

**KOSOVO PENSION SAVINGS TRUST
PENSION ASSETS**

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board and Management of Kosovo Pension Savings Trust

Opinion

We have audited the financial statements of Kosovo Pension Saving Trust – Pension Assets (“KPSTPA”), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in net assets attributable to participant and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of KPSTPA as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. Each key audit matter and our respective response are described below.

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Key Audit Matter	How the matter was addressed in our audit
<p>Valuation and existence of financial assets at Fair value through Profit or Loss (FVPL)</p> <p>As at 31 December 2023, KPSTPA held financial assets at FVPL in the amount of EUR 2,013,518,138 (31 December 2022: EUR 1,689,250,011) which represent 74% of the total assets (31 December 2022: 70%).</p> <p>Further disclosure of financial assets at FVPL is included in the note 3.1, 3.9, 6 and 13 to the financial statements.</p> <p>This was an area of focus and an area where significant audit effort was directed.</p>	<p>In relation to the matter set out opposite, our audit response included the following:</p> <ul style="list-style-type: none"> • We received monthly statements from Asset managers and Custodians and reconciled with accounting data and relevant account balances reported in the financial statements. • We have confirmed the year-end balances with Asset managers and Custodian. • We agreed the price for all investment funds held on 31 December 2023 to publicly quoted prices in active markets. • We have checked the adequacy of KPSTPA disclosure related to financial assets at FVPL.
Key Audit Matter	How the matter was addressed in our audit
<p>Net Assets attributable to Participants</p> <p>As at 31 December 2023, net assets attributable to participants amount to EUR 2,720,241,778 (31 December 2022: EUR 2,426,644,184)</p> <p>During the year ended 31 December 2023, contributions recognized amount to EUR 288,915,435 (2022: EUR 244,518,592) and repurchases of units due to withdrawal of savings amount to EUR 71,606,416 (2022: 54,871,291).</p> <p>Furthermore, as disclosed in the Note 1, the pension assets were split into two separate portfolios during 2022, and the eligibility criteria was revised in 2023. This led to a cross-portfolio transfers during the year ended 31 December 2023 amounting to EUR 94,534,193. (2022: EUR 133,658,893).</p> <p>Due to materiality and complexity of the above transactions, we have considered contributions, repurchases of units and cross-portfolio transfers as a key audit matter.</p> <p>Further disclosures of net assets attributable to participants are included in the note 5, 13 and 14 to the financial statements.</p>	<p>The audit of net assets attributable to participants as a whole was a combination of audit of controls and substantive audit procedures. We have:</p> <ul style="list-style-type: none"> • Tested the design, implementation and effectiveness of key controls related to the process of contributions allocation and withdrawals of savings. • On a sample basis we have checked the received payment of contributions and reconciled with employee and employer account statements. • On a sample basis we have verified if withdrawals of savings are in accordance with legislation on Pension Funds. • On a sample basis we have checked that cross-portfolio transfers were made as per the approved eligibility criteria. • We assessed the adequacy of KPSTPA related disclosures by reference to the relevant accounting policy.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Other Legal and Regulatory Requirements

We were selected by an open bidding process and appointed as auditors of Kosovo Pension Saving Trust. This is our fourth year as auditors of the Kosovo Pension Saving Trust.

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to those charged with governance of Kosovo Pension Saving Trust.

RSM Kosovo Sh.p.k.

RSM Kosovo Sh.p.k.

Prishtina, Republic of Kosovo

12 April 2024

A blue ink signature of Sadik Berisha, written in a cursive style.

Sadik Berisha

Statutory Auditor

	Notes	As at December 31 2023	As at December 31 2022
		EUR	EUR
Assets			
Cash and cash equivalents	4	152,330,062	32,130,471
Contribution and other receivables	5	19,577,370	16,826,228
Financial assets at Fair Value through Profit or Loss (FVPL)	6	2,013,518,138	1,689,250,011
Kosovo Treasuries	7	446,355,984	552,784,777
Term deposits	7	89,740,686	136,528,917
Total assets		2,721,522,240	2,427,520,404
Liabilities			
Due to KPSTOP	8	581,097	564,679
Other liabilities	9	699,365	311,541
Total liabilities		1,280,462	876,220
Net assets attributable to participants		2,720,241,778	2,426,644,184

Authorised for issue by the Governing Board and Management of KPST and signed on their behalf on 28 March 2024.


 Mr. Enver Bajra
 Chairman of the Governing Board


 Mr. Adrian Zalli
 Managing Director


 Mr. Vërshim Hatipi
 Director - Finance and IT

The accompanying notes from 1 to 16 form an integral part of these financial statements

	Notes	Year ended December 31 2023	Year ended December 31 2022
		EUR	EUR
Income			
Net gain/(loss) on financial assets at FVPL	6	61,043,051	(138,775,369)
Interest income calculated using the effective interest rate method, net	4, 7	16,479,824	14,154,892
Dividend Income	6	8,140,670	5,739,074
Other income	10	2,000,000	-
Total income / (loss)		87,663,545	(118,881,403)
Operating expenses			
Fees charged on participants' accounts	11	(9,421,417)	(8,849,446)
Total operating expenses		(9,421,417)	(8,849,446)
Release / (Charge) of expected credit losses, net	7	230,845	(1,085,265)
Increase / (Decrease) in net assets attributable to participants		78,472,973	(128,816,114)

The accompanying notes from 1 to 16 form an integral part of these financial statements

	Participants' Contributions	Retained Earnings	Total
	EUR	EUR	EUR
As at January 1, 2022	1,768,201,944	598,470,415	2,366,672,359
Contributions	244,518,592	-	244,518,592
Repurchases due to withdrawal of savings	(40,751,339)	(14,119,952)	(54,871,291)
Repurchases due to refunds	(862,652)	3,290	(859,362)
Decrease in net assets attributable to participants	-	(128,816,114)	(128,816,114)
As at December 31, 2022	1,971,106,545	455,537,639	2,426,644,184
Contributions	288,915,435	-	288,915,435
Repurchases due to withdrawal of savings	(54,221,437)	(17,384,979)	(71,606,416)
Repurchases due to refunds	(2,175,945)	(8,453)	(2,184,398)
Increase in net assets attributable to participants	-	78,472,973	78,472,973
As at December 31, 2023	2,203,624,598	516,617,180	2,720,241,778

The accompanying notes from 1 to 16 form an integral part of these financial statements

	Notes	Year ended December 31 2023	Year ended December 31 2022
		EUR	EUR
Cash flows from operating activities			
Increase / (Decrease) in net assets attributable to participants		78,472,973	(128,816,114)
<i>Adjustments for:</i>			
(Gains) / Losses on financial assets held at FVPL (net of fees withheld)		(58,387,849)	141,386,247
(Release) / Charge of expected credit losses, net	7	(230,845)	1,085,265
Interest income	4,7	(16,479,824)	(14,287,350)
Interest expense	4	-	132,458
		3,374,455	(499,494)
<i>Adjustments for net changes in operating assets and liabilities:</i>			
Increase in financial assets at FVPL, net	6	(265,880,278)	(22,326,467)
Decrease / (increase) in Kosovo Treasuries, net	7	105,900,129	(62,072,081)
Decrease / (increase) in term deposits, net	7	47,441,002	(91,527,091)
Increase in Due to KPSTOP	8	16,418	110,868
Increase in liabilities for non-contributions	9	15,869	15,833
Increase in other receivables	5	(17,053)	-
Cash flows used in operations		(109,149,458)	(176,298,432)
Interest received		16,586,563	13,494,812
Interest paid		-	(146,601)
Net cash flows used in operating activities		(92,562,895)	(162,950,221)
Cash flows from financing activities			
Participants' contributions received		286,181,346	241,462,429
Withdrawal of savings		(71,231,847)	(54,838,031)
Refunds		(2,187,013)	(856,747)
Net cash flows from financing activities		212,762,486	185,767,651
Net Increase in cash and cash equivalents		120,199,591	22,817,430
Cash and cash equivalents at the beginning of the year		32,130,471	9,313,041
Cash and cash equivalents at the end of the year	4	152,330,062	32,130,471

The accompanying notes from 1 to 16 form an integral part of these financial statements

1 GENERAL

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

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

The KPST is overseen by a Governing Board, consisting of members that are investment and pension experts, or have experience in representing employees and/or employers of Kosovo. According to the Law No. 04/L-101, one non-voting member shall represent the interests of the Government. During 2023 and 2022, the Governing Board was operating without the non-voting member. From March 2023 KPST operated without any Governing Board members as their mandates had expired. Five members of the Governing Board were appointed by the Assembly of Kosovo in July 2023, sufficient to provide a quorum, but left two positions empty for the remainder of 2023 and as of the date of issuing this report.

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

Since inception in 2002 and up to 2021, KPSTPA assets were invested in only the Standard Portfolio, a single investment strategy designed to fit all participants. This changed on February 16, 2022 with the introduction of the additional Conservative Portfolio for participants 63.5 years and older. From January 1, 2023 the decision was amended to include participants 63.0 years and older in the Conservative Portfolio.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

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

2.2 Basis of preparation

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

The financial statements are prepared as of and for the years ended December 31, 2023 and 2022. Current and comparative data stated in these financial statements are expressed in Euro, unless otherwise stated. Where necessary, comparative figures have been reclassified to conform to changes in presentation for the current year.

Presentation of financial statements and notes

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

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

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

Going concern

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

2.3 Changes in accounting policies and disclosures

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

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

- **IFRS 17 “Insurance Contracts”** - effective for annual reporting periods beginning on or after 1 January 2023.
- **Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)** - effective for annual reporting periods beginning on or after 1 January 2023. Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.
- **Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)** - effective for annual reporting periods beginning on or after 1 January 2023.
- **Definition of Accounting Estimates (Amendments to IAS 8)** - effective for annual reporting periods beginning on or after 1 January 2023.
- **Amendments to IAS 12 “Income Taxes” - International Tax Reform — Pillar Two Model Rules** - effective for annual reporting periods beginning on or after 1 January 2023

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

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

2.3 Changes in accounting policies and disclosures (continued)

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

At the date of authorisation of these financial statements, the following new standards and amendments to existing standards were in issue, but not yet mandatory for annual reporting period December 31, 2023:

- **Classification of Liabilities as Current or Non-current (Amendments to IAS 1)** - effective for annual reporting periods beginning on or after 1 January 2024.
- **Lease Liabilities on sale or upon return (Amendments to IFRS 16)** - effective for annual reporting periods beginning on or after 1 January 2024.
- **Disclosure of Supplier Financial Agreements (Amendments to IAS 7 and IFRS 7)** - effective for annual reporting periods beginning on or after 1 January 2024.
- **Lack of Exchangeability (Amendments to IAS 21)** - effective for annual reporting periods beginning on or after 1 January 2025, not yet approved by the European Union).
- **Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date was deferred indefinitely until the research project on the equity method has been concluded).

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

3 MATERIAL ACCOUNTING POLICIES

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

In addition, KPSTPA adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information related to financial instruments disclosed in Note 3 in certain instances.

3.1 Financial instruments

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

Initial recognition and measurement

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

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

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

Offsetting

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

Classification and measurement of financial assets and financial liabilities

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

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

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

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

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

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

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

The KPSTPA has determined that it has two business models:

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

Generally, financial liabilities are measured at amortised cost.

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

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

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

Subsequent measurement

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

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

Impairment

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

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

Derecognition

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

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

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Cash and cash equivalents

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

3.3 Contributions

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

3.4 Withdrawals of savings and refunds

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

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

Participant reaches the retirement age of 65

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

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

Participant is in receipt of a disability pension

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

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

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

Participant dies prior to reaching retirement age

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

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

3.5 Fees charged on participants' accounts

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

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

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

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Non-Contributions

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

3.7 Taxation

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

3.8 Significant estimates and judgments

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

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

Measurement of the expected credit loss allowance

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

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

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

3.9 Financial risk management

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

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial risk management (continued)

3.9.1 Interest rate risk (Standard and Conservative Portfolios)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at reporting date KPSTPA had no liabilities exposed to the interest rate risk, but had direct investments in Kosovo Treasury bills and bonds and term deposits with commercial banks with a fixed interest rate in the amount EUR 536,096,670 (2022: EUR 689,313,694). There were no direct investments in floating interest rate securities.

3.9.2 Price risk (Standard Portfolio)

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

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

Sensitivity Analysis of price changes in Open-end funds

Had the prices of Open-end funds been 5% higher/lower on reporting date, net participants' assets would have been increased/decreased by EUR 100,675,907 (2022: EUR 84,462,501).

The maximum drawdown for the Standard portfolio for the 1-year period ending December 31, 2023 was 4.2%, and for the 3-year period it was 7.6% (2022: 7.6%, and 9.4% respectively).

The ratio of performance vs volatility for the 1-year period ending December 31, 2023 was 0.66; where the annualised volatility was 4.6% and the performance +3.0% (2022: -0.85, 6.5% and -5.5% respectively). On the other hand, the ratio for the 3-year period was 0.49; where the annualised volatility was 5.1% and the annualised performance +2.5% (2022: 0.47, 5.3% and +2.5% respectively).

3.9.3 Currency risk (Standard Portfolio)

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

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

Out of the 21 funds through which KPST was invested on reporting date: (a) 12 were EUR denominated, total amount of EUR 1,646,036,940 or 60.5% of total assets; (b) 9 were USD denominated, total amount of EUR 367,481,198, or 13.5% of total assets (2022: 11 EUR denominated funds amounting EUR 1,217,778,938 or 50.2% of total assets, and 9 USD denominated funds with EUR 471,471,073, or 19.4% of total assets). Although funds are EUR or USD denominated, their underlying holdings will be in many currencies at varying allocation percentages. Some fund managers use currency derivatives to manage and control the currency risk. However, as fund holdings are not determined or controlled by KPST, and assets are not invested directly by KPST in pure USD instruments at any significant level, no sensitivity analysis is performed on the effects of currency shifts on the comprehensive income for the year ended December 31, 2022 and 2023.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial risk management (continued)

3.9.4 Liquidity risk (Standard and Conservative Portfolios)

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

Liquidity risk is being managed by evaluating monthly redemptions arising from the withdrawal of savings as well as refunds and retaining sufficient cash for this purpose. The liquidity risk is low given that the average monthly redemptions for the year ended December 31, 2023 amounted to EUR 6,118,238, and were well below the average monthly incoming contributions for the year amounting EUR 23,848,445 (2022: EUR 4,641,232 and EUR 20,121,869, respectively).

Investments measured at fair value (through Open-end funds) can all be redeemed within 1-5 days and are presented here in the short-term category. Investments of KPSTPA assets in Kosovo Treasury debt securities have an original maturity of up to ten years whereas term deposits with banks have an original maturity of between 1 and 2 years.

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

	As at December 31 2023			As at December 31 2022		
	Up to 1 year	1-5 years	5-10 years	Up to 1 year	1-5 years	5-10 years
	EUR	EUR	EUR	EUR	EUR	EUR
Financial assets						
Cash and cash equivalents	152,330,062	-	-	32,130,471	-	-
Financial assets at FVPL	2,013,518,138	-	-	1,689,250,011	-	-
Kosovo Treasuries	107,599,471	252,868,620	85,887,893	140,983,493	280,845,025	130,956,259
Term deposits	42,443,059	47,297,627	-	102,100,101	34,428,816	-
Contribution and other receivables	19,577,370	-	-	16,826,228	-	-
	2,335,468,100	300,166,247	85,887,893	1,981,290,304	315,273,841	130,956,259
Financial liabilities						
Total liabilities	1,280,462	-	-	876,220	-	-
Maturity gap						
	2,334,187,638	300,166,247	85,887,893	1,980,414,084	315,273,841	130,956,259

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial risk management (continued)

3.9.5 Credit risk (Standard and Conservative Portfolios)

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

Credit quality analyses

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

- **Cash at bank** - Cash at bank consists of cash in current accounts with CBK and the broker. As at December 31, 2023, 90% of all cash at bank was held at the CBK account. There is no credit rating available for the Republic of Kosovo, however, due to its short-term nature, credit risk is not considered significant and no impairment loss is calculated.
- **Kosovo Treasuries** - According to the law, KPSTPA may invest up to 30% of pension assets in the Government securities issued by the Republic of Kosovo. As at December 31, 2023 the exposure of KPSTPA in securities issued from the Government of Kosovo was decreased at 16% (2022: 23%). Kosovo Treasuries are not rated.
- **Term Deposits** - consist of term deposits placed with commercial banks in the Republic of Kosovo. As of December 31, 2023, the highest exposure to a single bank in the term deposits portfolio was 36% (2022: 29%).
- **Open-end funds** – the underlying investments of some of the open-end funds, in which KPSTPA assets are invested in, are exposed to credit risk via placements in corporate and sovereign bonds as well as other debt instruments. As these are (a) measured at fair value; and (b) it is not possible to obtain sufficient details to reliably assess the credit worthiness of each underlying investment of these open-end funds; no impairment loss is calculated.

Excepted Credit Loss (ECL)

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

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

Measurement of ECL

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

Given the above inputs, all Kosovo Treasuries and term deposits were evaluated using the Stage 1, 12-month impairment model, and there were no movements in stages during the year ended December 31, 2023.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial risk management (continued)

3.9.6 Fair value measurement

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

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

Financial instruments not presented at fair value

The following table summarises the carrying amounts and fair values to those financial assets and liabilities that are not presented in the Statement of financial position at their fair value as at December 31, 2023 and 2022.

	Level	As at December 31 2023		As at December 31 2022	
		Carrying Value	Fair value	Carrying Value	Fair value
		EUR	EUR	EUR	EUR
Financial assets					
Cash and cash equivalents	2	152,330,062	152,330,062	32,130,471	32,130,471
Kosovo Treasuries	2	446,355,984	442,030,063	552,784,777	553,752,103
Term deposits	2	89,740,686	85,808,678	136,528,917	136,919,475
Contribution and other receivables	3	19,577,370	19,577,370	16,826,228	16,826,228
		739,628,277	699,746,173	738,270,393	739,628,277
Financial liabilities					
Total liabilities	3	1,280,462	1,280,462	876,220	876,220
		1,280,462	1,280,462	876,220	876,220

The carrying value of cash and cash equivalents, contribution and other receivables as well as financial liabilities are a reasonable approximation of their fair value due to their short-term maturity. The fair value of Kosovo Treasuries and term deposits is evaluated by discounting based on interpolated yields of Kosovo Treasuries for respective durations.

Financial instruments presented at fair value

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

Class of investment	Level	As at December 31 2023	As at December 31 2022
		EUR	EUR
Financial assets at FVPL	1	2,013,518,138	1,689,250,011

Fair value measurements listed above are recurring. There were no movements of funds between levels during the year ending December 31, 2023 and 2022. The fair values of financial assets traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from the fund manager.

3.9.7 Exposure through indirect holdings

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

4 CASH AND CASH EQUIVALENTS

	As at December 31 2023	As at December 31 2022
	EUR	EUR
Central Bank of Republic of Kosovo (CBK)	151,925,005	28,860,633
Erste Bank Austria (broker)	405,057	3,269,838
Total cash and cash equivalents	152,330,062	32,130,471

From January 1, 2022 – August 7, 2022 a negative interest of -0.70% p.a., was charged on the daily balance of the KPSTPA cash account with the Central Bank of Kosovo. No interest was charged for the remainder of 2022. From January 1, 2023 – August 4, 2023 a positive interest of 0.25% p.a., and from August 5, 2023 – December 31, 2023 a positive interest of 0.30% p.a., was provided on this account.

The broker charged a negative interest of -0.60% p.a. on daily balances from January 1, 2022 - August 4, 2022. No interest was charged for the remainder of 2022. From January 1, 2023 - December 31, 2023 a positive interest of 0.25% p.a., was provided on the account with the broker.

The net interest income and (expenses) for respective periods were as follows:

	Year ended December 31 2023	Year ended December 31 2022
	EUR	EUR
Central Bank of Republic of Kosovo	123,063	(83,464)
Erste Bank Austria (broker)	31,564	(48,994)
Total interest income / (expense)	154,627	(132,458)

5 CONTRIBUTION AND OTHER RECEIVABLES

Contributions and other receivables as at December 31, 2023 in the amount EUR 19,577,370 (2022: EUR 16,826,228) relate to contributions received in the collection account 1-18 days after reporting date in the amount EUR 19,560,192 (2022: EUR 16,826,228) and the interest receivable on cash and cash equivalents in the amount EUR 17,178 (2022: nil).

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

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

In this respect, during July 2023 the Government reimbursed the first instalment in the amount of EUR 5,431,049 for a total of 12,090 participants. In its budget for the fiscal year 2024, the Government has allocated EUR 3,000,000 for the second instalment. Since budget allocations are generally initial plans, the exact amount would be determined when actual reimbursements are made.

6 FINANCIAL ASSETS AT FVPL

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

							2023
Fund	Note	As at	Additions	Gains or (losses)	Fees withheld	Redemptions	As at
		January 1					December 31
		EUR	EUR	EUR	EUR	EUR	EUR
IE00B03HD316	6.1	1,078,243	110,801,837	8,103,677	(30,018)	-	119,953,739
IE00B504KX99	6.2	200,172,086	-	(9,690,431)	-	(190,481,655)	-
LU0257969260	6.3	148,462,915	-	14,306,255	-	-	162,769,170
LU0539147214	6.4	224,068,597	-	8,066,299	-	-	232,134,896
FR0007038138	6.5	382,119,647	533,172,517	16,006,885	(258,977)	(81,999,555)	849,040,517
IE00BYX8XD24	6.6	21,339,112	-	(722,816)	(44,748)	(20,571,548)	-
US78468R5569	6.7	56,943,838	-	(1,241,047)	(196,774)	-	55,506,017
US37954Y6730	6.8	59,069,111	-	14,981,588	(305,553)	(9,999,963)	63,745,183
US46435U7138	6.9	60,062,495	-	4,576,252	(247,168)	-	64,391,579
LU0406802768	6.10	2,223,726	23,000,000	(2,998,153)	(150,100)	(22,075,473)	-
LU2305367323	6.11	1,540,491	23,000,000	3,743,154	-	-	28,283,645
US4642882249	6.12	22,171,891	-	(7,577,067)	(69,258)	(14,525,566)	-
US46138E6288	6.13	67,214,478	-	(11,396,017)	(184,077)	(24,199,933)	31,434,451
LU1390062245	6.14	75,868,822	-	1,082,704	(110,437)	(76,841,089)	-
US9229087443	6.15	118,823,433	-	(829,024)	(43,100)	(56,400,771)	61,550,538
IE00BQN1K901	6.16	79,301,062	-	10,960,895	(214,543)	-	90,047,414
LU1829219390	6.17	53,615,661	-	16,462,594	(185,046)	(46,000,605)	23,892,604
US46434V6213	6.18	55,544,738	-	1,083,522	(28,314)	(56,599,946)	-
IE00BKWQ0F09	6.19	29,529,067	-	2,290,227	(55,102)	-	31,764,192
GB00B15KYG56	6.20	30,100,598	-	(4,153,992)	(132,005)	-	25,814,601
JE00B8DFY052	6.21	-	36,999,951	3,479,125	(47,906)	(12,997,791)	27,433,379
IE00B5M1WJ87	6.22	-	20,999,983	1,044,219	(53,012)	-	21,991,190
GB00B15KXV33	6.23	-	34,999,865	(633,998)	(101,430)	-	34,264,437
US46434G8481	6.24	-	70,002,291	(8,446,783)	(181,046)	(29,401,813)	31,972,649
IE00BH04GL39	6.25	-	24,999,587	1,935,702	(4,488)	-	26,930,801
US4642885622	6.26	-	14,999,970	635,467	(5,492)	-	15,629,945
US69374H7411	6.27	-	14,999,985	(26,186)	(6,608)	-	14,967,191
Total investments in open-end funds		1,689,250,011	907,975,986	61,043,051	(2,655,202)	(642,095,708)	2,013,518,138

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

AMOUNTS IN EUR UNLESS OTHERWISE SPECIFIED

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

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

							2022
Fund	Note	As at	Additions	Gains or (losses)	Fees withheld	Redemptions	As at
		January 1					December 31
		EUR	EUR	EUR	EUR	EUR	EUR
IE00B03HD316	6.1	13,065,132	60,007,253	(5,943,033)	(53,049)	(65,998,060)	1,078,243
IE00B504KX99	6.2	367,648,407	-	(33,876,321)	-	(133,600,000)	200,172,086
LU0257969260	6.3	90,711,376	57,100,000	651,539	-	-	148,462,915
LU0539147214	6.4	359,813,946	-	(28,745,349)	-	(107,000,000)	224,068,597
FR0007038138	6.5	364,551,204	320,073,029	850,637	(155,406)	(303,199,817)	382,119,647
IE00BYX8XD24	6.6	11,346,297	20,674,993	(366,785)	(16,568)	(10,298,825)	21,339,112
US78468R5569	6.7	-	50,018,623	7,091,647	(166,432)	-	56,943,838
US37954Y6730	6.8	46,032,602	14,999,205	(1,748,977)	(213,719)	-	59,069,111
US46435U7138	6.9	44,270,331	15,190,028	788,192	(186,056)	-	60,062,495
LU0406802768	6.10	19,719,793	-	(3,054,986)	(41,081)	(14,400,000)	2,223,726
LU2305367323	6.11	20,751,368	-	(2,410,877)	-	(16,800,000)	1,540,491
US4642882249	6.12	9,706,952	23,129,608	(2,381,583)	(74,303)	(8,208,783)	22,171,891
US46138E6288	6.13	-	84,178,600	(16,738,885)	(225,237)	-	67,214,478
LU1390062245	6.14	-	131,952,780	4,025,246	(136,202)	(59,973,002)	75,868,822
US9229087443	6.15	-	116,304,097	2,552,270	(32,934)	-	118,823,433
IE00BQN1K901	6.16	-	84,290,664	(4,818,494)	(171,108)	-	79,301,062
LU1829219390	6.17	-	85,070,899	(7,220,044)	(165,126)	(24,070,068)	53,615,661
US46434V6213	6.18	-	56,810,413	(1,246,330)	(19,345)	-	55,544,738
IE00BKWQ0F09	6.19	-	29,988,626	(456,939)	(2,620)	-	29,529,067
GB00B15KYG56	6.20	-	29,988,566	118,455	(6,423)	-	30,100,598
LU0227145629		22,853,728	-	(393,667)	(5,918)	(22,454,143)	-
LU0102035119		51,971,085	-	(3,354,516)	(77,677)	(48,538,892)	-
IE00B86MWN23		15,033,404	-	(1,370,154)	(5,097)	(13,658,153)	-
US46090E1038		-	139,884,813	(4,344,676)	(68,274)	(135,471,863)	-
US91232N2071		-	46,000,197	13,733,000	(100,315)	(59,632,882)	-
LU1681041890		73,446,591	22,985,765	(10,561,869)	(45,405)	(85,825,082)	-
US33734X8469		27,402,701	-	(3,307,827)	(21,393)	(24,073,481)	-
IE00BF0M6N54		39,161,985	-	(3,408,587)	(25,998)	(35,727,400)	-
US69374H7668		33,917,670	-	(5,281,034)	(26,046)	(28,610,590)	-
US9229085538		45,947,140	-	(5,745,840)	(7,254)	(40,194,046)	-
US46140H7008		45,807,075	-	(795,250)	(276,002)	(44,735,823)	-
LU1244139827		17,969,997	2,438	(5,945,216)	(29,443)	(11,997,776)	-
LU1530899811		24,173,177	-	(4,169,362)	(66,425)	(19,937,390)	-
LU1694772994		23,919,668	14,005	(4,131,236)	(36,965)	(19,765,472)	-
LU1820776075		25,815,348	8,859	(5,078,584)	(38,531)	(20,707,092)	-
US33733E5006		13,272,814	-	(4,554,511)	(5,448)	(8,712,855)	-
LU1390062831		-	82,390,024	8,776,607	(44,562)	(91,122,069)	-
US37954Y3844		-	23,146,523	(5,912,030)	(64,516)	(17,169,977)	-
Total investments in open-end funds		1,808,309,791	1,494,210,008	(138,775,369)	(2,610,878)	(1,471,883,541)	1,689,250,011

In addition to net losses of EUR 138,775,369 from the revaluation and redemption of open-end funds, EUR 5,739,074 were received as dividends during the year ended December 31, 2022, making for total net losses from open-end funds in the value of EUR 133,036,295.

AMOUNTS IN EUR UNLESS OTHERWISE SPECIFIED

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

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

						2023	
Fund	Note	As at	Additions	Redemptions	As at	As at	
		January 1			December 31	December 31	
		Units	Units	Units	Units	Price (EUR)	
IE00B03HD316	6.1	44,147	4,014,995	-	4,059,142	29.55	
IE00B504KX99	6.2	132,022,218	-	(132,022,218)	-	-	
LU0257969260	6.3	3,991,701	-	-	3,991,701	40.78	
LU0539147214	6.4	10,654,206	-	-	10,654,206	21.79	
FR0007038138	6.5	367	500	(78)	789	1,076,809.39	
IE00BYX8XD24	6.6	2,776,000	-	(2,776,000)	-	-	
US78468R5569	6.7	447,928	-	-	447,928	123.92	
US37954Y6730	6.8	2,382,614	-	(338,828)	2,043,786	31.19	
US46435U7138	6.9	1,766,651	-	-	1,766,651	36.45	
LU0406802768	6.10	7,504	72,352	(79,856)	-	-	
LU2305367323	6.11	17,170	244,965	-	262,135	107.90	
US4642882249	6.12	1,193,261	-	(1,193,261)	-	12.11	
US46138E6288	6.13	1,391,035	-	(684,990)	706,045	44.52	
LU1390062245	6.14	678,612	-	(678,612)	-	-	
US9229087443	6.15	904,511	-	(449,634)	454,877	135.31	
IE00BQN1K901	6.16	11,323,870	-	-	11,323,870	7.95	
LU1829219390	6.17	541,370	-	(356,100)	185,270	128.96	
US46434V6213	6.18	1,187,125	-	(1,187,125)	-	-	
IE00BKWQ0F09	6.19	162,910	-	-	162,910	194.98	
GB00B15KYG56	6.20	1,972,387	-	-	1,972,387	13.09	
JE00B8DFY052	6.21	-	3,497,987	(1,131,000)	2,366,987	11.59	
IE00B5M1WJ87	6.22	-	966,221	-	966,221	22.76	
GB00B15KXV33	6.23	-	4,160,325	-	4,160,325	8.24	
US46434G8481	6.24	-	1,656,100	(835,924)	820,176	38.98	
IE00BH04GL39	6.25	-	1,146,870	-	1,146,870	23.48	
US4642885622	6.26	-	234,885	-	234,885	66.54	
US69374H7411	6.27	-	554,730	-	554,730	26.98	

AMOUNTS IN EUR UNLESS OTHERWISE SPECIFIED

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

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

						2022	
Fund	Note	As at	Additions	Redemptions	As at	As at	
		January 1			December 31	December 31	
		Units	Units	Units	Units	Price (EUR)	
IE00B03HD316	6.1	437,239	2,297,752	(2,690,844)	44,147	24.42	
IE00B504KX99	6.2	217,646,464	-	(85,624,246)	132,022,218	1.52	
LU0257969260	6.3	2,435,859	1,555,842	-	3,991,701	37.19	
LU0539147214	6.4	15,878,815	-	(5,224,609)	10,654,206	21.03	
FR0007038138	6.5	350	308	(291)	367	1,041,677.63	
IE00BYX8XD24	6.6	1,259,021	2,776,000	(1,259,021)	2,776,000	7.69	
US78468R5569	6.7	-	447,928	-	447,928	127.13	
US37954Y6730	6.8	1,811,158	571,456	-	2,382,614	24.79	
US46435U7138	6.9	1,320,435	446,216	-	1,766,651	34.00	
LU0406802768	6.10	52,375	-	(44,871)	7,504	296.33	
LU2305367323	6.11	204,987	-	(187,817)	17,170	89.72	
US4642882249	6.12	520,900	1,193,261	(520,900)	1,193,261	18.58	
US46138E6288	6.13	-	1,391,035	-	1,391,035	48.32	
LU1390062245	6.14	-	1,231,612	(553,000)	678,612	111.80	
US9229087443	6.15	-	904,511	-	904,511	131.37	
IE00BQN1K901	6.16	-	11,323,870	-	11,323,870	7.00	
LU1829219390	6.17	-	812,055	(270,685)	541,370	99.04	
US46434V6213	6.18	-	1,187,125	-	1,187,125	46.79	
IE00BKWQ0F09	6.19	-	162,910	-	162,910	181.26	
GB00B15KYG56	6.20	-	1,972,387	-	1,972,387	15.26	
LU0227145629		126,852	-	(126,852)	-	-	
LU0102035119		297,675	-	(297,675)	-	-	
IE00B86MWN23		265,102	-	(265,102)	-	-	
US46090E1038		-	455,433	(455,433)	-	-	
US91232N2071		-	877,113	(877,113)	-	-	
LU1681041890		700,000	239,563	(939,563)	-	-	
US33734X8469		590,320	-	(590,320)	-	-	
IE00BF0M6N54		2,565,980	-	(2,565,980)	-	-	
US69374H7668		684,563	-	(684,563)	-	-	
US9229085538		449,961	-	(449,961)	-	-	
US46140H7008		2,342,970	-	(2,342,970)	-	-	
LU1244139827		525,765	87	(525,852)	-	-	
LU1530899811		107	-	(107)	-	-	
LU1694772994		108,887	74	(108,961)	-	-	
LU1820776075		1,199,041	506	(1,199,547)	-	-	
US33733E5006		179,420	-	(179,420)	-	-	
LU1390062831		-	817,200	(817,200)	-	-	
US37954Y3844		-	789,552	(789,552)	-	-	

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

c) Fees and rebates for investments in open-end funds

		Year ended December 31 2023			Year ended December 31 2022		
		Gross fee	Rebate	Net fee	Gross fee	Rebate	Net fee
		EUR	EUR	EUR	EUR	EUR	EUR
IE00B03HD316	6.1	30,018	(4,707)	25,311	53,049	(7,709)	45,340
IE00B504KX99	6.2	1,032,156	-	1,032,156	1,482,878	-	1,482,878
LU0257969260	6.3	670,184	-	670,184	517,879	-	517,879
LU0539147214	6.4	1,279,152	-	1,279,152	1,571,199	-	1,571,199
FR0007038138	6.5	258,977	(163,614)	95,363	155,406	(103,042)	52,364
IE00BYX8XD24	6.6	44,748	-	44,748	16,568	-	16,568
US78468R5569	6.7	196,774	-	196,774	166,432	-	166,432
US37954Y6730	6.8	305,553	-	305,553	213,719	-	213,719
US46435U7138	6.9	247,168	-	247,168	186,056	-	186,056
LU0406802768	6.10	150,100	(72,086)	78,014	41,081	(19,875)	21,206
LU2305367323	6.11	114,066	(115)	113,951	23,844	-	23,844
US4642882249	6.12	69,258	-	69,258	74,303	-	74,303
US46138E6288	6.13	184,077	-	184,077	225,237	-	225,237
LU1390062245	6.14	110,437	-	110,437	136,202	-	136,202
US9229087443	6.15	43,100	-	43,100	32,934	-	32,934
IE00BQN1K901	6.16	214,543	-	214,543	171,108	-	171,108
LU1829219390	6.17	185,046	-	185,046	165,126	-	165,126
US46434V6213	6.18	28,314	-	28,314	19,345	-	19,345
IE00BKWQ0F09	6.19	55,102	-	55,102	2,620	-	2,620
GB00B15KYG56	6.20	132,005	-	132,005	6,423	-	6,423
JE00B8DFY052	6.21	47,906	-	47,906	-	-	-
IE00B5M1WJ87	6.22	53,012	-	53,012	-	-	-
GB00B15KXV33	6.23	101,430	-	101,430	-	-	-
US46434G8481	6.24	181,046	-	181,046	-	-	-
IE00BH04GL39	6.25	4,488	-	4,488	-	-	-
US4642885622	6.26	5,492	-	5,492	-	-	-
US69374H7411	6.27	6,608	-	6,608	-	-	-
LU0227145629	-	-	-	-	5,918	-	5,918
LU0102035119	-	-	-	-	77,677	(20,698)	56,979
IE00B86MWN23	-	-	-	-	5,097	-	5,097
US46090E1038	-	-	-	-	68,274	-	68,274
US91232N2071	-	-	-	-	100,315	-	100,315
LU1681041890	-	-	-	-	45,405	-	45,405
US33734X8469	-	-	-	-	21,393	-	21,393
IE00BF0M6N54	-	-	-	-	25,998	-	25,998
US69374H7668	-	-	-	-	26,046	-	26,046
US9229085538	-	-	-	-	7,254	-	7,254
US46140H7008	-	-	-	-	276,002	-	276,002
LU1244139827	-	-	-	-	29,443	(1,088)	28,355
LU1530899811	-	-	-	-	66,425	-	66,425
LU1694772994	-	-	-	-	36,965	(6,947)	30,018
LU1820776075	-	-	-	-	38,531	(6,736)	31,795
US33733E5006	-	-	-	-	5,448	-	5,448
LU1390062831	-	-	-	-	44,562	-	44,562
US37954Y3844	-	-	-	-	64,516	-	64,516
Total open-end fund fees and rebates		5,750,760	(240,522)	5,510,238	6,206,678	(166,095)	6,040,583

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

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

Fund	Asset class	Strategy	Fees
6.1 Vanguard Investment Series plc - Global Stock Index Fund Euro hedged ISIN: IE00B03HD316	Equities	Tracking MSCI World Index	Withheld daily from the fund at 0.18% p.a. A rebate of up to 0.11% p.a. is provided based on assets (2022: 0.18% p.a.)
6.2 BNY Mellon - Real Return Fund ISIN: IE00B504KX99	Mixed assets	Absolute return from a mixture of cash, bonds, gold and equities	Billed at 0.54-0.63% p.a. depending on assets (2022: 0.54-0.63% p.a.)
6.3 Nordea 1 – Global Stable Equity Fund ISIN: LU0257969260	Equities	Value and quality stocks with risk management	Billed at 0.43% p.a. (2022: 0.43% p.a.)
6.4 Nordea 1 –Stable Return Fund X EUR ISIN: LU0539147214	Mixed assets	A mixture of cash, bonds and equities with use of financial derivatives against risks	Billed at 0.56% p.a. (2022: 0.56% p.a.)
6.5 Amundi – 3M (I) ISIN: FR000703813	Cash	Money markets instruments with high liquidity and security	Withheld daily from the fund at 0.057% p.a. A rebate of 0.012% p.a. when assets exceed EUR 50 million (2022: 0.057% p.a.)
6.6 iShares Edge S&P 500 Minimum Volatility UCITS ETF EUR Hedged (Acc) ISIN: IE00BYX8XD24	Equities	S&P500 stocks with lower volatility	Withheld daily from the fund at 0.25% p.a. (2022: 0.25% p.a.)
6.7 SPDR® S&P Oil & Gas Exploration & Production ETF ISIN: US78468R5569	Equities	Energy	Withheld daily from the fund at 0.35% p.a. (2022: 0.35% p.a.)
6.8 Global X U.S. Infra-structure Development ETF ISIN: US37954Y6730	Real assets	Infrastructure	Withheld daily from the fund at 0.47% p.a. (2022: 0.47% p.a.)
6.9 iShares U.S. Infrastructure ETF ISIN: US46435U7138	Real assets	Infrastructure	Withheld daily from the fund at 0.40% p.a. (2022: 0.40% p.a.)
6.10 BNP Paribas Funds Climate Impact ISIN: LU0406802768	Equities	Sustainability	Withheld daily from the fund at 0.885% p.a. A rebate of up to 0.386% p.a. is provided based on assets (2022: 0.885% p.a.)

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

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

Fund	Asset class	Strategy	Fees
6.11 Schroder ISF Global Sustainable Growth ISIN: LU2305367323	Equities	Sustainability	Billed at 0.50% p.a. (2022: 0.50% p.a.)
6.12 iShares Global Clean Energy ETF ISIN: US4642882249	Equities	Energy	Withheld daily from the fund at 0.42% p.a. (2022: 0.42% p.a.)
6.13 Invesco KBW Bank ETF ISIN: US46138E6288	Equities	Value	Withheld daily from the fund at 0.35% p.a. (2022: 0.35% p.a.)
6.14 Lyxor EUR 2-10Y Inflation Expectations UCITS ETF ISIN: LU1390062245	Fixed Income	Inflation-linked bonds	Withheld daily from the fund at 0.25% p.a. (2022: 0.25% p.a.)
6.15 Vanguard Value Index Fund ETF ISIN: US9229087443	Equities	Value	Withheld daily from the fund at 0.04% p.a. (2022: 0.04% p.a.)
6.16 iShares Edge MSCI Europe Value Factor UCITS ETF ISIN: IE00BQN1K901	Equities	Value	Withheld daily from the fund at 0.25% p.a. (2022: 0.25% p.a.)
6.17 Lyxor EURO STOXX Banks (DR) UCITS ETF ISIN: LU1829219390	Equities	Value	Withheld daily from the fund at 0.30% p.a. (2022: 0.30% p.a.)
6.18 iShares Core Dividend Growth ETF ISIN: US46434V6213	Equities	Income	Withheld daily from the fund at 0.08% p.a. (2022: 0.08% p.a.)
6.19 SPDR MSCI Europe Energy UCITS ETF ISIN: IE00BKWQ0F09	Equities	Energy	Withheld daily from the fund at 0.18% p.a. (2022: 0.18% p.a.)
6.20 WisdomTree Industrial Metals ETF ISIN: GB00B15KYG56	Real assets	Metals	Withheld daily from the fund at 0.49% p.a. (2022: 0.49% p.a.)

6 FINANCIAL ASSETS AT FVPL (CONTINUED)

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

Fund	Asset class	Strategy	Fees
6.21 WisdomTree Physical Gold - EUR Daily Hedged ETC ISIN: JE00B8DFY052	Real assets	Metals	Withheld daily from the fund at 0.15% p.a. (2022: not applicable)
6.22 SPDR S&P Euro Dividend Aristocrats UCITS ETF ISIN: IE00B5M1WJ87	Equities	Dividend Income	Withheld daily from the fund at 0.30% p.a. (2022: not applicable)
6.23 WisdomTree WTI Crude Oil ETF ISIN: GB00B15KXV33	Real assets	Energy	Withheld daily from the fund at 0.49% p.a. (2022: not applicable)
6.24 iShares MSCI Global Metals & Mining Producers ETF ISIN: US46434G8481	Equities	Metals and mining	Withheld daily from the fund at 0.39% p.a. (2022: not applicable)
6.25 EUR Eurozone Government Bond UCITS ETF ISIN: IE00BH04GL39	Fixed Income	Treasury bonds	Withheld daily from the fund at 0.07% p.a. (2022: not applicable)
6.26 iShares Residential and Multisector Real Estate ETF ISIN: US4642885622	Real assets	Real Estate	Withheld daily from the fund at 0.48% p.a. (2022: not applicable)
6.27 Pacer Benchmark Data & Infrastructure Real Estate ETF ISIN: US69374H7411	Real assets	Real Estate	Withheld daily from the fund at 0.60% p.a. (2022: not applicable)

AMOUNTS IN EUR UNLESS OTHERWISE SPECIFIED

7 KOSOVO TREASURIES AND TERM DEPOSITS

	As at December 31 2023	As at December 31 2022
	EUR	EUR
Kosovo Treasuries		
Gross of provisions for expected credit losses	447,135,505	553,752,103
Provision for expected credit losses	(779,521)	(967,326)
Net of provisions for expected credit losses	446,355,984	552,784,777
Term deposits		
Gross of provisions for expected credit losses	90,088,204	136,919,475
Provision for expected credit losses	(347,518)	(390,558)
Net of provisions for expected credit losses	89,740,686	136,528,917
Kosovo Treasuries and term deposits	536,096,670	689,313,694

The movements in provisions for expected credit losses for the years ended December 31, 2023 and 2022 for the above instruments were:

	Kosovo Treasuries	Term Deposits	Debt instruments
	EUR	EUR	EUR
As at January 1, 2022	245,753	26,866	272,619
Additions to provision due to new placements	270,488	309,638	580,126
Additions to provision due to changes in risk parameters	489,340	68,909	558,249
Releases in provision due to maturity / derecognition	(38,255)	(14,855)	(53,110)
Net movement of provisions for expected credit losses	721,573	363,692	1,085,265
As at December 31, 2022	967,326	390,558	1,357,884
Additions to provision due to new placements	70,873	224,164	295,037
Releases in provision due to maturity / net derecognitions	(258,678)	(267,204)	(525,882)
Net movement of provisions for expected credit losses	(187,805)	(43,040)	(230,845)
As at December 31, 2023	779,521	347,518	1,127,039

7 KOSOVO TREASURIES AND TERM DEPOSITS (CONTINUED)

As at December 31, 2023 KPSTPA investments in Kosovo Treasury debt instruments measured at amortised cost consisted of 36 securities with EUR 442,630,000 in nominal value, original maturities of between 12 months and 10 years, average duration (weighted) of 2.95 years, and average rate/coupon (weighted) of 2.92%. As at December 31, 2022 they consisted of 41 securities with EUR 548,420,000 in nominal value, original maturities of between 12 months and 10 years, average duration (weighted) of 2.99 years, and average rate/coupon (weighted) of 2.61%.

As at December 31, 2023 KPSTPA investments in term deposits measured at amortised cost consisted of 7 deposits with banks that had original maturities of between 1 and 2 years, fixed interest rates, an average duration (weighted) of 1.33 years, and average interest rate of 3.35%. As at December 31, 2022 investments in term deposits measured at amortised cost consisted of 12 deposits with banks that had original maturities of between 1 and 2 years, fixed interest rates, an average duration (weighted) of 1.01 years, and average interest rate of 2.26%

	Kosovo Treasuries	Term deposits	Debt Instruments
	EUR	EUR	EUR
As at January 1, 2022	491,257,920	44,749,329	536,007,249
New placements	138,402,081	125,602,002	264,004,083
Interest earned	13,005,284	1,282,066	14,287,350
Interest / coupons – received	(12,828,935)	(665,877)	(13,494,812)
Principal – matured	(76,330,000)	(34,074,911)	(110,404,911)
Net movement in provisions for expected credit loss	(721,573)	(363,692)	(1,085,265)
As at December 31, 2022	552,784,777	136,528,917	689,313,694
New placements	34,569,871	54,000,000	88,569,871
Interest earned	13,267,861	3,057,336	16,325,197
Interest / coupons – received	(13,984,330)	(2,447,605)	(16,431,935)
Principal – matured	(140,470,000)	(101,441,002)	(241,911,002)
Net movement in provisions for expected credit loss	187,805	43,040	230,845
As at December 31, 2023	446,355,984	89,740,686	536,096,670

8 DUE TO KPSTOP

	As at December 31 2023	As at December 31 2022
	EUR	EUR
Fees charged on participants' accounts - payable	570,836	564,690
Plus / (Less): Difference from refunds of erroneous contributions	10,261	(11)
Due to KPSTOP	581,097	564,679

AMOUNTS IN EUR UNLESS OTHERWISE SPECIFIED

9 OTHER LIABILITIES

	Note	As at December 31 2023	As at December 31 2022
		EUR	EUR
Liabilities for the withdrawal of savings	3.4	608,352	233,782
Liabilities for refunds	3.4	-	2,615
Liabilities for non-contributions	3.6	91,013	75,144
Total other liabilities		699,365	311,541

10 OTHER INCOME

During the year ended December 31, 2023 the Governing Board of KPST decided to pay back into the fund EUR 2,000,000 out of the KPSTOP surplus from investing activities (2022: EUR nil).

11 FEES CHARGED ON PARTICIPANTS' ACCOUNTS

	Year ended December 31 2023	Year ended December 31 2022
		EUR
Fees for investment activities	8,132,780	7,511,466
Fees for operational activities	1,288,637	1,337,980
Total fees charged on participants' accounts	9,421,417	8,849,446

Fees are charged on daily basis, for the purpose of financing the activities of KPSTOP, as disclosed in Note 3.5 of these financial statements. The Applicable fee rates for the reporting period, as approved by the Assembly of the Republic of Kosovo in accordance with Law No. 04/L-168, were as follows:

Date from	Date to	Fees for investment activities	Fees for operational activities	Total fees
January 1, 2022	February 7, 2023	0.320% p.a.	0.057% p.a.	0.377% p.a.
February 8, 2023	December 31, 2023	0.320% p.a.	0.050% p.a.	0.370% p.a.

12 INDIVIDUAL PARTICIPANTS' ACCOUNTS

	As at December 31 2023	As at December 31 2022
	Number of Accounts	Number of Accounts
Accounts with no permanent withdrawals of savings	760,990	725,766
Accounts with permanent withdrawals of savings	73,973	67,229
Total accounts	834,963	792,995

An account with permanent withdrawals of savings represents accounts from which pension savings have been withdrawn due to: (i) the contributor retiring by reaching the pension age of 65 years old or by becoming permanently disabled; or (ii) successors, deemed as rightful heirs, inheriting the pension savings of a deceased participant. Out of 834,963 contributors for whom KPST has opened a pension savings account, 442,383 had contributions belonging to the year ended December 31, 2023 (2022: 428,891 out of 792,995 opened accounts).

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

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

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

Unallocated contributions as at December 31, 2023 amounted EUR 3,192,323 (2022: EUR 2,950,426). Main reasons include: (i) employer making the payment but not submitting the list of contributors; (ii) employer submitting the list of contributors but making underpayments and/or overpayments; (iii) contributor personal information in the contributor list (ID and/or name) is not valid; (iv) penalties and fees for late payment (payable to TAK) are included in payments; and (v) the source of payment (employer) is not yet identified.

The administration of KPST does its best to resolve cases of unallocated contributions. If however, six or more years have passed since the contribution was paid and despite best efforts of the administration the contribution remains unallocated, paragraph 3 of Article 3 of the Law No. 05/L-116 amending paragraph 7.11 of the Article 7 of the Law No. 04/L-101 on Pension Funds in Kosovo, allows for the redemption of units of such contributions and for the proceeds of such redemptions are paid to the Kosovo Consolidated Budget (KCB) via the Tax Administration of Kosovo. During 2023 no units were redeemed under this provision, making for EUR nil of proceeds for the KCB (2022: EUR nil).

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

	As at December 31 2023	As at December 31 2022
	EUR	EUR
Unallocated contributions (unitised up to reporting date)	3,192,323	2,950,426
Cumulative contributions unitised up to reporting date	2,716,896,334	2,430,714,987
Unallocated contributions as percentage of unitised contributions up to reporting date	0.117%	0.121%

12 INDIVIDUAL PARTICIPANTS' ACCOUNTS (CONTINUED)

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

	Notes	As at December 31 2023	As at December 31 2022
		Value EUR	Value EUR
Net assets attributable to participants		2,720,241,778	2,426,644,184
<i>Adjusted for:</i>			
Contribution receivables not unitised on reporting date	5	(19,560,192)	(16,826,103)
Balance of provision from impairment losses	7	1,127,039	1,357,884
Net unitised assets attributable to participants		2,701,808,625	2,411,175,965
Balance of funds in individual accounts		2,698,237,563	2,407,987,792
Percentage of net unitised participants' assets in individual accounts		99.87%	99.87%

Net unitised assets attributable to participants as at December 31, 2023 amounting EUR 2,701,808,625 consist of Standard Portfolio assets amounting EUR 2,570,540,693 and Conservative Portfolio assets amounting EUR 131,267,932 (2022: EUR 2,411,175,965, EUR 2,316,363,922, and EUR 94,812,043 respectively).

On reporting date, the balance of provisions from impairment losses amounting EUR 1,127,039 consisted of provisions amounting EUR 865,608 belonging to the Standard Portfolio and EUR 261,431 to the Conservative Portfolio (2022: EUR 1,357,884, EUR 1,169,684, and EUR 188,200 respectively).

13 OPERATING SEGMENTS

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

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

a) Statement of financial position

	As at December 31 2023		
	Standard	Conservative	Total
	EUR	EUR	EUR
Assets			
Cash and cash equivalents	149,885,007	2,445,055	152,330,062
Contribution and other receivables	19,576,715	655	19,577,370
Financial assets at FVPL	2,013,518,138	-	2,013,518,138
Kosovo Treasuries	317,205,897	129,150,087	446,355,984
Term deposits	89,740,686	-	89,740,686
Total assets	2,589,926,443	129,150,087	2,721,522,240
Liabilities			
Due to KPSTOP	539,694	41,403	581,097
Other liabilities	151,472	547,893	699,365
Total liabilities	691,166	589,296	1,280,462
Net assets attributable to participants	2,589,235,277	128,560,791	2,720,241,778

	As at December 31 2022		
	Standard	Conservative	Total
	EUR	EUR	EUR
Assets			
Cash and cash equivalents	31,133,021	997,450	32,130,471
Contribution and other receivables	16,826,228	-	16,826,228
Financial assets at FVPL	1,689,250,011	-	1,689,250,011
Kosovo Treasuries	458,962,109	93,822,668	552,784,777
Term deposits	136,528,917	-	136,528,917
Total assets	2,332,700,286	94,820,118	2,427,520,404
Liabilities			
Liabilities due to KPSTOP	534,432	30,247	564,679
Other liabilities	145,513	166,028	311,541
Total liabilities	679,945	196,275	876,220
Net assets attributable to participants	2,332,020,341	94,623,843	2,426,644,184

AMOUNTS IN EUR UNLESS OTHERWISE SPECIFIED

13 OPERATING SEGMENTS (CONTINUED)

b) Statement of comprehensive income

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

	Year ended December 31		
	2022		
	Standard	Conservative	Total
	EUR	EUR	EUR
Income			
Net loss on financial assets at FVPL	(138,775,369)	-	(138,775,369)
Interest income calculated using the effective interest rate method, net	11,435,769	2,719,123	14,154,892
Dividend Income	5,739,074	-	5,739,074
Total income / (loss)	(121,600,526)	2,719,123	(118,881,403)
Operating expenses			
Fees charged on participants' accounts	(8,565,968)	(283,478)	(8,849,446)
Total operating expenses	(8,565,968)	(283,478)	(8,849,446)
Charge of expected credit losses, net	(897,065)	(188,200)	(1,085,265)
(Decrease) / Increase in net assets attributable to participants	(131,063,559)	2,247,445	(128,816,114)

AMOUNTS IN EUR UNLESS OTHERWISE SPECIFIED

13 OPERATING SEGMENTS (CONTINUED)

c) Statement of changes in net assets attributable to participants

	Standard	Conservative	Total
	EUR	EUR	EUR
<i>As at January 1, 2022</i>			
Contributions	1,768,201,944	-	1,768,201,944
Retained earnings	598,470,415	-	598,470,415
Total as at January 1, 2022	2,366,672,359	-	2,366,672,359
<i>Movement of contributions due to</i>			
New contributions	244,518,592	-	244,518,592
Withdrawal of savings	(10,448,147)	(30,303,192)	(40,751,339)
Refunds	(862,652)	-	(862,652)
Cross-portfolio transfers	(100,412,051)	100,412,051	-
Net movement of contributions	132,795,742	70,108,859	202,904,601
<i>Movement of retained earnings due to</i>			
Withdrawal of savings	(3,140,649)	(10,979,303)	(14,119,952)
Refunds	3,290	-	3,290
Cross-portfolio transfers	(33,246,842)	33,246,842	-
(Decrease) / Increase in net participants' assets	(131,063,559)	2,247,445	(128,816,114)
Net movement of retained earnings	(167,447,760)	24,514,984	(142,932,776)
<i>As at December 31, 2022</i>			
Contributions	1,900,997,686	70,108,859	1,971,106,545
Retained earnings	431,022,655	24,514,984	455,537,639
Total as at December 31, 2022	2,332,020,341	94,623,843	2,426,644,184
<i>Movement of contributions due to:</i>			
New contributions	288,915,435	-	288,915,435
Withdrawal of savings	(7,992,959)	(46,228,478)	(54,221,437)
Refunds	(2,175,945)	-	(2,175,945)
Cross-portfolio transfers	(75,382,420)	75,382,420	-
Net movement of contributions	203,364,111	29,153,942	232,518,053
<i>Movement of retained earnings due to:</i>			
Withdrawal of savings	(1,347,750)	(16,037,229)	(17,384,979)
Refunds	(8,453)	-	(8,453)
Cross-portfolio transfers	(19,151,773)	19,151,773	-
Increase in net assets attributable to participants	74,454,708	4,018,265	78,472,973
Net movement of retained earnings	53,946,732	7,132,809	61,079,541
<i>As at December 31, 2023</i>			
Contributions	2,104,361,797	99,262,801	2,203,624,598
Retained earnings	484,969,387	31,647,793	516,617,180
Total as at December 31, 2023	2,589,331,184	130,910,594	2,720,241,778

13 OPERATING SEGMENTS (CONTINUED)

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

	As at December 31 2023		As at December 31 2022	
	Limit	Allocation	Limit	Allocation
	%	%	%	%
STANDARD PORTFOLIO				
<i>By type of investment</i>				
Pure equity funds	0-60	25.6	0-60	28.4
Real assets	0-20	9.6	0-20	6.4
Multi-asset funds	0-55	9.0	0-55	18.4
Pure fixed income	0-60	16.9	0-60	29.0
Cash and money markets	0-50	38.9	0-50	17.8
<i>By return strategy</i>				
Directional return (no risk adjustment)	0-60	29.1	0-60	25.1
Targeted/managed risk / Absolute return	0-70	15.4	0-70	28.9
Cash and income generating	0-70	55.5	0-70	46.0
CONSERVATIVE PORTFOLIO				
<i>By type of investment</i>				
Pure fixed income	90-99	98.2	90-99	99.0
Cash and money markets	1-10	1.8	1-10	1.0
<i>By return strategy</i>				
Cash and income generating	100	100.0	100	100.0

14 STATEMENT OF UNIT MOVEMENTS ATTRIBUTABLE TO REDEEMABLE PARTICIPANTS

	Notes	2023	2022
		Units	Units
<i>Standard Portfolio</i>			
As at January 1		1,423,896,790	1,366,352,723
Units issued for received contributions		173,927,369	146,592,119
Units redeemed through withdrawal of savings		(5,667,595)	(8,175,749)
Units redeemed through refunds		(1,325,537)	(517,846)
Net movement of units due to cross-portfolio transfers		(57,472,537)	(80,354,457)
As at December 31		1,533,358,490	1,423,896,790
Net unitised participants' assets	12	2,570,540,693	2,316,363,922
NAV per unit on reporting date		EUR 1.6764	EUR 1.6268
		Units	Units
<i>Conservative Portfolio</i>			
As at January 1		46,052,434	-
Net movement of units due to cross-portfolio transfers		45,319,826	66,431,180
Units redeemed through withdrawal of savings		(29,749,043)	(20,378,746)
As at December 31		61,623,217	46,052,434
Net unitised participants' assets	12	131,267,932	94,812,043
NAV per unit on reporting date		EUR 2.1302	EUR 2.0588

Throughout 2023 more participants became eligible for transfer to the Conservative Portfolio. During the period 57,472,537 units were redeemed from the Standard Portfolio and the resulting amounts were used to purchase 45,319,826 units in the Conservative Portfolio. Redemption and purchase of additional units from Standard and Conservative Portfolio respectively, were carried out at respective unit prices of each portfolio on transfer date.

15 RELATED PARTIES

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

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

16 EVENTS AFTER THE REPORTING PERIOD

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