

PROPOSAL
DESIGNATION OF THE MEMBERS OF THE AUDIT COMMITTEE
(refers to **Item Four** of the agenda of the
General Meeting of Shareholders in December 2006)

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Shareholder Proposal

Considering that:

- a) The proposal of amendments to the Company Bylaws presented to the Shareholders includes a new model for the management and supervision of the Company, permitted by Decree Law N. 76-A/2006 of 29 March, that consists of the Board of Directors, including the Audit Committee, and a certified auditor;
- b) The Company already has an Audit Committee since April 2002, created to comply with the US corporate governance regulations, that were applicable at that time to Banco Espírito Santo;
- c) The creation of a corporate body “Audit Committee” requires the election of its members and the designation of its Chairman;
- d) The Bank of Portugal, as per Company request, has already proceeded to the previous registration of the proposed members of the Audit Committee, having also authorised the change of the management and supervision structure of Banco Espírito Santo;
- e) It must be given a vote of public recognition to the members of the Fiscal Board, which will be extinct due to the institutionalisation of the Audit Committee.

It is proposed that the General Meeting resolves:

1. A special vote of recognition to the members of the Fiscal Board of the Bank, Mr. Joaquim de Jesus Taveira dos Santos (Chairman), Mr. José Queirós Lopes

Raimundo (Member) and to the Auditors *KPMG & Associados, Sociedade de Revisores Oficiais de Contas* represented by Mrs. Inês Maria Bastos Viegas Clare Neves Girão de Almeida (Official Accounts Auditor), as well as the Substitute, Mr. José Manuel Macedo Pereira, for their valuable contribution to the Bank during their service time;

2. In accordance with the article N. 423-C of Companies Code, to elect the following members, currently Board Members of the Bank, for the Audit Committee until the end of the current mandate (2004-2007):
 - a) José Manuel Ruivo da Pena
 - b) Mário Martins Adegas
 - c) Luís António Burnay Pinto de Carvalho Daun e Lorena
3. To designate Mr. Mário Martins Adegas as the Chairman of the Audit Committee.
4. The Current proposal is subject to the prior approval of the amendments to the Company Bylaws.

Lisbon, 22 November 2006

The Shareholder,