

PROPOSAL
FOR
A RESOLUTION ON THE ALLOCATION OF EARNINGS
(with reference to **Point Three** of the agenda for the
Annual General Meeting of 29 March 2007)

The Board of Directors of BANCO ESPÍRITO SANTO, S.A. proposes that:

Pursuant to paragraph b) of Article 376 of the Companies Code, and in accordance with the Management Report, the company's net earnings for the year, amounting to Euro 257,451,170.52 euros, be allocated as follows:

	Euros
TO THE LEGAL RESERVE:	26,000,000.00
FOR DISTRIBUTION TO SHAREHOLDERS:	200,000,000.00
TO OTHER RESERVES:	<u>31,451,170.52</u>
	257,451,170.52

Lisbon, 27 February 2007

THE BOARD OF DIRECTORS