

ADDENDUM TO THE PROPOSAL

(With reference to Item 5 of the Agenda of the Annual General Meeting to be held on 17 April 2006)

Whereas:

- 1) The proposal to increase the share capital of “BANCO ESPÍRITO SANTO, S.A.”, approved by the Board of Directors on 9th March 2006 and made available to the Shareholders with reference to Item 5 of the Agenda of the Annual General Meeting to be held on 17 April 2006;
- 2) That pursuant to section (ii) of paragraph E) of the referred proposal, the subscription in cash of the 150,000,000 New Shares will be made at a price to be established by the Board of Directors in accordance with the market conditions, that will also resolve on the subscription rights to be attributed to each Shareholder according to the number of shares held;
- 3) That, considering the market evolution occurred meanwhile, the Board of Directors is, at this moment, in a position to establish and propose to the Annual General Meeting the price range within which the price of the New Shares to be subscribed for in cash shall be determined;
- 4) That, unless approved at the Annual General Meeting itself, the price of the New Shares to be subscribed for in cash will be determined by the Board of Directors within the price range established in this addendum, in accordance with market conditions existing nearer to the offer, including the market price of the Banco Espirito Santo, S.A. shares;
- 5) That the above mentioned proposal should therefore be supplemented accordingly and that the other terms and conditions should be maintained unless otherwise provided for herein.

The Board of Directors of “Banco Espirito Santo, S.A.” proposes the Shareholders, in supplement to the proposal of 9th March 2006, of which this addendum is an integral part, composing a single proposal, that the share capital increase be approved under the terms and conditions described in the referred proposal as supplemented through this addendum, section (ii) of paragraph E) being replaced by the following:

“150,000,000 New Shares to be subscribed in a public offer of subscription with respect for the pre-emption rights of the current Shareholders, with the attribution of a new share per each two shares held, rounded down, the subscription price in cash, unless determined at the Annual General Meeting itself, to be determined by the Board of Directors, within the price range of between a minimum limit of €8.50 and a maximum limit of €10.50 in accordance with the market conditions, including the market price of the Banco Espirito Santo, S.A. shares .”.

Additionally, the Board of Directors further proposes that the additional terms and conditions of the share capital increase included in the proposal approved on 9th March 2006 and the admission to trading at Eurolist by Euronext Lisbon of the new shares to be issued thereunder, including the definition of the price of the New Shares to be subscribed for in cash, within the above referred price range, unless determined at the Annual General Meeting itself, as well as the procedural terms of the share capital increase, be determined by the Board of Directors, including the definition of additional conditions required or convenient, including for the approval of the operation by the competent authorities, the negotiation, approval and execution of the terms, conditions and final versions of the documents related to the share capital increase and all acts required or convenient to the full execution of the operation approved herein be carried out by the Board.

Lisbon, 31 March 2006

The Board of Directors
Banco Espírito Santo