

PROPOSAL

DELIBERATE ON A PROPOSAL TO ACQUIRE AND SELL BANCO ESPÍRITO SANTO, S.A.'S OWN SHARES BY BES OR BY COMPANIES WHICH IT CONTROLS

(with reference to **Point Five** of the agenda for the Annual General Meeting of 31 March 2008)

In view of:

- a) the Annual General Meetings that took place in the last 5 years authorised Banco Espírito Santo, S.A. to purchase and sell treasury stock, in order to implement the Incentive System Based on Shares to benefit its employees, under the terms approved at the General Meeting of 20 June 2000;
- b) the convenience of the Bank being able to exercise the options inherent in such transactions, within the legally permitted terms, other than in the circumstances established in paragraph 3 of Article 319 of the Commercial Companies Code;
- c) the fact that the same interest also exists in the possibility of the Bank's subsidiaries acquiring and disposing of shares in Banco Espírito Santo, S.A.;

The Board of Directors of Banco Espírito Santo, S.A. proposes:

1. That Banco Espírito Santo, S.A. or any subsidiary, present or future, be authorised, through a decision of the management body of the purchasing company, to acquire shares representing its own share capital, as follows:

- a) **Maximum number of shares to be purchased:** up to the limit corresponding to 10% of Banco Espírito Santo, S.A. share capital, deducting disposals that took place, while complying to the maximum quantity allowed by the purchaser's legal requirements, as stipulated by law, of the contract or processing within the binding legal agreement of stock option plans of the firm, subject to, if applicable, to subsequent sale, according to the laws, of shares that exceed the stipulated limit;
- b) **Time limit to acquire the shares:** eighteen months, following the date of the approval of this proposal;
- c) **Type of acquisitions:** subject to the limits established by law, the purchase of shares, or rights to purchase or attribute shares, as form of remuneration, in any mode, in regulated markets and or non regulated markets, specifically to financial institutions with which the firm may have signed an equity swap contract or other type of derivative financial instruments, or any other purchase to comply with the legal or contractual obligation, according to the respective terms and conditions;
- d) **Minimum and maximum price limits of purchases:** the onerous purchase must be within the ten per cent interval above and below the average price of shares to buy on the Eurolist by Euronext Lisbon, during the ten stock exchange trading sessions preceding the purchase date or prior to creation of purchase rights resulting from financial instruments contracted by the firm or by its subsidiary.

2. Approve the disposal for treasury stock that was purchased, authorised through a decision of the management body of the selling company, as follows:

- a) **Minimum number of shares to be sold:** the number of shares necessary to comply with the obligations assumed by the selling entity, as a result of law or contract;

- b) **Time limit to sell the shares:** eighteen months, following the date of the approval of this proposal;
- c) **Type of disposals:** strictly subject to the terms and limits established by law, the onerous disposal of any type, namely by a sale or through the use of derivatives, or disposal of any type to comply with the legal or contractual obligations, under the respective terms and conditions;
- d) **Minimum price:** the disposal price may not be below 10% of the average price of Banco Espirito Santo, SA shares in the Eurolist by Euronext Lisbon stock exchange ten stock exchange trading sessions preceding the date of sale, or the price that is stipulated in the contract signed by the firm.

Lisbon, 26 February 2008

THE BOARD OF DIRECTORS