

PROPOSAL
FOR
DELIBERATION ON THE ACQUISITION AND DISPOSAL OF OWN SHARES

(refers to **Item Nine** in the Agenda of the Annual General Meeting of April 17th, 2006)

Considering:

- a) the regime of public limited companies with regard to the acquisition and disposal of own shares, and the interest for the Bank of being able to, under the terms of the law, make use of the possibilities inherent to such operations beyond the situations foreseen in Article 319 (3) of the Companies Code;
- b) that the same interest also exists with regard to subsidiaries of the Bank having the possibility of acquiring and disposing of Banco Espírito Santo, S.A. shares;

- a) that the General Meeting of June 20th, 2000, approved a stock-based incentive system addressed to the employees of Banco Espírito Santo Group, under the terms and for the purposes proposed by the Board of Directors;
- b) that the execution of this incentive system demands that Banco Espírito Santo, S.A has the possibility to acquire and sell own shares to employees of Banco Espírito Santo, SA Group;

- c) that the General Meetings of 29/03/01, 20/12/2002, 30/03/2004 and 30/3/2005 authorised such acquisitions and disposals of own shares;

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

That within a period of eighteen months as from the date of this resolution, Banco Espírito Santo, S.A. or subsidiary thereof, now or in the future, be authorised, in accordance with the decision of the board of directors of the acquiring company, to acquire shares representing its own capital, as follows:

1. To acquire

a) in regulated and/or non regulated markets, from employees of Banco Espirito Santo Group, shares of Banco Espirito Santo, SA resulting from the conditions established in the Regulation of the Stock-Based Incentive System under the terms of the agreement established with Banco Espirito Santo, SA;

b) in regulated markets, shares of Banco Espirito Santo, SA, where the maximum acquisition price shall not exceed 10% of the average weighted price of Banco Espirito Santo, SA shares in the ten Stock Exchange sessions prior to the date of the purchase.

c) Together, the acquisitions made pursuant to paragraphs a) and b) above shall not exceed a maximum of 10% of the share capital of Banco Espirito Santo, SA, as per Article 317 (2) of the Companies Code.

That for a period of eighteen months as from the date of this resolution the disposal of own shares acquired be authorised, in accordance with the decision of the board of directors of the selling company, as follows:

2. To sell

a) in regulated and/or non regulated markets, to employees of Banco Espirito Santo Group, shares of Banco Espirito Santo, SA resulting from the scope of application of the Stock-Based Incentive System, where the price shall be the lowest of:

the closing price of said shares in the session immediately preceding the date of the sale; or

the value corresponding to the average weighted price of Banco Espirito Santo, SA shares in the ten Stock Exchange sessions prior to the date of the sale.

b) in regulated markets, shares of Banco Espirito Santo, SA, in which case the minimum selling price shall not be lower than 10% below the average weighted price of Banco Espirito Santo, SA shares in the ten Stock Exchange sessions prior to the date of the sale.

c) The minimum number of shares sold shall be that required to meet obligations assumed by the selling company.

Lisbon, March 9th, 2006

THE BOARD OF DIRECTORS