

PROPOSAL
FOR A
RESOLUTION ON THE ACQUISITION AND DISPOSAL OF SHARES
REPRESENTING THE BANK'S OWN SHARE CAPITAL

(with reference to **Point Five** of the agenda for the
Annual General Meeting of 29 March 2007)

In view of:

- a) the general regime for joint-stock companies with regard to the purchase and sale of their own shares, and the Bank's interest in being able to exercise the options inherent in such operations, within the legally permitted terms, other than in the circumstances established in paragraph 3 of Article 319 of the Commercial Companies Code;
- b) 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.;
- c) the fact that the General Meeting of 20 June 2000 approved an Incentive System Based on Shares, aimed at the employees of the Banco Espírito Santo Group, under the terms and with the objectives proposed by the Board of Directors;
- d) the fact that the implementation of this Incentive System assumes that Banco Espírito Santo, S.A is able to acquire and dispose of its own shares from/to employees of the Banco Espírito Santo, SA group;
- e) the fact that the General Meetings of 29/03/01, 20/12/2002, 30/03/2004, 30/3/2005 and 17/04/2006 authorised such acquisitions and disposals of the Bank's own shares.

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

That Banco Espirito 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, for a period of eighteen months starting from the date of this resolution, as follows:

1. Purchases

a) in regulated and/or unregulated markets, from employees of the Banco Espirito Santo Group, shares representing the share capital of Banco Espirito Santo, SA resulting from the conditions stated in the Regulations of the Incentive System Based on Shares, under the terms of the contract established with Banco Espirito Santo, SA;

b) in regulated markets, shares representing the share capital of Banco Espirito Santo, SA, with the maximum purchase price not exceeding a premium of 10% to the weighted average price of Banco Espirito Santo, SA shares in the ten stock exchange trading sessions preceding the purchase date.

c) The series of purchases carried out subject to items a) and b) cannot exceed the maximum limit of 10% of the share capital of Banco Espirito Santo, SA, pursuant to the terms of paragraph 2 of Article 317 of the Commercial Companies Code.

That the disposal be authorised for a period of eighteen months starting from the date of this decision, of the Bank's own shares which have been acquired, pursuant to a decision of the management body of the disposing company, as follows:

2. Disposals

a) in regulated and/or unregulated markets, to employees of the Banco Espirito Santo Group, shares representing the share capital of Banco Espirito Santo, SA under application of the Incentive System Based on Shares, the price of which shall be equal to the lesser of the following values:

The closing share price for those shares in the trading session immediately preceding the date of sale; or

The value corresponding to the weighted average price of Banco Espirito Santo, SA shares in the ten stock exchange trading sessions preceding the date of sale.

b) in regulated markets, shares representing the share capital of Banco Espirito Santo, SA, with the minimum disposal price being no less than 10% below the weighted average price of Banco Espirito Santo, SA shares in the ten stock exchange trading sessions preceding the date of sale.

c) the minimum number of shares to be disposed of shall be that necessary to comply with the obligations assumed by the disposing Company.

Lisbon, 27 February 2007

THE BOARD OF DIRECTORS