

PROPOSAL

DELIBERATE ON THE DISTRIBUTION OF EARNINGS

(with reference to **Point Three** of the agenda for the Annual General Meeting of 31 March 2008)

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 EUR 494,699,432.31, be allocated as follows:

| | Euros |
|-----------------------------------|----------------|
| TO THE LEGAL RESERVE: | 50,000,000.00 |
| FOR DISTRIBUTION TO SHAREHOLDERS: | 240,000,000.00 |
| TO OTHER RESERVES: | 204,699,432.31 |

Lisbon, 26 February 2008

THE BOARD OF DIRECTORS