



BANCO ESPÍRITO SANTO, S.A.
Public Traded Company
Headquarters: Av. da Liberdade, n.º 195,
1250 – 142 Lisbon Portugal
Corporate Registration 500 852 367
Share Capital: euro 2,500,000,000.00



BES-Vida, Companhia de Seguros, S.A.
Headquarters: Av. da Liberdade, n.º 230,
1250 – 148 Lisbon Portugal
Corporate Registration 503 024 856
Share Capital: euro 250,000,000.00

Privileged information announcement

Completion of the transactions aimed to reinforce partnership between Banco Espírito Santo and Crédit Agricole S.A. in the bancassurance area in Portugal (announced on February 20th, 2006)

BES completed today the following two transactions: the acquisition of 50% of Companhia de Seguros Tranquilidade – Vida and the sale of 15% of Espírito Santo, Companhia de Seguros, S.A. (where BES continues to hold a 25% stake). These insurance companies changed their names to BES-Vida, Companhia de Seguros, S.A. (BES-Vida), and BES, Companhia de Seguros, S.A. (BES-Seguros), respectively.

BES bought a stake in BES-Vida in order to reinforce its position in the bancassurance business in Portugal and to benefit from one of the areas with highest growth rates of the financial business in Portugal.

BES-Vida is the third largest life-insurance company in Portugal with a market share of 17.6%, a premium income of euro 1.2 billion and around euro 6 billion in assets under management in 2005. Furthermore, BES-Vida is the leading provider of pensions and savings in the Portuguese market with a market share of nearly 30%.

Crédit Agricole – BES' partner in the bancassurance area – has a 50% stake and will have the management control, in each of the two above-mentioned insurance companies.

BES-Vida e a BES-Seguros will benefit from the experience of the leading company in the French bancassurance market, where Predica (Crédit Agricole's insurance

subsidiary) has a market share above 15% and more than euro 144 billion in funds under management.

The bancassurance businesses – where BES-Vida and BES-Seguros will exclusively focus – were previously valued at euro 900 million and euro 80 million, respectively.

The life insurance portfolio – that resulted hitherto from the non-bancassurance activity at BES-Vida – will be transferred at a price of euro 50 million to a new insurance firm, T-Vida, Companhia de Seguros, S.A., a wholly owned subsidiary of Companhia de Seguros Tranquilidade, S.A. which will be created. This transfer is still subject to the approval of the relevant authorities.

BES paid a total of euro 475 million for the acquisition of BES-Vida, and received euro 12 million for the sale of the stake in BES-Seguros.

The final prices, as well as any revisions thereof, reflect the bancassurance business valuation of each insurance company, their respective sales objectives for 2005-2009 and a number of statements supplied by the selling entities, concerning the insurance companies' activities. Furthermore, in the case of BES-Vida, the evaluation assumes that this insurance firm can use, going forward, the accumulated tax losses till 2005.

The BES Group will be the sole distributor of products and services provided by both insurance firms during the period of 25 years, with exclusivity periods lasting 5 years each and renewable successively for up to 25 years.

Specific coordination committees were created between BES and both insurance companies, in order to define the operational relations between the originator and distributor of insurance products. The companies also established rules that guide BES-Vida's subcontracting of asset management activities to ESAF – Gestão de Patrimónios, S.A.

Lisbon, 27 June 2006

Banco Espírito Santo, SA

BES-Vida, Companhia de Seguros, SA