National Bank of Serbia

INSURANCE SUPERVISION DEPARTMENT

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Third Quarter Report 2025

January 2026

Contents:

List of abbreviations

mn	million
bn	billion
Q3	third quarter (1 January – 30 September)

1. Insurance market[1]

1.1. Market participants

(Re)insurance undertakings

At end-Q3 2025, the insurance market in Serbia comprised 20 (re)insurance undertakings, unchanged in y-o-y terms. Sixteen undertakings engaged in insurance activities only and four in reinsurance activities. Of the insurance undertakings, four were exclusive life insurers, six exclusive non-life insurers, while six provided both life and non-life insurance.

The breakdown by ownership at end-Q3 2025 shows that of 20 undertakings, 15 were in majority foreign ownership.

At end-Q3 2025, foreign-owned undertakings held majority shares of life insurance premium (83.5%), in non-life insurance premium (60.7%), total assets (69.5%), and employment (65.4%).

Chart 1.1.1. **Structure of (re)insurance undertakings in Serbia by ownership**
(in Q3 2025)

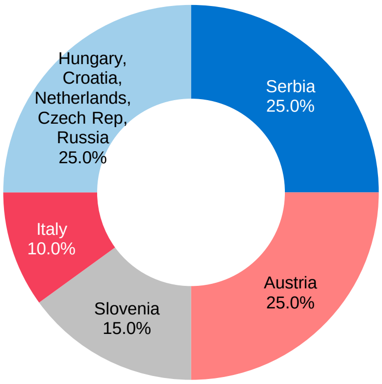
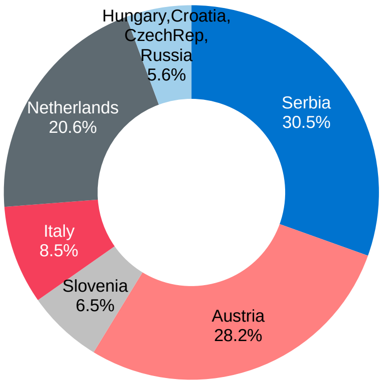


Chart 1.1.2. **Balance sheet total of (re)insurance undertakings in Serbia by ownership**
(in Q3 2025)



Source: National Bank of Serbia.

Other market participants

In addition to (re)insurance undertakings, at end-Q3 2025 the market also consisted of: 14 banks, 12 financial lessors and a public postal operator which are licensed for insurance agency activities, 119 legal persons (insurance brokerage and agency services), 85 insurance agents (natural persons – entrepreneurs) and 4,864 active certified agents/brokers in insurance.

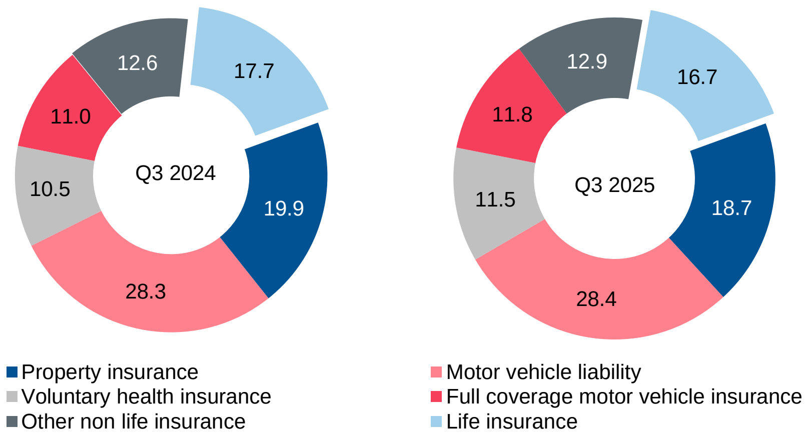
[1] The *Report* is based on data submitted by (re)insurance undertakings to the NBS in line with regulations.

1.2. Insurance portfolio structure

Total premium in Q3 2025 amounted to RSD 143.8 bn (EUR 1.23 bn or USD 1.37 bn)[2], a rise of 8.5% relative to the same period last year.

In the composition of total premium, the share of life insurance premium dropped from 17.7% in Q3 2024 to 16.7% in Q3 2025, due to higher nominal growth in non-life insurance premium than in life insurance premium.

Chart 1.2.**Total premium according to the types of insurance**
(in Q3 2024 and Q3 2025, in %)



Source: National Bank of Serbia.

Observed by type of insurance, the premium structure in Q3 2025 resembled that recorded in the same period in 2024, with motor vehicle liability insurance accounting for the largest share of the total premium (28.4%). Next comes property insurance (18.7%), life insurance (16.7%), full coverage motor vehicle insurance – "kasko" (11.8%), and voluntary health insurance (11.5%).

Non-life insurance premium rose by 9.9% in Q3 2025 relative to Q3 2024. MTPL insurance premium went up by 8.9%, property insurance premium by 2.3%, full coverage motor vehicle insurance ("kasko") by 16.5%, and premium of voluntary health insurance premium by 19.0%.

The above-mentioned growth of the voluntary health insurance premium drove up its share in total premium from 10.5% in Q3 2024 to 11.5% in Q3 2025, with three insurance undertakings accounting for 65.4% of this market segment.

Accident insurance, which among other things comprises mandatory insurance such as accident insurance of passengers in public transport and insurance of employees against occupational injury and illness and occupation-related diseases, edged up by 14.8%, increasing its share in total premium to 2.5%.

In terms of the total and non-life insurance premiums in Q3 2025, there was no change in the ranking of the top five insurance undertakings, which accounted for 73.6% and 74.6% of those categories of premiums, respectively. However, there was a change in ranking when it comes to life-insurance premium, with the top five undertakings accounting for 80.2% of this premium category.

[2] At the average value of the NBS middle exchange rate for the period observed.

Table 1.2. **Ranking list of five largest insurance companies**
(RSD mn, %)

	30/9/2024			30/9/2025			Ranking change
	Amount	Share	Rank	Amount	Share	Rank	
by total premiums							
Dunav	34390	25.9	1	37600	26.1	1	-
Generali	24198	18.3	2	27479	19.1	2	-
DDOR	14892	11.2	3	15018	10.4	3	-
Wiener	14482	10.9	4	14790	10.3	4	-
Triglav	10221	7.7	5	11129	7.7	5	-
by non-life premiums							
Dunav	30718	28.1	1	33658	28.1	1	-
Generali	18408	16.9	2	21669	18.1	2	-
DDOR	12826	11.8	3	12588	10.5	3	-
Wiener	9791	8.9	4	10911	9.1	4	-
Triglav	9654	8.8	5	10540	8.8	5	-
by life premiums							
Generali	5790	24.7	1	5810	24.2	1	-
Dunav	3672	15.7	3	3942	16.5	2	**increase**
Wiener	4691	20.0	2	3880	16.2	3	**decrease**
Grawe	3047	13.0	4	3160	13.2	4	-
DDOR	2066	8.8	5	2430	10.1	5	-

Source: National Bank of Serbia.

The Herfindahl Hirschman index (HHI), calculated by summing up the squares of the respective market shares or, in this case, balance sheet totals of all (re)insurance undertakings, points to moderate market concentration. At end-Q3 2025, the HHI was 1,184[3].

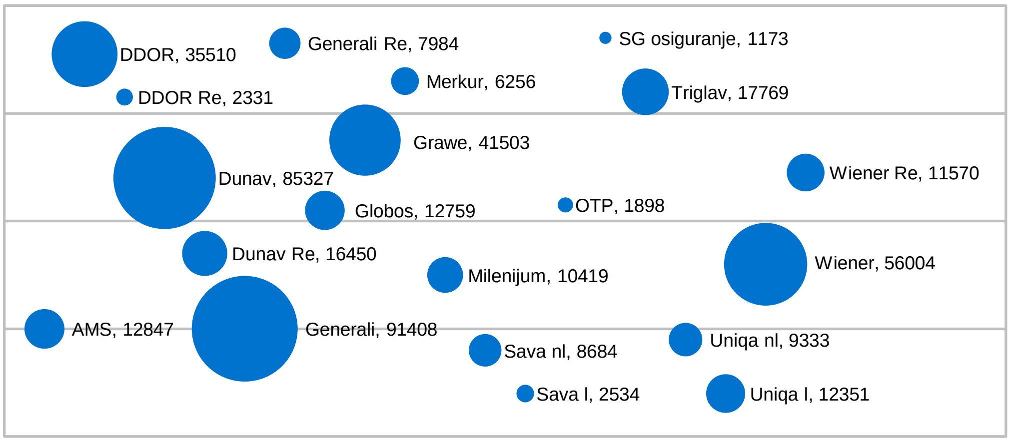
1.3. Balance sheet total and balance sheet structure

Balance sheet total

Balance sheet total of (re)insurance undertakings increased at end-Q3 2025 to RSD 444.1 bn (EUR 3.79 bn or USD 4.45 bn)[4], going up by 6.5% y-o-y.

[3] HHI up to 1,000 indicates that there is no market concentration; 1,000–1800 indicates moderate concentration; above 1,800 indicates high concentration.
[4] At the NBS middle exchange rate as at 30 September 2025.

Chart 1.3.1. **Balance sheet total of insurance companies**
(as at 30/09/2025, in RSD mn)



Source: National Bank of Serbia.

In terms of the industry's balance sheet total, there was no change in the ranking of the top five insurance undertakings, which in Q3 2025 accounted for 76.3% of the total.

Table 1.3. **Ranking list of five largest insurance companies by balance sheet total**
(RSD mn, %)

	30/9/2024			30/9/2025			Ranking change
	Amount	Share	Rank	Amount	Share	Rank	
Generali	84433	22.4	1	91408	22.5	1	-
Dunav	76301	20.3	2	85327	21.0	2	-
Wiener	54561	14.5	3	56004	13.8	3	-
Grawe	39380	10.5	4	41503	10.2	4	-
DDOR	31769	8.4	5	35510	8.8	5	-

Source: National Bank of Serbia.

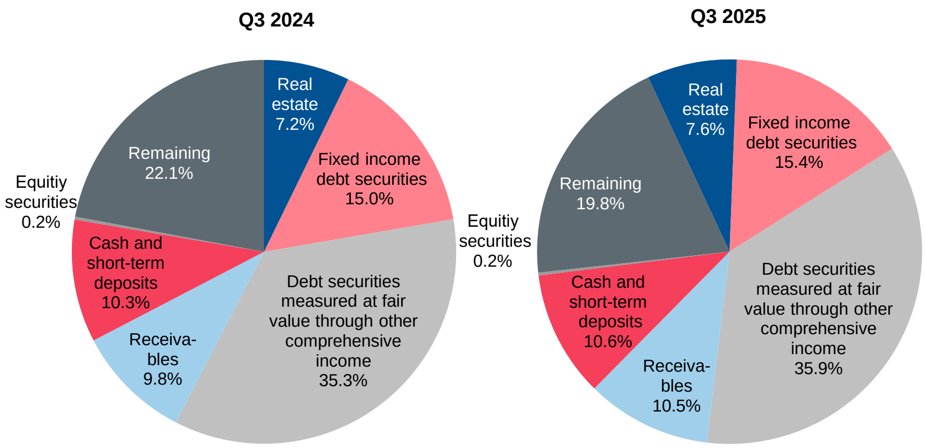
Structure of assets

In the structure of (re)insurance undertakings' assets as at 30 September 2025, the major part were debt securities measured at fair value through other comprehensive income (35.9%) and fixed-income debt securities (15.4%), followed by: cash and short-term deposits (10.6%), receivables (10.5%), technical provisions borne by the coinsurer, reinsurer and retrocessionaire (9.6%, part of the item "Other"[5] in Chart 1.3.2), property, plant and equipment (7.6%) and other.

[5] Other includes: intangible investments, goodwill, software and other rights, participating interests, other long-term financial investments (with the exception of fixed income debt securities), other long-term assets, deferred tax assets, inventories, non-current assets held for sale, other securities within financial investments, other short-term financial investments, value added tax, prepayments and accrued income and technical provisions charged to coinsurer, reinsurer and retrocessionaire.

Relative to end-Q3 2024, we can conclude that debt securities valued at fair value through other comprehensive income and receivables increased their share in assets, while the share of technical provisions borne by the coinsurer, reinsurer and retrocessionaire declined.

Chart 1.3.2. **Structure of assets**
(as at 30/09/2024 and 30/09/2025)



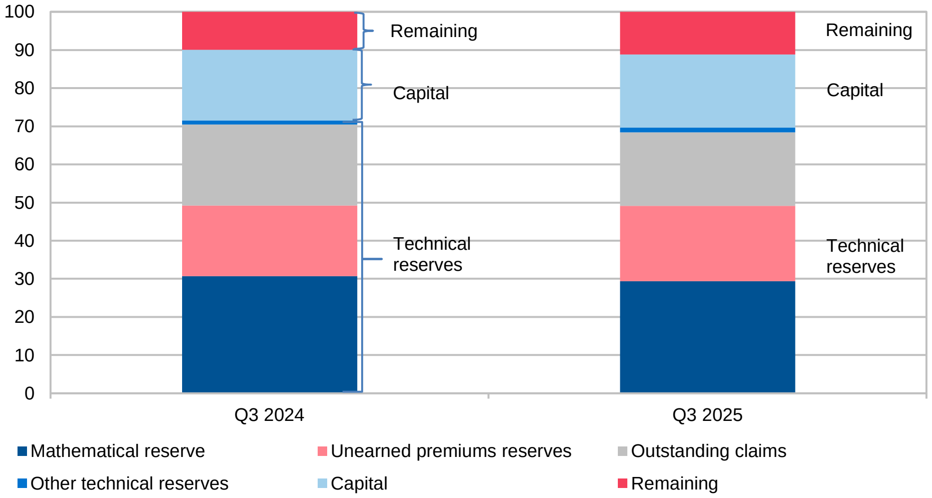
Source: National Bank of Serbia.

Structure of liabilities

In the structure of liabilities of (re)insurance undertakings at end-Q3 2025, technical provisions accounted for 69.6%, and capital for 19.2%.

Capital amounting to RSD 82.7 bn recorded a y-o-y growth rate of 10.0%. Technical provisions amounted to RSD 299.5 bn, posting 3.2% y-o-y growth at end-Q3 2025, due mainly to the partial resolution of a large property damage reported in Q3 2024. Mathematical reserve kept the dominant share in technical provisions, despite the modest y-o-y growth rate of 1.4%.

Chart 1.3.3. **Structure of liabilities**
(in %)



Source: National Bank of Serbia.

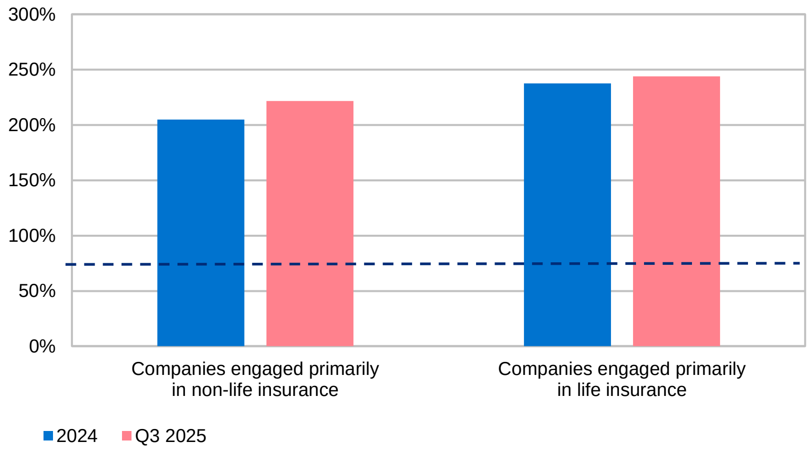
2. Performance indicators

2.1. Capital adequacy

The solvency of (re)insurance undertakings largely depends on the sufficiency of technical provisions for undertaken obligations and on meeting the conditions related to capital adequacy, which have been established as the ratio of the required and available solvency margin.

The available solvency margin of the (re)insurance undertakings in Serbia as at 30 September 2025 amounted to RSD 69.3 bn, and the required solvency margin to RSD 30.7 bn. In undertakings engaged mainly in *non-life insurance*, the **main capital adequacy ratio** (the ratio of the available to required solvency margin) was 221.8%, and for all predominantly *life insurers* in Serbia it equalled 243.8%.

Chart 2.1. **Capital adequacy of insurance undertakings**



Source: National Bank of Serbia.

2.2. Quality of assets

The share of types of assets that can qualify as difficult to collect (intangible investments, real estate, investment in non-tradable securities and receivables) in total assets of undertakings engaged primarily in *non-life insurance*, i.e. the **ratio of less marketable assets**, came at 20.7% at end-Q3 2025, compared to slightly lower 19.8% at end-2024.

For undertakings engaged primarily in *life insurance*, this ratio edged down from 7.2% at end-2024 to 6.9% at end-Q3 2025.

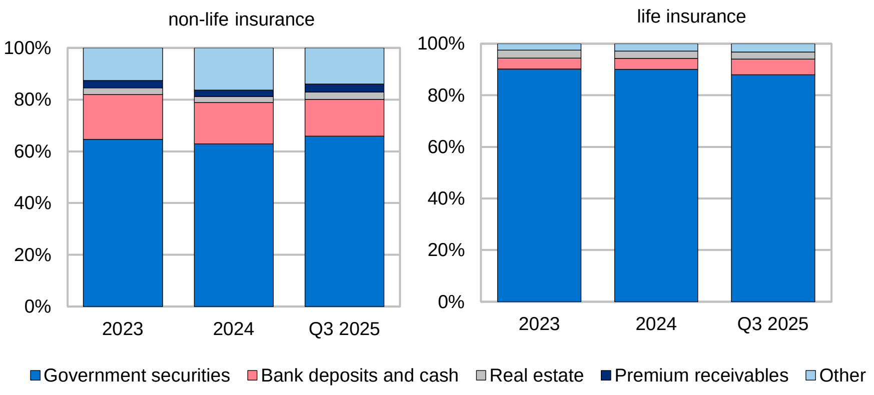
2.3. Investment of technical provisions

In order to protect the interests of the insured and third damaged parties and to ensure timely payment of damage claims, insurance undertakings need not only allocate adequate technical provisions, but also invest these assets to ensure that their real value is maintained and increased, so that the undertaken insurance obligations may be fully and timely met, both at present and in the future period. To be able to meet its liabilities, an undertaking must invest its assets taking due account of the risk profile and risk tolerance limits (qualitative and quantitative), in line with its investment policy, and must continuously monitor risk exposure in terms of the change in value of technical provisions and review the management of those risks.

Technical provisions were fully invested in the prescribed types of assets, in both *non-life* and *life insurance*, as well as in *reinsurance undertakings*, in Q3 2025.

In Q3 2025, *non-life insurance* technical provisions of all insurance undertakings in Serbia were mostly invested in government securities (65.9%), bank deposits and cash (14.2%), technical provisions charged to coinsurer, reinsurer and retrocessionaire (13.2%), insurance premium receivables (3.2%) and real estate (2.8%). Compared to the end of last year, on the one hand, the *share* of technical provisions charged to coinsurer, reinsurer and retrocessionaire (part of the category “Other” in Chart 2.3) and deposits and cash *decreased*, while, on the other hand, the *share* of government securities, insurance premium receivables and real estate *increased*. A total of RSD 366.4 mn was invested in the type of investments introduced in 2024 – investment units of open-ended investment funds, which accounted for only 0.25% of technical provisions of non-life insurance.

Chart 2.3 **Structure of investment of technical reserves**



Source: National Bank of Serbia.

There was no major change in the structure of investment of *life technical provisions* – investment in government securities edged down to 88.0%, while the share of bank deposits and cash went up to 6.0%.

2.4. Profitability

A measure of profitability of an insurance undertaking is the **net combined ratio** (the sum of net claims and underwritten expenses, reduced by reinsurance and retrocession commission, relative to earned net premium). A ratio below 100% indicates that an undertaking can cover damage claims and expenses out of the premium written, while a ratio above 100% means that in premium pricing it takes into account potential income received from investments in the financial and real estate market, which exposes it to inherent market risks and counterparty risks. In undertakings primarily engaged in non-life insurance, the combined ratio declined from 90.5% in Q3 2024 to 89.7% in Q3 2025. The trend of this ratio resulted from somewhat stronger growth of the earned net premium relative to the sum of net claims and underwritten expenses reduced by the reinsurance and retrocession commission.

2.5. Liquidity

To be able to meet its liabilities, an insurance undertaking must ensure an asset-liability maturity match and make sure its assets are marketable and of adequate quality. As the size and timing of individual damage claims cannot be predicted, an insurance undertaking must carefully plan the composition of its assets in order to be able to meet first its liabilities under damage claims, and then all other liabilities.

The liquid assets to liquid liabilities ratio[6] for all (re)insurance undertakings stood at 106.7% in Q3 2025, suggesting that liquid assets were sufficient for servicing short-term liabilities of the insurance sector.

[6] For the purposes of this *Report*, liquid assets comprise: financial investments, cash and deposits with banks and other long-term financial investments, while liabilities refer to: short-term liabilities, accrued costs and deferred revenues, outstanding claims and other technical provisions in insurance up to one year.

3. Motor third party liability

At end-Q3 2025, 11 insurance undertakings engaged in compulsory MTPL insurance – unchanged from the same period last year.

In Q3 2025, the MTPL premium rose by 8.9% y-o-y, reflecting a 4.2% rise in the number of concluded contracts and a 4.5% increase in average premium[7].

Portfolio concentration in this segment was almost unchanged, as three undertakings with the largest share in the MTPL insurance premium accounted for 57.7% of the market in Q3 2025, compared to 57.8% in the same period last year.

4. Conclusion

The comparison of indicators for Q3 2025 and the same quarter in 2024 points to the following changes:

– a total of 20 (re)insurance undertakings operated in Serbia, unchanged from the same period of the previous year, with a slightly decreased employment in the sector – by 0.3% to 11,279 persons;

– the insurance sector balance sheet total rose by 6.5% to RSD 444.1 bn;

– capital increased by 10.0% to RSD 82.7 bn;

– technical provisions gained 3.2%, coming at RSD 299.5 bn, and were fully invested in the prescribed types of assets;

– total premium gained 8.5% and came at RSD 143.8 bn;

– non-life insurance continued to account for the dominant share of total premium (83.3%). Non-life insurance premium rose by 9.9%, with more prominent insurance types, such as: full coverage motor vehicle insurance – "kasko" and voluntary health insurance recording two-digit percentage growth;

– the share of life insurance decreased, on account of stronger growth in non-life insurance premium compared to life insurance premium.

The current insurance regulations in the Republic of Serbia have laid the legislative groundwork for further convergence of the Serbian insurance sector to that of the EU.

Still, major changes in the insurance supervision regulatory framework are yet to be made with the full alignment with the Insurance Distribution Directive (IDD) and implementation of Solvency II.

IDD brings solutions which regulate in more detail the supervision and management of insurance products so as to ensure that they meet actual consumer needs. It also prescribes the methods of informing of consumers and distribution of insurance products, in order to improve the level of protection of rights and interests of insurance service users.

For the sake of further improvement of the prudential supervision regulatory framework, in the forthcoming period continuation of the alignment of the regulations with the Solvency II Directive is expected, in line with the Strategy for Implementation of Solvency II in the Republic of Serbia from

[7] This growth was also influenced by premium increases with seven insurance undertakings as of **August 2024**, ranging from 2.2% to 2.6%, and an increase of 2.6% with one insurance undertaking as of **January 2025**.

May 2021, which will change the manner of quantification of the level of risks to which (re)insurance undertakings are exposed in their operations and therefore, also the capital adequacy requirements and the manner of management of risks. Completing the first phase of strategic activities aimed at implementing Solvency II – compliance analysis, implementing ongoing activities which are integral to the second phase – impact assessment, and moving to the harmonisation of the regulatory framework as the third phase, will enable the insurance sector to respond to future challenges with a view to ensuring long-term stability of the insurance sector and protecting insurance service users.

Amid heightened global uncertainty, one of the most important strategic objectives of the NBS and Government for 2024 was accomplished, i.e. our country obtained the *investment grade rating*. The NBS responded to challenges from the international environment by gradually raising its key policy rate, with a view to *bringing inflation back within the bounds of the target tolerance band*, which yielded the expected results in May last year, consistent with the NBS projections. Given the importance of the insurance sector in protecting citizens and/or insured persons and ensuring the continuity of insurance service provision, the NBS will take all the necessary measures under its remit that could alleviate the effects of the prevalent risks on the insurance sector. These activities will be aimed at maintaining the stability of the insurance sector (by carrying out the on-site supervision plan, ongoing off-site supervision of (re)insurance undertakings and other supervised entities and regulatory amendments) and improving the supervisory function, with a view to ensuring the stability of the insurance sector and protection of insured persons, insurance service users and third damaged parties.