that due to the change in the minimum wage as of 1 October 2024, which increased to €350 (from €130 and €170 previously, depending on age), and considering that in 2024 the minimum wage for 9 months was €130 and €170, while for the last 3 months of the year it was €350—whereas in 2025 it remained at €350 for all 12 months—changes in contribution levels cannot be assessed under fully comparable conditions. In addition, during 2025 there were also wage increases in the public sector, which further directly influenced contribution levels.

As a result of these changes, in 2025 there was a notable increase in contributions for both employees and self-employed individuals, as well as across age groups and gender. For 2025, the average monthly contribution increased by 26.8% for self-employed individuals and by 13.3% for employees.

Regarding contributions by age group, the strongest increase was recorded in the 15–24 age group (+49.4%) and the 25–34 age group (+36.1%), which were clearly influenced by the removal of age differentiation in the minimum wage calculation - a decision considered fair.

In terms of contributions by gender, the strongest increase in contributions was recorded among self-employed women (also likely influenced by the increase in the minimum wage), with a 36.6% higher contribution this year. While self-employed 24.7% higher contribution.

As for employees, contribution increases were very similar: +12.9% for women and +13.8% for men - an increase that appears to be driven mainly by wage growth. Among employees, the 25–34, 35–44, and 45–54 age groups all experienced very similar increases in contributions: +11.9%, +11.7%, and +11.8%, respectively, compared to the previous year. The 15–24 age group increased by 10.6%, while the 55–64 age group increased by 7.8%.

By gender, employed women recorded the highest increase in average monthly contributions at 18.3%, compared to 11.8% for employed men. However, men still have significantly higher average contributions at €58.9, compared to €33.2 for women. This indicates a gap that may suggest that women in Kosovo are paid significantly less than men.

AVERAGE MONTHLY CONTRIBUTIONS		
YEAR	EMPLOYED	SELF-EMPLOYED
2023	€59.7	€36.1
2024	€66.9	€41.1
2025	€75.8	€52.1

AVERAGE MONTHLY CONTRIBUTIONS - BY AGE GROUP

AGE COHORT	2025		2024		2023	
	EMPLOYED	SELF-EMPLOYED	EMPLOYED	SELF-EMPLOYED	EMPLOYED	SELF-EMPLOYED
15-24	€50.4	€40.5	€46.3	€27.1	€41.8	€22.8
25-34	€73.4	€47.5	€66.8	€34.6	€59.7	€29.2
35-44	€82.2	€51.8	€75.1	€40.8	€67.2	€36.4
45-54	€82.5	€53.4	€74.8	€43.5	€66.9	€38.4
55-64	€86.5	€55.2	€73.9	€44.9	€68.5	€41.0
65+	€82.7	€57.6	€82.2	€46.9	€68.1	€51.5

AVERAGE MONTHLY CONTRIBUTIONS - BY GENDER

YEAR	WOMEN		MEN	
	EMPLOYED	SELF-EMPLOYED	EMPLOYED	SELF-EMPLOYED
2023	€52.7	€28.1	€64.5	€38.2
2024	€58.9	€33.3	€72.4	€43.3
2025	€66.5	€45.5	€82.4	€54.0



LEVEL OF CONTRIBUTION

The height of the minimal monthly contribution for a full-time employee continues to be 10% of the minimum wage.

Until September 2024, this meant a minimal monthly contribution of €13 for individuals under 35 years old and €17 for individuals over 35 years old. For self-employed individuals, these figures were €39 and €51, respectively, as they are paid on a quarterly basis.

However, with the entry into force in October 2024 of a monthly minimum wage of €350, regardless of age, the minimal contribution should be €35 per month for employees, or €105 per quarter for self-employed individuals.

Now, more than a year after the increase in the minimum wage, clearer assessments can be made regarding the alignment of contribution payments with the minimum wage.

For 2025, 80.3% of employees had pension contributions above the minimum wage level, 10.9% had contributions equal to the minimum wage, and 8.8% had contributions below the minimum wage. These figures changed very little compared to the previous year.

This year shows an improvement in the level of contribution payments among the self-employed. Thus, 38.7% of them paid contributions above the minimum (23.9% in the previous year); 61.0% paid contributions at the minimum level (73.8% in the previous year); and only 0.3% paid contributions below the legal minimum (2.3% in the previous year).



CONTRIBUTING LEVEL - BY THE EMPLOYED

	PAYMENT		
	BELOW MINIMUM	AT MINIMUM	ABOVE MINIMUM
Level of payment	8.8%	10.9%	80.3%

CONTRIBUTING LEVEL - BY THE SELF-EMPLOYED

	PAYMENT		
	BELOW MINIMUM	AT MINIMUM	ABOVE MINIMUM
Level of payment	0.3%	61.0%	38.7%

7

LEGISLATION

Legal framework
Proposed changes

LEGAL FRAMEWORK AND CHANGES

The Law No. 04/L-101 of the Republic of Kosovo on Pension funds of Kosovo, together with its subsequent amendments (Laws No: 04/L-115; 04/L-168; and 05/L-116), provides for a detailed list of functions and responsibilities of KPST and its Governing Board.

KPST legal framework further is detailed and regulated through the pension rules of CBK as well as directives of TAK for the manner of reporting, contributing, correction and taxation of pension contributions.

On the following page we have presented our proposals for legal amendments / changes on the most important current issues in the field of mandatory pension savings

PROPOSALS ON LEGAL SUPPLEMENTS/AMENDMENTS

1. RESTRICTIONS ON THE GOVERNMENT OF KOSOVO TREASURIES

The current legal restriction that up to 30% of the funds may be invested in the bonds of the Government of the Republic of Kosovo may be increased to 50%, to enable more investments in this instrument. The other regulatory restriction that determines that KPST can offer a maximum of 50% of an auction of bonds issued by the Government of the Republic of Kosovo may also be revised.

2. ANNUAL ACCOUNTS STATEMENTS

Legislation requires KPST to send a written annual statement to participants. Whilst email deliveries are quite safe, those by mail due to the lack of correct addresses do not reach the right person. Thanks to the eTrusti portal, and access to it through eKosovo, this legal requirement should be removed or changed, since access to the statement is possible at any time.

3. INVESTMENTS IN "PRIVATE MARKETS"

It is necessary that KPST, like many pension funds in the world, is allowed to invest through asset managers in alternative investments such as "Private Market Funds". Alternative investments cover different asset classes, such as private equity, infrastructure or real estate. This would serve diversification, where allocation would be limited between 5% and 10% of the assets.

4. HARMONISATION OF PENSION PAYMENT SAVINGS AND LIFE EXPECTANCY

Because current legislation prevents second-pillar annuities from being lower than the minimum pension provided by the first pillar, monthly payments from KPST are often exhausted very quickly. Furthermore, since the second pillar is intended to finance the primary pension, the amount saved must also be aligned with life expectancy.

As KPST has not yet reached full maturity (40 years), it must be linked to first-pillar benefits to create a unified pension system. For example, the ratio of savings to life expectancy would be added to the basic pension, ensuring the beneficiary receives a consistent retirement value throughout their lifetime.

Initially, this would be financed entirely by individual KPST savings; once these funds are depleted, financing would transition to the state budget. The portion saved at the beginning would serve to fund this combined pension until the end of the retiree's life. This approach fulfills the ultimate goal of the pension scheme: ensuring every pensioner receives a lifelong pension based on their contributions.

Currently, retirees receive 20% of their savings as a lump sum and at least €200 per month in addition to the basic pension; however, this balance is typically exhausted within the first 4-5 years. Following this, the monthly pension value declines drastically, leaving the retiree to rely solely on the basic pension.

5. WITHDRAWAL OF PENSION SAVINGS FOR CASES OF INVALIDITY

This legal possibility should be modified since the withdrawal of funds is currently being made possible even for people who have either been skilled again or are still working. There should be a clearer definition of the beginning and end of this right. Moreover, this option dates back to a time when disability payments from the state budget did not yet exist.

6. INACTIVE ACCOUNTS

It should be foreseen by law what should be done with savings accounts after they have stopped contributing for a long time (e.g. when the contributor is over 100 years and has not yet withdrawn funds himself or by any of heirs).



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