

A photograph of a modern building's glass facade, featuring a grid of glass panels with metallic frames. The building is set against a clear blue sky. The image is used as a background for the report cover.

BANKING AND CAPITAL MARKETS

2025 YEAR IN REVIEW

MACE
DO ■ ■
VITO
RINO

ABOUT US

MACEDO VITORINO IS A LEADING PORTUGUESE LAW FIRM. WE ADVISE DOMESTIC AND FOREIGN CLIENTS IN A WIDE RANGE OF BUSINESS SECTORS, INCLUDING BANKING, DISTRIBUTION, INDUSTRY AND PROJECTS.

We are known for our professional and client-oriented approach to complex and difficult matters.

We have strong relationships with many of the leading international firms in Europe, the United States and Asia, which enable us to handle effectively any cross-border legal matters.

MACEDO VITORINO is ranked by Legal 500 in Banking and Finance, Capital Markets, Corporate and M&A, Employment and Dispute Resolution. The firm is also recognised by IFLR 1000 in Banking and Finance, Capital Markets, Corporate M&A and Project Development.

The multidisciplinary and integrated character of our firm allows us to efficiently solve the legal issues of our clients, in particular:

- COMMERCIAL CONTRACTS, DISTRIBUTION AND FRANCHISING
- COMPETITION AND EUROPEAN LAW
- COPYRIGHT, INTELLECTUAL PROPERTY, IT, PATENTS AND TRADEMARKS
- CORPORATE AND ACQUISITION FINANCE
- DISPUTE RESOLUTION, LITIGATION, MEDIATION AND ARBITRATION
- EMPLOYMENT
- FOREIGN INVESTMENT, MERGERS & ACQUISITIONS AND PRIVATISATIONS
- REAL ESTATE ACQUISITION AND DISPOSAL
- TAX

If you want to find out more about MACEDO VITORINO, please visit our website at www.macedovitorino.com

CONTENTS

1. INTRODUCTION	1
2. MARKET OVERVIEW	2
2.1. Macroeconomic environment	2
2.2. Financial markets	7
3. MAIN EVENTS	15
3.1. Sale of Novo Banco.....	15
3.2. Privatisation of TAP	16
3.3. The new Lisbon airport.....	18
3.4. Sale of Secil by Semapa.....	19
3.5. High-Speed Train Lisbon-Porto	20
4. MAIN LEGAL AND REGULATORY DEVELOPMENTS	22
4.1. Overview.....	22
4.2. Amendments to the credit institutions and financial companies law	22
4.3. New rules on the assignement of banking credits	23
4.4. Mica regulation.....	24
4.5. National crypto-assets legislation.....	26
5. 2026 OUTLOOK	28

I. INTRODUCTION

In a year marked by extraordinary political and economic changes, from the changes in US politics to the acceleration of the AI economy, as well as increasing geopolitical conflicts and tensions in the West and the East, Portugal has maintained a steady economic growth, although not impressive, that led to positive results in the banking sector and Portuguese capital markets.

As Portugal experiences a period of political stability and mild economic growth, with public debt below 100% of GDP and economic growth slightly above 2%, several transactions stand out, such as the sale of Novo Banco, the commencement of construction on Portugal's first high-speed train link between Lisbon and Porto, and the launch of TAP's privatisation process.

On the regulatory front, few changes to bank resolution framework and the regulation of crypto-assets under European and national legislation represented the main developments of 2025, which were unspectacular in comparison with the overhaul of banking regulations that occurred in the last decade.

This report provides an overview of the Portuguese capital markets in 2025, highlighting the main transactions that took place in the year and those that are still unfolding, and reviews the legal and regulatory developments of 2025.

In the last chapter we give our outlook for 2026, as political, economic and military tensions intensify, and questions are raised as to the sustainability of the US stock market valuations, now dominated by the Magnificent Seven, and how this could affect Portugal, its economy and its banking sector.

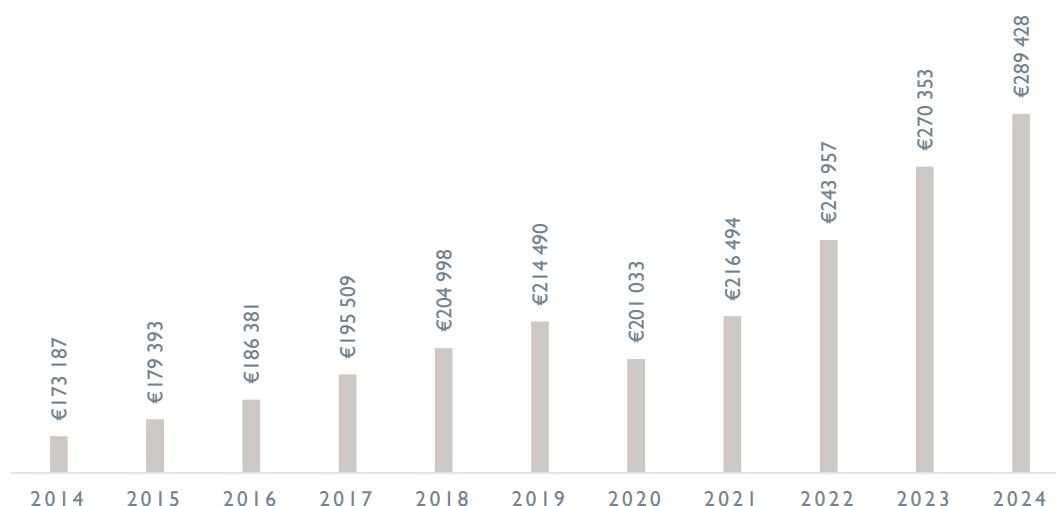
2. MARKET OVERVIEW

2.1. MACROECONOMIC ENVIRONMENT

2.1.1. GDP GROWTH

Portugal's real GDP growth reached 2.1% in 2024 and is projected to reach 2% in 2025, according to the Bank of Portugal's December 2025 Economic Bulletin.

GDP GROWTH CHART (MILLION)



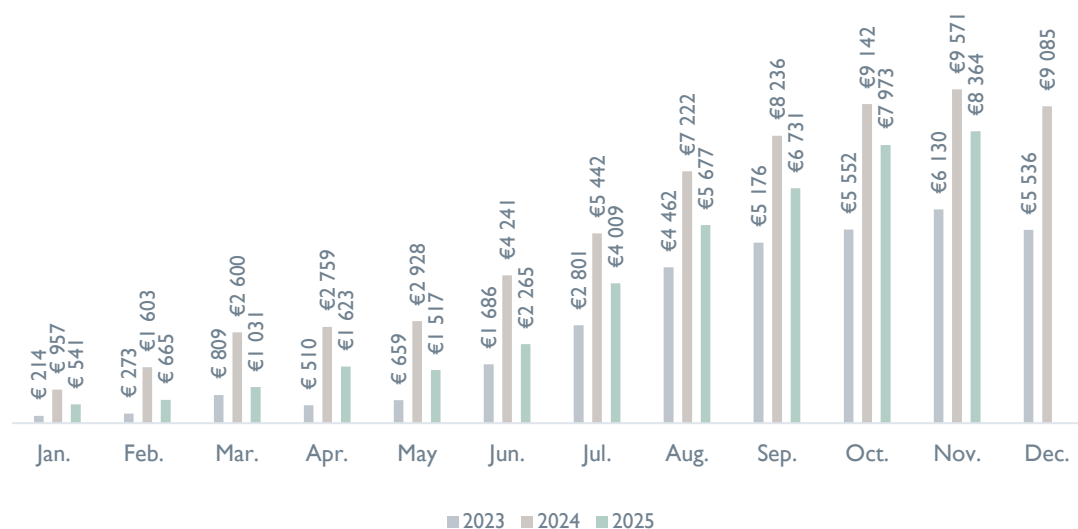
Source: Bank of Portugal

GDP growth is supported by the implementation of the «Recovery and Resilience Plan» (*Plano de Resiliência e Recuperação*, "PRR") (2021-2026, €22,216 million) and easing financial conditions, including lower interest rates, robust domestic demand and expansionary fiscal policies. Other relevant data indicates that private consumption has also risen in 2025 due to higher disposable income availability, allowing families to spend more freely as their take-home pay increases.

2.1.2. TRADE BALANCE

Portugal maintains a robust external position, with a 2.1% account surplus in 2024, projected to average 3.0% of GDP in 2025-26 according to the Bank of Portugal. This is driven by EU recovery funds, which bolster banking sector liquidity and cross-border flows.

TRADE BALANCE CHART



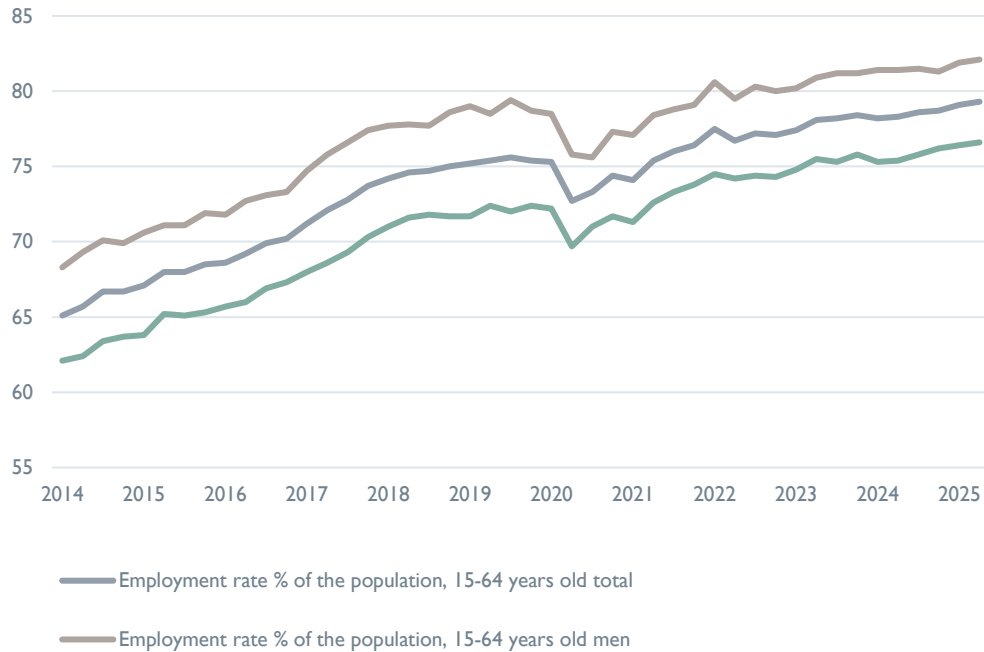
Source: Bank of Portugal

2.1.3. THE LABOUR MARKET

The Portuguese labour market recovered from the COVID 19 pandemic with unemployment near its historical lows. Companies now face difficulties in hiring and retaining skilled workers.¹

¹ OECD (2026), OECD Economic Surveys: Portugal 2026, OECD Publishing, Paris, <https://doi.org/10.1787/025b3445-en>.

EMPLOYMENT RATE



Source: OECD based on Eurostat (2025), Labour Force Statistics (database); OECD (2025), OECD Economic Outlook: Statistics and Projections (database).

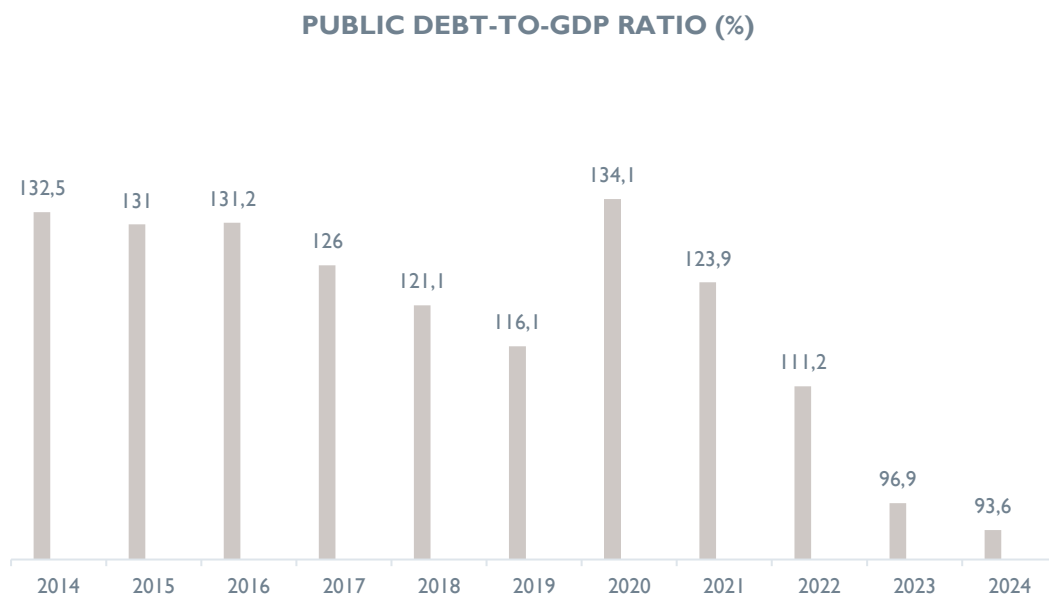
The recent influx of migrants to Portugal is significant, with 2025 data indicating that foreigners comprise approximately 15% of the population, mostly unskilled workers. Conversely, the domestic population faces workforce misallocation, as many individuals are working in fields unrelated to their qualifications and educational backgrounds, resulting in an inefficient use of qualified workforce.

Another critical issue in the Portuguese labour market is the aging population, where individuals over 65 years of age represent nearly 25% of the total, projected to rise to 34% by 2040.

2.1.4. PUBLIC DEBT

As of October 2025, Portugal's total public debt stood at €238.1 billion, a €13.3 billion increase when compared to the same month of 2024. The country's debt as a percentage of GDP has been decreasing consistently.

The debt-to-GDP ratio stood at 93.6% in 2024, a significantly lower level when compared to 2021, when it represented 137.5% of Portugal's GDP, as depicted in the graphic below.



Source: Bank of Portugal

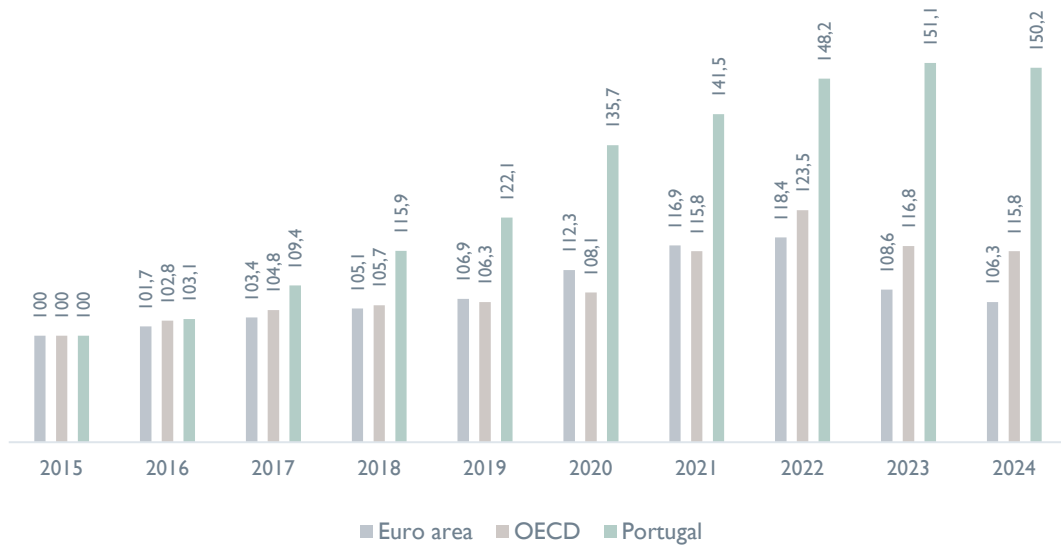
Robust tax revenues support this trend, but expenditure growth and aging-related costs, challenge fiscal sustainability, highlighting the need for reforms in pensions, healthcare, and tax simplification.

2.1.5. HOUSING MARKET

Like many other Western countries, Portugal faces a housing affordability crisis; as prices have far outpaced income growth, buying or renting a home is increasingly difficult for most people, affecting more younger people. ²

² OECD (2026), OECD Economic Surveys: Portugal 2026, OECD Publishing, Paris, <https://doi.org/10.1787/025b3445-en>.

HOUSING PRICES CHART



Source: OECD based on OECD Affordable Housing (database)

Recent government measures, such as tax incentives, aim to address these gaps, but further reforms are needed. The OECD recommends re-balancing rental regulations to attract more private investment tempered with *"sufficient and well-targeted housing allowances to protect low-income tenants"*.

Longer term measures must be adopted to increase the housing supply, such as public funded housing projects in the form of public private partnerships or otherwise as well as removing administrative barriers to construction, with improvements in the licensing of projects. The OECD calls for clear rules *"allowing landlords to recover costs from upgrading dwellings would also boost energy renovations, especially if combined with financial support to mitigate cost pressures on tenants"*.³

³ OECD (2026), OECD Economic Surveys: Portugal 2026, OECD Publishing, Paris, <https://doi.org/10.1787/025b3445-en>.

Notwithstanding the ongoing crisis, the Bank of Portugal forecasts a 5.9% rise in residential investment, which is expected to contribute to growth in the bank lending sector.

2.2. FINANCIAL MARKETS

2.2.1. PORTUGUESE STOCK MARKET

The Euronext Lisbon's benchmark PSI index (formerly PSI-20) closed 2025 with a price gain of approximately 29.5%, ending at 8,263.65 on 31 December 2025, and reached new 16-year highs above 8,500 points in early January 2026.

In total-return terms (including dividends), the PSI advanced about 27.4% in 2025, outperforming several major global benchmarks such as the S&P 500 and STOXX Europe 600, as well as European markets including the DAX (Frankfurt), FTSE 100 (London) and CAC 40 (Paris), while trailing the FTSE MIB (Milan), as well as the IBEX 35 (Madrid), which recorded one of the strongest gains among large European indices at close to 49% in 2025.

The Portuguese stock market is mainly composed of defensive-sector industries such as energy, banking and paper industries. The largest companies on Euronext Lisbon's benchmark PSI index include:

- **EDP - Energias de Portugal S.A.** (EDP.LS). The index's largest constituent registered an increase in electricity production in 2025 supported by favourable hydro conditions and its renewable operations. The shares produced a positive double-digit return (around 20%) over the year, with market capitalisation around €16 billion at the end of the year.⁴
- **BCP - Banco Comercial Português S.A.** (BCP.LS). Benefitting from higher profitability and ongoing balance-sheet strengthening, the share price rose by about

⁴ Market cap information sourced from <https://stockanalysis.com/quote/eli/EDP/market-cap/>.

93% in 2025, reaching multi-year highs. Market capitalisation stood in the low-teens billions of euros, around €13.2 billion depending on the specific closing date used.⁵

- **Jerónimo Martins SGPS S.A. (JMT.LS).** A food retail group with core operations in Portugal and Poland. In 2025 the company posted record revenues of about €36 billion and achieved a share-price gain close to 9%, resulting in a market capitalisation of approximately €12.7 billion by year-end.⁶
- **EDP Renováveis S.A. (EDPR.LS).** A global wind and solar operator that reached approximately 20.4 GW of installed capacity in 2025. The shares recovered from 2024 lows and posted a high-teen to low-20% gain over the year, with market capitalisation close to €12.6 billion on an end-2025 basis.⁷
- **Galp Energia SGPS S.A. (GALP.LS).** Supported by a significant increase in Group EBITDA and upgraded production guidance, Galp's market capitalisation stood slightly below €11 billion at the end of 2025.⁸
- **Mota-Engil SGPS S.A. (EGL.LS).** An engineering and construction group that reported record EBITDA, with growth around 15% and a substantial international and domestic order backlog. The share price increased by roughly the high-60% range over 2025, with market capitalisation near €1.5 billion at the end of the year.⁹
- **Corticeira Amorim SGPS S.A. (COR.LS).** A global leader in cork products. The company faced a year of pressure linked to changing alcohol consumption patterns and industrial deleveraging, finishing 2025 with a decline in its share price and a market capitalisation of around €0.9 billion (as of late 2025).¹⁰
- **Altri SGPS S.A. (ALTR.LS).** An industrial producer of cellulosic fibres. The company experienced weaker performance in the second half of 2025 amid softer global demand, ending the year with a negative share-price performance and a

⁵ Market cap information sourced from <https://stockanalysis.com/quote/eli/BCP/market-cap/>.

⁶ Market cap information sourced from <https://stockanalysis.com/quote/eli/JMT/market-cap/>.

⁷ Market cap information sourced from <https://stockanalysis.com/quote/eli/EDPR/market-cap/>.

⁸ Market cap information sourced from <https://stockanalysis.com/quote/eli/GALP/market-cap/>.

⁹ Market cap information sourced from <https://stockanalysis.com/quote/eli/EGL/market-cap/>.

¹⁰ Market cap information sourced from <https://stockanalysis.com/quote/eli/COR/market-cap/>.

market capitalisation of approximately €0.9 billion (figure dependent on reference date).¹¹

2.2.2. DEBT CAPITAL MARKETS (DCM) & BOND ISSUANCES

The 2024–2025 period was characterised by high-profile corporate deleveraging and successful "Green Bond" entries.

(1) Corporate bond highlights

Notable corporate bond issuances in 2025 include:

- **Santander Totta** (Bank) – March 2025: Issued €400M in Floating Rate Covered Bonds due March 2028 to support mortgage-backed financing.
- **CTT** (Postal/Logistics) – April 2025: Issued €110M in Senior Unsecured Floating Rate Bonds due in 2031 to support general corporate growth.
- **GamaLife** (Insurance) – July 2025: Issued €125M in Tier 2 Subordinated Notes due 2035 at a 5.25% rate to optimise solvency capital.
- **EDP** (Energy) – November 2025: Issued €1,000M in European Green Notes to refinance existing higher-coupon debt.
- **Banco CTT** (Nov 2025). Priced a €45 million Senior Preferred Debt issuance (3.75% coupon) to meet MREL requirements and support retail credit growth.

(2) Public debt issuances

The following is a list of the main sovereign and regional bond issuances in 2025:

- **Autonomous Region of Madeira** (Regional) – June 2025: Issued €310M in 15-year Regional Bonds, backed by a central government guarantee, to refinance maturing debt.

¹¹ Market cap information sourced from <https://stockanalysis.com/quote/eli/ALTR/market-cap/>.

- **Republic of Portugal** (Sovereign) – April 2025: Issued €1,047M via a dual-tranche auction of OT 3.875% 2030 and OT 4.1% 2037 to maintain liquidity in medium-term benchmarks.
- **Republic of Portugal** (Sovereign) – July 2025: Issued €1,260M in a dual-tranche auction focusing on the long end of the curve (OT 0.3% 2031 and OT 1% 2052).
- **Republic of Portugal** (Sovereign) – July 2025: Issued €612M in Floating Rate Treasury Bonds (OT FRN) maturing in 2031, a less frequent instrument used to diversify the investor base.
- **Republic of Portugal** (Sovereign) – September 2025: Issued €1,131M through an auction of OT 3% 2035 and OT 1.15% 2042 to address institutional demand for longer duration.
- **Republic of Portugal** (Sovereign) – September 2025: Issued €3,500M in 8-year Treasury Bonds (OT 2.875% 2033).
- **Republic of Portugal** (Sovereign) – September 2025: Issued €1,500M in 30-year Treasury Bonds (OT 2054) via syndication.

2.2.3. PORTUGUESE EQUITY MARKETS DYNAMICS

Despite the recent gains, Portugal’s equity market continues to face important challenges, including a sharp decline in the number of listed companies from a peak of 152 in 1990 to only 48 in 2025. Despite its modest size, the Portuguese equity market attracts yield-focused investors.

Market capitalisation in Portugal represented only 28.8% of GDP in 2024 and is projected to be around 25% to 30% in 2025, which is significantly lower than the European average (65% in 2023). This highlights a clear preference among Portuguese companies, particularly SMEs, for bank debt to the detriment of public markets, a preference which is often attributed to a culture of family control and insufficient scale of Portuguese businesses.

Initial public offerings are rare, with the last significant IPO in the Portuguese market being Greenvolt’s in 2021, subsequently acquired by KKR and delisted. Acquisitions of listed companies with international scale by foreign companies and private equities leading to delistings occur frequently.

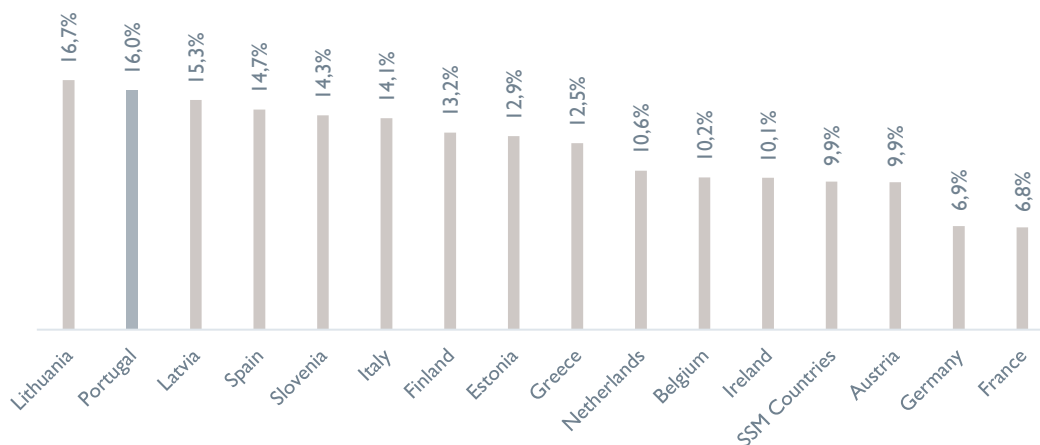
2.2.4. BANKING SECTOR

During the first nine months of 2025, the five largest Portuguese banks reported aggregate profits of €3.903 billion, reflecting a 0.33% variation from the previous year and sustaining the sector's profitability.

Considering each bank individually, Caixa Geral de Depósitos reported a profit of €1.4 billion, Millennium BCP reported €775.9 million, Santander reported €728.2 million, Novo Banco reported €610.5 million, and BPI reported €389.3 million.

In 2025, the Portuguese banking sector was among the most profitable in Europe. The main Portuguese banks achieved a return on equity of 16%, exceeding the Eurozone average of 9.88% and ranking second in the Eurozone, behind Lithuania.

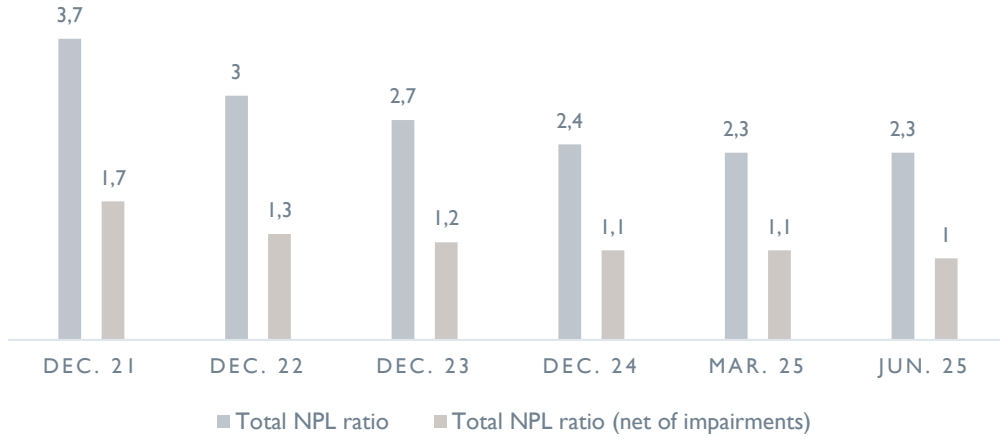
BANKS RETURN ON EQUITY BY COUNTRY



Source: European Central Bank

Non-performing loans declined to 2.3% in comparison to 2.4% in 2024 and 2.7% in 2023, following an earlier declining trend that is the result of stable economic conditions and significant improvements in banks financial governance and risk management practices.

NON-PERFORMING LOANS RATIOS

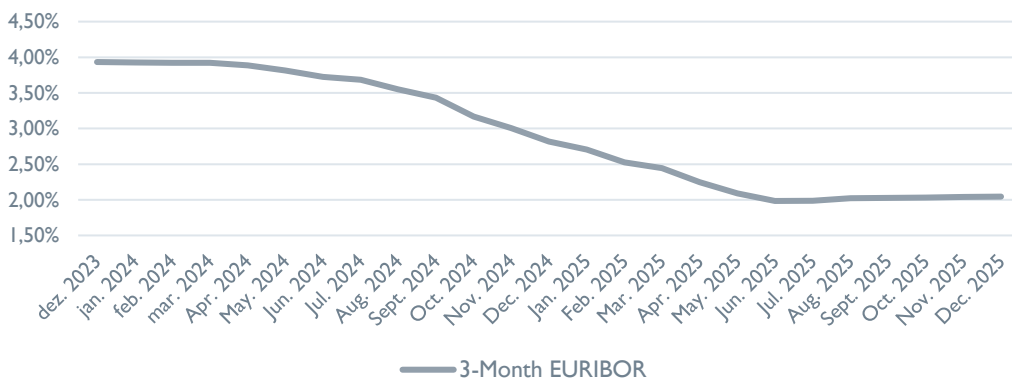


Source: Bank of Portugal

2.2.5. CREDIT MARKET

After reaching a peak in 2023 at approximately 4%, the 6-Month EURIBOR declined to about 2.63% in 2024 and further to approximately 2.15% by December 2025. The 3-month EURIBOR started the year of 2025 above 2.7%, falling to 2.0% over the year.

3-MONTH EURIBOR



Source: Bank of Portugal

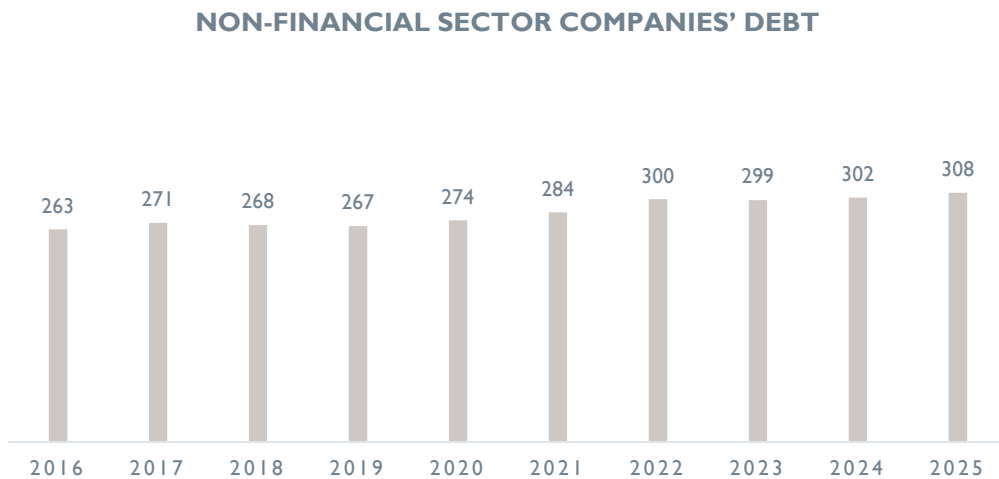
For 2026, the Bank of Portugal forecasts an additional decline, with the 3-month EURIBOR stabilizing at around 2% fuelling the 9.8% increase in housing loans in 2025 compared to the previous year.

Credit granted to companies and individuals has also increased. According to a November report from the Bank of Portugal, credit granted to companies has risen by 4.3% in annual terms, while consumer credit granted to individuals has risen by 7.9%.

2.2.6. NON-FINANCIAL SECTOR COMPANIES' DEBT

In 2025, the debt of non-financial private companies in Portugal reached €308 billion, representing an increase from the €299 billion low of 2023. This €308 billion represents the highest nominal level recorded in the 2016-2025 period.

According to statistics published by the Bank of Portugal, the stock of private corporate debt expanded at an annual rate of around 2.5% through the third quarter of 2025, based on total credit to resident non-financial corporations (loans and debt securities, domestic and external). This increase was supported both by lending from resident financial institutions and by external financing.



Source: [Bank of Portugal](#)

Despite the higher outstanding amounts across the system, the aggregate NPL ratio for banks in Portugal remained low, standing at about 2.3% in Q3-2025 (system-wide) albeit slightly.

3. MAIN EVENTS

3.1. SALE OF NOVO BANCO

One of the most notable events of the year 2025 was the sale of Novo Banco, the fourth largest Portuguese bank, owned by the American fund Lone Star and the Portuguese Resolution Fund, the banking resilience fund created to support ailing banks.

Founded in 2014 following the resolution of Banco Espírito Santo ("BES"), Novo Banco currently manages a retail network comprising 290 branches and serves 1.7 million customers, to whom it provides services such as deposits, loans, insurance, among others.

Since its foundation, the bank has shown remarkable progress, having transformed into a highly profitable entity. In 2024, the bank recorded:

- €42.4 billion in total assets.
- €37.3 billion in liabilities.
- EBITDA of €200 million.
- Net profit of €744.6 million.

After indicating a stock market listing through an initial public offering of approximately 25% to 30% of the capital, Lone Star opted for a direct sale of Novo Banco to the French group BPCE for 6.4 billion euros, announced in June 2025, with completion expected in 2026.

With a small presence in Portugal through Banco Primus, Oney, and Natixis, BPCE is presently the second largest banking group in France and one of the top ten European groups, with plans to expand outside France.

The distribution of the sale proceeds will be as follows:

- Lone Star: €4.8 billion.
- State + Resolution Fund: €1.6 billion.

Lone Star Funds will obtain a significant financial return from the sale. The Portuguese State, which, together with the Resolution Fund, owns the remaining 25%, despite a partial recovery of funds, will record a net loss of approximately 6 billion euros.

This transaction represents the largest cross-border operation in the Eurozone over the last 10 years and represents a growth opportunity for BPCE, given that Novo Banco holds a market share of 9% in individual customers and 14% in businesses.

3.2. PRIVATISATION OF TAP

In August, the Portuguese Government approved the first phase of the privatisation of TAP – Transportes Aéreos Portugueses, S.A. ("TAP"), Portugal's flag carrier, with the publication of Decree-Law 92/2025 and the approval of the tender documents.

Decree-Law 92/2025, the Government has authorised the sale of up to 49.9% of TAP's share capital, with the State retaining at least 50.1%.

The minority stake will be split between a strategic investor (or a consortium of investors), who will acquire up to 44.9%, and up and the TAP Group employees, who will have the option to acquire up to 5%. If the employees do not acquire the full 5%, the remaining shares will be sold to the selected investor.

The primary objectives of TAP's reprivatization include maximising the recovery of public funds invested in TAP, enhancing the airline's brand and market position, and ensuring connectivity to key destinations, particularly those with historical, cultural, and social ties to Portugal.

Potential investors must satisfy certain participation requirements, including fit and proper status, financial capacity, certified air operator status, size, and such other conditions established in the tender documents (*caderno de encargos*).

The sale process will include the following stages:

- **Expression of interest:** interested parties must submit their expression of interest within the timeframe specified in the tender documents.
- **Screening:** the Government will assess whether the interested parties meet the participation requirements.

- **Non-binding proposals:** interested parties will submit indicative (non-binding) offers, after which selected bidders may be invited to submit binding proposals.
- **Binding proposals:** selected bidders will submit binding offers, following which the contract will be awarded or the bidders may be invited to a negotiation phase (if applicable).
- **Negotiation:** the Government will negotiate with the selected bidders, who will be asked to submit their best and final binding offers.

The sale process is expected to be completed by the third quarter of 2026, with the pre-qualification phase already concluded, determining that all interested parties (Air France-KLM, IAG, and Lufthansa) meet the requirements to proceed to the second phase, which began on January 2 and sets April 2, 2026, as the deadline for the submission of non-binding proposals.

The evaluation criteria for the proposals prioritised the industrial plan, fleet growth, the development of national airport infrastructure, investment in sustainable fuels, and the financial amount injected into the company, with central issues being the maintenance of the hub in Lisbon and the national identity of TAP.

The sale agreement grants the private investor management of the company, which will, however, be subject to a state veto right on strategic matters, ensured through a shareholders' agreement. Furthermore, the specifications document, approved in September, stipulates reciprocal pre-emption rights in the future sale of stakes in TAP, as well as a tag along right for the investor in the event of the sale of the State's stakes to a third party.

Despite the potential advantages of the private management model with predominantly public capital, significant risks arise, such as the need to establish mechanisms to safeguard the investor's return in case they intend to make significant investments.

In addition to this, the risk of nationalisation of losses and political interference in management persists, which generates conflicts of interest, as observed in cases like Portugal Telecom, potentially requiring compensations or put options for private investors.

3.3. THE NEW LISBON AIRPORT

After extensive discussions regarding possible locations for the new Lisbon airport, the Government requested ANA – Aeroportos de Portugal to plan and develop a new airport in Alcochete, intended to replace the current Humberto Delgado Airport.

The choice of Alcochete was based on a study conducted by an independent technical committee, which valued its proximity to the capital and the ease of connection to transport networks. The assignment of the project to ANA aligns with the concession contract, entered into in 2012, which assigns the concessionaire the responsibility for building a new airport, a condition that was essential for its privatisation and acquisition by VINCI, a French infrastructure company.

ANA submitted an initial report in December 2024, with financial and technical projections, followed by amendments submitted in July 2025. The proposal includes the construction of two runways, with the option to expand to four, and an installed capacity for 45 million passengers, ten million more than the capacity of the current infrastructure.

Although the initial cost was estimated at 8.5 billion euros, higher than the initial projections of the technical committee, the amendments submitted in July aim to optimise this amount by reducing the length of the runways (from 4,000 meters to a length equal to or greater than 3,500 meters), decreasing the distance between them, and adapting to specificities related to low-cost airlines.

It is estimated that the construction period will last six years, with the start of works following the obtaining of licenses and agreements, and operations are expected to begin in mid-2037, with the possibility of an earlier start by the end of 2036.

Regarding the financial model, the proposal excludes direct contributions from the State, relying on a gradual increase in airport fees between 2026 and 2030, indexed to inflation, and on the extension of the 30-year concession contract by an additional 30 years, until 2092.

In parallel, to safeguard the viability of the project, the Council of Ministers recently approved measures to limit urban interventions in the area of the future airport. The objective is to prevent cost increases in the expropriation process and to ensure that the chosen territory does not undergo changes that could jeopardise the project.

Regarding the next steps, ANA is expected to submit an environmental report by the end of January, and the detailed construction proposal from ANA should be completed within a period of 36 months from January 2025. The Government clarified, however, that while the new airport is not built, there will continue to be significant investments in the modernisation of the current airport, including an ongoing investment of 320 million euros for the modernisation and expansion of the boarding terminals.

3.4. SALE OF SECIL BY SEMAPA

Semapa, a Portuguese investment holding company, announced in December 2025 an agreement for the sale of the entire capital of Secil, one of the leading Portuguese companies in the cement sector, to the Spanish company Cementos Molins for a value of 1.4 billion euros.

The transaction, which includes the cement company with an annual production capacity of approximately 10 million tons of cement, and which operates eight factories across four continents, represents one of the largest transactions in the Portuguese industrial sector in recent years.

The announcement of the transaction, which, according to analysts, was carried out at an implied multiple of 7.5 times EBITDA, triggered a sharp rise in the shares of the Portuguese holding company, which soared to their highest levels since 2018. The operation is also significant in that, with this sale to the Spanish group, the highly concentrated Portuguese cement market will now be predominantly controlled by international groups:

- Cimpor: responsible for approximately 58% to 60% of the market share, owned by the Asian group Taiwan Cement Corporation;
- Secil: responsible for over 35% of the market share, owned by the Spanish group Cementos Molins;
- Other producers: responsible for a residual market share, still controlled by national companies.

Despite the control of the company passing to the Spanish group, the expectation is that, according to the announcement by the CEO of Molins, the 2,900 workers currently employed by Secil will continue to be part of the company's structure.

3.5. HIGH-SPEED TRAIN LISBON-PORTO

The high-speed line will connect the two most important metropolitan areas of the country, Lisbon and Porto. This project, one of the largest to take place in the country during this century, alongside the construction of the new Lisbon airport, will be built in phases. The first phase includes the sections from Porto to Oiã and from Oiã to Soure, with completion of the works expected in the early years of the next decade.

3.5.1. PORTO-OIÃ SECTION

On July 29, 2025, the concession contract for the construction and maintenance of the first section (Porto-Oiã) of the high-speed railway line connecting Lisbon and Porto, the two most important cities in the country, in approximately 1 hour and 15 minutes, was signed. This contract is part of the first phase of the project, has a term of 30 years, and construction is expected to take place between 2026 and 2030.

The concession was awarded to the company Avan Norte – Gestão da Ferrovia de Alta Velocidade, established by the LusoLAV consortium, with the European Investment Bank having contracted a financing of 875 million euros with the company for the construction of the first section.

This financing constitutes the first tranche of a total package of 3 billion euros approved in 2024 to fund the implementation of the entire infrastructure, making this financing the largest contract signed under the European Union's InvestEU program.

Although the start of the works is scheduled for January 2026, in December 2025, the Portuguese Environment Agency ("APA") rejected the project, as proposed changes, according to the agency, deviate from the preliminary study that served as the basis for issuing the environmental impact statement. In this regard, the start of construction will be delayed by at least 72 days.

3.5.2. OIÃ-SOURE SECTION

In December 2025, the relaunch of the tender for the concession of the high-speed line section connecting Oiã to Soure was announced, which constitutes the second and final segment of phase I of the project.

The relaunch of the tender follows the termination of the tender procedure launched in July 2024 due to the absence of valid proposals. The relaunch of the tender includes

an extension of the works 11 kilometres shorter than presented in the previous tender, but maintains the price, with the construction of this section expected to take place between 2027 and 2032.

4. MAIN LEGAL AND REGULATORY DEVELOPMENTS

4.1. OVERVIEW

The main legislative developments in the Portuguese financial sector in 2025 included (i) amendments to the banking resolution regime through Decree-Law 14/2025, of 17 March 2025 ("2025 RGIC Amendment"), (ii) a new framework for the assignment and management of banking credits, and (iii) the designation of the national competent authorities with supervisory duties and sanctioning powers in relation to crypto-assets.

4.2. AMENDMENTS TO THE CREDIT INSTITUTIONS AND FINANCIAL COMPANIES LAW

The main 2025 RGIC Amendment introduced changes to the Portuguese Banking Law (*Regime Geral das Instituições de Crédito e Sociedades Financeiras*, originally established by Decree-Law 298/92, of 31 December 1992 ("RGIC")):

- aligning the Portuguese bank resolution framework with Regulation (EU) 2020/2223 of the European Parliament and of the Council of 23 December 2020, Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 and Directive (EU) 2024/1174 of the European Parliament and of the Council of 24 April 2024 amending the Bank Resolution Directive ("BRRD Amendment"), and
- authorising the Bank of Portugal to disclose information contained in databases, subject to banking secrecy, to the European Anti-Fraud Office ("OLAF"), in accordance with Regulation (EU, Euratom) 883/2013.

The 2025 RGIC Amendment changes to the banking resolution regime include a new definition of "liquidation entities" (i.e. entities that are expected to be wound up under

a resolution plan) exempting them from complying with the minimum requirement for own funds and eligible liabilities ("MREL").

As a safeguard against insufficient internal loss-absorbing capacity, the 2025 RGIC Amendment allows the Bank of Portugal to impose a minimum amount of own funds and eligible liabilities exceeding the amount necessary to absorb losses, which the entity must meet through one or more of the following elements:

- own funds;
- claims that meet the eligibility criteria; and
- claims arising from debt instruments.

The 2025 RGIC Amendment further allows the Bank of Portugal to apply the own funds requirement on a consolidated basis to a "subsidiary" — and no longer solely to the parent company — if certain conditions are met, namely that the subsidiary is directly owned by the resolution entity. In this case, and for the purpose of complying with the requirement, the 2025 RGIC Amendment recognises the eligibility of claims issued or contracted in favour of the resolution entity belonging to the same resolution group and subscribed by it, as well as the claims issued or contracted in favour of shareholders of the entity in question who do not belong to the same resolution group.

4.3. NEW RULES ON THE ASSIGNMENT OF BANKING CREDITS

Decree-Law 103/2025, of 11 September 2025, approved a new Legal Framework of the Assignment and Management of Banking Credits (*Regime da Cessão e Gestão de Créditos Bancários*, "RCGCB"), setting out the requirements on credit purchasers and credit servicers, and updates the regulatory framework of the Central Credit Registrar ("CRC").

Among the main innovations, the RCGCB establishes the possibility of assigning credits to other entities other than those already authorised for this purpose in respect of credit agreements that (i) have loans with instalments overdue for more than 90 days, or (ii) have been classified as unlikely to be repaid, within the meaning of Regulation (EU) 575/2013 of 26 June 2013, for at least 12 months, where the debtor is a small, medium-sized, or large enterprise.

Regarding companies, the RCGCB clarifies that the assignment does not depend on the debtor's consent, but requires prior notice to produce effects, ensuring that the debtor is duly informed of the assignment.

Another relevant aspect is the obligation for assignees to contract an authorised entity to manage the credits, unless the assignee itself is an authorised entity.

With regard to the protection of debtors, credit servicers are subject to several obligations, namely the duty to provide clear and timely information to debtors, to comply with fair conduct standards, and to respect professional secrecy, equivalent to banking secrecy. Likewise, the assignee becomes bound by the same legal obligations as the assigning institution, particularly with regard to consumer protection legislation. Thus, the contractual terms and the rights of debtors, such as early repayment or renegotiation of terms, remain unchanged, regardless of who holds the credit.

Regarding supervision and the sanctioning regime, the Bank of Portugal now has the authority to oversee and supervise, issue determinations, carry out inspections, and impose sanctions in case of non-compliance. Such sanctions may range from substantial fines to measures such as the revocation of authorisations or the disqualification from performing certain functions. This sanctioning framework applies to institutions, assignees, and credit servicers who fail to comply with the established rules.

Lastly, Decree-Law 103/2025 also introduces a new regime applicable to the CRC, managed by the Bank of Portugal. Among other changes, it is noteworthy that the entities participating in the CRC will now include, in addition to those currently defined, credit servicers, who will thus be required to regularly report information on credit liabilities, including financial and risk data.

4.4. MICA REGULATION

Following the approval, in 2024, MiCA, which regulates the European crypto-asset market, the European Commission published a set of Delegated Regulations that complement MiCA in 2025, introducing rules on complaint management, advisory supervisory colleges, business continuity plans, and reporting obligations, among other matters.

The MiCA regulation establishes requirements for the public offering and admission to trading of crypto-assets, as well as obligations for service providers, including the need for authorisation by a competent authority.

The delegated regulations approved in 2025 include:

- **Delegated Regulation 2025/292** that establishes a template for cooperation agreements between the EU competent authorities and supervisory authorities of third countries. The objective of this regulation is to promote the exchange of information and strengthen the oversight of the crypto-asset market.
- **Delegated Regulation 2025/293** and **Delegated Regulation 2025/294** establishing standardised complaint handling procedures for issuers of asset-referenced crypto-assets (Regulation 2025/293) and for crypto-asset service providers (Regulation 2025/294).
- **Delegated Regulation 2025/296**, which establishes more detailed rules for the approval process of white papers, ensuring a complete and efficient assessment of crypto-assets, while **Delegated Regulation 2025/297** establishes the conditions for the creation and operation of advisory supervisory colleges, established, managed, and chaired by the European Banking Authority ("EBA") for each large-scale cryptocurrency.
- **Delegated Regulation 2025/297**, which establishes the conditions for the creation and operation of advisory supervisory colleges, established, managed, and chaired by the EBA for each large-scale cryptocurrency.
- **Delegated Regulation 2025/298** specifying the methodology for estimating the quarterly average number and the daily average aggregate value of crypto-asset transactions.
- **Delegated Regulation 2025/299** imposing on crypto-asset service providers the obligation create and test business continuity plans annually. These plans must enable the provider to respond to incidents and resume their services.
- **Delegated Regulation 2025/303** and **Delegated Regulation 2025/304**, which contain a set of information that must be provided to the competent authorities by entities wishing to provide crypto-asset services, as well as the respective notification procedure.

These new regulations bring significant changes to the crypto-asset market, ensuring greater transparency and security in digital asset operations. Credit institutions and crypto-asset service providers must pay close attention to this set of new rules, which now regulate the digital assets market in detail.

These regulations came into force in Portugal in March 2025, with a transitional regime of 18 months, for entities already registered with the Bank of Portugal under previous legislation, which will be able to continue their operations until July 1, 2026, or until authorisation is granted or denied under the terms of Article 63 of the MiCA Regulation.

New operators will require an authorisation, which, at the time of the issuance of these regulations, was not possible due to the absence of a designated competent authority. The Bank of Portugal has clarified that entities that have not started their activity by 30 December 2024 are prohibited from operating until they obtain authorisation, and those already authorised must comply with the new rules during the transitional regime.

4.5. NATIONAL CRYPTO-ASSETS LEGISLATION

Law 69/2025, of 15 April 2025, appointed the Bank of Portugal and the Securities Commission (*Comissão do Mercado de Valores Mobiliários*, "CMVM") as the Portuguese competent authorities for the purposes of MiCA.

The supervisory responsibilities are distributed as follows:

(1) Bank of Portugal

- Authorisation of service providers;
- Acquisition of cryptoasset service providers;
- Matters related to asset-referenced tokens and electronic money tokens; and
- Prudential requirements, governance mechanisms of cryptoasset service providers, and outsourcing and orderly winding-up of cryptoasset service providers.

(2) CMVM

- Prevention and prohibition of market abuse related to crypto-assets;

- Supervision of public offerings and admission to trading of crypto-assets that are not asset-referenced tokens and electronic money tokens;
- Supervision of compliance with obligations applicable to all cryptoasset service providers; and
- Supervision of compliance with obligations related to specific cryptoasset services.

Law 69/2025 mandates the Bank of Portugal and CMVM, as the national competent authorities, to cooperate with each other by exchanging information for the purposes of coordination, in order to address any supervisory inconsistencies and enable the authorisation of new operators following article 93 of MiCA, which requires competent authorities the same duties with a view to ensure consistent and effective supervision across Member States.

Service providers must ensure their employees providing consultancy have adequate knowledge and skills, assessed annually, and make documentation available to the CMVM upon request. Furthermore, apparently, they must provide a complaints book.

Law 69/2025 also establishes a sanctioning regime that provides for serious and very serious administrative offenses, with fines of up to five million euros for legal entities, determined based on turnover or benefits obtained. These administrative offenses include violations such as unauthorised offers, market abuse, and non-compliance with reporting obligations.

Ancillary sanctions are also established and include situations such as the prohibition from performing functions for up to 10 years.

Lastly, the law provides for consumer protection measures, introducing the possibility of public interest actions for crypto-assets holders. Furthermore, it imposes on issuers and service providers the obligation to offer access to alternative and effective dispute resolution mechanisms, therefore recommending adherence to mediation entities and the review of contracts with clients to include refund and transparency clauses.

5. 2026 OUTLOOK

Looking ahead into 2026, several uncertainties loom over Portugal's economic growth and political stability while acceleration in AI investments could reach Portugal and contribute positively to the national economy.

The following are our views on the main issues affecting Portugal in 2026:

- **Misalignment in the western world.** As the EU and the US drift apart and shared values no longer assure economic cooperation, Europe will face the need to moderate its legislative impetus and adopt a business-minded approach to address geopolitical tensions and its 20-year-long period of slow economic growth.

The deepening misalignment between Europe and the US is not due entirely from Trump's rise to power, but from the slow and gradual divergence of the two continents in critical policy areas, as well as on the public and private sector's roles in tech development.

Europe's lag behind the US and China in artificial intelligence represents the culmination of over 30 years of low investment in technology, over-reliance on US tech offerings, and the wrong belief that EU institutions and national states should take a leading role in fostering innovation for which they are ill-prepared.

The EU must face the fact that only independent and creative private initiative, operating in a market-oriented economy, can lead to significant advances in technology.

- **Portuguese economic and social imbalances will tend to worsen before they can improve.** In the midst of these economic and geopolitical changes, Portugal faces its own structural problems, resulting from more than ten years without making any significant effort to attract foreign investment at scale.

We do not expect significant changes in Portuguese policies, but only slight improvements resulting from a more business-friendly approach, as evidenced in the recent announcements of the reduction in corporate taxes, the desire to create an AI infrastructure and the reforms in various administrative procedures.

- **Difficulties for a minority government to push for reforms and sustain social and political pressure.** The Portuguese government has to deal with the challenge of making reforms without knowing if it will stay in office for the duration of the current election term.

Several small changes have been made that may yield positive results, such as the recently approved AI agenda and the announcement of Microsoft's investments in a Portuguese data centre.

Despite the government's efforts, deep structural issues hamper the judicial system, administrative decisions and healthcare. Tax pressure on middle class families is now perceived by all as burdening their present and future disposable income expectations. Tax reductions are not well received by many and the pressure from ever-growing social costs makes it difficult to bring about significant changes.

The government's plan to further reduce corporate income tax can result in more domestic and international investment, but the need to reduce personal income tax and social security contributions is now obvious.

- **Housing prices will continue to increase until the gap with Spain and other southern European economies is softened.** Housing prices will continue to increase in 2026 and until a worldwide shift in prices spills over to Portuguese assets.

The fact that the housing crisis affects many Western countries shows that it is unlikely that local governments can do much to reverse the trend. Only massive investment in social housing, aligned with a more predictable and streamlined licensing process, could have a significant impact on the housing market.

The Portuguese government has introduced several legislative changes aimed at facilitating the construction of new homes, which will have a positive impact on the sector, but it will take several years for the benefits of these changes to be felt on the ground.

- **Banks will continue holding strong balance sheets.** Banks operating in Portugal have built sufficient strength to fight an economic downturn and to continue funding the economy.

Increases in house prices are contributing to the banks' present strength, as the value of their mortgage portfolios also increases and non-performing mortgages can be realised with fewer losses.

Following Portugal's sovereign debt crisis of 2010, which was followed by a surge in bank non-performing assets, domestic banks turned around their money allocation strategy, implemented stronger compliance and financial governance mechanisms, putting them in an ideal position to benefit from Portugal's mild economic growth over the last 10 years.

We expect banks will continue to navigate smooth waters but will face increasing competition within the local market and from fintech providers as Portuguese consumers and bank clients start to favour tech solutions over old-school banking.

- **AI usage will deepen and start affecting various business sectors.** Following the rapid adoption of consumer AI solutions like ChatGPT, knowledge professions, including financial advisors and banks, will incorporate AI into their business processes.

Despite present solutions being still far from the desired results due to their chat-like format, B2B AI-powered solutions will emerge and affect all business sectors. Programming is in the first wave of the AI tech revolution, with all major LLMs deeply investing in real-life programming applications.

Marketing, finance and law, presently using general models or wrapper B2B solutions, will be the next sectors to be affected. We expect to continue seeing more first-wave AI solutions in 2026, with no player achieving dominance in the respective sectors.

Banks and other financial companies are now at a crossroads: investing in proprietary novel solutions that require significant investment and deep internal cultural changes or viewing AI as a product that can be purchased off-the-shelf.

- **Heavy investments in AI infrastructure will impact positively on Europe and Portugal.** As developments in AI advance and consumer and business adoption accelerate, we expect that investments in data centres and other AI related infrastructure will contribute to Portugal's economic growth.

As AI compute needs increase so does the need for data centres. Demand is now led by hyperscalers, but geopolitical tensions, regulatory pressure and technical

developments, such as edge computing, are pushing for data centres of different scales to be built in Europe.

Portugal can capitalise on its advantages for the development of data centres, including its proximity to key submarine communication cables linking Europe, Africa, and the Americas, installed renewable energy capacity (from onshore and offshore wind and solar) and favourable conditions for the development of green energy projects.

© 2026 MACEDO VITORINO

IMPORTANT NOTICE

This document was produced with the assistance of [KeyTerms.AI](#), a multi-model legal AI software integrating the following large language models (LLMs): Perplexity, Grok, and ChatGPT. [KeyTerms.AI](#) was employed to search for information, proofread, review, refine text and conduct critical analysis. All AI generated output was revised and rewritten by human lawyers.

The opinions expressed in this briefing are of general nature and should not be considered as professional advice. Should you need legal advice on these matters you should contact a lawyer. If you are a client of MACEDO VITORINO, you may contact us by email addressed to mv@macedovitorino.com.

ABOUT PORTUGAL

TERRITORY, POPULATION AND LANGUAGE

Portugal is situated on the southwest coast of Europe, bordering only with Spain. With a territory of 92,152 Km², Portugal has the largest maritime zone in Europe. Its continental platform borders the American platform.

Portuguese is the sixth most spoken language in the world, spoken by 270 million people in Portugal, Brazil, Angola, Cape Verde, Mozambique, Guinea Bissau, São Tomé and Príncipe and Timor.

POLITICAL SYSTEM

Portugal is a parliamentary republic. The legislative power lies with a national parliament (*Assembleia da República*), with 230 seats. The members of parliament are elected by universal vote for four-year terms. The Government depends on the parliament's support. The Government is led by a Prime Minister.

The President of the Republic has limited powers but has the power to influence the Parliament's and the Government's decisions and dissolve the Parliament in extraordinary circumstances.

INTERNATIONAL RELATIONS

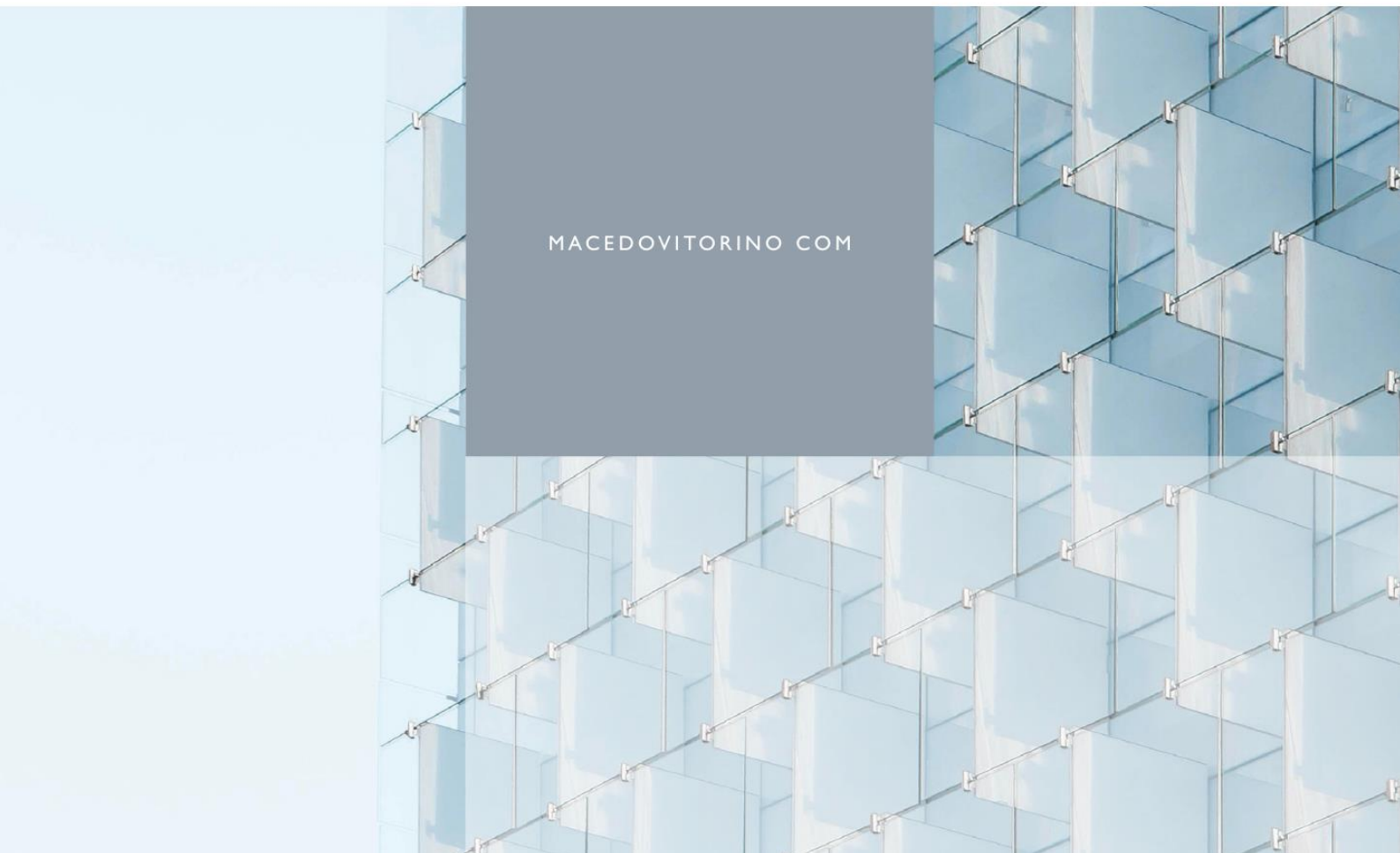
Portugal has been a member of the EU since 1986, a founding member of the Euro and the Portuguese-speaking Countries Community (*Comunidade dos Países de Língua Portuguesa*, CPLP), which groups all Portuguese-speaking countries. Portugal is a member of the United Nations, NATO and the OECD.

CURRENCY AND BANKING SYSTEM

Portugal is one of the founding members of the «Euro», the currency of 20 European countries. The Euro is the second most traded currency in the world after the US Dollar.



M A C E D O ■ V I T O R I N O



MACEDOVITORINO.COM