

PORTUGAL REAL ESTATE SUMMIT

Dr. Paulo Moita de Macedo
CEO of Caixa Geral de Depósitos

2025-09-15



"Today, we do not live a time of change, but a Change of Era"

POPE FRANCIS

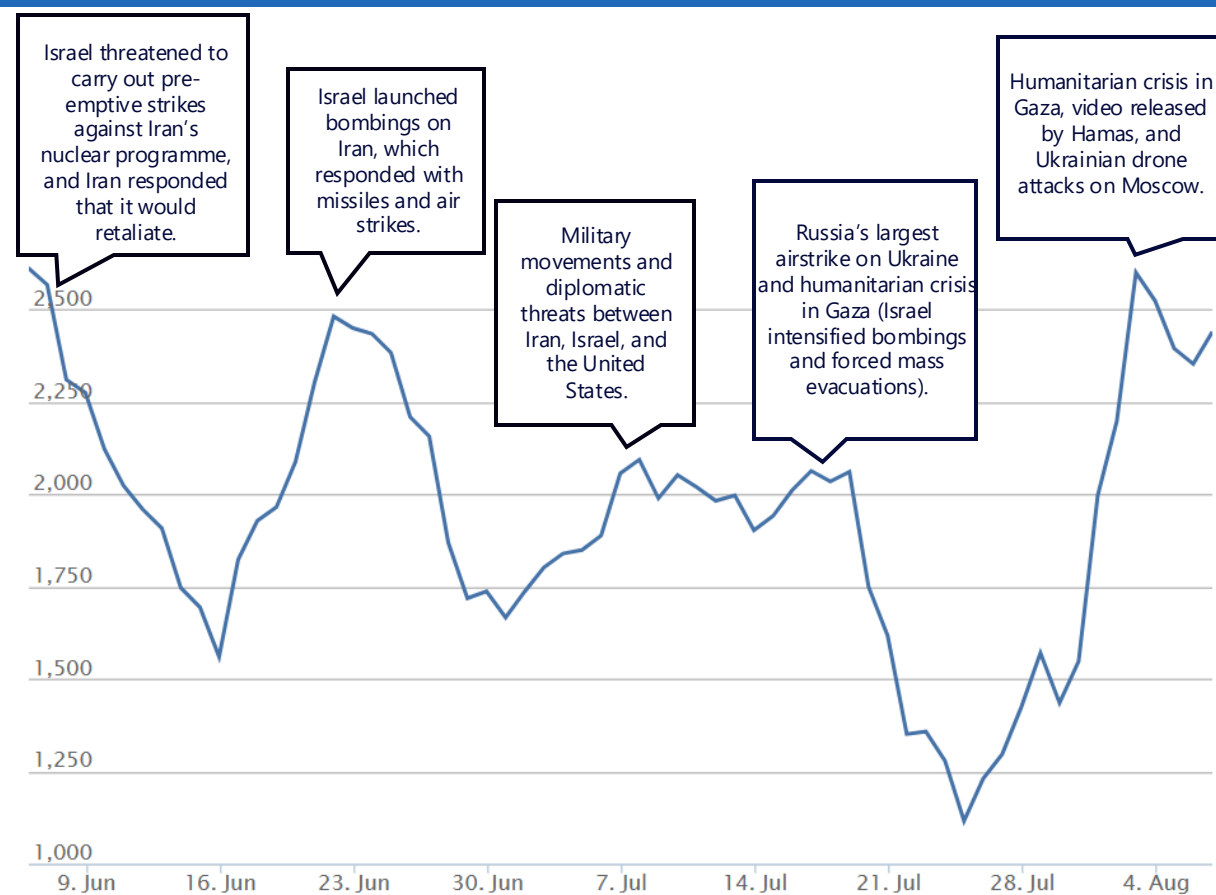
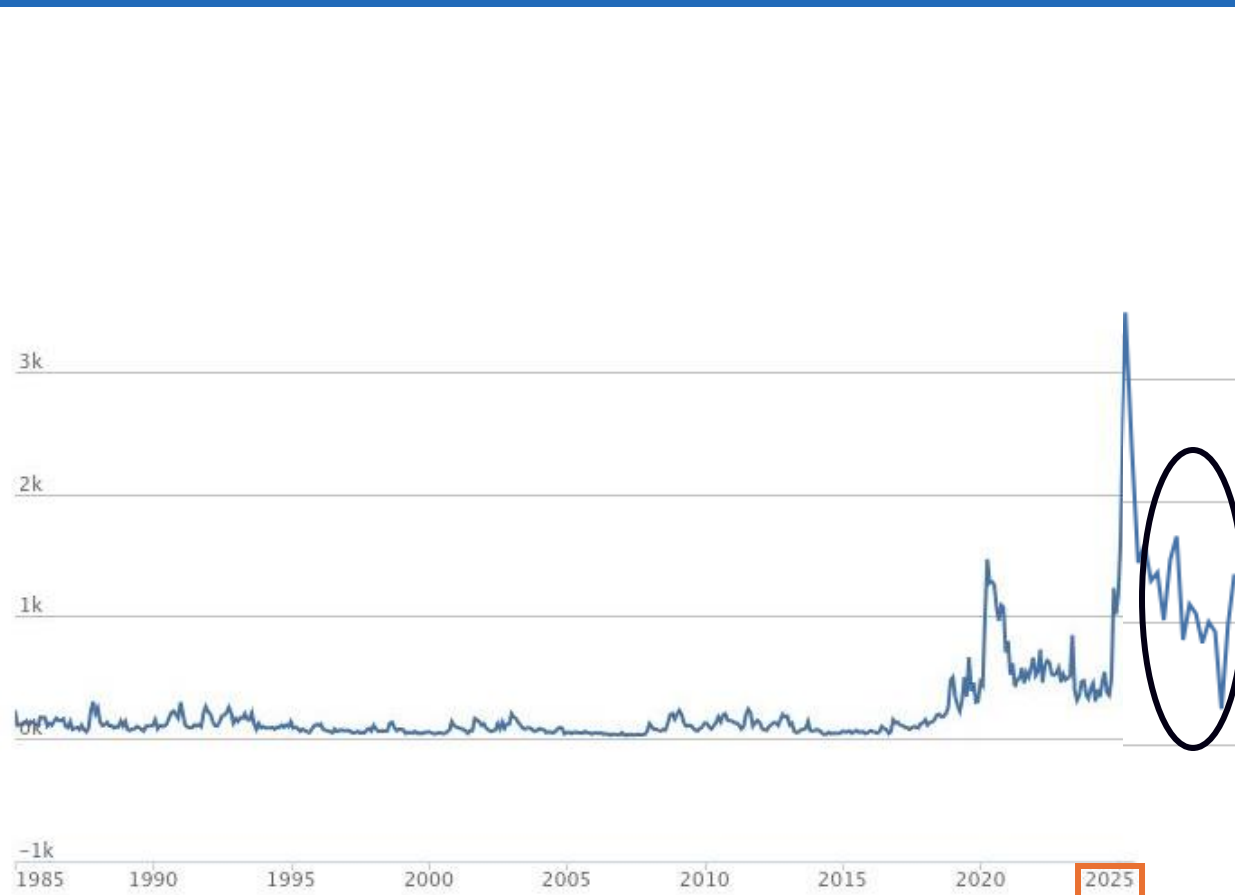


The Age of Uncertainty

Daily Trade Policy Uncertainty

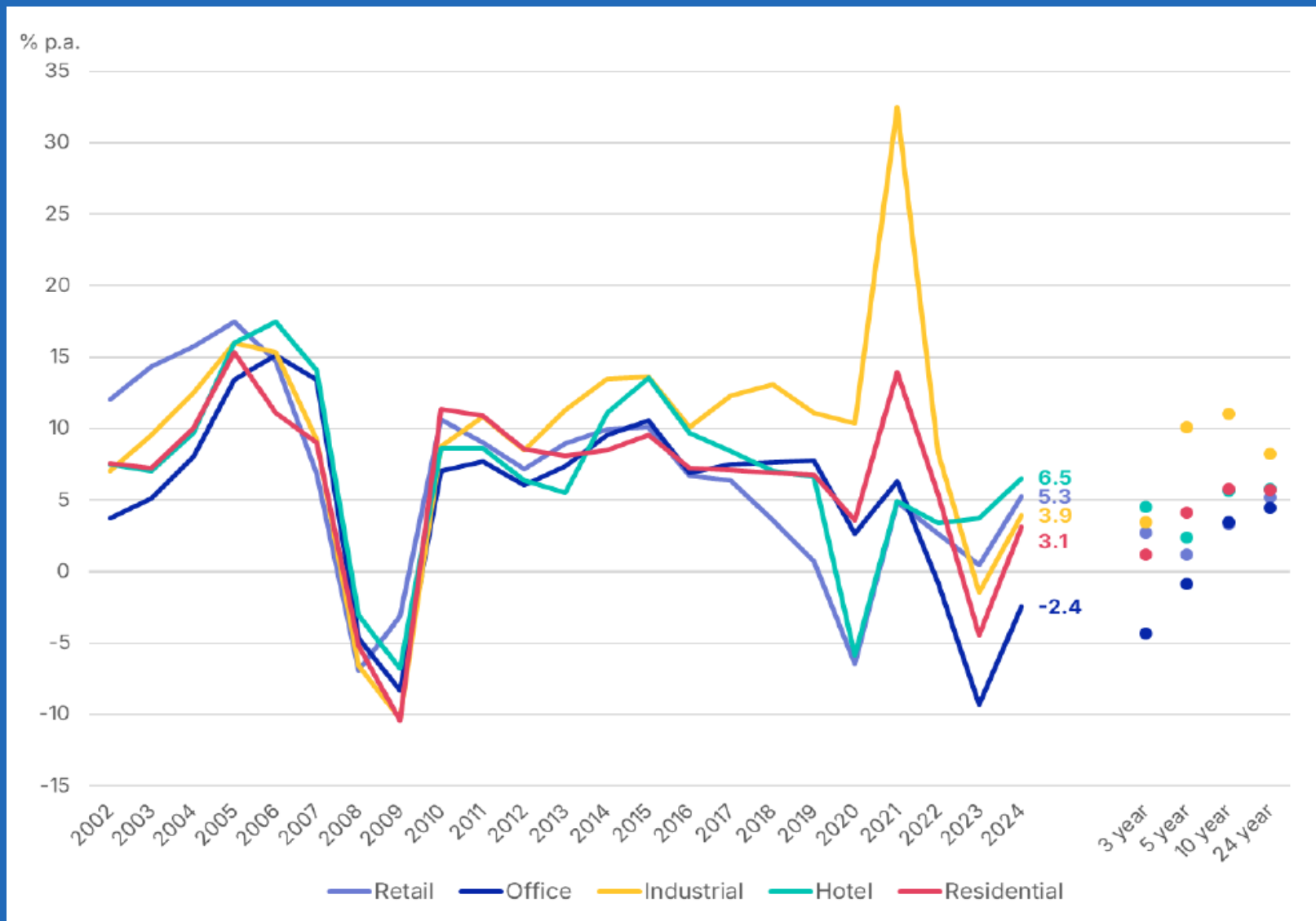
JANUARY 1985 – 6 AUGUST 2025

6 JUNE 2025 – 6 AUGUST 2025



MSCI Europe Annual Property Index

(Total return by sector on standing investments in local currency over time)

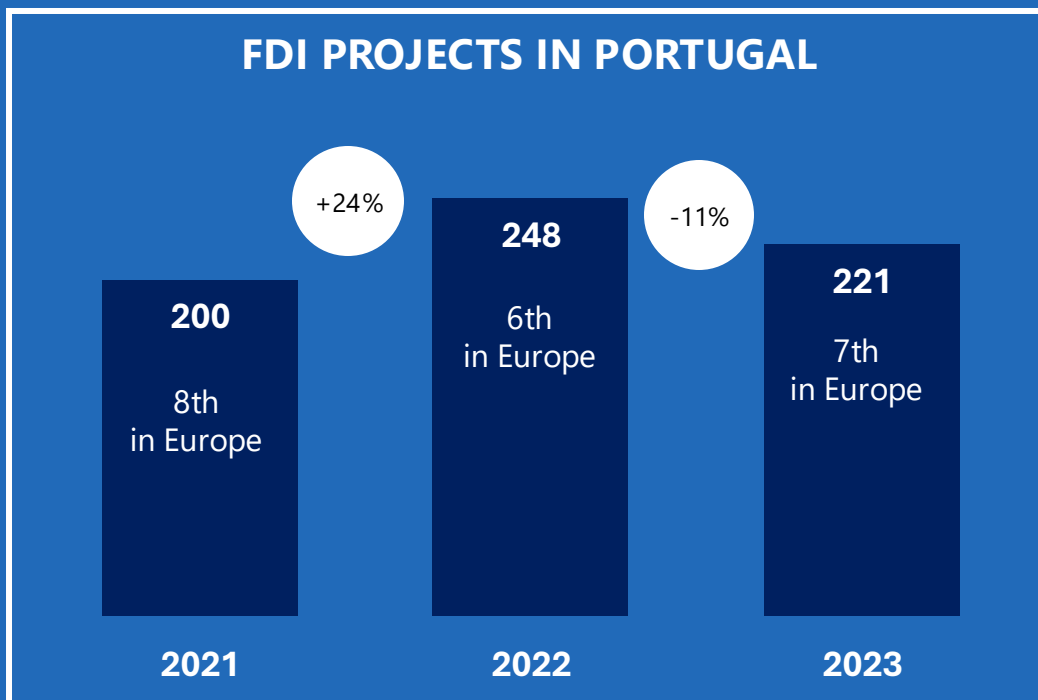


MSCI Global Annual Property Index

(Total return by sector on standing investments in local currency over time)

	Australia	Austria	Belgium	Brazil	Canada	Czech Republic	Denmark	Finland	France	Germany	Hungary	Ireland	Italy	Japan	Korea	Luxembourg	Netherlands	New Zealand	Norway	Poland	Portugal	South Africa	Spain	Sweden	Switzerland	U.S.	UK	Europe	Global
Retail	5.2	3.6	5.0	-	6.5	9.0	-0.1	3.9	3.7	-1.2	-	3.9	4.3	5.7	5.2	-	4.9	5.9	7.8	8.9	11.6	12.1	6.5	4.4	3.8	5.5	8.1	4.8	5.3
Office	-6.8	2.3	-1.0	-	0.0	1.1	3.8	-0.7	-0.7	-3.2	1.9	-2.3	1.9	3.3	6.1	0.4	2.5	3.1	3.9	-0.1	6.4	9.4	3.9	4.1	3.5	-8.5	0.7	0.3	-2.4
Industrial	4.4	3.1	5.0	7.8	3.4	4.7	6.5	4.9	5.4	4.2	-	4.0	4.2	4.5	3.6	-	8.8	3.7	9.6	3.2	11.5	15.1	6.8	5.5	5.0	2.8	7.8	6.1	3.9
Residential	-	0.8	-	-	3.7	-	5.6	1.2	0.6	1.2	-	3.4	2.3	4.5	-	-	11.8	-	-	-	-	10.9	3.8	4.0	4.9	2.2	3.3	4.5	3.1
Hotel	-	4.1	-3.8	-	-0.7	-	-	3.1	7.2	4.5	-	-	9.3	9.1	-	-	5.5	-	9.9	-	10.1	22.8	13.6	6.2	7.0	3.6	3.9	6.0	6.5
Other	0.4	-	4.8	-	-9.7	-	-	3.6	2.7	2.9	-	9.6	5.6	5.4	8.4	-	8.6	-	5.3	-	11.2	14.8	7.4	8.0	3.8	-3.7	4.3	4.2	4.1
All	-0.5	2.3	2.0	4.4	3.2	4.7	4.7	1.9	1.0	-0.4	-0.2	1.2	3.3	4.6	5.6	1.7	9.3	4.3	5.2	3.4	9.8	11.9	5.9	4.5	4.3	0.4	5.4	3.3	2.0

Portugal remains in the top 10 most attractive countries in Europe for Foreign Direct Investment (FDI)

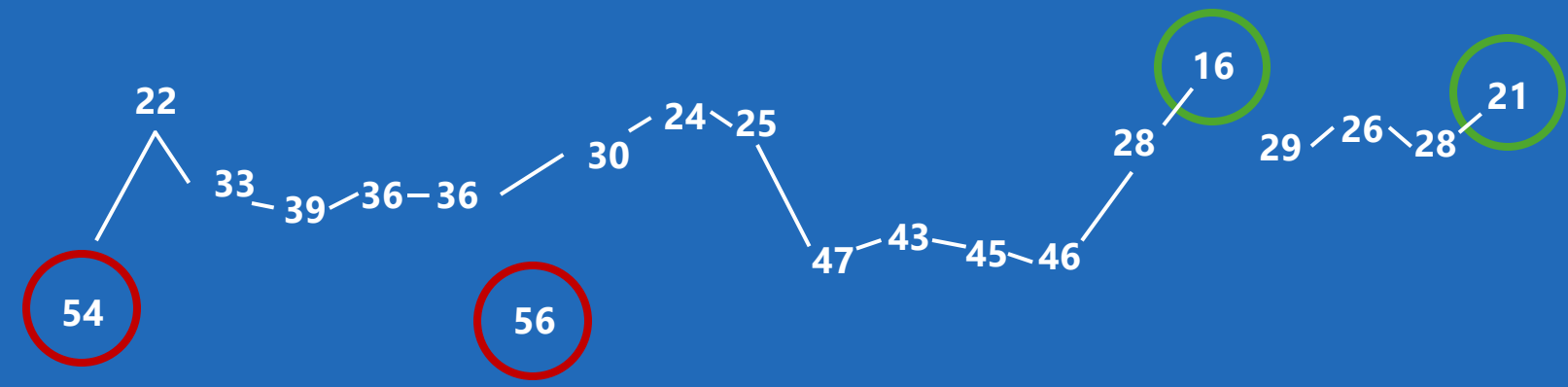
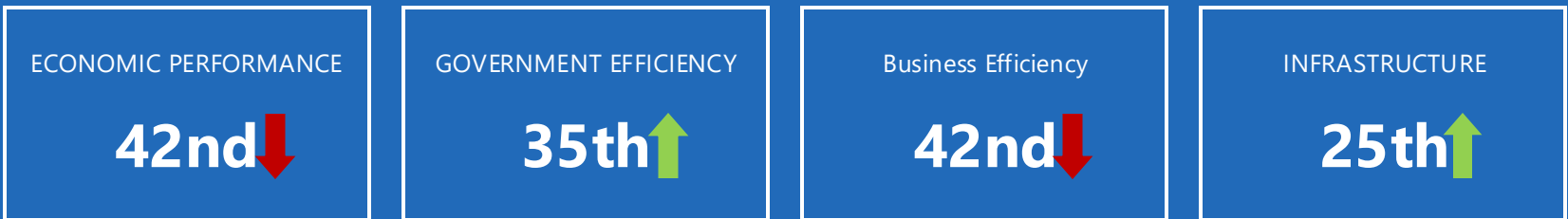


84%
of investors
plan to establish
or expand operations
in Portugal in 2024
(vs. 72% European average)

The future involves investing **in economic diplomacy, strengthening the country brand, and attracting and retaining talent.**
and continue to **support those who dare to go beyond borders**



Competitiveness Index 2025 Portugal | 37th (36th in 2024)



Challenges

Economic Diversification

- Reduce dependence on tourism and global trade policy
- Investing in emerging sectors with higher added value
- Quality of life, diversity and culture

Educational Development

- Strengthening competitiveness by improving management skills
- Promoting the digital and green transition
- Create qualified jobs and attract investment

Public Service Reform

- Improve the quality of health, justice, education and social security services
- Reduce public debt
- Reorient priorities to emerging areas such as defense

Facing Aging and Low Birth Rates

- Develop an immigration policy that promotes social integration
- Create conditions to attract and retain young talent

Update of Bankruptcy and Debt Restructuring Laws

- Facilitate debt relief for SMEs
- Promote mergers and acquisitions (M&A) to increase business competitiveness

1. Macroeconomic Context

2. Financing and Competitiveness

3. The real estate market in Portugal

4. Trends in the Real Estate Market

5. The Role of the Bank

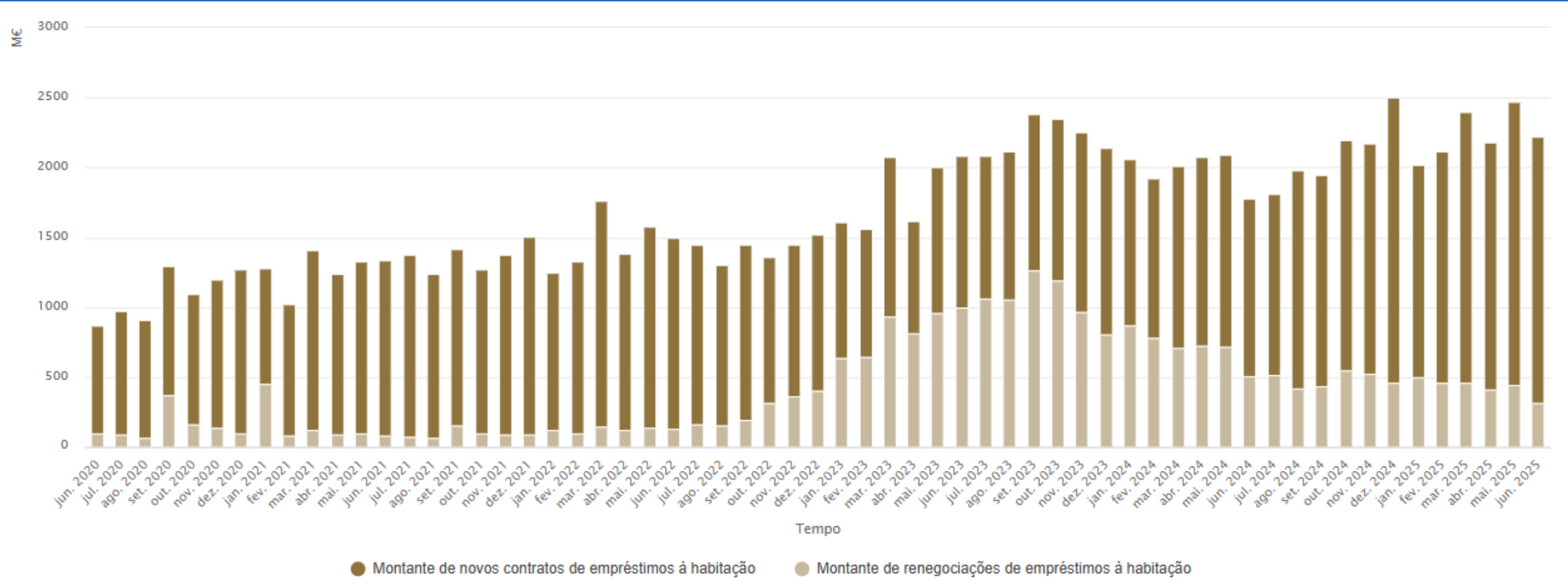




New real estate loan operations

(data as of June 2025, Source: BdP)

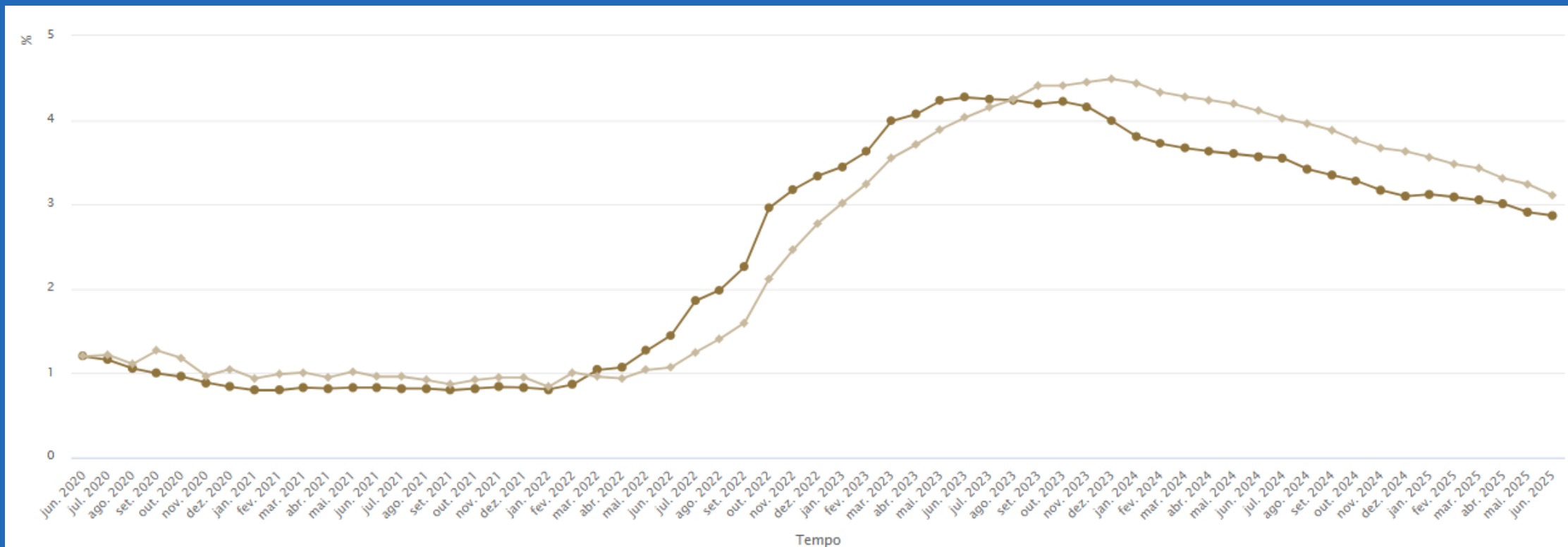
In the first half of the year, the amount totaled €10.8 billion, €3.2 billion more than in the same period in 2024.



Interest rates on new operations – average

(data as of June 2025, Source: BdP)

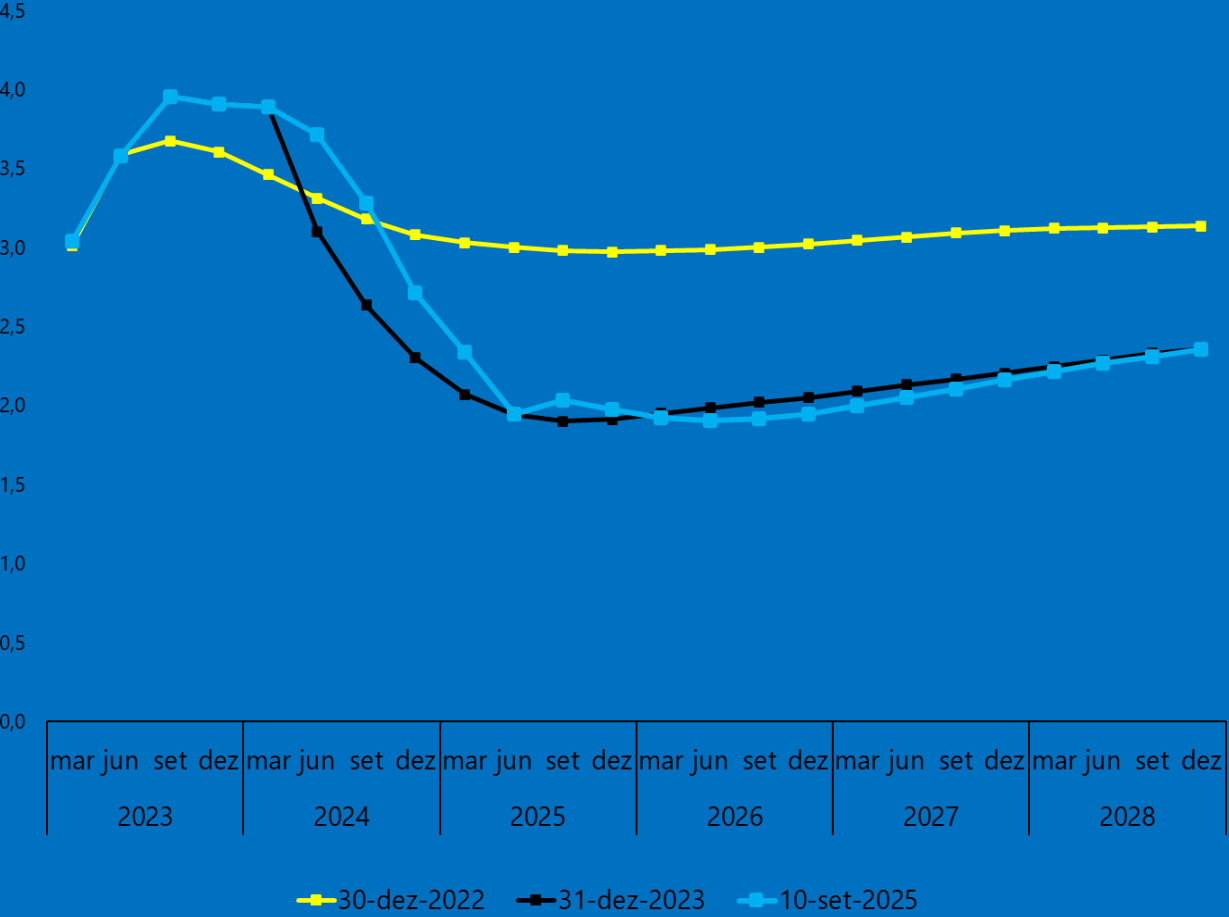
- Interest rates on new mortgage lending operations have been falling since mid-2024, when the ECB began the process of reducing key interest rates.
- The average interest rate on new mortgage loans fell for the fifth consecutive month, from 2.97% in May to 2.91% in June. This decline was observed for both new and renegotiated contracts, where average rates fell 0.04 percentage points and 0.13 percentage points, to 2.87% and 3.11%, respectively.





Interest Rates

EURIBOR (3 MONTHS): FUTURES CURVE



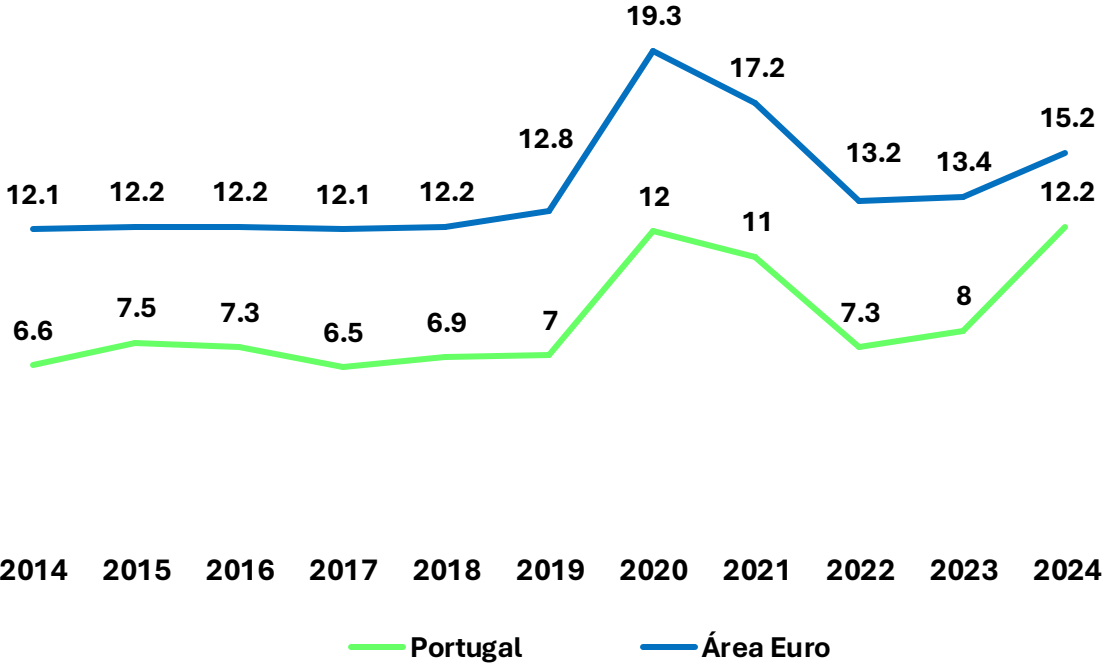
Source: Caixa Asset Management

Savings Rate

CONJUNTURA

Portugal with the highest increase in the EU household savings rate in the fourth quarter of 2024

Lusa
28 de Abril de 2025, 11:22



Source: Bank of the Future 2024, Mário Centeno, November 26, 2024

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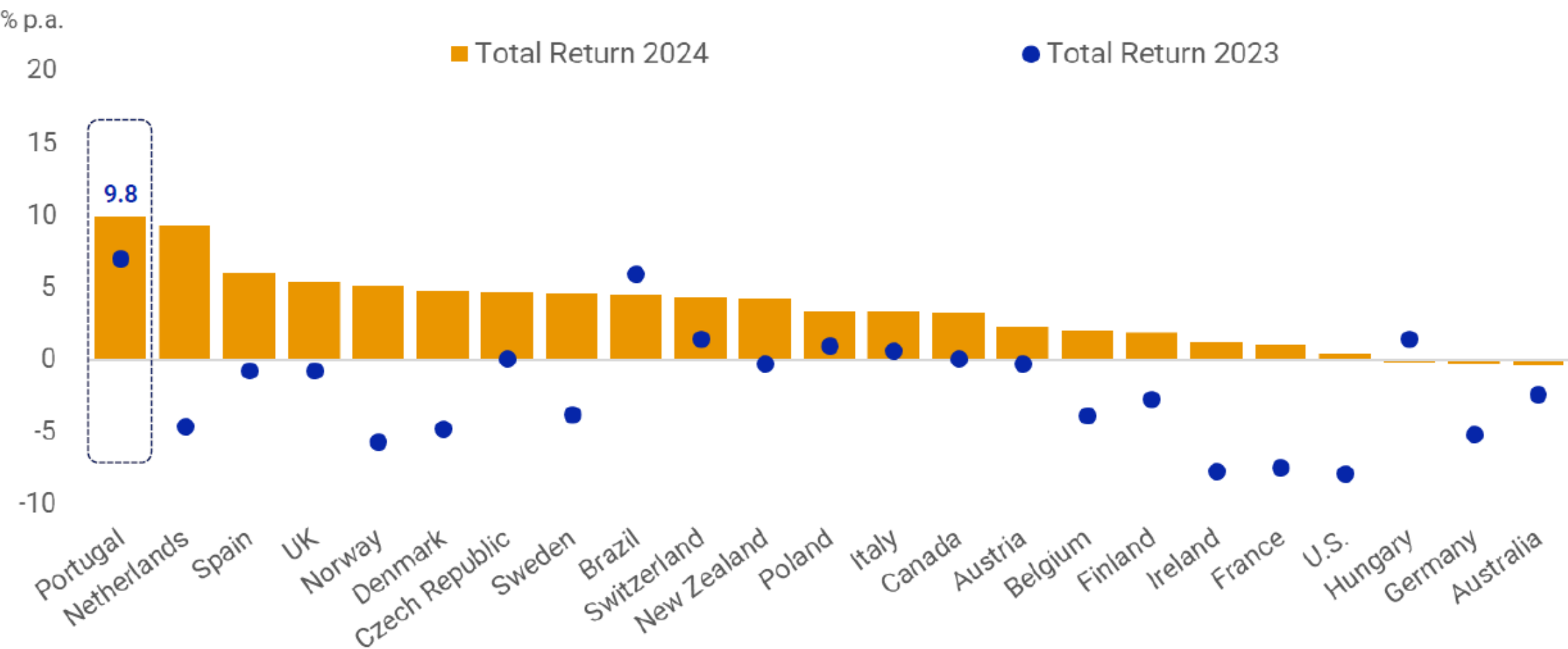
5. The Role of the Bank





How does Portugal compare against other markets?

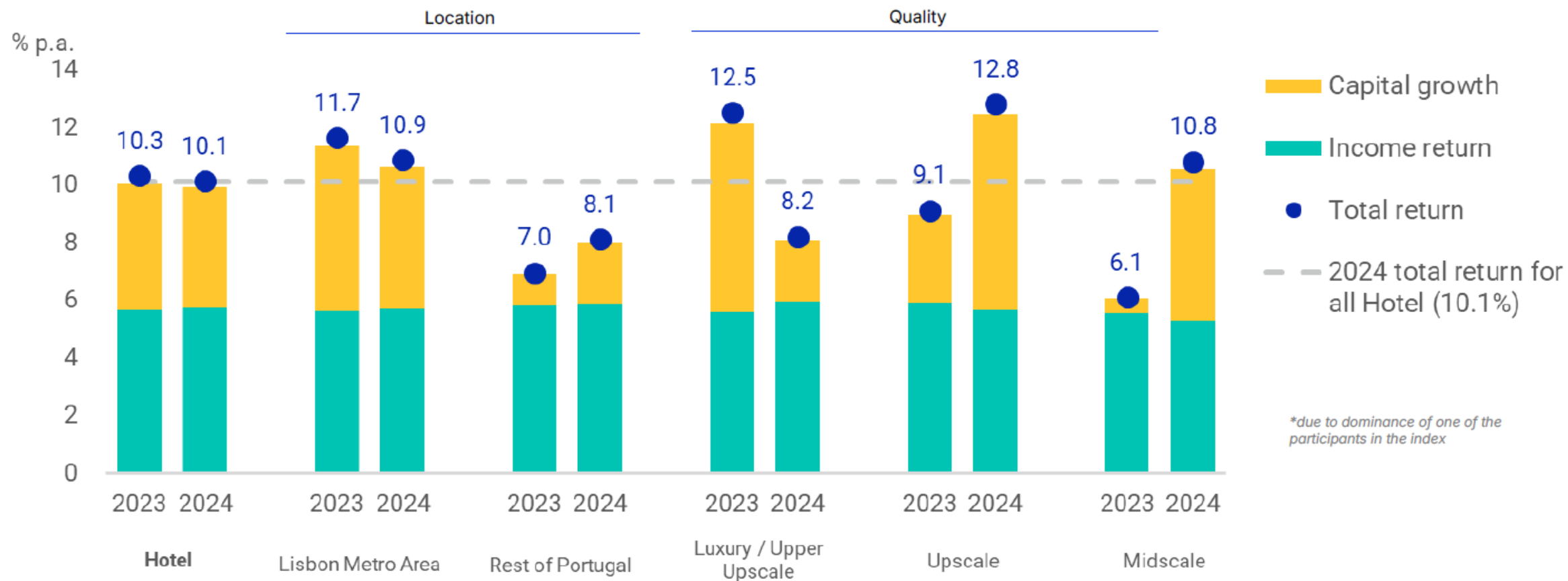
(Total return by country in 2023 and 2024)
Standing investment returns in local currency





Strong performance, with variations depending on location and quality.

(Portugal: Total return, income return and capital growth by Hotel Location and Quality for 2024 and 2023)
Standing investment returns in local currency



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Trends for the Real Estate and Construction Sector

1

Interest Rates and Price Evolution

With high demand across all sectors and expectations of normalizing low interest rates, upward pressure on prices may be observed.

2

Bureaucracy Reduction

Due to recent legislation and sector demand, bureaucratic barriers are expected to continue decreasing. This shift may be driven by digitalisation.

3

Digitalization

Greater liquidity of real estate assets through digital acquisition processes, which speed up direct property transfers and enhance asset liquidity.

4

Innovative Rental Models or Service Contracts

Rising demand and supply for niche-specific properties allow new digital users, students, or seniors to access residential services globally via specialised platforms or global companies.

5

Taxation and Public Policies

Recent phenomena affecting housing—such as supply shortages and rising prices—have put pressure on public policy responses and taxation, which are increasingly seen as direct effects linked to real estate sector dynamics.

6

Regulation and Compliance

Evolving regulations on energy efficiency and sustainability will continue to require updates in affected areas, influencing both construction quality and cost.

7

Labour Challenges

Given the country's needs and development pipeline, one of the biggest challenges will be the sector's and construction companies' ability to respond effectively.

8

Sustainability

As in other sectors, sustainability will play an increasingly important role in real estate. Eco-friendly and efficient standards will gain significant value, reflecting growing environmental concerns among investors.

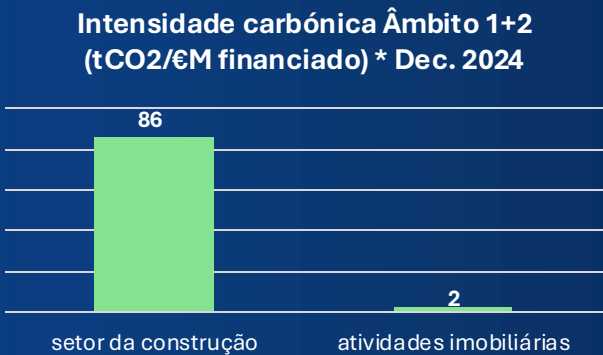
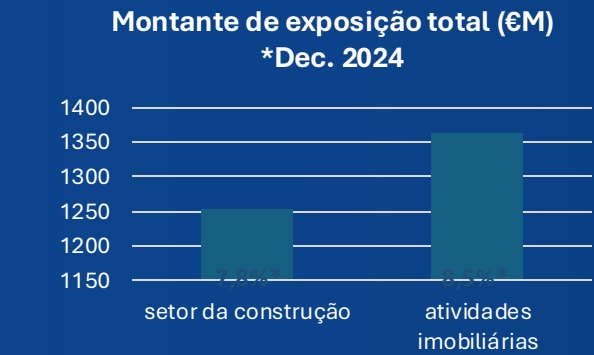


Caixa's Carbon Neutrality Transition Plan

Climate Ambition – Commercial Mortgage Sector

ATIVIDADES DE FINANCIAMENTO (perímetro CGD, S.A., Portugal)

Setor de Atividade	Âmbito de emissões	Ponto de Partida 2022	Meta 2030		Status 2024
Hipotecas comerciais Segmento residencial	Âmbito 1 e 2	0,011 ton CO2 eq/m2	-53%	0,005 ton CO2 eq/m2	-54% (obj.: -47%)
Hipotecas comerciais Segmento serviços	Âmbito 1 e 2	0,059 ton CO2 eq/m2	-64%	0,021 ton CO2 eq/m2	-39% (obj.: -26%)



* Montante de exposição ao segmento Business Loans com emissões de carbono associadas (excluído os setores K - Atividades financeiras e de seguros, O - Administração Pública e Defesa; Segurança Social Obrigatória e sem CAE associado) em Portugal (montante de exposição on-balance de 16.077 m€).

Nota metodológica: O cálculo de emissões teve por base os dados mais recentes de exposição ativa associada aos bens colaterais imóveis comerciais do setor hipotecas comerciais (segmento residencial e serviços) e os fatores de emissão mais recentes disponibilizados pelo PCAF.

CAIXA GERAL DE DEPÓSITOS, S.A.

The Challenges of the Real Estate

1. Transition to a Low-Carbon Economy

- **Challenge:** Reduce carbon emissions associated with the construction and operation of buildings.
- **Modular Constructions**
- **Implications:** Adoption of sustainable materials, energy efficiency measures, and environmental certifications (e.g. LEED, BREEAM).

2 Climate Risk Management

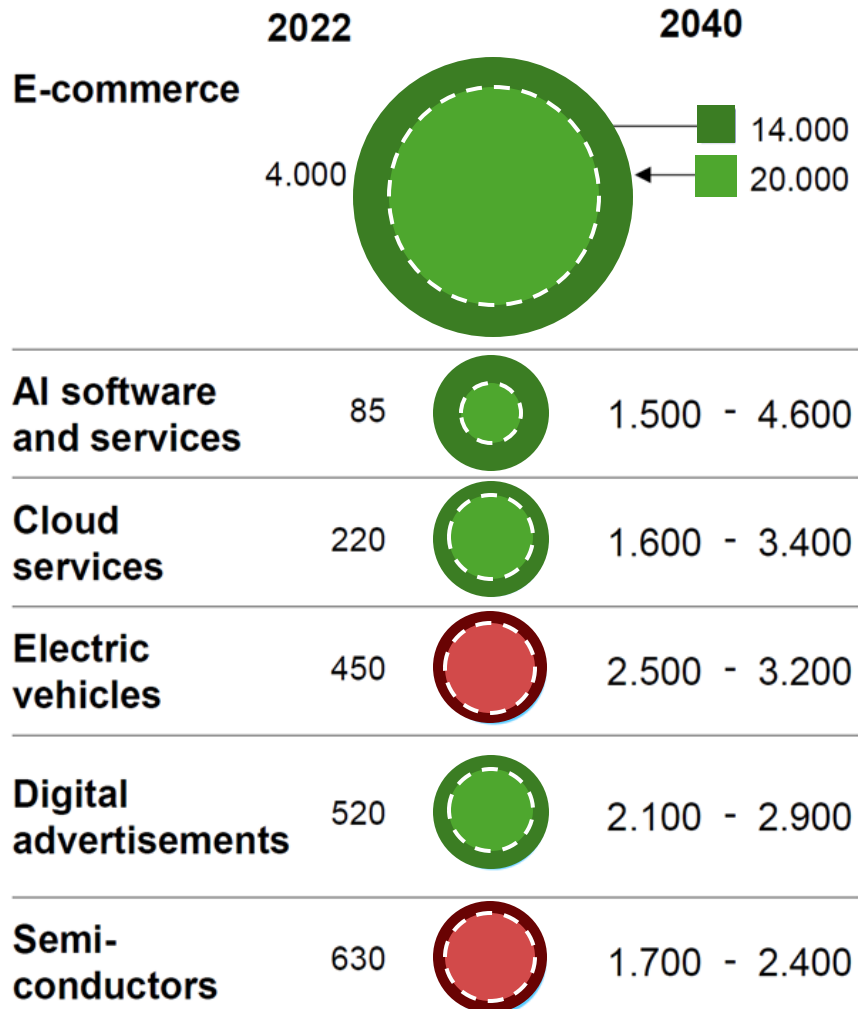
- **Challenge:** Incorporate physical climate risks into construction projects and planning (e.g. areas with high erosion and flood risk).
- **Implications:** Strengthening infrastructure resilience through adaptation measures to address physical risks, extreme weather events, and climate change

3. Sustainable Financing

- **Challenge:** Direct capital towards projects that promote environmentally and socially responsible practices.
- **Implications:** Development of ESG financial products and integration of sustainability criteria in the selection of real estate assets.

Future arenas can yield up to \$48t in revenues and representation a third of global GDP growth by 2040

Revenue estimate. \$ billion



Shared autonomous vehicles	n/a		610 - 2.300
Space	300		960 - 1.600
Cybersecurity	160		590 - 1.200
Batteries	98		810 - 1.100
Modular construction	180		540 - 1.100
Streaming video	160		510 - 1.000
Video games	230		550 - 910
Robotics	21		190 - 910
Industrial and consumer biotech	140		340 - 900
Future air mobility	n/a		75 - 340
Drugs for obesity	24		120 - 280
Nuclear fission power plants	18		65 - 150

Total. 2022

\$7.2T

Total. 2040

\$29T - \$48T

Arenas' share of increase. %

18%- 34%

Profit estimate. 2024

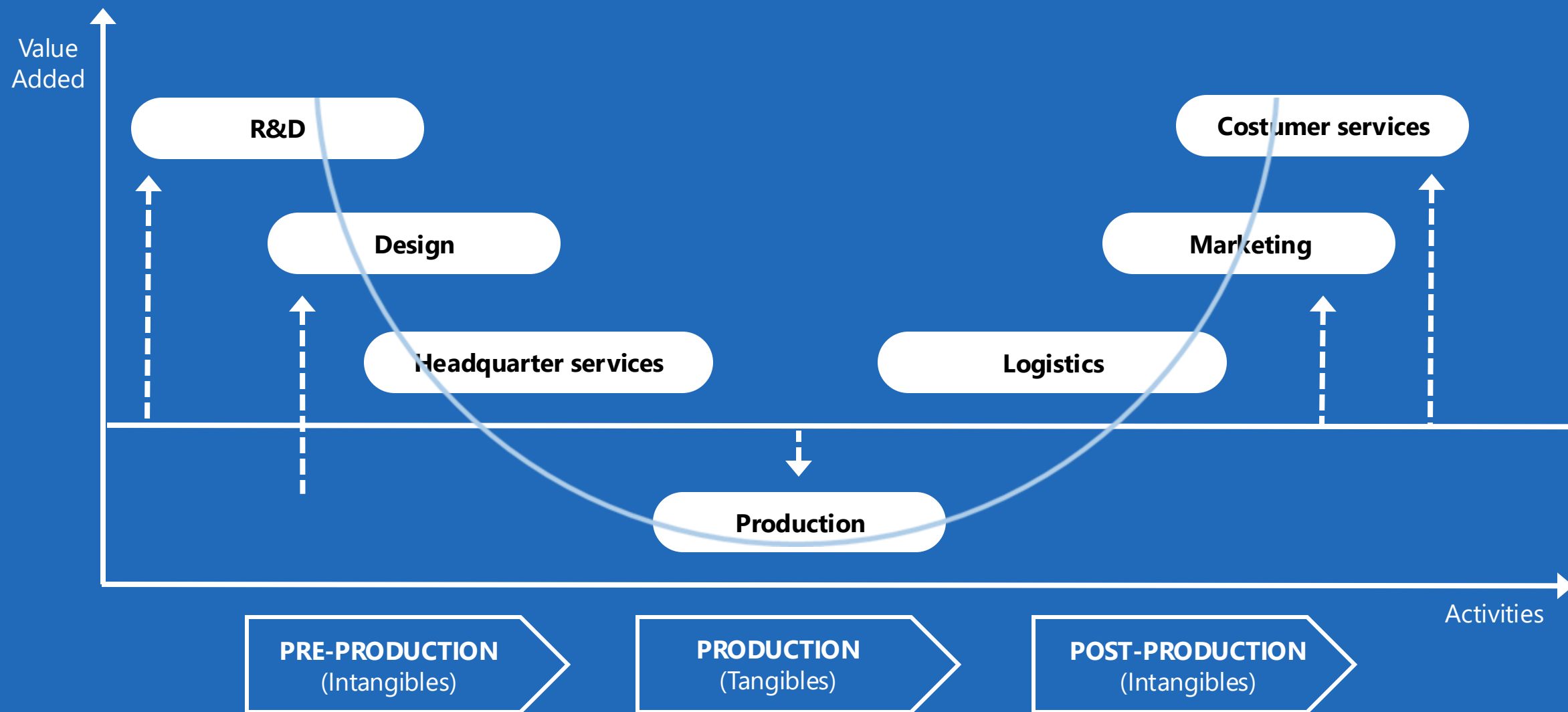
\$2T - \$6T

Alternative sectors have generated more rental growth

(Total return and NOI growth for the 'alternative' sectors of the MSCI Europe Annual Property Index for the 5 years to December 2024)



Value Chain



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Role of the Financial Sector in Access to Housing



- Increase the amount of financing
- Speed
- Support investment for rental
- Financing the construction
- Supporting home construction and renovation
- Waive commission on transfers
- Active role on Hotels, Infrastructures, Residential and Retail Markets

	AUGUST 2024	DEC 2024	AUGUST 2025
Production credit Housing*	€2.263M	€4.122M	€3,576 million
Stock credit housing	€24,842 million	€25,467 million	€27,156 million

*Accumulated Production





Challenges and Proposals for Housing Shortage

Increasing Housing Supply

- Creation of a portal for vacant properties owned by the State;
- Promotion of urban rehabilitation with stronger coordination between municipalities and investors;
- Development of public-private partnerships to utilize vacant properties.
- Reverse mortgage

Administrative Simplification

- Increased speed in licensing processes;
- Greater clarity and predictability regarding urban planning criteria.

Regulatory Balance between Landlords and Tenants

- Revision of the tenant's right of first refusal;
- Development of mandatory rental insurance, mutualizing risks;
- Rent guarantees and previsibility by central or local government, reinforcing investor confidence.

Legislative Development

- Temporary and targeted tax incentives regarding VAT, IMT, for affordable houses, along with a review of IMI
- Creation of guarantees and attractive financing lines

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