

2012 Annual Report



GRUPO BANCO ESPIRITO SANTO

Corporate Governance Report



Corporate Governance Report

0	Statement of Compliance	4
I	General Meeting	10
II	Management and Supervisory Board	13
III	Information and Auditing	38
	Appendix I Share and Bond Holding of the Members of the Corporate Bodies and Senior Officers	42
	Appendix II Remuneration Policy of the Corporate Bodies	45
	Appendix III Remuneration Policy of the Senior Officers	51
	Appendix IV Statement of the Audit Committee	56

The corporate governance rules and structure of Banco Espírito Santo, S.A. (BES) are based upon a set of core principles that seek to ensure responsible governance oriented to value creation.

BES Group has adopted the following statement of principles:

Value

Value creation based on responsible governance so as to deserve the confidence and loyalty of Shareholders, Clients, Employees and Suppliers

Knowledge

Business development hinged on the accumulation and transmission of know-how over more than one century of history.

Integrity

Definition of strict policies to manage the various types of risk inherent to banking activity.

Transparency

Assuming a commitment to transparent practices:

- in the disclosure of information to all stakeholders;
- in the establishment of clear strategic objectives and a set of corporate values that are effectively communicated throughout the organisation;
- by setting and enforcing clear lines of responsibility and accountability throughout the organisation;
- by ensuring that board members are qualified for their positions, have a clear understanding of their role in corporate governance and are not subject to undue influence from interest groups.

The 2012 report on BES's corporate governance structures and practices incorporates the information elements and follows the model set out in the annex to Portuguese Securities Market Commission ("CMVM") regulation no. 1/2010. Section III of this annex (points II.21. to II.29.) is not contemplated in so far as BES has adopted the Anglo-Saxon model, where the supervisory body is the Audit Committee rather than an Audit Board or Supervisory Board.

0. Statement of Compliance

0.1 Corporate Governance Code

The Corporate Governance Code approved by the CMVM is available at www.cmvm.pt.

0.2 CMVM Recommendations

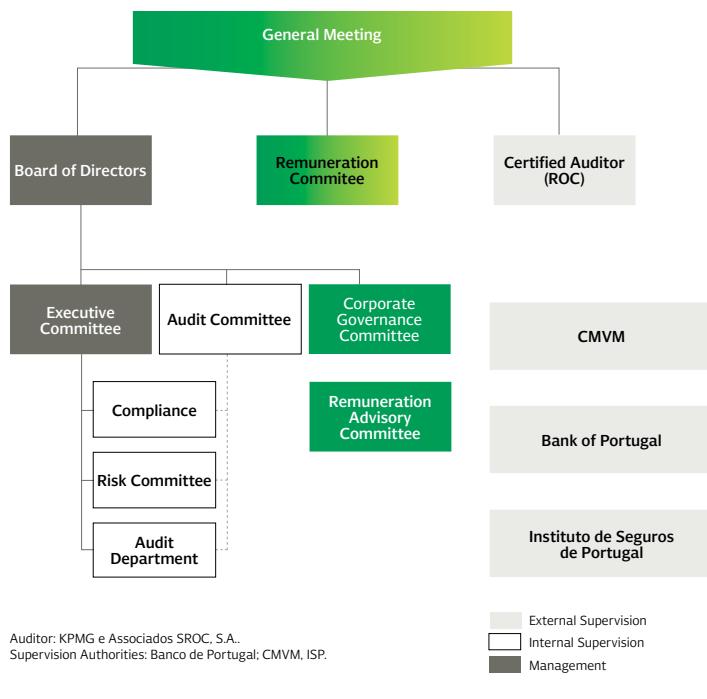
CMVM Recommendations	Adopted	Non Adopted	BES Report
I.1.1. The Chair of the General Meeting Board shall be equipped with the necessary and adequate human resources and logistic support, taking the financial position of the company into consideration.	X		I.1.
I.1.2. The remuneration of the Chair of the General Meeting Board shall be disclosed in the annual report on corporate governance.	X		I.3.
I.2.1. The requirement for the Board to receive statements for share deposit or blocking for participation at the general meeting shall not exceed five working days.	X		I.4.
I.2.2. Should the General Meeting be suspended, the company shall not compel share blocking during the interim period until the meeting is resumed and shall then follow the standard requirement of the first session.	X		I.5.
I.3.1. Companies shall not impose any statutory restriction on postal voting and whenever adopted or admissible, on electronic voting.	X		I.9.
I.3.2. The statutory deadline for receiving early voting ballots by mail shall not exceed three working days.	X		I.11.
I.3.3. Companies shall ensure that the level of voting rights and the shareholder's participation is proportional, ideally through a statutory provision that obliges the one share one vote principle. The companies that: i) hold shares that do not confer voting right; ii) establish non-casting of voting rights above a certain number, when issued solely by a shareholder or by shareholders related to former, do not comply with the proportionality principle.	X		I.6. & I.7.
I.4. Companies shall not set a deliberative quorum that outnumbers that which is prescribed by law.		X	I.8.
I.5. Extracts from the minutes of the general meetings or documents with corresponding content must be made available to shareholders on the company's website within a five day period after the General Meeting has been held, irrespective of the fact that such information may not be classified as material information. The information disclosed shall cover the resolutions passed, the represented capital and the voting results. Said information shall be kept on file on the company's website for no less than a 3-year period.	X		I.13. & I.14.
I.6.1. Measures aimed at preventing successful takeover bids, shall respect both the company's and the shareholders' interests. The company's articles of association that by complying with said principle, provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Meeting (5 year intervals) on whether that statutory provision is to be amended or prevails – without super quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction.	X		I.19.
I.6.2. In cases such as change of control or changes to the composition of the Board of Directors, defensive measures should not be adopted that instigate immediate and serious asset erosion in the company, and further disturb the free transmission of shares and voluntary assessment of the performance of the members of the management board by the shareholders.	X		I.20.
II.1.1.1. The Board of Directors shall assess the adopted model in its annual corporate governance report and pin-point possible hold-ups to its functioning and shall propose measures that it deems fit for surpassing such obstacles.	X		0.3.
II.1.1.2. Companies shall set up internal control and risk management systems in order to safeguard the company's worth and keep its corporate governance transparent and which will identify and manage the risk. Said systems shall include at least the following components: i) setting of the company's strategic objectives as regards risk assumption; ii) identification of the main risks associated to the company's activity and any events that might generate risks; iii) analysis and determination of the extent of the impact and the likelihood that each of said potential risks will occur; iv) risk management aimed at aligning those risks actually incurred with the company's strategic options for risk assumption; v) mechanisms to control the execution of adopted risk management measures and their effectiveness; vi) adoption of internal mechanisms for information and communication on the various components of the system and for risk-warning; vii) regular assessment of the system implemented and adoption of the amendments deemed necessary.	X		II.5.
II.1.1.3. The Board of Directors shall ensure the establishment and functioning of the internal control and risk management systems. The supervisory body shall be responsible for assessing the functioning of said systems and for proposing any adjustments as needed by the company.	X		II.6.
II.1.1.4. In their Annual Report on Corporate Governance, companies shall: i) identify the main economic, financial and legal risks to which they are exposed through the exercise of their activity; ii) describe the performance and efficiency of the risk management system.	X		II.5. & II.9.
II.1.1.5. The management and supervisory bodies shall establish internal regulations and shall have these disclosed on the company's website.	X		II.7.
II.1.2.1. The Board of Directors shall include a number of non-executive members that ensure the efficient supervision, auditing and assessment of the executive members' activity.	X		II.14.
II.1.2.2. Non-executive members must include an adequate number of independent members. The size of the company and its shareholder structure must be taken into account when devising this number and it may never be less than a fourth of the total number of Directors.	X		II.14.
II.1.2.3. The assessment made by the management board of the independence of its non-executive members shall take into account the legal and regulatory rules in force concerning independence requirements and the incompatibilities framework applicable to members of other corporate bodies, and ensure orderly and sequential consistency in the application of independence across the company. A board member shall not be considered independent if in another corporate body he/she could not be considered as such by force of applicable rules.	X		II.15.
II.1.3.1. Depending on the applicable model, the Chair of the Audit Board, the Audit Committee or the Financial Matters Committee shall be independent and be adequately capable to carry out his/her duties.	X		II.3., II.14. & II.18.
II.1.3.2. The selection process of candidates for non-executive directors shall be conjured so as to prevent interference by executive directors.	X		II.16.
II.1.4.1. The company shall adopt a policy whereby irregularities occurring within the company, are reported. Such reports shall contain the following information: (i) the means through which such irregularities may be reported internally, including the persons that are entitled to receive the reports; ii) how the report is to be handled, including confidential treatment, should it be required by the reporter.	X		II.35.
II.1.4.2. The general guidelines on this policy should be disclosed in the corporate governance report.	X		II.35.

CMVM Recommendations	Adopted	Non Adopted	BES Report
II.1.5.1. The remuneration of the members of the management body shall be aligned with the long-term interests of the shareholders. Furthermore, the remuneration shall be based on performance assessment and shall discourage excessive risk taking.	X		II.32.
II.1.5.2. The statement on the remuneration policy of the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall contain, in addition to the content therein stated, adequate information on: i) the groups of companies the remuneration policy and practices of which were taken as a comparison element for setting the remuneration ii) payments for dismissal or voluntary termination of directors.	X		Appendix 2
II.1.5.3. The remuneration policy statement referred to in Article 2 of Law No. 28/2009 shall also include the directors' remunerations which contain an important variable component, within the meaning of Article 248 /B/3 of the Securities Code. The statement shall be detailed and the policy presented shall particularly take into account the long-term performance of the company, compliance with the rules applicable to its business and restraint in risk taking.	X		Appendix 3
II.1.5.4. A proposal shall be submitted at the General Meeting on the approval of plans for the allotment of shares and/or options for share purchase or further yet on the variations in share prices, to members of the management and supervisory bodies and other senior officers within the context of Article 248/3/B of the Securities Code. The proposal shall mention all the necessary information for its correct assessment. The proposal shall contain the plan's regulation or in its absence, the plan's general conditions. The main characteristics of the retirement benefit plans for members of the management and supervisory bodies and other senior officers within the context of Article 248/3/B of the Securities Code shall also be approved by the General Meeting.	X		I.17. & I.18. / II.32 & II.33
II.1.5.6. At least one representative of the Remuneration Committee shall be present at the Annual General Shareholders Meeting.	X		I.15.
II.1.5.7. The amount of remuneration received, as a whole and individually, in other companies of the group and the pension rights acquired during the financial year in question shall be disclosed in the Annual Report on Corporate Governance.	X		II.31.
II.2.1. Within the limits established by law for each management and supervisory structure, and unless the company is of a reduced size, the management body shall delegate the day-to-day running of the company, and the delegated duties should be identified in the Annual Report on Corporate Governance.	X		II.3.
II.2.2. The Board of Directors shall ensure that the company acts in accordance with its goals, and should not delegate its duties, namely in what concerns: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.	X		II.3.
II.2.3. Should the Chair of the Board of Directors carry out executive duties, the Board of Directors shall set up efficient mechanisms for coordinating non-executive members that can ensure that these may take decisions in an independent and informed manner, and furthermore shall explain these mechanisms to the shareholders in the corporate governance report.	NA		II.8.
II.2.4. The annual management report shall include a description of the activity carried out by the non-executive directors and shall mention any restraints encountered.	X		II.17.
II.2.5. The company shall expound its policy concerning portfolio rotation on the Board of Directors, including the person responsible for the financial portfolio, and report on same in the annual report on corporate governance.	X		II.3.
II.3.1. When directors that carry out executive duties are requested by other members of the corporate bodies to supply information, they shall do so in a timely manner and the information supplied must adequately suffice the request made.	X		II.3.
II.3.2. The Chair of the Executive Committee shall send the convening notices and minutes of the meetings to the Chair of the Board of the Directors and, when applicable, to the Chair of the Supervisory Board or the Audit Committee.	X		II.3 & II.13.
II.3.3. The Chair of the Executive Board of Directors shall send the convening notices and minutes of the meetings to the Chair of the General and Supervisory Board and to the Chair of the Financial Matters Committee.	NA		NA
II.4.1. Besides fulfilling its supervisory duties, the General and Supervisory Board shall advise, follow-up and carry out on an on-going basis, the assessment on the management of the company by the Executive Board of Directors. Besides other subject matters, the General and Supervisory Board shall decide on: i) definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.	NA		NA
II.4.2. The annual reports and financial information on the activity carried out by the General and Supervisory Committee, the Financial Matters Committee, the Audit Committee and the Audit Board shall be disclosed on the company's website together with the financial statements.	X		II.4. & III.15.
II.4.3. The annual reports on the activity carried out by the General and Supervisory Board, the Financial Matters Committee, the Audit Committee and the Audit Board shall include a description on the supervisory activity and shall mention any restraints that they may have come up against.	X		II.4.
II.4.4. The General and Supervisory Board, the Audit Committee and the Audit Board (depending on the applicable model) shall represent the company for all purposes at the external auditor, and shall propose the services supplier, the respective remuneration, ensure that adequate conditions for the supply of these services are in place within the company, as well as being the liaison officer between the company and the first recipient of the reports.	X		II.3.
II.4.5. According to the applicable model, the General and Supervisory Board, the Audit Committee and the Audit Board, shall assess the external auditor on an annual basis and advise the General Meeting that they be discharged whenever justifiable grounds are present.	X		II.3.
II.4.6. The internal audit services and those that ensure compliance with the rules applicable to the company (compliance services) shall functionally report to the Audit Committee, the General and Supervisory Board or in the case of companies adopting the Latin model, an independent director or Supervisory Board, regardless of the hierarchical relationship that these services have with the executive management of the company.	X		II.5 & II.6.
II.5.1. Unless the company is of a reduced size and depending on the adopted model, the Board of Directors and the General and Supervisory Board, shall set up the necessary committees in order to: i) ensure that a competent and independent assessment of the Executive Directors' performance is carried out, as well as of its own overall performance and further yet, the performance of all existing committees; ii) study the adopted governance system and verify its efficiency and propose to the competent bodies, measures to be carried out with a view to its improvement; iii) in due time identify potential candidates with the high profile required for the performance of director's duties.	X		0.3., II.2. & II.36.

CMVM Recommendations	Adopted	Non Adopted	BES Report
II.5.2. Members of the Remuneration Committee or alike, shall be independent from the members of the Board of Directors and include at least one member with knowledge and experience in matters of remuneration policy.	X		II.38. & II.39.
II.5.3. Any natural or legal person which provides or has provided, over the past three years, services to any structure subject to the Board of Directors, to the Board of Directors of the company or that has to do with the current consultant to the company shall not be recruited to assist the Remuneration Committee. This recommendation also applies to any natural or legal person who has an employment contract with or provides services to said persons.	X		II.39.
II.5.4. All the committees shall draw up minutes of the meetings held.	X		II.7.
III.1.1. Companies shall maintain permanent contact with the market thus upholding the principle of equality for shareholders and ensure that investors are able to access information in a uniform fashion. To this end, the company shall create an Investor Assistance Unit.	X		III.16.
The following information that is made available on the company's Internet website, shall be disclosed in the English language:			
a) Company name, public company status, headquarters and remaining data provided for in Article 171 of the Companies Code;			
b) Bylaws;			
c) Credentials of the members of the corporate bodies and the Market Liaison Officer;			
III.1.2. d) Investor Assistance Unit – its functions and access tools;	X		III.16.
e) Accounts reporting documents;			
f) Half-yearly calendar on company events;			
g) Proposals sent through for discussion and voting during the General Meeting;			
h) Notices convening general meetings.			
III.1.3. Companies shall advocate the rotation of auditors after two or three terms, depending on whether they have four or three year mandates, respectively. Their continuance beyond this period must be based on a specific opinion of the supervisory body formally considering the conditions of auditor independence and the benefits and costs of replacement.			III.18.
III.1.4. The external auditor must, within its powers, verify the implementation of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and report any shortcomings to the company's supervisory body.	X		III.17.
III.1.5. The company shall not recruit the external auditor, or any entities in a parent-subsidiary relationship with them or belonging to the same network, for services other than audit services. Where recruiting such services is called for, these should not exceed 30% of the total value of services rendered to the company. The hiring of these services must be approved by the supervisory body and must be expounded in the annual report on corporate governance.	X		III.17.
IV.1. Where deals are concluded between the company and shareholders with qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be carried out in normal market conditions.	X		III.11.
IV.1.2. Where deals of significant importance are undertaken with holders of qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be subject to a preliminary opinion from the supervisory body. The procedures and criteria required to define the relevant level of significance of these deals and other conditions shall be established by the supervisory body.	X		III.13

0.3 Overall Assessment

BES Corporate Governance Structure



The function of internal supervisory body within BES is attributed to the Audit Committee of the Board of Directors, which is composed of three independent non executive directors.

BES is subject to external supervision by its EA/SA, KPMG & Associados SROC, S.A., as well as by the following supervisory authorities to which it is subject by virtue of its activity: the Bank of Portugal, the Portuguese Securities Market Commission (CMVM), and the Instituto de Seguros de Portugal (Portuguese Insurance Institute).

In its assessment of the corporate governance model made in 2012, the Board of Directors considered that the corporate governance model approved by BES' shareholders in 2006 (which opted for the Anglo-Saxon model, composed of a Board of Directors, with an Audit Committee and an EA/SA) was adequate and presented no relevant constraints.

0.4 Recommendations that are Not Followed by BES and the Reason for the Existing Deviation/ Non Applicable Recommendations

The table below lists the recommendations of the Corporate Government Code that are not followed by BES as well as the reason for the existing deviation, with an indication of the recommendations that are not fully applicable.

The General Meeting of Shareholders meets at least once a year. Its main duties are to elect the corporate bodies, appoint the Remuneration Committee and the External Auditor/ Statutory Auditor ("ROC") ("EA/SA"), and also to assess and resolve on the annual management report, corporate governance report, accounts and distribution of earnings for each financial year.

The management of Banco Espírito Santo is entrusted to a Board of Directors, elected by the General Meeting for four-year periods, the re-election of its members being permitted. As of December 31st, 2012 the Board of Directors consisted of 26 members, of whom seven were qualified as independent directors (see II.14). The Board of Directors delegates the day-to-day running of the company to an Executive Committee consisting of 10 members that meets every week or whenever convened by its Chairman. The Corporate Governance Committee consists of three independent non-executive directors. It has advisory functions concerning the assessment of the corporate governance model and the performance of the members of the Board of Directors, and the identification and assessment of potential candidates with the necessary qualifications to exercise functions as member of the Board of Directors (see II.16).

CMVM Recommendations	Reason for the Deviation	BES Report
	BES requires that shareholders representing at least 50% of the share capital be present or represented for the General Meeting to be held on first call.	
I.4.	Companies shall not set a constitutive or deliberative quorum that outnumbers that which is prescribed by Law.	Matters for which the law requires a qualified majority must be approved by two thirds of the votes expressed, whether the Meeting is held on first or second call.
		I.8.
II.2.5.	The company shall expound its policy concerning portfolio rotation on the Board of Directors, including the person responsible for the financial portfolio, and report on same in the Annual Corporate Governance Report.	BES believes that these rules ensure that resolutions are passed by a sufficiently representative number of shareholders.
		II.3.
III.1.4.	The external auditor must, within its powers, verify the implementation of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and report any shortcomings to the company's supervisory body.	This recommendation is only partially followed since, as of this date, the external audit only issues opinions on the "adequacy and efficiency of the part of the internal control system underlying the process of preparation and disclosure of the financial information (financial reporting)", in accordance with Bank of Portugal Notice no. 5/2008, no system having yet been implemented to allow the external auditor to verify the implementation of remuneration policies and systems.
		III.17.
IV.1.2.	Where deals of significant importance are undertaken with holders of qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be subject to a preliminary opinion from the supervisory body. The procedures and criteria required to define the relevant level of significance of these deals and other conditions shall be established by the supervisory body.	Under the terms of the General Law on Credit Institutions and Financial Companies, the granting of credit to holders of qualifying holdings is always subject to the approval of each specific operation by a qualified majority of at least three thirds of the members of the Board of Directors and the favourable opinion of BES's Audit Committee. There is no formal extension of this rule to other deals of significant importance.
		III.13.
II.2.3.	Should the Chair of the Board of Directors carry out executive duties, the Board of Directors shall set up efficient mechanisms for coordinating non-executive members that can ensure that these may take decisions in an independent and informed manner, and furthermore shall explain these mechanisms to the shareholders in the corporate governance report.	This recommendation is not applicable since the Chairman of the Board of Directors does not have executive functions.
		NA
II.3.3.	The Chair of the Executive Board of Directors shall send the convening notices and minutes of the meetings to the Chair of the General and Supervisory Board and to the Chair of the Financial Matters Committee.	This recommendation is not applicable as BES adopts the Anglo-Saxon governance model and not the dualist model. Therefore BES does not have an Executive Board of Directors nor a General and Supervisory Board.
		NA
II.4.1.	Besides fulfilling its supervisory duties, the General and Supervisory Board shall advise, follow-up and carry out on an on-going basis, the assessment on the management of the company by the Executive Board of Directors. Besides other subject matters, the General and Supervisory Board shall decide on: i) definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.	This recommendation is not applicable as BES adopts the Anglo-Saxon governance model and not the dualist model. Therefore BES does not have a General and Supervisory Board.
		NA

I. General Meeting

I.1 Members of the Board

The Board of the General Meeting is composed of one Chairman, one Vice-Chairman and one Secretary. Its members may or may not be Shareholders, they are elected for periods of four years, and their re-election is permitted. The Chairman of the Board of the General Meeting is supported by human and logistics resources that are adequate to his needs, taking the financial position of the company into consideration.

Paulo de Pitta e Cunha (Chairman)

- Graduate in Law from the Law School of the Lisbon University.
- PhD in Law (Legal and Economic Sciences).
- University Full Professor (1980-2007).
- Chairman of the Board of the European Institute of the Lisbon University Law School (1980-2010).
- Practicing lawyer and jurisconsult.
- Specialist lawyer in Tax and European Law.
- Member of the Lisbon Science Academy (Economy Section).

Fernão de Carvalho Fernandes Thomaz (Vice-Chairman)

- Graduate in Law (Legal Sciences) from the Law School of the Lisbon University.
- A practicing lawyer since 1960, he also serves on the Board of companies and is a university lecturer¹.

Nuno Miguel Matos Silva Pires Pombo (Secretary)

- Graduate in Law with a master's degree from the Portuguese Catholic University ("UCP").
- Postgraduate degree in Taxation from the Instituto Superior de Gestão.
- Assistant lecturer at the UCP Law School since September 1999.
- Legal Advisor to the Board of Directors of ESCOM - Espírito Santo Commerce, S.A. since October 2005.

I.2 Mandates of the Members of the Board

The current members of the Board of the General Meeting were elected on December 18th, 2006 for the term of office ending on December 31st, 2007, and were re-elected by the General Meeting of March 30th, 2008, to serve in the 2012 - 2015 four-year mandate.

I.3 Remuneration of the Chairman and Other Members of the Board

In 2012 the Chairman of the Board of the General Meeting received a total annual remuneration of EUR 19,000.00, the Vice-Chairman a total annual remuneration of EUR 12,000.00, and the Secretary a total annual remuneration of EUR 9,000.00.

I.4 Participation in the General Meeting

Under the legislation in force, only shareholders who on the record date, corresponding to 0 hours (GMT) of the fifth trading day preceding the date of the General Meeting of Shareholders, hold shares attributing them at least one vote, under the law and the Company's bylaws, and have declared it in writing to the Chairman of the Board of the General Meeting and the financial intermediary with whom they have opened an individual securities account, no later than the day preceding that date, may attend and participate in the General Meeting of Shareholders or each of its sessions, in case of suspension.

I.5 Suspension

In case of suspension of the General Meeting, the same rules referred to in 1.4. shall apply. Hence only shareholders who in the record date, corresponding to 0 hours (GMT) on the fifth trading day preceding the date of the General Meeting, hold shares attributing them at least one vote, under the law and the Company's bylaws, and have declared it in writing to the Chairman of the Board of the General Meeting and the financial intermediary with whom they have opened an individual securities account, no later than the day preceding that date, may attend and participate in the General Meeting.

I.6 Vote

Each one hundred shares are entitled to one vote. However, Shareholders owning less than one hundred shares may form a group so as to complete the required number or a higher number and nominate one representative from among the group.

I.7 Statutory Rules on the Existence of Shares that do not Confer Voting Rights

There are no statutory rules providing for the existence of shares that do not confer voting rights.

I.8 Statutory Rules on the Exercise of Voting Rights

These are the statutory rules on quorums:

Article 18 Quorum

1. The General Meeting of Shareholders may not be held on first call unless shareholders owning fifty percent of the share capital are present or represented, irrespective of the matters on the agenda.
2. On second call, the General Meeting may pass resolutions whatever the number of shareholders present or represented and the share capital that they represent.

(1) The Vice-Chairman of the Board of the General Meeting renounced his position in February 2013.

- Without prejudice to cases in which the law or bylaws require a qualified majority, the General Meeting of Shareholders shall pass resolutions by majority of votes.
- Resolutions on amendments to the company's articles of association, mergers, splits, transformation, winding up or any other matters for which the law requires a qualified majority, without specifying, must be approved by two-thirds of the votes issued, whether the General Meeting of Shareholders meets on first or second call.
- Abstentions will not be accounted for in any of the resolutions.

The company has no systems in place for detaching voting rights from ownership rights.

I.9 Statutory Rules on the Exercise of Voting Rights Via Postal Voting

There are no statutory restrictions on the exercise of voting rights via postal voting. Postal votes count towards the constitution of the General Meeting quorum and are equally valid for the same general meeting when convened on second call. Postal voting does not prevent a shareholder from being represented in the General Meeting, and postal votes can at any time be revoked. Postal votes cast by a shareholder who is present or represented at the General Meeting shall be deemed as revoked. Postal votes count as votes against motions submitted after their date of issue.

The Chairman of the Board of the General Meeting is responsible for verifying the authenticity of postal votes and for ensuring their confidentiality up to the time of voting.

I.10 Model Format For the Exercise of Voting Rights Via Postal Voting

Convening notices to General Meetings refer that voting rights may be exercised by post, also setting out the manner in which the scrutiny of votes cast by correspondence is conducted, this being also referred in the Regulation of the General Meeting of BES (available at www.bes.pt).

Shareholders who wish to vote by correspondence may easily obtain draft voting instructions for the exercise of postal voting, either from the Chairman of the Board of the General Meeting or from the Company's website (www.bes.pt). These draft voting instructions set out the items in the agenda of the meeting as well as, when appropriate, the specific motions to which they relate.

I.11 Deadline for Receipt of Postal Ballots

Postal votes must be received by the Chairman of the Board of the General Meeting at least three working days date prior to the date when the General Meeting is held.

I.12 Electronic Voting

The exercise of voting rights by electronic means is not allowed.

I.13 Access to the Minutes of the General Meetings

Excerpts from the minutes of General Meetings are made available in the Company's website (www.bes.pt/ir) within five days of the meeting.

I.14 Historical Record with the Resolutions of the General Meetings

An historical record of the resolutions passed at the company's General Meetings, share capital represented and voting results is available at BES's website (www.bes.pt/ir).

I.15 Representative of the Remuneration Committee in the General Meetings

At least one representative of each of these committees is present in every General Meeting. Ms. Rita Amaral Cabral, Mr. Daniel Proença de Carvalho and Mr. Jacques dos Santos, as representatives of the Remuneration Committee, and Ms. Isabel Maria Osório de Antas Mégreda de Sousa Coutinho and Mr. Nuno Maria Monteiro Godinho de Matos, as representatives of the Remuneration Advisory Committee, as representatives of the Remuneration Committee, were present in the General Meeting of March 22nd, 2012.

I.16 Intervention by the General Meeting on the Remuneration Policy and Performance Assessment of the Management Body

The General Meeting decides annually on the remuneration policy of BES's corporate bodies, as described in point II.18.

Every year, the General Meeting also makes a general assessment of the management of the company based on its performance appraisal of corporate activities in the previous financial year.

Under the terms of the remuneration policy of BES's corporate bodies approved by the General Meeting of March 2012, the actual amount of the variable remuneration to be attributed to the members of the Executive Committee shall always depend on the Remuneration Committee's annual assessment of their performance. Under the terms of the law, the remuneration policy and performance assessment of BES's senior officers is conducted by the Board of Directors.

I.17 Intervention of the General Meeting on Matters Concerning the Plan to Attribute Shares to Members of the Management Body

The plans to attribute shares and/or stock options to members of the Board of Directors and other BES senior officers are necessarily approved by the General Meeting, which also approves the corresponding regulations.

For a description of the plans to attribute shares and/or stock options in force please refer to points II.32 and II.33.

I.18 Intervention of the General Meeting on the Retirement Benefit Plan of the Members of the Management Body

The regulation on the members of BES's Board of Directors' entitlement to receive retirement pensions for old age or disability is approved by the General Meeting.

Directors are entitled to receive retirement pensions or complementary pension benefits if they were members of the Executive Committee.

The main points of the regulation on the members of the Board of Directors' entitlement to receive retirement pensions or complementary pension benefits for old age or disability may be summed up as follows:

- a) The right to receive a retirement pension or complementary pension benefits falls due on reaching sixty five years of age or twenty five years of professional activity, or in the event of disability, when disability occurs;
- b) The right to receive retirement pension or complementary pension benefits may be brought forward to the age of fifty five, providing the board member has served on BES' Board of Directors for a minimum period of nine consecutive or non consecutive years. Positions held in the senior management or Board of Directors of the former "Banco Espírito Santo e Comercial de Lisboa, S.A." count for purposes of calculating seniority in the post;
- c) Complementary pension benefits may exist as a way of topping up other retirement schemes that may be granted under any other social security system, to the effect that the total pension reaches one hundred per cent of the last annual gross remuneration.

In any case, retirement pensions or complementary pension benefits shall never exceed the pensionable salary of the board member in question, although they may be of a lower amount. The pensionable salary corresponds to the sum of the fixed annual remuneration and the variable remuneration received by the Board member in question in the year immediately preceding the year of retirement, deducted of any annual pension paid by any other social security system, as well as of the seniority payments received by that Board member. The variable remuneration shall correspond to at least the amount of the average variable remuneration received in the last twelve years by the Board member in question at retirement date.

The complementary retirement or survivor's pension benefits paid by the company shall be updated annually in accordance with the global percentage of increase of the remuneration of the Board members in active service, such as established by the Remuneration Committee; however the update rate may never be lower than the rate of change of the consumer price index or higher than twice that rate.

The current version of the regulation on the members of the Board of Directors' entitlement to receive retirement pensions or complementary pension benefits for old age or disability was approved by the General Meeting held on November 11th, 2011.

A proposal to amend the regulation on the members of BES's Board of Directors' entitlement to receive retirement pensions for old age or disability will be submitted to the General Meeting of March 27th, 2013.

I.19 Existence of a Statutory Provision that Envisages the Maintenance or Elimination of the Statutory Provision Providing for the Limitation of the Number of Votes

There is no statutory provision foreseeing the limitation of the number of votes that may be held or exercised by a single shareholder individually or together with other shareholders.

I.20 Changes in Company Control or in the Composition of the Management Body

No such measures exist.

I.21 Change in Agreements in Case of Change in Company Control

BES is a party in agreements that may be changed or terminate in case of a relevant change in its shareholding structure, however it does not consider any of those agreements as being significant.

I.22 Agreements Providing for Compensation

No such agreements exist.

II. Management and Supervisory Bodies

II.1 Identification and Composition of the Corporate Bodies

Board of General Meeting

Paulo de Pitta e Cunha (Chairman)

Fernão de Carvalho Fernandes Thomaz (Vice-Chairman)¹⁾

Nuno Miguel Matos Silva Pires Pombo (Secretary)

Board of Directors

Alberto Alves de Oliveira Pinto (Chairman)

Ricardo Espírito Santo Silva Salgado (Vice-Chairman)

Bruno Bernard Marie Joseph de Laage de Meux (Vice-Chairman)

José Manuel Pinheiro Espírito Santo Silva

António José Baptista do Souto

Jorge Alberto Carvalho Martins

Aníbal da Costa Reis de Oliveira

Manuel Fernando Moniz Galvão Espírito Santo Silva

José Maria Espírito Santo Silva Ricciardi

Rui Manuel Duarte Sousa da Silveira

Joaquim Aníbal Brito Freixial de Goes

Ricardo Abecassis Espírito Santo Silva

Amílcar Carlos Ferreira de Morais Pires

Nuno Maria Monteiro Godinho de Matos

João Eduardo Moura da Silva Freixa

Pedro Mosqueira do Amaral

Isabel Maria Osório de Antas Mégreda de Sousa Coutinho

João de Faria Rodrigues

Marc Olivier Tristan Oppenheim

Vincent Claude Pacaud

Rita Maria Lagos do Amaral Cabral

Stanislas Gerard Marie Georges Ribes

Horácio Lisboa Afonso

Pedro João Reis Matos Silva

Milton Almícar Silva Vargas

Xavier Musca

Audit Committee

Horácio Lisboa Afonso (Chairman)

João de Faria Rodrigues

Pedro João Reis Matos Silva

Certified Statutory Auditor (“ROC” or SA)

KPMG Associados, SROC S.A., represented by Sílvia Cristina de Sá Velho Corrêa da Silva Gomes

Deputy Certified Statutory Auditor: Fernando Gustavo Duarte Antunes (ROC)

Company Secretary

Eugénio Fernando Quintais Lopes (Secretary)

Artur Miguel Marques da Rocha Gouveia (Deputy Secretary)

II.2 Other Committees with Management or Supervisory Responsibilities

Executive Committee

Ricardo Espírito Santo Silva Salgado (Chairman)

José Manuel Pinheiro Espírito Santo Silva

António José Baptista do Souto

Jorge Alberto Carvalho Martins

José Maria Espírito Santo Silva Ricciardi

Rui Manuel Duarte Sousa da Silveira

Joaquim Aníbal Brito Freixial de Goes

Amílcar Carlos Ferreira de Morais Pires

João Eduardo Moura da Silva Freixa

Stanislas Gerard Marie Georges Ribes

Corporate Governance Committee

The Corporate Governance Committee is an internal body of the Board of Directors with advisory functions, consisting of three independent directors who are not members of the Executive Committee. The main purpose of the Committee is to reinforce the efficiency of the Board of Directors, making sure that all its decisions are based on all relevant elements and that they are not conditioned by possible conflicts of interest. The Corporate Governance Committee has the following members:

Isabel Maria Osório de Antas Mégreda de Sousa Coutinho (Chairman)

Nuno Maria Monteiro Godinho de Matos

Rita Maria Lagos do Amaral Cabral

The Corporate Governance Committee has the following responsibilities:

- a) Monitor compliance with the guiding principles of BES Group's corporate governance policy;
- b) Express an opinion, at its own initiative or at the request of the Board of Directors, on national or international guidelines on corporate governance, viewing their possible integration into BES Group's corporate governance model and/or the improvement of this model;
- c) Draw up an annual report that contains a description of its activities during the year, an assessment of the functioning of the Company's corporate governance structure, as well as its opinion on the Company's internal rules and procedures and principles and practices of conduct, and on the performance of the Board of Directors vis-à-vis the established objectives;
- d) Verify at all times that the independence requirements of the Company's corporate bodies are complied with, in accordance with the applicable legal and regulatory provisions;
- e) Analyse and issue an opinion on the Corporate Governance Report prior to the date of approval of the Company's Annual Report;
- f) Inform the Board of Directors about any situations or events of which it is aware, that in its opinion amount to non-compliance with the established corporate governance rules and practices.

Concerning its assessment duties, the Corporate Governance Committee has the following responsibilities:

- a) Support and advise the Board of Directors on the filling of vacancies occurred within the Board, namely by evaluating the profile of each candidate in terms of qualifications, expertise and experience;
- b) Examine the Board of Directors' policy on the selection and appointment of senior officers;
- c) Implement, in cooperation with the Company's internal structures, a programme intended to acquaint newly appointed directors with the organisation and its activities, as well as with their responsibilities and duties as members of the Board of Directors;

¹⁾ The Vice-Chairman of the Board of the General Meeting renounced his position in February 2013.

d) Assess whether the Company's directors require updating of qualifications and expertise in any specific areas, and make an annual proposal on the subject.

Remuneration Advisory Committee

The Remuneration Advisory Committee was created in January 2012 as an internal body of the Board of Directors with advisory functions, currently consisting of three independent directors who are not members of the Executive Committee. It was set up with the main objective of meeting the requirements of new regulations on the remuneration policy of financial institutions, namely contained in Decree Law no. 88/2011, of July 20th, and Bank of Portugal Notice no. 10/2011. The Committee has the following members:

Isabel Maria Osório de Antas Mégreda Sousa Coutinho (Chairman)
Nuno Maria Monteiro Godinho de Matos
Rita Maria Lagos do Amaral Cabral

The Remuneration Advisory Committee has the following responsibilities:

- a) Draw up proposals and recommendations on the fixing of the remuneration of the members of the Board of Directors and Audit Committee, and senior officers of the Company;
- b) Provide all necessary assistance and issue recommendations to support the approval process of the company's general remuneration policy for its corporate bodies and senior officers;
- c) Draw up proposals and recommendations to the effect of ensuring that all branches, subsidiaries, including subsidiaries abroad and offshore branches, and all entities comprised within the Company's supervision consolidation scope ("Group Companies") implement remuneration policies that are consistent among the;
- d) Test the capacity of the remuneration system implemented to react to external and internal events, using various possible scenarios and backtesting the model used for the purpose;
- e) Ensure and carry out a revision of the company's remuneration policies and their implementation at least once a year.

Several other committees have been created with the aim of monitoring directly the performance of specific business areas.

Business Units Monitoring Committees:

a. Corporate / Wholesale / Investment Banking

Monitors the development of these business areas, ensuring that there is coordination between BES's corporate banking activity and the activity of Banco Espírito Santo de Investimento, and at international level, promoting coordinated action with the Branch in Spain, with Banco Espírito Santo de Investimento do Brasil, and with other units of BES Group abroad. This Committee is formed by the following members of the Executive Committee: Ricardo Espírito Santo Silva Salgado, António José Baptista do Souto, Jorge Alberto Carvalho Martins, José Maria Espírito Santo Silva Ricciardi, Joaquim Aníbal Brito Freixial de Goes, Amílcar Carlos Ferreira de Morais Pires and Stanislas Gerard Marie Georges Ribes.

b. Retail Banking (Individual Clients and Small Businesses)

Monitors business evolution in each of the retail segments (Affluent Clients, Small Companies and Independent Professionals and Mass Market), and promotes cross-segment business with other business areas (namely medium sized and large corporates). The committee also oversees Assurfinance activities, promoting the acquisition and retention by BES of Companhia de Seguros Tranquilidade clients. This Committee is formed by the following members of the Executive Committee: Ricardo Espírito Santo Silva Salgado, Jorge Alberto Carvalho Martins, Joaquim Aníbal Brito Freixial de Goes, João Eduardo Moura da Silva Freixa and Stanislas Gerard Marie Georges Ribes.

c. Private Banking

Monitors the development of the business, ensures coordination with other business areas - taking advantage of the increasing interconnection between the Private Banking Centres and the Corporate Centres - and oversees the activity with Portuguese residents abroad. This Committee is formed by the following members of the Executive Committee: Ricardo Espírito Santo Silva Salgado, José Manuel Pinheiro Espírito Santo Silva, Jorge Alberto Carvalho Martins, Amílcar Carlos Ferreira de Morais Pires and Stanislas Gerard Marie Georges Ribes.

d. International

Monitors and promotes the development of BES Group's international banking activity, contributing to foster the business of subsidiaries and branches and evaluating and submitting to the Executive Committee new initiatives in previously untapped markets or businesses areas. The committee also ensures that there is coordination between BES's activity in Portugal and that of the various units abroad. This Committee is formed by the following members of the Executive Committee: Ricardo Espírito Santo Silva Salgado, José Manuel Pinheiro Espírito Santo Silva, António José Baptista do Souto, José Maria Espírito Santo Silva Ricciardi e Amílcar Carlos Ferreira de Morais Pires.

Group-Wide Committees:

a. Assets and Liabilities (ALCO)

The Assets and Liabilities Committee analyses macroeconomic data from Portugal and from the main economic areas in the world, making impact projections on the banking business. The ALCO also monitors the evolution of BES Group's consolidated balance sheet and that of its main business units, specifically the balances of customer loans and customer funds and margins, providing the Executive Committee with the data required to set growth targets for customer loans and deposits, and define a funding strategy (management of balance sheet mismatch) and price/margins targets. Its functions also include monitoring and benchmarking products sold by competitors and approving the product offer and pricing within the scope of the established strategy. This Committee is formed by the following members of the Executive Committee: Ricardo Espírito Santo Silva Salgado, José Manuel Pinheiro Espírito Santo Silva, António José Baptista do Souto, Jorge Alberto Carvalho Martins, José Maria Espírito Santo Silva Ricciardi, Rui Manuel Duarte Sousa da Silveira, Joaquim Aníbal Brito Freixial de Goes, Amílcar Carlos Ferreira de Morais Pires, João Eduardo Moura da Silva Freixa and Stanislas Gerard Marie Georges Ribes.

b. Information Systems, Operations, Quality and Costs (CIOQC)

The CIOQC committee prioritises investments in information systems and the operations and monitors their implementation. It also monitors the development of special projects in the areas of operations, systems, quality and costs. In particular, the committee oversees the Bank's overall performance in terms of quality indicators – with particular regard to customer service quality and the support provided by the central areas to the commercial areas. This Committee is formed by the following members of the Executive Committee: Ricardo Espírito Santo Silva Salgado, José Manuel Pinheiro Espírito Santo Silva, António José Baptista do Souto, Jorge Alberto Carvalho Martins, José Maria Espírito Santo Silva Ricciardi, Joaquim Aníbal Brito Freixial de Goes, Amílcar Carlos Ferreira de Morais Pires, João Eduardo Moura da Silva Freixa and Stanislas Gerard Marie Georges Ribes.

c. Risk

The Risk Committee is responsible for all matters related to BES Group's overall risk, and in particular for monitoring the evolution of risk in each of the main client segments and product categories. It also oversees special projects in the area of Risk. This Committee is formed by the following members of the Executive Committee: Ricardo Espírito Santo Silva Salgado, António José Baptista do Souto, Jorge Alberto Carvalho Martins, José Maria Espírito Santo Silva Ricciardi, Joaquim Aníbal Brito Freixial de Goes, Amílcar Carlos Ferreira de Morais Pires, João Eduardo Moura da Silva Freixa and Stanislas Gerard Marie Georges Ribes.

d. Financial and Credit

The Financial and Credit Committee decides on all credit operations that fall outside the scope of the credit granting limits established for each board member. This Committee is formed by the following members of the Executive Committee: Ricardo Espírito Santo Silva Salgado, António José Baptista do Souto, Jorge Alberto Carvalho Martins, Amílcar Carlos Ferreira de Morais Pires and João Eduardo Moura da Silva Freixa.

e. Liquidity

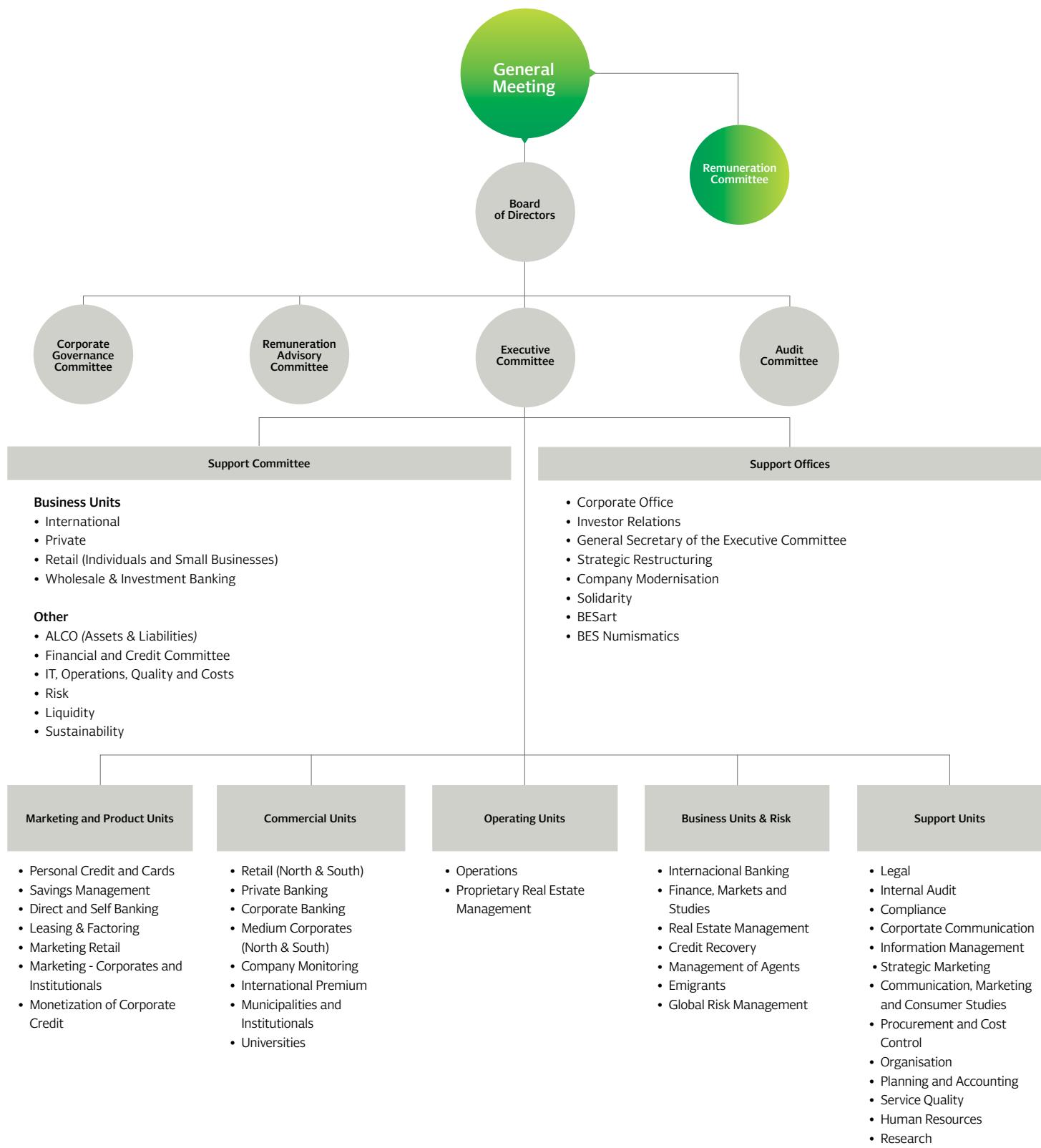
The Liquidity Committee defines and monitors the execution of the Bank's policies for liquidity risk management, assisting the Executive Committee in all related issues. In particular, the Committee is responsible for outlining a liquidity strategy proposal to be submitted to the approval of the Executive Committee, translating the risk appetite approved by the Executive Committee into limits and limit triggers, monitoring on an ongoing basis the Bank's liquidity position and liquidity risk, and establishing the methodology for funds transfer pricing and liquidity premia. This Committee includes the following members of the Executive Committee: Ricardo Espírito Santo Silva Salgado, Amílcar Carlos Ferreira de Morais Pires and Joaquim Aníbal Brito Freixial de Goes.

f. Sustainability

The Sustainability Committee defines BES Group's Sustainability Plan, monitors and supports its implementation, and reports on these activities to the Executive Committee. This Committee is formed by the following members of the Executive Committee: António José Baptista do Souto, Rui Manuel Duarte Sousa da Silveira and Joaquim Aníbal Brito Freixial de Goes.

II.3 Organisational Chart, Distribution of Duties and List of Non-Delegable Subject Matters

A. Organisational chart



b) Executive Committee

As of December 31st, 2012 the distribution of areas of responsibility among the members of the Executive Committee was as follows:

Ricardo Espírito Santo Silva Salgado

Current areas of responsibility:

Chairman of the Executive Committee, Financial and Credit Committee and Assets and Liabilities Committee (ALCO). Planning and Accounting, Compliance, Corporate Communication, Investor Relations, General Secretariat of the Board of Directors and Executive Committee, Management Control. Also ensures coordination between BES and ESAF - Espírito Santo Ativos Financeiros, Banco BEST – Banco Eletrônico de Serviço Total, S.A., ES Tech Ventures, SGPS, S.A. and ESEGUR – Empresa de Segurança, S.A..

Member of the following Committees:

Retail; Middle Market; International; Assets and Liabilities (ALCO); Risk; Information Systems, Operations, Quality and Costs (CIOQC); Private Banking; Financial and Credit Committee.

José Maria Espírito Santo Silva Ricciardi

Current areas of responsibility:

Global Risk Department (shared with Joaquim Goes); ensures coordination between BES and Banco Espírito Santo de Investimento, of which he is Chairman of the Executive Committee.

Member of the following Committees:

Middle Market; International; Assets and Liabilities (ALCO); Risk; Information Systems, Operations, Quality and Costs (CIOQC).

Rui Manuel Duarte Sousa da Silveira

Current areas of responsibility:

Legal Affairs Department, Internal Audit, Security Coordination and Corporate Office.

Member of the following Committees:

Assets and Liabilities (ALCO); Sustainability.

Joaquim Aníbal Brito Freixial de Goes

Current areas of responsibility:

Strategic Marketing, Individual Clients Marketing, Small Businesses Marketing, Communication Marketing and Consumer Surveys, Global Risk (shared with José Maria Ricciardi), Management Information, Service Quality, Direct and Self Banking Departments, Universities Office, BES University, Credit Recovery, Assurfinance Office. Ensures coordination between BES and Espírito Santo Recuperação de Crédito, Espírito Santo Informática, Oblog Consulting, S.A., BES Seguros S.A. and Contact, S.A.

Member of the following Committees:

Retail; Middle Market; Assets and Liabilities (ALCO); Information Systems, Operations, Quality and Costs (CIOQC); Risk; Sustainability.

Amilcar Carlos Ferreira de Morais Pires

Current areas of responsibility:

Financial, Markets and Research Department, Savings Management, BES Group Strategic Reorganisation Office, Monetisation of Corporate Credit Office, Management Control (shared with Ricardo Espírito Santo Silva Salgado) and International Development Department. ensures coordination between BES and BES branches in London, New York, Spain, Venezuela (shared with José Manuel Espírito Santo) and Luxembourg (shared with José Manuel Espírito Santo), with the subsidiaries BES África, SGPS, S.A., ES Bank, Aman Bank, BES Angola, SARL, Moza Banco, Cape Verde, with the representative offices abroad, and with Avistar SGPS, S.A., Espírito Santo Research, BES Vida, Companhia de Seguros, S.A., BES Finance, BES Cayman, Bank Espírito Santo International, Ltd («BESI»), BIC International Bank Ltd («BIBL») and BES Beteiligungs, GmbH.

Member of the following Committees:

Private Banking; Middle Market; International; Assets and Liabilities (ALCO); Information Systems, Operations, Quality and Costs (CIOQC); Risk; Financial and Credit Committee.

Note:

Board Member Amilcar Carlos Ferreira de Morais Pires is the CFO of BES, and has held this position since March 2004.

BES takes the view that the attributes required for the post of CFO do not justify the rotation of the director with this position, thus disagreeing in this respect with the CMVM Recommendation II.2.5).

José Manuel Pinheiro Espírito Santo Silva

Current areas of responsibility:

Coordinates Private Banking in BES Group, Madeira Offshore Branch, Emigrants, and BES History Research Centre. Ensures coordination between BES and the branches in Venezuela and Luxembourg (together with Amilcar Morais Pires).

Member of the following Committees:

Private Banking; International; Assets and Liabilities (ALCO); Information Systems, Operations, Quality and Costs (CIOQC).

António José Baptista do Souto

Current areas of responsibility:

Middle Market (North and South), Corporate Banking, International Premium Unit, Corporate and Institutional Marketing, Municipalities and Institutional Clients, Human Resources, Company Monitoring, Leasing & Factoring. Ensures coordination between BES and Multipessoal – Sociedade de Prestação and Gestão de Serviços, S.A. and Ijar Leasing Algerie Spa.

Member of the following Committees:

Middle Market; International; Assets and Liabilities (ALCO); Risk; Information Systems, Operations, Quality and Costs (CIOQC); Financial and Credit Committee; Sustainability.

Jorge Alberto Carvalho Martins

Current areas of responsibility:

Chairman of the Credit Board (Porto). Coordinates the Commercial Department North and the Real Estate area, which includes the Property promotion and real estate development department, the external real estate developers department, and the real estate valuation and projects department. Ensures coordination between BES and Locarent – Companhia Portuguesa de Aluguer de Viaturas.

Member of the following Committees:

Retail; Private Banking; Assets and Liabilities (ALCO); Risk; Information Systems, Operations, Quality and Costs (CIOQC); Middle Market; Financial and Credit Committee.

Current areas of responsibility:

Commercial Department South, Consumer Credit and Cards, Procurement and Costs Control. Ensures coordination with BES dos Açores.

Member of the following Committees:

Assets and Liabilities (ALCO); Retail; Information Systems, Operations, Quality and Costs (CIOQC); Risk: Financial and Credit Committee.

Current areas of responsibility:

Organisation Department, Execution of Operations Department, segment of resident clients in France.

Member of the following Committees:

Middle Market; Retail; Private Banking; Assets and Liabilities (ALCO); Information Systems, Operations, Quality and Costs (CIOQC); Risk.

Audit Committee

The Audit Committee is the supervisory body of BES, responsible for supervision of the Bank management in general, for verification of the effectiveness of the risk management system, the internal control system, the internal audit and compliance functions as well for representing BES, for all purposes, to the external auditor, which is annually evaluated by this Committee.

The Audit Committee is composed of three non executive directors qualified as independent: Horácio Lisboa Afonso, João de Faria Rodrigues and Pedro João Reis de Matos Silva. (item II.14 of this report contains a detailed description of the committee and item II.18 the professional qualifications and activity of its members in the last five years).

c) List of non-delegable subject matters

In addition to the subject matters which by law are non-delegable in the Executive Committee, the Regulation of the Board of Directors and of the Executive Committee (available at www.bes.pt/ir) also establishes the following duties that are the exclusive responsibility of the Board of Directors:

- a) to define the company's strategy and general policies;
- b) to define the corporate structure of the Group;
- c) to take all decisions considered to be strategic due to the amounts, risk and particular characteristics involved.

d) Provision of information

The Chairman of the Executive Committee sends the convening notices and minutes of the Executive Committee meetings to the Chairman of the Board of the Directors and to the Chairman of the Audit Committee.

All members of the Executive Committee provide any information requested by the other corporate bodies.

II.4 Activity of the Audit Committee

The annual report about the activities of the Audit Committee includes the description of the supervisory activity undertaken and is disclosed on the BES website (www.bes.pt/ir), together with the accounts reporting documents.

II.5 Internal Control and Risk Management Systems**Internal Control System**

BES has in place an effective and **documented internal control system** which is managed by the Compliance Department. To assist it in carrying out these duties, the Compliance Department has set up a separate independent unit, the **Internal Control System Management Unit ("UGSCI")**.

The UGSCI is responsible for all the assessment, systematisation, monitoring and maintenance tasks required by BES's internal control system, and for guaranteeing an overall perspective and integrated management of the entire internal control system of BES Group as the guarantor of the reliability of the financial information, the protection of assets and the adequate prevention of risks.

The UGSCI is also responsible for internal reporting, namely through monthly update briefings, as well as for external reporting to the various regulatory authorities, thus ensuring the overall perspective and integrated management of the internal control system.

For the design and assessment of its internal control system, BES Group adopted COSO methodologies and principles (the COSO - Committee of Sponsoring Organizations of the Treadway Commission - was created in 1985 in the United States to identify and combat the primary causes of fraudulent financial reporting, establishing for the purpose recommendations and frameworks for companies):

- The internal control culture promoted within the organisation determines the conduct and awareness of its employees;
- The organisation faces a diversity of risks which must be assessed at the level of the entity and the processes;
- The control procedures established must ensure that management directives are complied with;
- All relevant information must be obtained and reported;
- The internal control system must be supported by a monitoring process.

Risk Management System

At BES Group, the risk function is organised in such a way as to cover the credit, market, liquidity, interest rate, exchange rate, operational, and compliance risks.

The main units dedicated to the prevention of risks within the activity are the Risk Committee, the Global Risk Department, the Credit Risk Monitoring Committee, the Compliance Department, and the Internal Audit Department (the risk control system is explained in detail in Chapter 5 of the Consolidated Management Report).

The **Risk Committee** is responsible for monitoring BES Group's integrated risk profile, and for analysing and proposing methodologies, policies, procedures and instruments to deal with all types of risk to which BES is subject, namely credit, operational and market risk, liquidity risk and interest rate risk. This Committee also analysis the evolution of risk adjusted return and the value added by the main segments/clients. The Risk Committee holds monthly meetings, which are attended by the Chairman of the Executive Committee.

The **Global Risk Department (GRD)** centralises BES Group's risk function, having as main responsibilities to:

- Identify, assess and control the different types of risk assumed, thus managing the Group's overall risk exposure;
- Implement the risk policies outlined by the Executive Committee, while harmonising principles, concepts and methodologies across all the Group's units;
- Contribute towards the achievement of BES Group's value creation

objectives, by fine-tuning tools to support the structuring and pricing of operations, and by developing internal techniques for performance assessment and for optimising the capital position.

The **Credit Risk Monitoring Committee (CARC)** has the following main objectives:

- To analyse and assess clients whose creditworthiness shows signs of deteriorating, based on:
 - Type of credit exposure;
 - Nature and value of the guarantees received, paying attention to the dates when the assets provided as security were evaluated and the entities which carried out these evaluations;
 - Warning signals detected in the behavioural profile of clients in their relations with the Bank and with the financial system in general.
- To define strategic options in commercial relations and the level of active vigilance required by the profile and specific circumstances of each of the entities/groups under analysis;
- To analyse and validate the credit impairment levels established for the group of entities in question, in accordance with predetermined objective criteria.

The **Compliance Department** reports functionally to the Audit Committee, regardless of the matter being reported and of its hierarchical relationship with the Executive Committee. It ensures the day-to-day management of compliance activities, which include:

- Advising the Board of Directors on compliance with legal, regulatory, ethical and conduct obligations to which BES is subject;
- Implementing policies and procedures for the prevention and detection of money laundering and terrorism financing;
- Ensuring the monitoring and maintenance of the Bank's internal control system, reporting internally and to the Bank of Portugal on the respective results;
- Verifying compliance with regard to financial intermediation activities registered with the CMVM, under the terms set forth in the Securities Code;
- Within the scope of its powers, ensuring and promoting the relations with Legal and Police authorities, with the Bank of Portugal, the CMVM and other supervisory authorities; monitoring the implementation of the Code of Conduct of BES Group employees.

The **Internal Audit Department** reports functionally to the Audit Committee, regardless of the matter being reported and of its hierarchical relationship with the Executive Committee. It is responsible for assessing the effectiveness and adequacy of risk management, internal control and governance processes in the companies of BES Group with the objective of reducing risk conditions.

Its responsibilities include:

- Analysing operational and business processes, assessing the effectiveness of the respective risk management and controls, as well as compliance with applicable legal/regulatory provisions and internal regulations;
- Cooperating with all the bodies of BES Group viewing the implementation and correct application of policies established at senior management level, particularly with regard to the understanding and application of internal control procedures;
- Checking and assessing the protection and safety of monetary, dematerialised or documentary assets that are the property of BES Group or were entrusted to it for safeguarding;
- Within the scope of its powers, ensuring and promoting the relations with Legal and Police authorities, with the Bank of Portugal, the CMVM and other supervisory authorities, also addressing requests from other public and private institutions;
- Participating in the definition and drafting of regulatory texts that ensure the standardisation of prevention, control and safety procedures, and

issuing and publishing communications and circular letters on matters pertaining to its specific sphere of intervention;

- Ensuring the prompt correction of practices that breach regulatory texts and/or internal regulations, while making sure that the procedures adopted for the execution of operations are duly regulated.

II.6 Responsibility of the Management Body for the Company's Internal Control and Risk Management Systems

BES's Board of Directors, through its Executive Committee, is responsible for establishing and maintaining an adequate and effective internal control system. This implies not only defining the system's underlying principles and objectives, which must be incorporated into the Bank's strategy and policies, but also making sure that they are complied with by all the employees, and that at all times BES Group has the necessary competences and resources to conduct its activity in strict compliance with the internal control system.

The Executive Committee is also responsible for the establishment and maintenance of a solid risk management system, which, within the framework of an adequate overall control environment, and alongside an efficient information and communication system and an effective monitoring process, guarantees the adequateness and effectiveness of BES's internal control system. To this end, the Executive Committee defines the objective risk profile, establishing global and specific limits for exposures, and approves the procedures required to monitor these exposures, thus ensuring that the limits it has established are complied with.

The Audit Committee, as BES's supervisory body, is responsible for assessing the functioning of the internal control system, and particularly of the risk control, compliance and internal audit functions within this system, as well as for assessing the system's adaptation to BES's needs. The Audit Committee shall also issue an annual statement expressing its opinion on the adequacy and efficacy of the internal control system in light of the requirements established by Bank of Portugal Notices no. 5/2008 and no. 9/2012, except with regard to the part of the system underlying the process of preparation and disclosure of the financial information, which is the subject of an opinion issued by BES's EA/SA.

II.7 Regulations on the Functioning of the Corporate Bodies

All the company's corporate bodies have their own internal regulations, namely the Board of Directors and Executive Committee Regulation, the Audit Committee Regulation, the Corporate Governance Committee Regulation, the Remuneration Advisory Committee Regulation and the General Meeting Regulation, which are all disclosed at www.bes.pt/ir.

The company has no internally defined rules on incompatibility nor has it established a maximum number of positions that a member is entitled to hold.

All BES's corporate bodies and committees draw up minutes of their meetings.

II.8 Chairman of the Board of Directors

Non Applicable – the Chairman of the Board of Directors does not have executive powers.

II.9 Major Risks to Which the Company is Exposed in Pursuing its Business Activity

In the pursuit of its business activity BES is subject to the following major risks:

Credit risk

Credit risk is the potential financial loss arising from the failure of a borrower or counterparty to honour its contractual obligations to the Bank.

Market risk

Market risk is the possible loss resulting from an adverse change in the value of a financial instrument due to fluctuations in interest rates, foreign exchange rates, share prices or commodity prices.

Interest rate risk

Interest Rate Risk lies in the exposure of a bank's financial situation to adverse movements in interest rates.

Liquidity risk

Liquidity risk arises from the present or future inability to pay liabilities as they mature without incurring in excessive losses.

Operational and compliance risk

Operational and compliance risk may be defined as the probability of there occurring events with a negative impact on earnings or capital resulting from inadequate or negligent application of internal procedures, information systems, staff behaviour, or external events. Legal risk is also included in this definition.

II.10 Powers of the Board of Directors

The Board of Directors is responsible for exercising the broadest powers of management and representation of the company and for performing all necessary acts as may be required and convenient in the pursuit of the activities comprising its object, namely:

- a) Managing the company's business and performing all acts and operations pertaining to its object that do not fall within the specific responsibility of its other corporate bodies;
- b) Actively and passively representing the company in and out of court, with the powers to withdraw, compromise or enter a plea in any suits and to sign arbitration agreements;
- c) Deciding on the issue of bonds and other securities as permitted by law;
- d) Buying, selling or in any way disposing of or encumbering rights, namely pertaining to shareholdings and movable and immovable assets;
- e) Establishing the company's administrative and technical organisation and its internal rules of operation;
- f) Appointing legal or other proxies with any powers that it sees fit, including those of subrogation;
- g) Co-opting replacements for directors permanently prevented from fulfilling their duties, with co-opted members' term of office lasting until the end of the period for which the replaced directors were elected, without prejudice to ratification thereof by the next General Meeting of Shareholders;
- h) Exercising any other powers invested in it by law or the General Meeting of Shareholders.

The Extraordinary General Meeting of June 9th, 2011 approved a partial amendment to the Company's articles of association to the effect of authorising the Board of Directors to, upon favourable opinion of the Audit

Committee, increase the share capital through cash contributions, one or more times, through the issuance of ordinary shares or preferential shares, redeemable or non redeemable, under the terms and conditions to be defined. The maximum amount authorized, in addition to the share capital amount, is of EUR 7,500,000,000.00, this authorisation being valid for a period of five years.

In 2012 the Board of Directors made use of this authorisation within the scope of the EUR 1,010,000,000.00 rights issue concluded in May.

II.11 Portfolio Rotation on the Board of Directors

There is no policy on portfolio rotation on the Board of Directors.

II.12 Meetings of the Management and Supervisory Bodies

In 2012 BES' Board of Directors held 8 meetings, the Executive Committee 90 meetings, and the Audit Committee 12 meetings. The number of meetings indicated for the Executive Committee and Audit Committee concerns the formal meetings held exclusively by each of these bodies. Minutes are drawn up of all the meetings held by each of the Company's corporate bodies.

II.13 Meetings of the Executive Committee

In 2012 the Executive Committee held 90 meetings. All the meetings of the Executive Committee were regularly convened, and the respective minutes were submitted to the Chairman of the Board of Directors and the Chairman of the Audit Committee.

II.14 Identification of the Executive and non Executive Members of the Board of Directors and Independence

The Board of Directors currently consists of 26 members, of whom 10 are executive and 16 are non executive. BES considers that this type of composition guarantees the effective capacity for supervision, audit and evaluation of the activity undertaken by the Executive Committee members. From the 16 non executive Board members, 7 qualify as independent directors, representing more than 25% of the Board. Hence in this regard they all also conform to the regime of incompatibilities set out in the Companies Code. The Board members who qualify as independent are the Chairman (Alberto de Oliveira Pinto), the members of the Audit Committee (Horácio Afonso, João Faria Rodrigues and Pedro Matos Silva), the members of the Corporate Governance Committee (Nuno Godinho de Matos, Isabel de Sousa Coutinho and Rita Amaral Cabral) and the members of the Remuneration Advisory Committee (Isabel de Sousa Coutinho and Nuno Godinho de Matos). The process of verification of the independence of the non executive Board members is described in point II.15 of this report.

These independent directors take part in all the meetings of the Board of Directors and hence follow the progress of BES's activity, and they can ask for information from any other corporate bodies or internal units of BES Group. In the exercise of its functions the Board of Directors did not come up against any constraint to its functioning.

Name	Position	Independent	Reason for non independence
Alberto Alves de Oliveira Pinto	Chairman of the Board of Directors	Yes	
Ricardo Espírito Santo Silva Salgado	Vice-Chairman of the Board of Directors and Chairman of the Executive Committee	No	Member of the Executive Committee
Bruno de Laage de Meux	Vice-Chairman of the Board of Directors	No	Board Member or employment contract with shareholder Crédit Agricole, S.A.
José Manuel Pinheiro Espírito Santo Silva	Member of the Board of Directors and Executive Committee	No	Member of the Executive Committee
António José Baptista do Souto	Member of the Board of Directors and Executive Committee	No	Member of the Executive Committee
Jorge Alberto Carvalho Martins	Member of the Board of Directors and Executive Committee	No	Member of the Executive Committee
Aníbal da Costa Reis de Oliveira	Member of the Board of Directors	No	Member of the Board of Directors of Espírito Santo Financial Group, S.A.
Manuel Fernando Moniz Galvão Espírito Santo Silva	Member of the Board of Directors	No	Member of the Board of Directors of Espírito Santo Financial Group, S.A.
José Maria Espírito Santo Silva Ricciardi	Member of the Board of Directors and Executive Committee	No	Member of the Executive Committee
Rui Manuel Duarte Sousa da Silveira	Member of the Board of Directors and Executive Committee	No	Member of the Executive Committee
Joaquim Aníbal Brito Freixial de Goes	Member of the Board of Directors and Executive Committee	No	Member of the Executive Committee
Ricardo Abecassis Espírito Santo Silva	Member of the Board of Directors	No	Member of the Executive Committee of BESI Brasil
Amílcar Carlos Ferreira de Morais Pires	Member of the Board of Directors and Executive Committee	No	Member of the Executive Committee
Nuno Maria Monteiro Godinho de Matos	Member of the Board of Directors, Corporate Governance Committee and Remuneration Advisory Committee	Yes	
João Eduardo Moura da Silva Freixa	Member of the Board of Directors and Executive Committee	No	Member of the Executive Committee
Pedro Mosqueira do Amaral	Member of the Board of Directors	No	Employment contract with BES
Isabel Maria Osório de Antas Mégro de Sousa Coutinho	Member of the Board of Directors, Chairman of the Corporate Governance Committee and of the Remuneration Advisory Committee	Yes	
João de Faria Rodrigues	Member of the Board of Directors and Audit Committee	Yes	
Marc Olivier Tristan Oppenheim	Member of the Board of Directors	No	Board Member or employment contract with shareholder Crédit Agricole, S.A.
Vincent Claude Paul Pacaud	Member of the Board of Directors	No	Board Member or employment contract with shareholder Crédit Agricole, S.A.
Rita Maria Lagos do Amaral Cabral	Member of the Board of Directors, Corporate Governance Committee and Remuneration Advisory Committee	Yes	
Stanislas Gerard Marie Georges Ribes	Member of the Board of Directors and Executive Committee	No	Member of the Executive Committee
Horácio Lisboa Afonso	Member of the Board of Directors and Chairman of the Audit Committee	Yes	
Pedro João Reis Matos Silva	Member of the Board of Directors and Audit Committee	Yes	
Milton Almícar Silva Vargas	Member of the Board of Directors	No	Board Member or employment contract with shareholder Banco Bradesco
Xavier Musca	Member of the Board of Directors	No	Board Member or employment contract with shareholder Crédit Agricole, S.A.

II.15 Criteria for Assessing the Independence of the Members of the Board of Directors

The Corporate Governance Committee has confirmed the independence of all the other members qualified as independent directors, as follows:

Non Executive Members of the Board of Directors who are members of the Audit Committee

Pursuant to the Companies Code (Art. 423-B - 3, 4 and 5), the members of BES's Audit Committee are subject to scrutiny with regard to their independence and to the non existence of incompatibilities with the holding of that position.

Under these provisions, the assessment of independence must take as a reference the concept established in Article 414 (5) of the Companies Code (CC), and the incompatibilities with the holding of that position are those, mutatis mutandis, indicated in Article 414-A of the CC (making exception to the provisions of its sub-paragraph 1-b).

In order to collect the relevant information allowing the Board of Directors to assess the referred situations, at the beginning of 2013 a questionnaire was drawn up and sent to each of the members of the Audit Committee, to be personally replied, signed and subsequently returned.

This questionnaire contains questions about the circumstances upon which the CC makes independence conditional, and about the incompatibilities established in the same Code.

Other non executive members of the Board of Directors (Chairman of the Board of Directors and members of the Corporate Governance Committee)

The other non executive members of BES's Board of Directors are not directly subject to the system of assessment of independence and prohibition of incompatibilities which the CC establishes for the members of the Audit Committee.

However, CMVM Regulation no. 1/2010, which applies to BES, requires the discrimination in the Annual Corporate Governance Report of the non executive board members that would comply, if these were applied to them, with the incompatibility rules (Article 414-A/1 of the CC (except for item /b) and the independence criteria (Article 414/5, also of the CC).

Hence, in order to collect the relevant information allowing the Board of Directors to assess these situations, at the beginning of 2013 a questionnaire was drawn up and sent to each of the other non executive members of the Board of Directors who were presented as independent directors in BES's 2012 Corporate Governance Report, to be personally replied, signed and subsequently returned.

This questionnaire contains questions about the circumstances upon which the CC makes independence conditional, and about the incompatibilities established in the same code.

Members of the Board of the General Meeting

Pursuant to the CC (Art. 374-A - 1), the members of BES's Board of the General Meeting are subject to scrutiny with regard to their independence and to the non existence of incompatibilities with the holding of that position.

Under these provisions, the assessment of independence must take as a reference, mutatis mutandis, the concept established in Article 414 (5) of the CC, and the incompatibilities with the holding of that position are also, mutatis mutandis, those indicated in Article 414-A - 1 of the CC.

In order to collect the relevant information allowing the Board of Directors to assess these situations, at the beginning of 2013 a questionnaire was drawn up and sent to each of the members of the Board of the General Meeting, to be personally replied, signed and subsequently returned. This questionnaire permitted to conclude that a relative of the Vice-Chairman of the Board of the General Meeting served on the Board of a company that competes with BES, this leading to the Vice-Chairman resigning his position.

This questionnaire contains questions about the circumstances upon which the CC makes independence conditional, and about the incompatibilities established in the same Code.

II.16 Selection Process of Non Executive Directors

The Corporate Governance Committee is responsible for supporting and advising the Board of Directors on the filling of vacancies occurred within the Board (see point II.2 of this report), namely by evaluating the profile of each candidate in terms of qualifications, expertise and experience.

Although the General Meeting may freely elect the members of BES's Board of Directors, the intervention of the Corporate Governance Committee provides further guarantee that the executive board members have no influence on the selection process of the members of the management body, and in particular of the non executive members.

II.17 Description of the Activity of the Non Executive Directors

The annual management report includes a description of the activity carried out by the non executive directors (see Chapter I of BES's management report).

II.18 Professional Qualifications of the Members of the Board of Directors and Professional Activities Carried out During the Last Five Years

Alberto Alves de Oliveira Pinto

Graduated in Economic and Financial Sciences from Instituto Superior de Ciências Económicas e Financeiras (Lisbon). Chairman of the Board of Directors of Banco Nacional de Crédito Imobiliário from 1991 to 2005. Non executive member of the Board of Directors of Galp Energia from 2006 to 2008. Non executive member of BES's Board of Directors from February 2006 to March 2008. Chairman of the Board of Directors of BES since March 2008.

No. of shares held on 31/12/2012: 0

First appointment: February 2006

Mandate ends in: 2015

Ricardo Espírito Santo Silva Salgado

Graduated in Economics from Instituto Superior de Ciências Económicas e Financeiras da Universidade Técnica de Lisboa. Vice-Chairman of the Board of Directors and Chairman of the Executive Committee of BES, Chairman of the Board of Directors of Espírito Santo Financial Group, S.A., Bespar - SGPS, S.A. and Partran, SGPS, S.A., member of the Executive Committee of the Institut International d'Études Bancaires since 2003 and its Chairman from October 2005 to December 2006. Member of the Board of Directors of Banco Bradesco (Brazil) since 2003.

No. of shares held on 31/12/2012: 3,806,915

First appointment: September 1991

Mandate ends in: 2015

Bruno de Laage de Meux

Graduated from the École des Hautes Études Commerciales (H.E.C.), with an MBA from INSEAD. Member of the Board of Directors and of the Strategy Committee of Crédit Agricole S.A., and deputy secretary general of the Crédit Agricole National Federation since 2006. Appointed Vice-Chairman of Crédit Agricole S.A. in March 2010, in charge of Caisses Régionales, International Retail Banking, Payment Systems and Specialised Financial Services (Consumer Crédit, Leasing and Factoring). Appointed member of BES's Board of Directors in April 2010, to replace Jean Frederic de Leusse.

No. of shares held on 31/12/2012: 0

First appointment: April 2010

Mandate ends in: 2015

José Manuel Pinheiro Espírito Santo Silva

Graduated in Economics, specialising in Business Administration and Management, from Évora University (former Instituto de Estudos Superiores de Évora). Chairman of Banque Privée Espírito Santo S.A., executive member of BES's Board of Directors and Vice-Chairman of Espírito Santo Financial Group, S.A..

No. of shares held on 31/12/2012: 1,009,271

First appointment: April 1992

Mandate ends in: 2015

António José Baptista do Souto

Graduated in Economics from the School of Economics of Porto University. Executive member of BES's Board of Directors. Member of the Board of Directors of SIBS - Sociedade Interbancária de Serviços, S.A..

No. of shares held on 31/12/2012: 106,081

First appointment: November 1990

Mandate ends in: 2015

Jorge Alberto Carvalho Martins

Graduated in Economics from the School of Economics of Porto University. Executive member of BES's Board of Directors. Member of the Board of Directors of Locarent - Companhia Portuguesa de Aluguer de Viaturas, S.A..

No. of shares held on 31/12/2012: 144,058

First appointment: July 1993

Mandate ends in: 2015

Aníbal da Costa Reis de Oliveira

General Commercial Management course (Porto) and degree in Chemical Engineering (Germany). Executive positions in companies of the Riopele Group. Non executive member of BES's Board of Directors since 1992.

No. of shares held on 31/12/2012: 1,010,000

First appointment: April 1992

Mandate ends in: 2015

Manuel Fernando Moniz Galvão Espírito Santo Silva

B.A. Business Administration, Richmond College, London, International Bankers' Course at Barclays and Midland Bank, London, "Inter-Alpha Banking Programme" - INSEAD, Fontainebleau. Member of BES's Board of Directors since 1994. Executive member of the World Travel & Tourism Council since 2003. Chairman of the Executive Committee of Espírito Santo Resources since 2006. Chairman of the Board of Directors of Rioforte Investments since 2008 and of Rioforte (Portugal) S.A. since 2010.

No. of shares held on 31/12/2012: 6,831

First appointment: March 1994

Mandate ends in: 2015

José Maria Espírito Santo Silva Ricciardi

Graduated in Sciences Économiques Appliquées from the Université Catholique de Louvain, Faculté des Sciences Economiques, Sociales et Politiques, Institut d'Administration et de Gestion, Belgium. Executive member of BES's Board of Directors. Vice-Chairman of the Board of Directors and Chairman of the Executive Committee of BES Investimento. Chairman of the Board of Directors of BES Investimento do Brasil, S.A.. Member of the Board of Directors of Espírito Santo Financial Group, Espírito Santo International, S.A., and BES Africa SGPS, S.A.. Chairman of the Board of Directors of Espírito Santo Investment Holdings Limited. Member of the General and Supervisory Board of EDP. Member of the Fiscal Board of Sporting Clube de Portugal - Futebol, S.A.D..

No. of shares held on 31/12/2012: 30,000

First appointment: March 1999

Mandate ends in: 2015

Rui Manuel Duarte Sousa da Silveira

Graduated in Law from the Law School of the Lisbon University. Practising lawyer. Executive member of BES's Board of Directors. Member of the Board of Directors of Cimigest – S.G.P.S., S.A. Member of the Fiscal Board of Companhia de Seguros Tranquillidade, S.A., Chairman of the Board of the General Meeting of AVISTAR S.G.P.S., S.A., BES África, S.G.P.S., S.A., BEST – Banco Eletrônico de Serviço Total, S.A., ES Tech Ventures S.G.P.S., S.A., ESAF – Espírito Santo Ativos Financeiros S.G.P.S., S.A., Espírito Santo Ventures, Sociedade de Capital de Risco, S.A., Bespar – S.G.P.S., S.A., Espírito Santo Saúde – S.G.P.S., S.A., Partran – S.G.P.S., S.A. and T-Vida, Companhia de Seguros, S.A.

No. of shares held on 31/12/2012: 6,366

First appointment: March 2000

Mandate ends in: 2015

Joaquim Aníbal Brito Freixial de Goes

Graduated in Corporate Management and Administration, specialising in Marketing and Finance from Lisbon's Portuguese Catholic University. MBA from INSEAD, Fontainebleau. Executive member of BES's Board of Directors. Member of the Board of Directors of Portugal Telecom since 2000.

No. of shares held on 31/12/2012: 151,204

First appointment: March 2000

Mandate ends in: 2015

Ricardo Abecassis Espírito Santo Silva

Graduated in Economics from The City University, London. Executive Chairman of BES Investimento do Brasil, Member of the Board of Directors of BES Investimento since 2003, where he was appointed Executive Director in 2005. Member of BES's Board of Directors since 2002.

No. of shares held on 31/12/2012: 160,000

First appointment: March 2002

Mandate ends in: 2015

Amílcar Carlos Ferreira de Moraes Pires

Graduated in Economics from the Portuguese Catholic University. BES General Manager, advisor to BES's Board of Directors and Coordinator of BES's Financial Department, Markets and Surveys until 2004. Executive member of BES's Board of Directors since March 2004 and member of the Board of Directors of BES Investimento since 2005. Member of the Board of Directors of Portugal Telecom since 2006.

No. of shares held on 31/12/2012: 334,725

First appointment: March 2004

Mandate ends in: 2015

Nuno Maria Monteiro Godinho de Matos

Graduated in Law from Universidade Clássica de Lisboa. Practising lawyer. Member of BES's Board of Directors since 2006, member of its Corporate Governance Committee since 2010 and member of its Remuneration Advisory Committee since 2012.

No. of shares held on 31/12/2012: 0

First appointment: February 2006

Mandate ends in: 2015

João Eduardo Moura da Silva Freixa

Graduated in Business Management from Instituto Superior de Economia, Lisbon; MBA from Universidade Nova de Lisboa. Vice-Chairman of Caixa Geral de Depósitos and Caixa - Banco de Investimento (Caixa BI), and non executive member of the Board of Directors of EDP- Energias de Portugal from 2004 to 2005. Advisor to BES's Board of Directors since October 2005, executive member of BES's Board of Directors since 2006, and Vice-Chairman of BES dos Acores since November 2006. Member of the Board of Directors of Unicre – Instituição Financeira de Crédito, S.A. since 2010.

No. of shares held on 31/12/2012: 131,281

First appointment: September 2006

Mandate ends in: 2015

Pedro Mosqueira do Amaral

Graduated in Business Management from the European University, Brussels, Belgium. Member of the Board of Directors of BES GmbH since 2006 and member of BES's Board of Directors since 2008.

No. of shares held on 31/12/2012: 192,500

First appointment: March 2008

Mandate ends in: 2015

Isabel Maria Osório de Antas Mégrez de Sousa Coutinho

Graduated in Finance from Instituto Superior de Ciências Económicas e Financeiras (ISCEF), Lisbon, 1969. Chairman of Fundação Pão de Açúcar – Auchan until 2007. Member of BES's Board of Directors since 2008. Chairman of its Corporate Governance Committee since 2010 and member of its Remuneration Advisory Committee since 2012.

No. of shares held on 31/12/2012: 0

First appointment: March 2008

Mandate ends in: 2015

João de Faria Rodrigues

Graduated in Business Organisation and Management from Instituto Superior de Economia, Lisbon (1980). Certified Auditor since 1992. Senior Audit Manager with Grant Thornton & Associados – SROC, Lda. from 1997 to 2008. Member of BES's Board of Directors since 2008 and member of its Audit Committee.

No. of shares held on 31/12/2012: 0

First appointment: March 2008

Mandate ends in: 2015

Marc Olivier Tristan Oppenheim

Graduated from the École Supérieure des Sciences Économiques et Commerciales (ESSEC). Appointed Retail Market manager and member of the General Committee of Crédit Lyonnais in 2007. Manager of International Retail Banking and member of the Executive Committee of Crédit Agricole since June 2010. In 2010 was appointed non executive member of BES's Board of Directors.

No. of shares held on 31/12/2012: 0

First appointment: July 2010

Mandate ends in: 2015

Vincent Claude Paul Pacaud

Graduated from the École Polytechnique, with an MBA from INSEAD. Was CEO of BNP Paribas Assurance in Asia and member of the International Strategy Committee of BNP Paribas Assurance. In 2008 joined the Crédit Agricole Group as head on insurance for Asia and in 2010 was appointed CEO of Credit Agricole Life Japan. Appointed member of BES's Board of Directors in 2011 to replace Michel Goutorbe, and is a member of the Board of Directors of BESPAR, ESAF, BES Vida and BES Seguros.

No. of shares held on 31/12/2012: 0

First appointment: May 2011

Mandate ends in: 2015

Rita Maria Lagos do Amaral Cabral

Graduated in Law from the Lisbon University Faculty of Law. Practicing lawyer and a member of the Bar Association. Member of the Board of Directors of Cimigest – S.G.P.S., S.A., non executive member of the Board of Directors of Semana, Sociedade de Investimento e Gestão, SGPS, S.A., Comités, SGPS, S.A., and SODIM, SGPS, S.A.. Partner and Director at Amaral Cabral & Associados – Sociedade de Advogados, R.L.. Invited assistant professor at the Law School of the Portuguese Catholic University, Vice-Chairman of the Portuguese Catholic University's Bioethics Institute and member of the National Ethics Council for Life Sciences. Member of BES's Board of Directors, Corporate Governance Committee and Remuneration Advisory Committee since 2012.

No. of shares held on 31/12/2012: 0

First appointment: March 2012

Mandate ends in: 2015

Stanislas Gérard Marie Georges Ribes

Graduated in Economics from the Institut d'Études Politiques de Paris. Was Head of the Ile de France Nord region Division, with LCL, Crédit Lyonnais. Member of LCL's Management Committee and responsible for the corporate and institutional segment, as head of the Business Division from 2006 to 2009 and Regional Manager – Corporates North from 2002 to 2006. Executive member of BES's Board of Directors since 2012.

No. of shares held on 31/12/2012: 0

First appointment: March 2012

Mandate ends in: 2015

Horácio Lisboa Afonso

Graduated in Finance from the Instituto Superior de Economia (Lisbon). Certified Auditor and Certified Accountant. 1973-1982 – Price Waterhouse; 1983-1992 – Partner at Consulteam / Spicer & Oppenheim; 1993-1997 – Partner at Deloitte & Touche; 1997-2001 – Partner at Grant Thornton. In January 2012, as partner with Camacho Palma & Lisboa Afonso – SROC, joined Nexia International as International Contact Partner, until 2011. Member of the Management Board of the Portuguese Chamber of Certified Auditors (2006-2008 term of office). In July 2007 was appointed member of the Board of Directors and of the Audit Committee of ESFG, S.A., until the start of 2012. Member of the Board of Directors of BES and Chairman of its Audit Committee since 2012.

No. of shares held on 31/12/2012: 4,125

First appointment: March 2012

Mandate ends in: 2015

Pedro João Reis Matos Silva

Graduated in Finance from the Instituto Superior de Ciências Económicas e Financeiras, with a degree in Auditing and Accounting from Centre d'Enseignement Supérieur des Affaires (CESA), France. Certified Auditor since 1981 and a partner with P. Matos Silva, Garcia JR, P. Caiado & Associados, SROC, Lda. Chairman of the Fiscal Board of Banco Português do Atlântico (1993 - 1995) and Advisor on economic affairs to the Portuguese Prime Minister (1987 - 1991). Was Chairman of the Fiscal Board of the Portuguese Chamber of Certified Orders (2005-2010 term of office) and is a member of its Higher Board (2012-2014 term of office). Member of BES's Board of Directors since 2012.

No. of shares held on 31/12/2012: 0

First appointment: March 2012

Mandate ends in: 2015

Milton Almicar Silva Vargas

Graduated in Business Management from the FIEO University Centre (Osasco, Brazil). Joined Banco Bradesco in 1976, where he was executive Vice-Chairman (March 2002 - June 2009). Member of the Board of Directors of, among others, Cielo S.A., CPM Braxis, Fleury S.A., Monteiro Aranha and Portugal Telecom since 2009. Co-opted as Member of BES's Board of Directors on May 14th, 2012.

No. of shares held on 31/12/2012: 0

First appointment: May 2012

Mandate ends in: 2015

Xavier Musca

Graduated in Political Sciences from the Institut d'Etudes Politiques, Paris (Sciences Po) and the École Nationale d'Administration. Head of French Treasury and Economic Policy department (2007), appointed executive manager for Economic Affairs in the French President's Office in 2009 and Secretary General of the French President's Office in 2011. In July 2012 joined Crédit Agricole as head of International Retail and Commercial Banking, Asset Management and Insurance. Appointed non executive member of BES's Board of Directors in November 2012 to replace Michel Jacques Mathieu.

No. of shares held on 31/12/2012: 0

First appointment: November 2012

Mandate ends in: 2015

II.19 Duties that the Members of the Board of Directors Carry out in Other Companies

Alberto Alves de Oliveira Pinto

Holds no positions in other companies.

Ricardo Espírito Santo Silva Salgado

A. Corporate positions held in companies of BES Group

Board of Directors

Banco Espírito Santo de Investimento, S.A. (Chairman)
BES África, S.G.P.S. S.A. (Chairman)
BES Finance, Ltd (Member)
BEST – Banco Eletrônico de Serviço Total, S.A. (Chairman)
ES Tech Ventures, S.G.P.S., S.A. (Chairman)
ESAF – Espírito Santo Ativos Financeiros, S.G.P.S., S.A. (Chairman)
Espírito Santo – Empresa de Prestação de Serviços 2, ACE (Chairman)
Espírito Santo Bank (Member)
Espírito Santo Ventures, Sociedade de Capital de Risco, S.A. (Chairman)

B. Corporate positions held in companies outside BES Group

Board of Directors

Banco Bradesco S.A. (Member)
Banque Espírito Santo et de la Vénétie, S.A. (Member)
Banque Privée Espírito Santo, S.A. (Member)
Bespar – Sociedade Gestora de Participações Sociais, S.A. (Chairman)
Casa dos Pórticos – Sociedade de Administração de Bens, S.A. (Chairman)
E.S. Holding Administração e Participações S.A. (Vice-Chairman)
ES Bankers (Dubai) Limited (Chairman)
Espírito Santo Control S.A. (Member)
Espírito Santo Financial (Portugal) - Sociedade Gestora de Participações Sociais, S.A. (Chairman)
Espírito Santo Financial Group S.A. (Chairman)
Espírito Santo International S.A. (Member)
Espírito Santo Resources Limited (Member)
Espírito Santo Services, S.A (Member)
Partran - Sociedade Gestora de Participações Sociais, S.A. (Chairman)
Sociedade de Administração de Bens Pedra da Nau, S.A. (Chairman)

Other Positions

Associação Portuguesa de Bancos (Vice-Chairman of the Board, in representation of Banco Espírito Santo, S.A.)
Stanley Ho Foundation (Member of the General Board)
Instituto Internacional de Estudos Bancários IIEB (Member)

Bruno Bernard Marie Joseph de Laage de Meux

Corporate positions held in companies outside BES Group

Board of Directors

Bespar – Sociedade Gestora de Participações Sociais, S.A. (Member)
BFORBANK (Member)
CA Assurances (Censeur)
CA Cards & Payments (Member)
CA Consumer Finance (Chairman)
CA Paiement (Member)
Crédit Agricole Creditor Insurance (Member)
Crédit Agricole Leasing & Factoring (Member)
Emporiki Bank (Member)
FIA-NET Europe (Member)
Fireca (Member)
Fonds de Garantie des Dépôts (Member of the Supervisory Board)
Uni – Editions (Chairman)

Other Positions

Crédit Agricole, S.A. (Member of the Executive Committee, Member of the General Management Committee, Deputy Chief Executive Officer in Charge of Retail Banking France (Regional Banks and LCL), Specialised Financial Services and Payment Systems & Services)

José Manuel Pinheiro Espírito Santo Silva

A. Corporate positions held in companies of BES Group

Board of Directors

Banco Espírito Santo de Investimento, S.A. (Member)
BES África, S.G.P.S. S.A. (Member)
ESAF – Espírito Santo Ativos Financeiros, S.G.P.S., S.A. (Member)
Espírito Santo Bank (Member)

B. Corporate positions held in companies outside BES Group

Board of Directors

Banque Espírito Santo et de la Vénétie, S.A. (Member)
Banque Privée Espírito Santo, S.A. (Chairman)
Bespar – Sociedade Gestora de Participações Sociais, S.A. (Member)
Casa da Saudade – Administração de Bens Móveis e Imóveis, S.A. (Chairman)
ES Bankers (Dubai) Limited (Member)
Espírito Santo Control S.A. (Member)
Espírito Santo Financial (Portugal) - Sociedade Gestora de Participações Sociais, S.A. (Vice-Chairman)
Espírito Santo Financial Group S.A. (Vice-Chairman)
Espírito Santo International S.A. (Member)
Espírito Santo Resources Limited (Member)
Espírito Santo Services, S.A. (Member)
Europ Assistance – Companhia Portuguesa de Seguros, S.A. (Member)
Ponte Alta – Consultoria e Assistência (Sociedade Unipessoal), Lda. (Member)
Ribeira do Marchante – Administração de Bens Móveis e Imóveis, S.A. (Chairman)

A. Corporate positions held in companies of BES Group**Board of Directors**

BES África, S.G.P.S. S.A. (Member)

Other Positions

Banco Espírito Santo dos Açores, S.A. (Member of the Remuneration Committee)

B. Corporate positions held in companies outside BES Group**Board of Directors**

Angra Moura – Sociedade de Administração de Bens, S.A. (Chairman)

Companhia de Seguros Tranquilidade, S.A. (Member)

Ijar Leasing Algérie (Member)

Other Positions

ELO – Associação Portuguesa para o Desenvolvimento Económico e a Cooperação (Vice-Chairman of the General Board)

TF Turismo Fundos – SGFI, S.A. (appointed in representation of the Member of the Remuneration Committee, Banco Espírito Santo, S.A.)

Corporate positions held in companies outside BES Group**Board of Directors**

Locarent – Companhia Portuguesa de Aluguer de Viaturas, S.A. (Chairman)

Fiscal Board

Advita – Associação para o Desenvolvimento de Novas Iniciativas para a Vida (Deputy member)

Agência de Desenvolvimento Regional de Entre-o-Douro e Tâmega (Chairman)

Instituto Empresarial do Tâmega (Chairman)

Other Positions

Futebol Clube do Porto – Futebol, S.A.D. (Member of the Advisory Board)

Corporate positions held in companies outside BES Group**Board of Directors**

ACRO - S.G.P.S., S.A. (Chairman)

Diliva – Sociedade de Investimentos Imobiliários, S.A. (Chairman)

Espírito Santo Financial (Portugal) - Sociedade Gestora de Participações Sociais, S.A. (Member)

Espírito Santo Financial Group S.A. (Member)

Espírito Santo International S.A. (Member)

Olinerg – S.G.P.S., S.A. (Chairman)

Olinveste – S.G.P.S., Limitada (Member)

Olire – S.G.P.S., S.A. (Chairman)

Q. L. PORTUGAL – Sociedade de Agricultura e Serviços da Quinta da Lage, Lda. (Member)

Corporate positions held in companies outside BES Group**Board of Directors**

Academia de Música de Santa Cecília (Non Executive Chairman)

Bensaúde Turismo, S.G.P.S., S.A. (Member)

Bespar – Sociedade Gestora de Participações Sociais, S.A. (Member)

Higher Council of Espírito Santo Group (Member)

Espírito Santo Control S.A. (Member)

Espírito Santo Financial Group S.A. (Member)

Espírito Santo Health Care Investments S.A. (Chairman)

Espírito Santo Industrial, S.A. (Chairman)

Espírito Santo International S.A. (Member)

Espírito Santo Irmãos – Sociedade Gestora de Participações Sociais, S.A. (Chairman)

Espírito Santo Resources (Portugal), S.A. (Member)

Espírito Santo Resources Limited (CEO)

Espírito Santo Services, S.A. (Member)

Espírito Santo Tourism (Europe), S.A. (Chairman)

Euroamerican Finance Corporation, Inc. (Chairman)

Euroamerican Finance S.A. (Chairman)

Herdade da Comporta – Actividades Agro Silvícolas e Turísticas, S.A. (Chairman)

Rio Forte Investments, S.A. (Chairman)

RIOFORTE (Portugal), S.A. (Chairman)

Santogal – Sociedade Gestora de Participações Sociais, S.A. (Member)

Sapec, S.A. (Member)

SODIM, S.G.P.S., S.A. (Member)

Board of the General Meeting

Espart – Espírito Santo Participações Financeiras, Sociedade Gestora de Participações Sociais, S.A. (Chairman)

Sociedade Imobiliária e Turística da Quinta do Perú, S.A. (Chairman)

José Maria Espírito Santo Silva Ricciardi

A. Corporate positions held in companies of BES Group

Board of Directors

Banco Espírito Santo de Investimento, S.A. (Vice-Chairman and Chairman of the Executive Committee)
BES África, S.G.P.S. S.A. (Member)
BES Investimento do Brasil S.A. (Chairman)
Espírito Santo Investment Holdings Limited (Chairman)

Board of the General Meeting

ESAF – Espírito Santo Gestão de Patrimónios, S.A. (Vice-Chairman)

B. Corporate positions held in companies outside BES Group

Board of Directors

Espírito Santo Financial Group S.A. (Member)
Espírito Santo International S.A. (Member)

General and Supervisory Board

EDP – Energias de Portugal, S.A. (Member)

Fiscal Board

Sporting Clube de Portugal – Futebol, S.A.D. (Member)
Sporting Clube de Portugal (Vice-Chairman of the Fiscal and Disciplinary Board)

Board of the General Meeting

Espart – Espírito Santo Participações Financeiras, Sociedade Gestora de Participações Sociais, S.A. (Vice-Chairman)

Other Positions

EDP – Energias de Portugal, S.A. (Member of the Remuneration Committee)
EDP – Energias de Portugal, S.A. (Member of the Strategy Committee)

Rui Manuel Duarte Sousa da Silveira

A. Corporate positions held in companies of BES Group

Board of the General Meeting

AVISTAR S.G.P.S., S.A. (Chairman)
Banco Espírito Santo Cabo Verde, S.A. (Chairman)
Banco Espírito Santo dos Açores, S.A. (Chairman)
BES África, S.G.P.S. S.A (Chairman)
BEST – Banco Eletrónico de Serviço Total, S.A. (Chairman)
Capital Mais – Assessoria Financeira, S.A. (Chairman)
ES Tech Ventures, S.G.P.S., S.A. (Chairman)
ESAF – Espírito Santo Ativos Financeiros, S.G.P.S., S.A. (Chairman)
ESAF – Espírito Santo Fundos de Investimento Imobiliário, S.A. (Chairman)
ESAF – Espírito Santo Fundos de Investimento Mobiliário, S.A. (Chairman)
ESAF – Espírito Santo Fundos de Pensões, S.A. (Chairman)
ESAF – Espírito Santo Gestão de Patrimónios, S.A. (Chairman)
ESAF – Espírito Santo Participações Internacionais, S.G.P.S., S.A. (Chairman)
Espírito Santo Ventures, Sociedade de Capital de Risco, S.A (Chairman)
OBLOG - Consulting, S.A. (Chairman)

B. Corporate positions held in companies outside BES Group

Board of Directors

Cimigest – S.G.P.S., S.A . (Member)
Sociedade de Administração de Bens Casa de Bons Ares, S.A. (Chairman)
Sociedade de Silvicultura Monte do Arneirinho, Lda. (Member)

Fiscal Board

Companhia de Seguros Tranquilidade, S.A. (Member)

Board of the General Meeting

BES - Companhia de Seguros, S.A. (Chairman)
Bespar – Sociedade Gestora de Participações Sociais, S.A. (Chairman)
Casa dos Pórticos – Sociedade de Administração de Bens, S.A. (Secretary)
ESEGUR – Empresa de Segurança, S.A. (Vice-Chairman)
Espírito Santo Saúde – S.G.P.S., S.A. (Chairman)
Esumédica – Prestação de Cuidados Médicos, S.A. (Chairman)
Europ Assistance – Companhia Portuguesa de Seguros, S.A. (Vice-Chairman)
Partran – Sociedade Gestora de Participações Sociais, S.A. (Chairman)
T-Vida, Companhia de Seguros, S.A. (Chairman)

Joaquim Aníbal Brito Freixial de Goes

A. Corporate positions held in companies of BES Group

Board of Directors

BES – Vida, Companhia de Seguros, S.A (Member)
E.S. - Recuperação de Crédito, ACE (Chairman)
Espírito Santo Informática, ACE (Chairman)
Espírito Santo Ventures, Sociedade de Capital de Risco, S.A. (Member)
OBLOG - Consulting, S.A. (Chairman)

B. Corporate positions held in companies outside BES Group

Board of Directors

BES – Companhia de Seguros, S.A. (Chairman)
Glintt – Global Intelligent Technologies, S.A. (Member)
Portugal Telecom, S.G.P.S., S.A. (Member)

Fiscal Board

Centro Social e Paroquial de Nossa Senhora da Ajuda (Chairman)
Fundação Brazelton/Gomes-Pedro para as Ciências do Bebé e da Família (Chairman)
Fundação da Universidade Católica Portuguesa (Chairman)

Ricardo Abecassis Espírito Santo Silva

A. Corporate positions held in companies of BES Group

Management Body

Board of Directors

AVISTAR S.G.P.S., S.A. (Member)
Banco Espírito Santo de Investimento, S.A. (Vice-Chairman)
BES Finance Ltd (Member)
BES Investimento do Brasil S.A. (Member)
Espírito Santo Bank (EUA) (Vice-Chairman)
Espírito Santo Investimentos S.A. (Brazil) (Chairman)

Executive Committee

BES Investimento do Brasil S.A. (Chairman)
Espírito Santo Investimentos S.A. (Brazil) (Chairman)
Gespar Participações Ltda (Brazil) (Member)

Fiscal Board

Banco Espírito Santo do Oriente, S.A. (Chairman)

B. Corporate positions held in companies outside BES Group

Management Body

Board of Directors

2bCapital S.A. (Member)
Agriways S.A. (Brazil) (Vice-Chairman)
BHG S.A. – Brazil Hospitality Group (Brazil) (Member)
Câmara Portuguesa de Comércio no Brasil (Vice-Chairman)
Espírito Santo Control S.A. (Member)
Espírito Santo International S.A. (Member)
Espírito Santo Property (Brazil) S.A. (Member)
Espírito Santo Resources Limited (Member)
Euroamerican Finance Corporation, Inc. (BVI) (Member)
Europ Assistance (Brazil) (Member)
Monteiro Aranha S.A. (Brazil) (Member)
Novagest Assets Management Ltd (Member)
Pojuca S.A. (Brazil) (Chairman)
Rioforte Investment Holding Brasil S.A. (Member)
Ushuaia – Gestão e Trading International Limited (Member)

Executive Committee

Associação Espírito Santo Cultura (Brazil) (Member)
Companhia Agrícola Botucatu (Chairman)
E.S. Holding Administração e Participações, S.A. (Chairman)
ES Consultoria Ltda (Brazil) (Partner - Member)
ESAP - Espírito Santo Agro-Pecuária S.A. (Uruguay) (Member)
ESCAE Consultoria, Administração e Empreendimentos, Ltda. (Brazil)
(Member)
Saramagos S.A. Empreendimentos e Participações (Brazil) (Member)

Fiscal Board

Banco Bradesco S.A. (Member)

Advisory Board

Associação Brasileira de Bancos Internacionais S.A. (Member)

João Eduardo Moura da Silva Freixa

A. Corporate positions held in companies of BES Group

Board of Directors

Banco Espírito Santo dos Açores, S.A. (Vice-Chairman)

B. Corporate positions held in companies outside BES Group

Board of Directors

SIBS – Forward Payment Solutions, S.A. (Member, appointed by Banco Espírito Santo, S.A under the terms of Article 390 (4) of the CC)
SIBS - SGPS, S.A. (Member, appointed by Banco Espírito Santo, S.A under the terms of Article 390 (4) of the CC)
UNICRE – Instituição Financeira de Crédito, S.A. (Member, appointed by Banco Espírito Santo, S.A under the terms of Article 390 (4) of the CC)

Pedro Mosqueira do Amaral

A. Corporate positions held in companies of BES Group

Board of Directors

Banco Espírito Santo de Investimento, S.A. (Member)
Bank Espírito Santo (International) Limited (Member)
BES Beteiligungs GmbH (Member)

B. Corporate positions held in companies outside BES Group

Board of Directors

Banque Espírito Santo et de la Vénézie, S.A. (Member)
Banque Marocaine du Commerce Extérieur (Member)
Espírito Santo International S.A. (Member)

Isabel Maria Osório de Antas Mégreda de Sousa Coutinho

Corporate positions held in companies outside BES Group

Associação Novo Futuro (IPSS) (Chairman of the Board of Directors)
Entrajuda – Associação para o Apoio a Instituições de Solidariedade Social
(Member of the Higher Council)
Instituto de Negociação e Vendas (Member of the Advisory Board)

João de Faria Rodrigues

Corporate positions held in companies outside BES Group

Fiscal Board

Partran – Sociedade Gestora de Participações Sociais, S.A. (Member)
Seguros LOGO, S.A. (Member)
T-Vida, Companhia de Seguros, S.A. (Member)
T-Vida, Companhia de Seguros, S.A. (Vogal)

Amílcar Carlos Ferreira de Morais Pires

A. Corporate positions held in companies of BES Group

Board of Directors

AVISTAR S.G.P.S., S.A. (Chairman)
Banco Espírito Santo de Investimento, S.A. (Member)
Banco Espírito Santo do Oriente, S.A. (Member)
Bank Espírito Santo (International) Limited (Chairman)
BES – Vida, Companhia de Seguros, S.A (Member)
BES África, S.G.P.S. S.A. (Member)
BES Finance Ltd (Member)
BIC, International Bank, Limited (Chairman)
ES Tech Ventures, S.G.P.S., S.A. (Member)
ESAF – Espírito Santo Activos Financeiros, S.G.P.S., S.A. (Member)
Espírito Santo Bank (Member)
Espírito Santo – Empresa de Prestação de Serviços 2, ACE (Member)
Espírito Santo PLC (Member)
Execution Noble & Company Limited (Non Executive Director)
Execution Noble Limited (Non Executive Director)
Execution Noble Research Limited (Non Executive Director)

B. Corporate positions held in companies outside BES Group

Board of Directors

Portugal Telecom, S.G.P.S., S.A. (Vogal)

Nuno Maria Monteiro Godinho de Matos

Holds no positions in other companies.

Marc Olivier Tristan Oppenheim

Cargos sociais exercidos em outras entidades fora do Grupo BES

Corporate positions held in companies outside BES Group

Board of Directors

BSF Banque Saudi Fransi (Member)
CA Cards & Payments (Member)
CA Paiement (Member)
Cassa di Risparmio di Parma e Piacenza (Groupe Cariparma Crédit Agricole) (Member)
Crédit Agricole Bank Polska (Chairman of the Supervisory Board)
Crédit Agricole Egypt, S.A.E. (Member)
Crédit du Maroc (Member of the Supervisory Board)
Emporiki Bank (Member)
FIA-NET Europe (Member)
IUB Holding (Chairman)

Other Positions

Crédit Agricole, S.A. (Member of the Executive Committee & Head of International Retail and Commercial Banking)

Vincent Claude Paul Pacaud

A. Corporate positions held in companies of BES Group

Board of Directors

BES - Vida, Companhia de Seguros, S.A (Member)
ESAF - Espírito Santo Ativos Financeiros, S.G.P.S., S.A. (Member)

B. Corporate positions held in companies outside BES Group

Board of Directors

BES - Companhia de Seguros, S.A. (Member and Chairman of the Executive Committee)
Bespar - Sociedade Gestora de Participações Sociais, S.A. (Member)

Rita Maria Lagos do Amaral Cabral

Corporate positions held in companies outside BES Group

Board of Directors

Amaral Cabral & Associados – Sociedade de Advogados, R.L. (Member)
Cimigest – S.G.P.S., S.A. (Non executive Director)
Semapa, Sociedade de Investimento e Gestão, S.G.P.S., S.A. (Non executive Director)
SODIM, S.G.P.S., S.A. (Non executive Director)

Board of the General Meeting

Companhia Agrícola da Quinta do Duque, S.A. (Chairman)
Sociedade Agrícola do Margarido, S.A. (Chairman)

Other Positions

Associação Novo Futuro (IPSS) (Vice-Chairman of the Board)
Entrajuda - Associação para o Apoio a Instituições de Solidariedade Social (Member of the Higher Council)
Instituto de Bioética da Universidade Católica Portuguesa (Vice-Chairman)

Stanislas Gerard Marie Georges Ribes

Holds no positions in other companies.

Horácio Lisboa Afonso

Corporate positions held in companies outside BES Group

Board of Directors

Camacho Palma & Lisboa Afonso – Sociedade de Revisores Oficiais de Contas (Partner - Director)

Supervisory Body

Partran - Sociedade Gestora de Participações Sociais, S.A. (Chairman)
Sominco - Sociedade Mineira de Neves-Corvo, S.A. (Member of the Fiscal Board)
Teixeira Duarte - Engenharia e Construções, S.A. (Deputy member of the Fiscal Board)

Pedro João Reis Matos Silva

Corporate positions held in companies outside BES Group

Board of Directors

P. Matos Silva, Garcia Jr., P. Caiado & Associados – Sociedade de Revisores Oficiais de Contas, Lda. (Member Partner)

Other Positions

Ordem dos Revisores Oficiais de Contas (Member of the Higher Board)

Milton Almícar Silva Vargas

Corporate positions held in companies outside BES Group

Board of Directors

Cielo S.A. (Member)
Fleury S.A. (Member)
Monteiro Aranha S.A. (Member)
Portugal Telecom, S.G.P.S., S.A. (Member)

Other Positions

CPM Braxis S/A (Observer)

Xavier Musca

Corporate positions held in companies outside BES Group

Board of Directors

Amundi Groupe (Member)
Bespar - Sociedade Gestora de Participações Sociais, S.A. (Member)
CA Assurances (Member)
CACI (Member)
Cassa di Risparmio di Parma e Piacenza S.p.A. (Groupe Cariparma Crédit Agricole (Member)
Crédit Agricole Egypt S.A.E. (Vice-Chairman)
Crédit du Maroc (Vice-Chairman of the Supervisory Board)
Pacifica (Director and Permanent Representative of Crédit Agricole, S.A.)
Predica (Vice-Chairman)
Union de Banques Arabes et Françaises – U.B.A.F. (Vice-Chairman)

Other Positions

Crédit Agricole, S.A. (Managing Director in Charge of International Proximity Banking, Asset Management and Insurance)
Crédit Agricole, S.A. (Member of the Executive Committee)

II.30 Remuneration Policy

The Remuneration Policy approved by the General Meeting of March 22nd, 2012 is based on the assumptions of the remuneration policy approved in 2010, while already incorporating the new rules on the remuneration policy of financial institutions introduced by Decree-Law no. 88/2011, of July 20th, and Bank of Portugal Notice no. 10/2011. These are the main changes:

- a) Introduction of non financial criteria in the performance assessment of the executive members of the Board of Directors, which in addition to individual performance also take into account the real growth of the institution and the actual wealth generated for the shareholders, the protection of the interests of clients and investors, its long-term sustainability and the extension of the risks assumed, as well as compliance with the rules applicable to the institution's activity;
- b) Introduction of a rule whereby 50% at least of any variable remuneration, whether or not deferred, shall be paid in BES shares or equivalent financial instruments;
- c) Introduction of a rule to the effect that the members of the Executive Committee shall hold, until the end of their term of office, up to a minimum of twice the value of the total annual remuneration, the shares that were acquired by virtue of the payment of the variable remuneration, with the exception of those shares that must be sold for the payment of taxes on gains obtained from said shares.

Remuneration Policy

The Remuneration Committee, which is elected by the General Meeting, determines the remuneration of the members of BES's corporate bodies. Every year the Remuneration Committee submits to the General Meeting, for approval, a proposal setting out the remuneration policy of the corporate bodies.

One of the tasks of the Remuneration Advisory Committee appointed by the Board of Directors is to provide all necessary assistance and make recommendations in connection to the approval of BES's remuneration policy for its corporate bodies and senior officers.

The full text of the remuneration policy, as approved by the General Meeting of March 22nd, 2012, is available at www.bes.pt/ir. The proposals on BES's remuneration policies for the management and supervisory bodies and for its senior officers, such as will be submitted to the March 2013 Annual General Meeting, are attached to this report.

II.31 Individual Remuneration Paid to the Members of the Management and Supervisory Bodies

The remuneration of the members of BES's Board of Directors follows the criteria referred in point II.30 above.

BES' Board of Directors is composed of 26 members, of whom 10 are executive members and 16 are non executive members. From the non executive directors, three are members of the Audit Committee, three are members of the Corporate Governance Committee and three (José Maria Ricciardi, Ricardo Abecassis Espírito Santo Silva and Pedro Mosqueira do Amaral) hold executive positions in other companies of BES Group.

The remuneration paid to each of the members of the Board of Directors in 2012 is set out in the table below:

i. Members of the Corporate Bodies (except members of the Executive Committee)

2012 Board Members Remunerations (excluding Executive Committee)

(in thousands of euro)

Remunerations 2012	BES			Others BES Group			Total			TOTAL	
	Fixed		Chg.	Fixed		Chg.	Fixed		Chg.		
	Salary	Subsidies and other		Salary	Subsidies and other		Salary	Subsidies and other			
João Faria Rodrigues	163	-	-	163	-	-	-	-	-	163	
Horácio Lisboa Afonso	108	-	-	108	-	-	-	-	-	108	
Pedro João Reis Matos Silva	92	-	-	92	-	-	-	-	-	92	
Total Audit Committee	364	-	-	364	-	-	-	-	-	364	
Board Members (excluding Executive Committee)											
Alberto Alves de Oliveira Pinto	-	185	-	185	-	-	-	-	-	185	
Aníbal da Costa Reis de Oliveira	-	22	-	22	-	-	-	-	-	22	
Manuel Fernando Moniz Galvão Espírito Santo Silva	-	22	-	22	-	-	-	-	-	22	
Nuno Maria Monteiro Godinho de Matos	-	42	-	42	-	-	-	-	-	42	
Ricardo Abecassis Espírito Santo Silva	-	19	-	19	464	13	71	547	464	31	
Pedro Mosqueira do Amaral	135	40	-	174	302	-	191	493	437	40	
Isabel Maria Osório de Antas Mégrez de Sousa Coutinho	-	42	-	42	-	-	-	-	-	42	
Rita Maria Lagos do Amaral Cabral	-	36	-	36	-	-	-	-	-	36	
Milton Almícar Silva Vargas	-	7	-	7	-	-	-	-	-	7	
Vincent Claude Paul Pacaud	-	30	-	30	207	-	-	207	207	30	
Total Board Members (excluding Executive Committee)	135	446	-	581	973	13	262	1,248	1,108	459	
Board of the General meeting											
Paulo Manuel de Pitta e Cunha	-	19	-	19	-	-	-	-	-	19	
Fernão de Carvalho Fernandes Thomaz	-	12	-	12	-	-	-	-	-	12	
Nuno Miguel Matos Silva Pires Pombo	-	9	-	9	-	-	-	-	-	9	
Total of the Board of the General Meeting	-	40	-	40	-	-	-	-	-	40	
Comissão Vencimentos											
Daniel Proença de Carvalho	-	18	-	18	-	-	-	-	-	18	
Joaquim Jesus Taveira Santos	-	18	-	18	-	-	-	-	-	18	
Alvaro João Duarte Pinto Correia	-	14	-	14	-	-	-	-	-	14	
Total Remuneration Committee	-	50	-	50	-	-	-	-	-	50	
Total Corporate Bodies (excluding Executive Committee)	499	536	-	1,034	973	13	262	1,248	1,471	548	

ii. Members of the Executive Committee

2012 Executive Committee Remunerations

(in thousands of euro)

	BES			Others BES Group			Total			TOTAL	
	Fixed		Chg.	Fixed		Chg.	Fixed		Chg.		
	Salary	Subsidies and other		Salary	Subsidies and other		Salary	Subsidies and other			
Ricardo Espírito Santo Silva Salgado	547	2	-	550	-	3	-	3	547	5	
José Manuel Pinheiro Espírito Santo Silva	462	2	-	464	-	3	-	3	462	6	
António José Baptista do Souto	459	2	-	461	-	-	-	-	459	2	
Jorge Alberto Carvalho Martins	456	2	-	458	-	-	-	-	456	2	
José Maria Espírito Santo Silva Ricciardi	-	-	-	-	460	-	-	460	460	0	
Rui Manuel Duarte Sousa da Silveira	456	2	-	458	-	-	-	-	456	2	
Joaquim Aníbal Brito Freixial de Goes	455	3	-	458	-	-	-	-	455	3	
Amílcar Carlos Ferreira de Morais Pires	455	2	-	457	-	-	-	-	455	2	
João Eduardo Moura da Silva Freixa	454	2	-	456	-	2	-	2	454	5	
Stanislas Gerard Marie Georges Ribes	211	233	-	444	-	-	-	-	211	233	
Total Executive Committee	3,956	250	-	4,206	460	9	-	468	4,416	259	

	2012				2011				Chg. (%)	
	Fixed		Chg.	TOTAL 2012	Fixed		Chg.	TOTAL 2011		
	Salary	Subsidies and other			Salary	Subsidies and other				
Ricardo Espírito Santo Silva Salgado	547	5	-	552	546	5	253	804	-31%	
José Manuel Pinheiro Espírito Santo Silva	462	6	-	468	461	6	212	678	-31%	
António José Baptista do Souto	459	2	-	461	457	2	212	671	-31%	
Jorge Alberto Carvalho Martins	456	2	-	458	454	99	212	765	-40%	
José Maria Espírito Santo Silva Ricciardi	460	-	-	460	451	64	212	727	-37%	
Rui Manuel Duarte Sousa da Silveira	456	2	-	458	454	2	212	668	-31%	
Joaquim Aníbal Brito Freixial de Goes	455	3	-	458	454	2	212	668	-31%	
Amílcar Carlos Ferreira de Morais Pires	455	2	-	457	454	67	212	733	-38%	
João Eduardo Moura da Silva Freixa	454	5	-	458	452	5	212	669	-32%	
Stanislas Gerard Marie Georges Ribes ⁽¹⁾	211	233	-	444	-	-	-	-	-	
Jean-Luc Louis Marie Guinoiseau ⁽²⁾	-	-	-	-	438	57	318	813	-100%	
Pedro José de Sousa Fernandes Homem ⁽²⁾	-	-	-	-	452	3	318	774	-100%	
Total Executive Committee	4,416	259	-	4,674	5,072	313	2,584	7,969	-41%	

⁽¹⁾ appointed in 2012.

⁽²⁾ resigned in 2012.

In 2012 no variable remuneration was attributed to the members of the Executive Committee except for a new Medium Term Variable Remuneration attributed on September 21st, 2012, in the overall amount of EUR 1.94 million, consisting of options on BES shares which can only be exercised at the end of January 2016 and providing that the price of the shares has risen by at least 10% in the referred 3-year period. This Medium Term Variable Remuneration adds on to that attributed in 2011, in the overall amount of EUR 1.13 million, consisting of options on BES shares which can only be exercised three years after their date of attribution (end of March 2014).

In the last four years (2008-2012), the total average per capita remuneration attributed to the executive directors decreased by 59.4%, from EUR 1,150 thousand in 2008 to EUR 467.4 thousand in 2012. In 2012 the total remuneration of the executive directors decreased by 41% compared to the previous year.

In overall terms, the remuneration attributed to the executive directors in the referred 4-year period decreased by 63%, from EUR 12,651 thousand to EUR 4,674 thousand.

By decision of the Remuneration Committee the payment of the Deferred Annual Variable Remuneration relative to 2011 was suspended in 2012 and 2013 and therefore no payment was made.

2011-2012

(in million of euro)

	Deferred Cash (2012-2014)	Deferred Shares (2012-2014)	Subtotal	Deferred Options (2011-2014)	Options (2011-2014)
Ricardo Espírito Santo Silva Salgado	127	127	254	130	230
José Manuel Pinheiro Espírito Santo Silva	106	106	212	100	190
António José Baptista do Souto	106	106	212	100	190
Jorge Alberto Carvalho Martins	106	106	212	100	190
José Maria Espírito Santo Silva Ricciardi	-	-	-	100	190
Rui Manuel Duarte Sousa da Silveira	106	106	212	100	190
Joaquim Aníbal Brito Freixial de Goes	106	106	212	100	190
Amílcar Carlos Ferreira de Morais Pires	106	106	212	100	190
João Eduardo Moura da Silva Freixa	106	106	212	100	190
Stanislas Gerard Marie Georges Ribes	-	-	-	-	190
Total Executive Committee	869	869	1,738	930	1,940

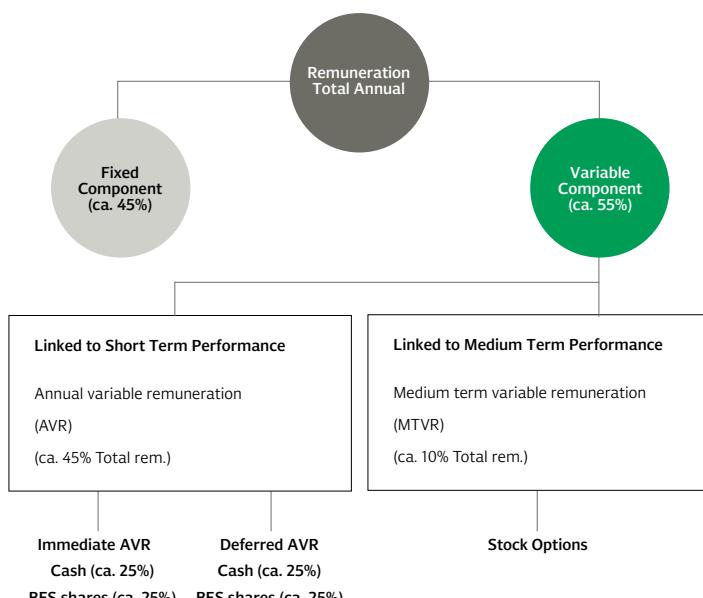
II.32 Information on the Manner in which the Remuneration is Structured

The remuneration of the non executive members of the Board of Directors only comprises a fixed component.

The remuneration of the members of the Executive Committee is set by the Remuneration Committee up to the end of April of every year, based on the assessment of the performance in the previous year. This remuneration consists of a fixed component and possibly a variable component.

The fixed component (consisting of the salary of the members of the Executive Committee, plus the supplements that are attributed to all the employees of the Bank, such as seniority payments or other allowances) shall be subject to the limits established by the Remuneration Committee and represent approximately 45% of the Total Annual Remuneration.

The General Meeting of March 2012 determined that no variable component would be attributed relative to 2011. The exact amount of the variable component, when one is due, will vary in each year in accordance with the level of achievement of the main annual objectives set in the annual budget, as approved by the Board of Directors.



The variable component is divided into two sub-components:

A) Short Term Performance (Annual Variable Remuneration)

The Annual Variable Remuneration (AVR) is linked to short term performance and will correspond to approximately 45% of the Total Annual Remuneration.

The AVR will be calculated at the beginning of each year by the Remuneration Committee in accordance with the following factors:

- Achievement of the main objectives set in the annual budget for the previous year, as approved by the Board of Directors, concerning: Net Income for the year, Cost to Income (ratio of operating costs to total banking income), and Return on Equity (ratio of net income to equity);
- Performance assessed by non financial criteria, including the individual performance of each member of the Executive Committee (each Executive Committee member has several established areas of responsibility, namely over departments whose performance is measured objectively and quantitatively) and the evolution of indicators linked to the sustainability of the Bank's growth (such as the loans to deposits ratio, the Core Tier 1 ratio, the main service quality indicators, as well as compliance with the main rules applying to the institution's activity).

The amount of the AVR will be determined according to the assessment made of the evolution of the aforementioned factors.

The AVR is divided into an immediate portion («Immediate AVR»), which is paid after the accounts for the year in question have been approved, and another portion that is deferred for a period of three years (the Deferred Annual Variable Remuneration («Deferred AVR»)).

The Immediate AVR and the Deferred AVR are both divided into two equal parts (one in cash and another in kind, the latter consisting of BES shares).

B) Medium Term Performance (Medium Term Variable Remuneration)

The Medium Term Variable Remuneration («MTVR») is linked to Medium Term Performance and will correspond to approximately 10% of the Total Annual Remuneration.

The MTVR will be determined by the Remuneration Committee at the beginning of each year based on the assessment of the previous year's performance. It will be paid through the attribution of stock options which can only be exercised three years after their date of attribution, thus implying the accrual of their cost over those three years until they are exercised.

The MTVR will be linked to the sustainability of BES's indicators, and calculated in accordance with the global return afforded to the shareholders over three years, such return deriving from dividends paid and stock market capitalisation. The exercise price of the MTVR's underlying Stock Options at the end of the 3-year period will be 10% higher than the market price at the beginning of this period.

Applying this assumption of evolution of the share's market price to the reference price used to structure the Stock Options will permit to establish the exercise value of those options and consequently to determine the number of stock options to be attributed each year to each executive director.

The options can only be exercised at maturity, definitively expiring when not exercised on that date.

In 2012 no variable remuneration was attributed to the members of the Executive Committee except for a Medium Term Variable Remuneration attributed on September 21st, 2012, in the overall amount of EUR 1.94 million, consisting of options on BES shares which can only be exercised at the end of January 2016 and providing that the price of the shares has risen by at least 10% in the referred 3-year period.

The Deferred Annual Variable Remuneration (DAVR) is subject to two general limitations: on the one hand, its payment is deferred over a period of

three years; on the other the Remuneration Committee may decide it will not be attributed, namely in case the return on equity has decreased to below 5% (see remuneration policy for 2012, available at www.bes.pt).

By definition, the Medium Term Variable Remuneration (MTVR) is limited by the performance of the BES shares. This remuneration will have no value unless the share price increases by at least 10% in the 3-year period.

II.33 Remuneration of the Executive Members of the Board of Directors

a) Variable component of the remuneration;

On this subject, please refer to point II.32. above.

b) The corporate bodies responsible for assessing the performance of executive directors;

Under the terms of Article 24 of the Company's articles of association, it is up to the Remuneration Committee to establish the remuneration of BES's directors.

The Remuneration Committee is currently composed of three members, elected by the General Meeting of March 22nd, 2012 for a four-year mandate. In addition, the Corporate Governance Committee issues an Annual Report containing an assessment of the performance of the Board of Directors vis-à-vis the established objectives.

The Remuneration Advisory Committee is responsible for drawing up proposals and recommendations on the fixing of the remuneration of the members of the Board of Directors and Audit Committee, and senior officers of BES.

c) Criteria for performance assessment;

The executive directors are assessed based on the following financial and non financial criteria:

- Cost to Income (ratio of operating costs to total banking income) – an indicator of the Bank's operational activity, this ratio measures its capacity to generate revenues against operating costs;
- Net Income for the year – this indicator translates the contribution to shareholders, already deducted of elements not included in the cost to income, such as the cost of risk, taxes and minority interests;
- Return on Equity (ratio of net income to equity) – this indicator measures the net income generated as a percentage of the funds invested by the shareholders;
- Stock market capitalisation – an unequivocal indication of the market's assessment of BES's performance, this indicator permits to align the shareholders' perspective to the markets' perspective;
- Individual performance of each member of the Executive Committee – this permits to identify the relative contribution of each executive director to BES's overall results; it is objectively assessed through the analysis of the performance of the functions and departments under their responsibility, as well as from their individual contribution to decisions taken collectively;
- Loan to Deposits Ratio - this ratio gauges the level of balance of BES's growth trajectory, permitting to assess whether this growth enables compliance with the regulatory requirements concerning the deleveraging of the financial sector;
- Core Tier 1 Ratio - the main indicator used to measure solvency from the regulatory standpoint (based on references established both by the Bank of Portugal and the European Banking Authority – EBA);
- Service Quality Indicators - these indicators permit to factor in the opinion of BES's client base about the level of protection of their interests;
- Compliance with the main rules applying to the institution's activity - this is assessed by the Internal Control functions to identify any lack

of conformity in the areas of risk, internal audit and compliance and the measures implemented to remedy such inadequacies, which are reported to the Bank of Portugal.

d) Fixed and variable components of the remuneration;

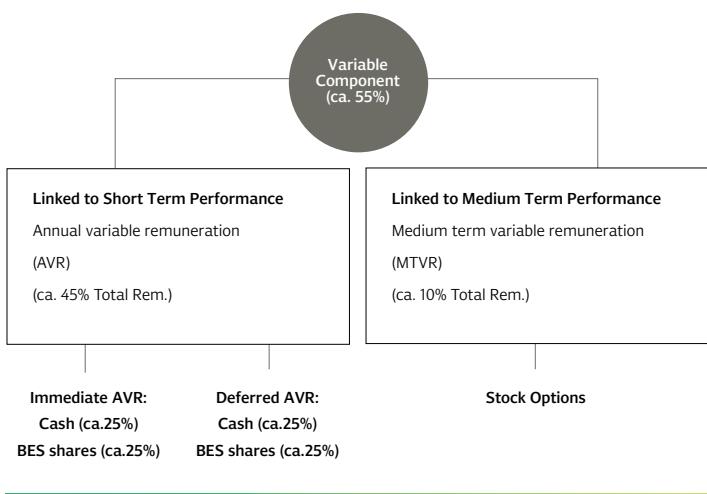
The variable component of the remuneration of the executive directors paid in the form of a share in the profits of the Company cannot exceed 2% of BES's consolidated net income, as referred in point II.32. In 2012 no variable remuneration was attributed to the executive directors except for a Medium Term Variable Remuneration attributed on September 21st, 2012, in the overall amount of EUR 1.94 million, consisting of options on BES shares which can only be exercised at the end of January 2016 and providing that the price of the shares has risen by at least 10% in the referred 3-year period.

e) Deferral of the variable component of the remuneration;

The AVR is divided into an immediate portion («Immediate AVR»), which is paid after the accounts for the year in question have been approved, and another portion that is deferred for a period of three years (the Deferred Annual Variable Remuneration («Deferred AVR»)).

The Immediate AVR and the Deferred AVR are both divided into two equal parts (one in cash and another in kind, the latter consisting of BES shares).

The Medium Term Variable Remuneration («MTVR») is linked to Medium Term Performance and will correspond to approximately 10% of the Total Annual Remuneration.



f) Payment of the variable remuneration;

The Deferred Annual Variable Remuneration («DAVR») is subject to two general limitations: on the one hand, its payment is deferred over a period of three years; on the other the Remuneration Committee may decide it will not be attributed, namely in case the return on equity has decreased to below 5% (see remuneration policy for 2012, available at www.bes.pt).

By definition, the Medium Term Variable Remuneration («MTVR») is limited by the performance of the BES shares. This remuneration will have no value unless the share price increases by at least 10% in the 3-year period.

g) Criteria for the attribution of the variable remuneration in shares;

The members of the Executive Committee are attributed a variable remuneration payable in kind, through allocation of a certain number of BES shares. This payment in kind is deferred for a period of three years. The members of the Executive Committee are also attributed stock options, which can only be exercised after a period of at least three years.

Up to the end of their term of office, the members of the Executive Committee shall hold, up to a minimum of twice the value of the total annual remuneration, the shares that were acquired by virtue of the payment of the variable remuneration, with the exception of those shares that must be sold for the payment of taxes on the gains of said.

The regulation of the Board of Directors forbids the performance of any agreements concerning the shares attributed to the members of the Executive Committee, including hedging contracts or other risk transfer contracts.

h) Criteria for the attribution of the variable remuneration in options;

The MTVR will be determined by the Remuneration Committee at the beginning of each year based on the assessment of the previous year's performance. It will be paid through the attribution of stock options which can only be exercised at least three years after their date of attribution, thus implying the accrual of their cost over those three years until they are exercised.

The MTVR will be linked to the sustainability of BES's indicators, and calculated in accordance with the global return afforded to the shareholders over three years, such return deriving from dividends paid and stock market capitalisation. The exercise price of the MTVR's underlying Stock Options at the end of the 3-year period will be 10% higher than the market price at the beginning of this period.

Applying this assumption of evolution of the share's market price to the reference price used to structure the Stock Options will permit to establish the exercise value of those options and consequently to determine the number of stock options to be attributed each year to each director.

In 2012 the Remuneration Committee attributed stock options in the amount of EUR 1,940,000.

i) Annual bonuses and other benefits;

There are no other forms of remuneration in place besides the fixed and variable remuneration described in this remuneration policy.

j) Share in the profits;

There are no other forms of remuneration in place besides the fixed and variable remuneration described in this remuneration policy.

I) Compensation;

No compensation has been paid or is owed to former members of the Executive Committee in relation to early contract terminations.

m) Compensation in case of dismissal without due cause;

Directors are dismissed by the General Meeting. There are no agreements in place that establish amounts to be paid in case of dismissal without due cause and therefore there is no need to envisage contractual restraints on compensation owed to BES directors due to dismissal without due cause.

n) Amounts paid by other Group companies;

The total amount paid in 2012 to members of BES's Board of Directors by other companies of BES Group was EUR 1,716.000.

o) Complementary pension schemes;

The members of the Board of Directors are entitled to receive retirement pensions or complementary pension benefits if they were members of the Executive Committee.

The main points of the regulation on the members of the Board of Directors' entitlement to receive retirement pensions or complementary pension benefits for old age or disability may be summed up as follows:

- a) The right to receive a retirement pension or complementary pension benefits falls due on reaching sixty five years of age, or twenty five years of professional activity, or in the event of disability, when disability occurs.
- b) The right to receive a retirement pension or complementary pension benefits may be brought forward to the age of fifty five, providing the board member has served on BES' Board of Directors for a minimum period of nine consecutive or non consecutive years. Positions held in the senior management or Board of Directors of the former "Banco Espírito Santo e Comercial de Lisboa, S.A." count for purposes of calculating seniority in the post.
- c) Complementary pension benefits may exist as a way of topping up other retirement schemes that may be granted under any other social security system, to the effect that the total pension reaches one hundred per cent of the last annual gross remuneration.

In any case, retirement pensions or complementary pension benefits shall never exceed the pensionable salary of the board member in question, although they may be of a lower amount. The pensionable salary corresponds to the sum of the fixed annual remuneration and the variable remuneration received by the Board member in question in the year immediately preceding the year of retirement, deducted of any annual pension paid by any other social security system, as well as of the seniority payments received by that Board member. The variable remuneration shall correspond to at least the amount of the average variable remuneration received in the last twelve years by the Board member in question at retirement date.

The complementary retirement or survivor's pension benefits paid by the company shall be updated annually in accordance with the global percentage of increase of the remuneration of the Board members in active service, such as established by the Remuneration Committee; however the update rate may never be lower than the rate of change of the consumer price index or higher than twice that rate.

The current version of the regulation on the members of the Board of Directors' entitlement to receive retirement pensions or complementary pension benefits for old age or disability was approved by the General Meeting of Shareholders held on November 11th, 2011.

A proposal on the amendment of the regulation on the members of the Board of Directors' entitlement to receive retirement pensions will be submitted to the 2013 Annual General Meeting.

p) Non-financial benefits;

There are no non-financial benefits attributed to the members of the Board of Directors.

q) Mechanisms to prevent contracts that call into question the grounds for the variable remuneration.

The regulation of the Board of Directors forbids the performance of any agreements concerning the shares attributed to the members of the Executive Committee, including hedging contracts or other risk transfer contracts.

II.34 Remuneration of the Non Executive Directors

Only the members of the Executive Committee of the Board of Directors earn a variable remuneration, which is set by the Remuneration Committee and approved by the General Meeting. The remuneration of all other members of the corporate bodies is fixed.

II.35 Irregularities Disclosure Policy

The broad guidelines of BES's policy for the reporting of irregularities are given below:

- a) Complementary nature: the reporting of irregularities by BES employees shall only take place when the institutional mechanisms (audits and inspections) fail to function or do not function in a timely manner;
- b) Universal nature: all BES employees are subject to the obligation to inform;
- c) Anonymous reporting: anonymous communications shall not be admitted or taken into account, however absolute confidentiality is guaranteed with regard to the identity of the reporting employee, providing he/she so requests;
- d) Non retaliation: no measures whatsoever shall be taken against employees who report irregular behaviours. However, they should bear in mind that when reporting such practices, specific behaviours and the alleged cause of irregularity must be indicated, no vague allegations against people being admitted;
- e) Entity that collects the notifications: the Audit Committee, under the terms of the law. Notifications can be addressed in any form;
- f) Entity that investigates the notifications: depending on the matter in hand, the Audit Committee entrusts the investigation process to the Internal Audit Department or to the Compliance Department;
- g) Notifications file: notifications that clearly lack credibility are immediately destroyed. When an internal investigation process occurs, they are filed and remain confidential until the respective processes are concluded. When the investigations do not lead to further proceedings, whether disciplinary or legal, the notifications are destroyed within 3 months of the date of conclusion of the investigation.

II.36 Identification of the Members of the Corporate Governance Committee

BES's Corporate Governance Committee has the following composition (see II.1 and II.16.):

Isabel Maria Osório de Antas Mégreda de Sousa Coutinho (Chairman)

Nuno Maria Monteiro Godinho de Matos

Rita Maria Lagos do Amaral Cabral

II.37 Number of Meetings held by the Committees

The Executive Committee held 90 meetings, the Audit Committee held 12 meetings, the Corporate Governance Committee held four meetings and the Remuneration Advisory Committee held one meeting. Minutes were drawn up of all these meetings.

II.38 Remuneration Committee

BES's Remuneration Committee, elected by the General Meeting of March 22nd, 2012 for the 2012/2015 four-year mandate, has the following composition:

Daniel Proença de Carvalho

Practising lawyer. Chairman of the Board of Directors of ZON Multimedia and Cimpor, Cimentos de Portugal, S.G.P.S., S.A., and Chairman of the Board of Curators of the D. Anna de Sommer Champalimaud e Dr. Carlos Montez Champalimaud Foundation since 2005.

Jacques dos Santos

Senior Partner with MAZARS AUDITORES PORTUGAL since 1991. Chairman of BES's Fiscal Board from 1992 to 2006 and Chairman of the Fiscal Board of BESPAR since 1992. Chairman of the Fiscal Board of Solubema – Sociedade Luso-Belga de Mármore since 1993. Member of the Fiscal Board of ESAF – S.G.P.S., S.A..

Álvaro Pinto Correia

Civil engineer. Was Chairman of the Management Board of Banco Totta & Açores, Chairman of the Board of Associação Portuguesa de Bancos, member of the Board of Directors of Caixa Geral de Depósitos, Chairman of the Board of Directors of Companhia de Seguros Fidelidade, S.A., Chairman of the Advisory Board of Associação Portuguesa de Seguradores, Chairman of the Board of Directors of Sofid – Sociedade para o Financiamento do Desenvolvimento, Instituição de Crédito, S.A. and Chairman of the Board of Directors of INAPA – Investimentos, Participações e Gestão, S.A..

All the members of the Remuneration Committee have knowledge and experience in the field of remuneration policy.

II.39 Independence of the Members of the Remuneration Committee

None of the members of the Remuneration Committee is a member of BES's Board of Directors or has any family connection with any of its members.

In 2010 the Remuneration Committee commissioned Mercer Ltd, an independent consultancy firm, to make a survey on current executive compensation practices and respective remuneration structures, making a comparison between the remuneration of BES's executive directors and the remunerations paid by a group of financial institutions of similar size and stock market capitalisation, taken as a benchmark by that consultancy firm. This survey was taken as the basis for the proposals on BES's remuneration policies submitted by the Remuneration Committee to Annual General Meetings held since 2010.

Said consultancy firm provides additional services to BES in the area of human resources, however it has provided services to BES's Remuneration Committee since 2010.

III. Information and Auditing

III.1 Equity Structure

BES has share capital of EUR 5,040 124,063.26, represented by a total of 4,017,928,471 ordinary, book-entry, registered shares with no par value. BES shares are listed on the NYSE Euronext Lisbon.

BES does not have:

- a) Capital subscribed and not paid up or non-issued authorised capital;
- b) Convertible bonds, warrants and/or shares conferring special rights or privileges;
- c) Forms of exponentially increasing the influence of shareholders, or figures such as golden shares or priority shares;
- d) Shareholder agreements on the exercise of voting rights, as far as BES is aware;
- e) Shares carrying multiple voting rights;
- f) Limits on the exercise of voting rights;
- g) Statutory restrictions on the acquisition or transferability of shares;
- h) Since the Extraordinary General Meeting of June 9th, 2011, which approved a partial amendment of the articles of association, the Board of Directors is authorised, upon favourable opinion of the Audit Committee, to increase the share capital through cash contributions, one or more times, through the issuance of ordinary shares or preference shares, redeemable or non-redeemable, under the terms and conditions to be defined. The maximum amount authorized, in addition to the share capital amount, is of EUR 7,500,000,000.00, this authorisation being valid for a period of five years.

BES Group also has 215,621 non-voting preference shares issued by the subsidiary BES Finance, Ltd. (a wholly owned subsidiary of BES) with nominal value of EUR 1,000 each. This issue is fully guaranteed by BES. These preference shares are listed on the Luxembourg Stock Exchange.

III.2 Qualified Holdings

	December 12	
	N Shares	% Voting Rights
ESPIRITO SANTO FINANCIAL GROUP, S.A (Luxembourg)		
- directly	29,832,144	0.74%
- through BESPAR, S.G.P.S., S.A. (controlled by Espírito Santo Financial (Portugal), S.G.P.S., S.A., fully owned by Espírito Santo Financial Group S.A.)	1,417,916,095	35.29%
- through members of its Board of Directors and Supervisory Bodies	8,174,109	0.20%
- through companies controlled directly and indirectly and/or members of its Board of Directors and Supervisory Bodies	22,458,331	0.56%
Total Attributable	1,478,380,679	36.79%
CREDIT AGRICOLE, S.A (France)		
- directly	434,252,321	10.81%
Total Attributable	434,252,321	10.81%
BRADPORT, SGPS, S.A*		
- directly	194,104,165	4.83%
Total Attributable	194,104,165	4.83%
SILCHESTER INTERNATIONAL INVESTORS LIMITED (UK)		
- directly	231,277,585	5.76%
Total Attributable	231,277,585	5.76%
PORUGAL TELECOM, SGPS, S.A.		
- through PT Prestações - Mandatária de aquisições e gestão de bens, S.A.	84,109,047	2.09%
- through members of its Board of Directors and Supervisory Bodies	485,929	0.01%
Total Attributable	84,594,976	2.10%

* Portuguese company fully owned by Banco Bradesco (Brasil)

III.3 Shareholders with Special Rights

No shareholders detain special rights.

III.4 Transferability of Shares

There are no restrictions to the transfer of shares.

III.5 Shareholder Agreements

The Company is unaware of any shareholder agreements such as may restrict the transfer of securities or voting rights.

III.6 Amendment of BES's Bylaws

As a rule, any amendment of BES's bylaws, namely concerning resolutions on changes to the share capital, must be submitted to the General Meeting, for approval. However, the Extraordinary General Meeting of June 9th, 2011 approved a partial amendment to the company's articles of association to the effect of authorising the Board of Directors to, upon favourable opinion of the Audit Committee, increase the share capital through cash contributions, one or more times, through the issuance of ordinary shares or preferential shares, redeemable or non-redeemable, under the terms and conditions to be defined. The maximum amount authorized, in addition to the share capital amount, is of EUR 7,500,000,000.00, this authorisation being valid for a period of five years.

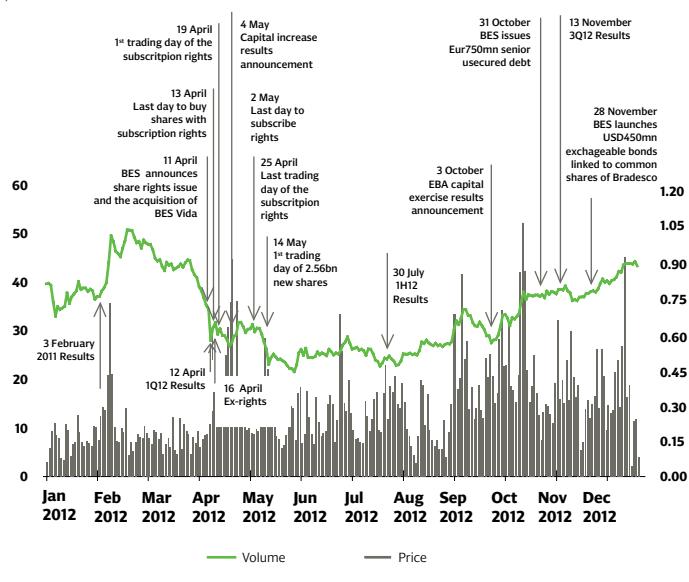
Resolutions concerning changes to the articles of association must be approved by two thirds of the votes expressed, whether the General Meeting is held on first or second call. When held on first call, the General Meeting can only pass resolutions if Shareholders holding at least fifty per cent of the share capital are present or represented. When held on second call, the General Meeting may pass resolutions regardless of the number of Shareholders present or the percentage of the share capital represented by them.

III.7 Control Mechanisms

No such control mechanisms exist.

III.8 Evolution of BES's Share Price

Evolution of BES's Share Price (%)



Chapter I of the Management Report contains a detailed description of the BES share price performance in 2012.

III.9 Dividend Policy

The dividend proposed submitted by the Board of Directors to the annual general meeting follows the criterion of a balanced relationship between financial strength (higher solvency ratios through retained earnings) and adequate returns to shareholders.

Allocation of earnings in the last five financial years:

Gross Dividend (EUR)	Shares Outstanding	Gross Dividend per Share (EUR)	Payout Ratio	
			Individual	Consolidated
2008	80,000,000	500,000.00	0.160	37.8%
2009	163,333,333	1,166,666,666	0.140	44.3%
2010	147,000,000	1,166,666,666	0.126	57.42
2011	NA	1,461,240,084	NA	NA
2012	NA	4,017,928,471	NA	NA

* Excluding non recurrent items (extraordinary results) the consolidated payout ratio would be 43.0% in 2007 and 35.4% in 2009.

III.10 Share and Stock Option Plans

As referred in point I.17 (see also II.32 and II.33), the General Meeting of April 6th, 2010 approved two "Variable Remuneration Plans based on Financial Instruments", one applying to the members of BES's Executive Committee, and the other to the Bank's senior officers. These plans were implemented for the first time in 2011, with options being attributed to the members of the Executive Committee in 2011 and 2012.

To date no stock options have been attributed to BES's senior officers.

III.11 Transactions Between the Company and Members of the Management and Supervisory Bodies, Owners of Qualified Holdings, or Companies in a Control or Group Relationship

All the business deals and transactions carried out by the Company with members of its Board of Directors and Audit Committee, with owners of qualified holdings or with companies under a parent-subsidiary or group relationship with it are cumulatively undertaken under normal market conditions for similar operations and are part of the Bank's day-to-day activity.

III.12 Description of the Business Deals and Transactions Carried out Between the Company and Owners of Qualifying Holdings Outside Normal Market Conditions.

No such business deals or transactions exist.

III.13 Procedures and Criteria Applicable to the Supervisory Body when same Provides Preliminary Assessment of the Business Deals to be Carried out Between the Company and the Owners of Qualifying Holdings

The granting of credit to members of the corporate bodies, where such is permitted, or to holders of qualifying holdings in BES, is always dependent upon the approval of each specific transaction by a qualified majority of at least three thirds of the votes of the members of the Board of Directors, and the favourable opinion of BES's Audit Committee. This rule has not been formally extended to other business deals of significant importance. This rule applies to all credit institutions subject to supervision by the Bank of Portugal.

III.14 Statistical Data on the Business Deals Subject to Preliminary Opinion by the Supervisory Body

In 2012 the Audit Committee issued preliminary opinions on two loans totalling EUR 62 million, in the average amount of EUR 31 million each, the maximum amount being EUR 61.5 million. These loans were granted to companies fully controlled, directly or indirectly, by a non executive member of the Board of Directors and family members of the same.

III.15 Audit Committee Activity Report

The annual report on the activity carried out by the Audit Committee is available at www.bes.pt/ir.

III.16 Investor Relations

Investor Relations communicates to the market all the information on results, events or any other facts concerning BES Group that may be of interest to the financial community in general, and replies directly to any requests for information made by shareholders, investors and analysts. It is also responsible for coordinating the information provided to the international rating agencies, and for BES's relationship with the Portuguese Securities Market Commission (CMVM).

Investor Relations regularly issues presentations, notices or press releases on quarterly, interim and annual results, as well as on any other facts concerning the life of the Company that may be of interest to the financial community in general, and to the shareholders and investors in particular. Regular meetings are also held with shareholders and potential investors. BES also participates in a number of international conferences organised by investment banks.

The website (www.bes.pt/investidor for information in Portuguese and www.bes.pt/ir for information in English) as well as "ValorBES", a quarterly newsletter for shareholders, are used as favoured tools for disclosing relevant information about BES Group. In addition to information of obligatory disclosure in Portuguese and English, BES also publishes in its website extensive financial information of interest to shareholders and potential investors. The company's corporate governance model and practices, including information about the general meetings, and a calendar of company events, can also be found on BES's website.

In addition to the website, e-mail (accionista@bes.pt or investor.relations@bes.pt) is also used to answer or clarify questions addressed to BES.

Shareholders, investors and analysts may contact the Investor Relations Office to:

Elsa Santana Ramalho
Avenida da Liberdade, 195 – 11.º
1250-142 Lisboa - Portugal
Tel. / Fax: (351) 21 359 7390 / (351) 21 359 7001
E-mail: investor.relations@bes.pt
Website: <http://www.bes.pt/ir>

III.17 Value of Services Provided by the External Auditor/ Statutory Auditor («EA/SA»)

The table below lists the services provided to BES Group by the EA/SA and the remuneration paid for these services:

	(amount in Euro)			
	2012	%	2011	%
Audit fees	2,708,698	56%	2,603,884	46%
Audit related fees	1,148,365	24%	1,543,934	27%
1. Total of audit services	3,857,063	80%	4,147,818	73%
Tax consultancy services	650,003	14%	590,558	10%
Other services	309,371	6%	949,294	17%
2. Total of other services	959,374	20%	1,539,852	27%
	4,816,437	100%	5,687,670	100%

In the table above, 'Other reliability assurance services' refer exclusively to the function performed by KPMG as the EA/SA of BES Group, and therefore the amount paid for these services was added to the amount of fees paid for 'Audit and legal review of the accounts' services' in order to calculate the total amount of the annual remuneration paid for audit services provided by the EA/SA or other entities that belong to the same network or are under a parent-subsidiary or group relationship with it (the 'network' concept derives from the European Commission Recommendation No. C (2002) 1873 of 16th May).

Audit services represented 79% of the total fees paid in 2012 to KPMG and related entities by BES Group in Portugal and in other countries. The other 21% concern tax consultancy services (14%) and other non audit services (7%).

The award to KPMG or related entities of non-audit services requested by BES Group entities is subject to previous assessment and approval by BES's Audit Committee, which to this end not only takes into account (i) the invoked operational and risk/return optimisation advantages of awarding these services to KPMG, but also (ii) the confirmation that not only the nature of the services to be provided but also the amount of these services relative to the total amount of the annual fees paid by BES Group to KPMG does not affect the independence of KPMG as the external auditors/statutory auditors of BES Group, namely with regard to compliance with CMVM Recommendation III.1.5 set forth in its Corporate Governance Code.

In 2012 the value of non-audit services did not exceed the formal limit of 30% of the total value of services provided to the company. BES therefore considered this Recommendation as complied with.

Responsibility for the means of safeguarding the independence of the EA/SA lies both with BES Group and with KPMG, and may be summed up as follows:

a. At BES Group level

Viewing compliance with the rules and recommendations on the independence of the EA/SA, BES's Audit Committee has defined a set of criteria that must be followed in the approval of non-audit services to be provided by KPMG to BES Group.

Accordingly, all proposals concerning the provision of tax consultancy or other non-audit services must obligatorily be subject to prior analysis and approval by the Audit Committee with a view to safeguarding the professional independence of the External Auditors.

In addition, the Audit Committee maintains a permanent monitoring of the relative value of KPMG's fees for non-audit services, which is regularly validated by KPMG, in order to guarantee that the referred annual limit of 30% recommended by the CMVM is not surpassed.

b. At the level of BES Group's Statutory Auditor/ External Auditor («EA/SA»)

KPMG, BES Group's EA/SA, has drawn up specific internal instructions concerning the procedures that must obligatorily be followed by all the entities included in their professional network whenever they propose to provide services to any entity of BES Group. To this end, the network concept adopted was that deriving from the European Commission Recommendation No. C (2002) 1873 of 16th May.

In addition, the international network to which KPMG belongs has implemented an intranet service (called "Sentinel") under which no service can be provided by any entity of that network to any client with listed securities without the previous authorisation of the Global Lead Partner responsible for that client. This procedure obliges any partner of KPMG, or of any other entity belonging to the same professional network, which proposes to provide a service to an audit client, to previously request the respective Global Lead Partner's authorisation to provide that service. In that request for authorisation, the KPMG's partner responsible for submitting the proposal to the client is obliged to justify the reasons why it considers that not only the nature of the service to be provided to the audit client does not jeopardise the independence of KPMG in relation to that client, but also that it complies with applicable rules on professional risk management.

Finally, all these procedures are subject to compliance tests within the scope of the internal Quality Control process carried out every year by KPMG at international level.

III.18 Rotation of the External Auditor/ Statutory Auditor

The 2012 Annual General Meeting, based on the Audit Committee's proposal and duly substantiated opinion, resolved to re-appoint the external auditor - KPMG & Associados, SROC, SA - for a third 4-year mandate (2012/2015).

Appendix I: Share and bond holdings of the members of the corporate bodies and senior officers as of December 31st, 2012 and list of all transactions carried out by them

Shares	Nº of shares as of 31/12/2011	Transactions in 2012				Nº of shares as of 31/12/2012
		Date	Acquisitions	Disposals	Unit Price)	
Ricardo Espírito Santo Silva Salgado	BES shares	1,384,333	11-05-2012	2,422,582	0.395 ⁽¹⁾	3,806,915
José Manuel Pinheiro E. S. Silva	BES shares	367,008	11-05-2012	642,263	0.395 ⁽¹⁾	1,009,271
António José Baptista do Souto	BES shares	38,575	11-05-2012	67,506	0.395 ⁽¹⁾	106,081
Jorge Alberto Carvalho Martins	BES shares	52,385	11-05-2012	91,673	0.395 ⁽¹⁾	144,058
	BES shares	1,010,000				
	Subscription Rights		24-04-2012	300,000	0.270	
Aníbal da Costa Reis de Oliveira	Subscription Rights		25-04-2012	405,000	0.320	
	BES shares		11-05-2012	540,591	0.395 ⁽¹⁾	
			30-11-2012	540,591	0.770	1,010,000
Manuel F. Moniz G. E.S. Silva	BES shares	2,484	11-05-2012	4,347	0.395 ⁽¹⁾	6,831
	BES shares	21,789	11-05-2012	38,130	0.395 ⁽¹⁾	
José Maria Espírito Santo S. Ricciardi			24-07-2012	29,919	0.482	30,000
Rui Manuel Duarte Sousa da Silveira	BES shares	2,315	11-05-2012	4,051	0.395 ⁽¹⁾	6,366
	BES shares	88,805	11-05-2012	157,399	0.395 ⁽¹⁾	
Joaquim Aníbal B. Freixial de Goes			27-12-2012	95,000	0.91	151,204
	BES shares	50,000	24-04-2012	20,000	0.553	
Ricardo Abecassis Espírito Santo Silva			11-05-2012	88,621	0.395 ⁽¹⁾	
			16-05-2012	1,379	0.549	160,000
	BES shares	40,276				
Amílcar Carlos Ferreira de Moraes Pires	Subscription Rights		24-04-2012	125,852	0.270 ⁽²⁾	
	BES shares		11-05-2012	294,449	0.395 ⁽¹⁾	334,725
	BES shares	30,000				
João Eduardo Moura Silva Freixa	Subscription Rights		24-04-2012	27,143	0.284 ⁽²⁾	
	BES shares		11-05-2012	101,281	0.395 ⁽¹⁾	131,281
Pedro Mosqueira do Amaral	BES shares	70,000	11-05-2012	122,500	0.395 ⁽¹⁾	192,500
Horacio Lisboa Afonso	BES shares	1,500	11-05-2012	2,625	0.395 ⁽¹⁾	4,125

(1) Subscription of new shares within the share capital increase

(2) Average price

Bond Holdings of the Members of the Corporate Bodies

	Securities	Nº of Securities as of 31/12/2011	Transactions in 2012			Nº of Securities as of 31/12/2012
			Date	Acquisitions	Disposals	
Alberto Alves de Oliveira Pinto	ES Finance (XS0466899688)	150,000	26-04-2012		150,000	71%
	BES Finance (XS0485879414)	141,000	27-12-2012		141,000	70%
	BES Finance 08/11 (XS0515816956)	35,000	13-02-2012		35,000	70%
	BES Finance 10/11 (XS0550967169)	152,000	26-04-2012		152,000	70%
	BES 4 anos 7% (PTBEQGOM0015)	-	27-02-2012	100,000		100%
José Manuel Espírito Santo Silva	BES LDN 05/12 (SCEBESOOE0608)	-	11-05-2012	252,000		89%
	BES 5,625% DUE junho 2014	200,000				200,000
António José Baptista do Souto	BES 3,75% 19-01-2012	50,000	19-01-2012		50,000	100%
	BES 5,625% DUE junho 2014	50,000	19-10-2012	300,000		100%
	BES Finance (XS0442126925)	282,000	27-01-2012		282,000	33%
	BES Finance 08/11 (XS0466899688)	208,000	06-03-2012		208,000	71%
	BES DUE 02/2013(PTBLMWOM0002)	-	17-01-2012	200,000		90%
Jorge Alberto Carvalho Martins				12-03-2012	150,000	96%
				-	167,000	56%
	BES LDN 07/12 (SCBESOOE0678)	-	27-07-2012			167,000
Aníbal da Costa Reis Oliveira	BES 2009/ 05-06-2014	250,000				250,000
	BES DUE 2012	250,000	19-03-2012		250,000	100%
	BES 5,625% DUE junho 2014	400,000	05-12-2012		400,000	100%
	BES Finance 07/02/2035	200,000	05-12-2012		200,000	63%
	BES Finance 0312 (SCBESOOE0567)	-	19-03-2012	767,000		86%
Rui Manuel Duarte Sousa da Silveira				29-03-2012		465,000
				-	89%	302,000
	BES LDN 05/12 (SCBESOOE0626)	-	27-04-2012	225,000		89%
				28-05-2012	113,000	89%
				27-09-2012	113,000	89%
Joaquim Aníbal B. Freixial de Goes				26-01-2012		225,000
	BES 3,75% 19-01-2012	50,000	19-01-2012		50,000	100%
	BES 5,625% DUE junho 2014	50,000	03-01-2012			50,000
Amílcar Carlos Ferreira de Morais Pires	BES DUE 3,875% 2015	250,000				250,000
	BES DUE 5,625% junho 2014	250,000				250,000
João Eduardo Moura Silva Freixa	BES DUE 2012	400,000	19-03-2012		400,000	100%
	BES Finance 0312 (SCBESOOE0567)	-	19-03-2012	233,000		86%
	BES LDN 10/12 (SCBESOOE0752)	-	26-10-2012	1,069,000		91%
Ricardo Abecassis Espírito Santo	BES 5,625%	-	14-06-2012	50,000		91%
						50,000

Share Holding of Senior Officers

	Shares	Nº of shares as of 31/12/2011	Transactions in 2012			Nº of shares as of 31/12/2012
			Date	Acquisitions	Disposals	
António Manuel Marques	BES Shares	7,086				
	Subscription rights		25-04-2012	8,178		0.342
	BES Shares		11-05-2012	26,711		0.395 ⁽ⁱ⁾
António Miguel Natário Rio-Tinto	BES Shares	4,892	18-05-2012	100,000		0.471
	BES Shares	2,777	11-05-2012	4,859		0.395 ⁽ⁱ⁾
Eugénio Fernando Quintais Lopes	BES Shares	8,763	20-02-2012		8 763	1,731
	BES Shares	42,736				0
Isabel Almeida Bernardino	Subscription rights		24-04-2012	32,476		0.260 ⁽²⁾
			11-05-2012	133,307		0.395 ⁽ⁱ⁾
João Filipe Martins Pereira	BES Shares	16,446	11-05-2012	28,780		0.395 ⁽ⁱ⁾
João Maria Mello Franco	BES Shares	29,716	11-05-2012	52,669		0.395 ⁽ⁱ⁾
Jorge Daniel Lopes da Silva	BES Shares	13,245	11-05-2012	23,178		0.395 ⁽ⁱ⁾
	BES Shares	17,000				36,423
José Alexandre Pinto Ribeiro	Subscription Rights		20-04-2012	99,000		0.330 ⁽²⁾
	BES Shares		11-05-2012	203,000		0.395 ⁽ⁱ⁾
Manuel José Dias de Freitas	BES Shares	33,370	11-05-2012	58,397		0.395 ⁽ⁱ⁾
Paulo António Padrão	BES Shares	6,554	11-05-2012	11,469		0.395 ⁽ⁱ⁾
	BES Shares	-				18,023
Pedro Roberto Meneres Cudell	Subscription Rights		25-04-2012	20,000		0.318 ⁽ⁱ⁾
	BES Shares		11-05-2012	35,000		0.395 ⁽ⁱ⁾
Rui Manuel Fernandes Pires Guerra	BES Shares	26,810	09-01-2012	123,000		1.210 ⁽²⁾
	Subscription Rights		23-04-2012	2		0.250
	Subscription Rights		02-05-2012	15,497		0.250
			11-05-2012	289,290		0.395 ⁽ⁱ⁾
Rui Raposo	BES Shares	-				439,100
	Subscription Rights		19-04-2012	1,921		0.340
	BES Shares		11-05-2012	3,361		0.395 ⁽ⁱ⁾
						3,361

1) Subscription of new shares within the share capital increase.

2) Average Price.

Appendix II: Remuneration Policy of the Corporate Bodies

1. Procedure for the approval of the remuneration policy

A) Approval

The remuneration policy of BES's corporate bodies was approved by the Remuneration Committee on February 25th, 2010.

B) Mandate of the Remuneration Committee

Under the terms of Article 24 of the Company's articles of association, it is up to the Remuneration Committee to establish the remuneration of BES's directors.

The Remuneration Committee is currently composed of three members, elected by the General Meeting of March 22nd, 2012 for a four-year mandate.

C) Composition of the Remuneration Committee

Daniel Proença de Carvalho

Practising lawyer. Chairman of the Board of Directors of ZON Multimedia and Cimpor, Cimentos de Portugal, S.G.P.S., S.A., and Chairman of the Board of Curators of the D. Anna de Sommer Champalimaud e Dr. Carlos Montez Champalimaud Foundation since 2005.

Jacques dos Santos

Senior Partner with MAZARS AUDITORES PORTUGAL since 1991. Chairman of BES's Fiscal Board from 1992 to 2006 and Chairman of the Fiscal Board of BESPAR since 1992. Chairman of the Fiscal Board of Solubema – Sociedade Luso-Belga de Mármore since 1993. Member of the Fiscal Board of ESAF – S.G.P.S., S.A..

Álvaro Pinto Correia

Civil engineer. Was Chairman of the Management Board of Banco Totta & Açores, Chairman of the Board of Associação Portuguesa de Bancos, member of the Board of Directors of Caixa Geral de Depósitos, Chairman of the Board of Directors of Companhia de Seguros Fidelidade, S.A., Chairman of the Advisory Board of Associação Portuguesa de Seguradores, Chairman of the Board of Directors of Sofid – Sociedade para o Financiamento do Desenvolvimento, Instituição de Crédito, S.A. and Chairman of the Board of Directors of INAPA – Investimentos, Participações e Gestão, S.A..

None of the members of BES's Remuneration Committee is a member of the Board of Directors or has any family connection with any of its members.

A representative of the Remuneration Committee is present in every General Shareholders' Meeting.

D) External Consultants

The external consultant chosen to assist the Remuneration Committee in the definition of the remuneration policy of BES's Corporate Bodies was Mercer Ltd.

This consultancy firm provides other services to BES in the area of human resources.

E) Groups of companies taken as comparison elements

The elements used for comparison were the financial institutions of equivalent size to BES operating in the Portuguese market and a group of financial institutions of similar size and stock market capitalisation to BES, taken from a survey conducted by Mercer Ltd in 2009 entitled "Mercer's Pan European Financial Services Survey".

2. Remuneration of the members of the Board of the General Meeting

The members of the Board of the General Meeting receive a fixed monthly remuneration paid twelve times per year.

3. Members of the Audit Committee

The members of the Audit Committee receive a fixed monthly remuneration paid fourteen times per year.

4. Chairman of the Board of Directors

The Chairman of the Board of Directors receives a fixed monthly remuneration paid twelve times per year.

5. Non executive members of the Board of Directors: non independent directors

The non executive Directors who are not part of the Audit Committee and are not qualified as independent receive a fixed amount attendance fee for each Board meeting attendance.

Non executive Directors who hold executive positions in the management body of companies in a control and/or group relationship with BES, or who carry out specific functions assigned to them by the Board of Directors, may be remunerated by these companies or by BES, in accordance with the nature of these functions.

6. Non executive members of the Board of Directors: independent directors

The non executive members of the Board of Directors qualified as independent directors in accordance to legal criteria receive a fixed monthly remuneration, paid twelve times per year.

7. Members of the Executive Committee

A) Equal remuneration

All the members of the Executive Committee receive the same remuneration, except for the Chairman. However the variable component of the remuneration may differ among the members of the Executive Committee.

Executive Committee members who hold executive positions in the management body of companies in a control and/or group relationship with BES, or who carry out specific functions assigned to them by the Board of Directors, may be remunerated by these companies or by BES, in accordance with the nature of these functions.

The remuneration of directors qualified as "expatriate" may include the allowances referred to in paragraph c) of this clause, in addition to the fixed and variable remuneration.

B) Composition of the remuneration

The remuneration consists of a fixed component and a variable component.

The remuneration of the members of the Executive Committee is set by the Remuneration Committee up to the end of April of every year, based on the assessment of the performance in the previous year.

C) Remuneration limits

The fixed component shall be subject to the limits established by the Remuneration Committee, and represent on average approximately 45% of the Total Annual Remuneration.

The fixed component consists of the salary of the members of the Executive Committee, plus the supplements that are attributed to all the employees of the Bank, such as seniority payments or other allowances.

The members of the Executive Committee of foreign nationality who establish residence in Portugal (the "expatriate directors") are attributed adequate allowances to provide for setting up and residence expenses, namely:

- a) Housing allowance;
- b) Travel allowance, including a certain number of trips per year to the country of origin;
- c) Education maintenance allowance for members with minor children; and
- d) An additional set-up allowance may also be attributed.

It is up to the Remuneration Committee to establish the limits for each of these allowances.

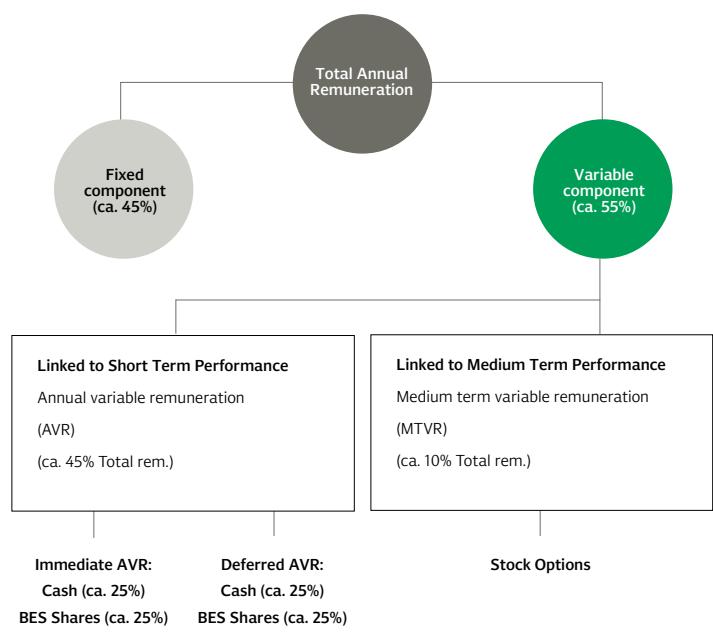
The variable component established for 2013 is subject to an upper limit corresponding to 1.4% of the consolidated earnings of BES Group.

D) Balanced remuneration

The fixed component shall represent at least approximately 45% of the total remuneration, the remaining 55% being attributed as a variable component, providing the requirements for such attribution are met.

Providing that the net results for the year are positive, the exact amount of the variable component will vary in each year in accordance with the level of achievement of the main annual objectives set in the annual budget, as approved by the Board of Directors.

E) Criteria for defining the variable component and respective time of payment



The variable component is divided into two sub-components.

A) Short term performance (Annual Variable Remuneration)

The Annual Variable Remuneration («AVR») is linked to short term performance and will correspond to approximately 45% of the Total Annual Remuneration.

The AVR will be calculated at the beginning of each year by the Remuneration Committee in accordance with the following factors:

- Achievement of the main objectives set in the annual budget for the year to which the AVR refers, concerning: Net Income for the year, Cost to Income (ratio of operating costs to total banking income), and Return on Equity (ratio of net income to equity);
- Performance assessed by non financial criteria, including the individual performance of each member of the Executive Committee (each Executive Committee member has several established areas of responsibility, namely over departments whose performance is measured objectively and quantitatively) and the evolution of indicators linked to the sustainability of the Bank's growth (such as the loans to deposits ratio, the Core Tier 1 ratio, the main service quality indicators, as well as compliance with the main rules applying to the institution's activity).

The amount of the AVR will be determined according to the assessment made of the evolution of the aforementioned factors.

The AVR is divided into an immediate portion («**Immediate AVR**»), which is paid after the accounts for the year in question have been approved, and another portion that is deferred for a period of three years (the **Deferred Annual Variable Remuneration** («**Deferred AVR**»)).

The Immediate AVR and the Deferred AVR are both divided into two equal parts (one in cash and another in kind, the latter consisting of BES shares).

B) Medium Term Performance (Medium Term Variable Remuneration)

The **Medium Term Variable Remuneration** («MTVR») is linked to **Medium Term Performance** and will correspond to approximately 10% of the Total Annual Remuneration.

At the beginning of each year the Remuneration Committee may decide on the attribution of a MTVR, based on the assessment of the previous year's performance. This MTVR will be paid through the attribution of stock options which can only be exercised at least three years after their date of attribution, thus implying the accrual of their cost until such time as they are exercised.

The MTVR will be linked to the sustainability of BES's indicators, and calculated in accordance with the global return afforded to the shareholders over the period of its attribution, such return deriving from dividends paid and stock market capitalisation. The exercise price of the MTVR's underlying Stock Options at the end of the exercise period will be 10% higher than the market price at the beginning of this period.

Applying this assumption of evolution of the share's market price to the reference price used to structure the Stock Options will permit to establish the exercise value of those options and consequently to determine the number of stock options to be attributed each year to each director.

C) Regulation on the attribution of Shares and Options

The rules on attribution of shares and stock options to the members of the Executive Committee are set out in a specific Regulation.

F) Mechanisms of Limitation of the Variable Remuneration.

The Deferred Annual Variable Remuneration (DAVR) is subject to two general limitations:

- a) Its payment is deferred over a period of three years; and
- b) It depends on BES's financial situation and the performance of BES and of each of its executive directors. The variable remuneration will be reduced or cancelled in case of a significant reduction in BES's activity and consequently in its results.

It is the responsibility of the Remuneration Committee to ascertain and determine whether a DAVR is being attributed and should be maintained.

In case of a negative performance of BES's results or if the return on equity drops to below 5%, the DAVR may only be attributed subject to a decision of the Remuneration Committee stating specific reasons therefor, and this decision must be submitted to the next General Meeting.

By definition, the Medium Term Variable Remuneration («MTVR») is limited by the performance of the BES shares. This remuneration will have no value unless the share price increases by at least 10% over the period in question.

G) Criteria for performance assessment

The assessment of the performance of the executive directors will be based on the following financial and non financial criteria:

- **Cost to Income** (ratio of operating costs to total banking income) – an indicator of the Bank's operational activity, this ratio measures its capacity to generate revenues against operating costs;
- **Net Income for the year** – this indicator translates the contribution to shareholders, already deducted of elements not included in the cost to income, such as the cost of risk, taxes and minority interests;
- **Return on Equity** (ratio of net income to equity) – this indicator measures the net income generated as a percentage of the funds invested by the shareholders;
- **Stock market capitalisation** – an indication of the market's assessment of BES's performance, it reflects the wealth effectively created for the shareholders. This indicator permits to align the shareholders' perspective to the markets' perspective;
- **Individual performance** of each member of the Executive Committee – this permits to identify the relative contribution of each executive director to BES's overall results; it is objectively assessed through the analysis of the performance of the functions and departments under their responsibility, as well as from their individual contribution to decisions taken collectively;
- **Loan to Deposits Ratio** - this ratio gauges the level of balance of BES's growth trajectory, permitting to assess whether this growth enables compliance with the regulatory requirements concerning the deleveraging of the financial sector in Portugal;
- **Core Tier 1 Ratio** - the main indicator used to measure solvency from the regulatory standpoint (based on references established both by the Bank of Portugal and the European Banking Authority – EBA);
- **Service Quality Indicators** - these indicators permit to factor in the opinion of BES's client base about the level of protection of their interests;
- **Compliance with the main rules applying to the institution's activity** - this is assessed by the Internal Control functions to identify any lack of conformity in the areas of risk, internal audit and compliance and the measures implemented to remedy such inadequacies, which are reported to the Bank of Portugal.

H) Criteria concerning the retention by the executive directors of shares allocated to them

The members of the Executive Committee are attributed a variable remuneration payable in kind, through allocation of a certain number of BES shares. This payment in kind is deferred for a period of three years.

The members of the Executive Committee are also attributed stock options, which can only be exercised after a period of at least three years.

Up to the end of their term of office, the members of the Executive Committee shall hold, up to a minimum of twice the value of the total annual remuneration, the shares that were acquired by virtue of the payment of the variable remuneration, with the exception of those shares that must be sold for the payment of taxes on the gains of said.

I) Criteria governing agreements on the shares attributed

No agreements concerning the shares attributed to the members of the Executive Committee, including hedging contracts or other risk transfer contracts, shall be permitted.

This rule is included in the Internal Regulation of the Board of Directors.

J) Main parameters and rationale for any annual bonus scheme and any other non cash benefits.

There are no other forms of remuneration in place besides the fixed and variable remuneration described in this remuneration policy.

K) Remuneration paid in the form of a share in the profits and/or the payment of bonuses and the rationale behind the act of awarding such bonuses and/or share in profits.

There are no other forms of remuneration in place besides the fixed and variable remuneration described in this remuneration policy.

L) Compensation paid or owed to former executive directors in relation to early contract termination

No compensation has been paid or is owed to former members of the Executive Committee in relation to early contract terminations.

M) Contractual limitations on compensation due for directors' dismissal without due cause and relationship with the variable component of the remuneration

There are no agreements in place that establish amounts to be paid to members of the Executive Committee in case of dismissal without due cause.

N) Main characteristics of the supplementary pension or early retirement schemes set up for directors, with indication of whether such schemes were submitted to the general meeting for assessment

The members of the Board of Directors are entitled to receive retirement pensions or complementary pension benefits if they were members of the Executive Committee.

The main points of the regulation on the members of the Board of Directors' entitlement to receive retirement pensions or complementary pension benefits for old age or disability may be summed up as follows:

- a) The right to receive a retirement pension or complementary pension benefits falls due on reaching sixty five years of age, or twenty five years of professional activity, or in the event of disability, when disability occurs.
- b) The right to receive a retirement pension or complementary pension benefits may be brought forward to the age of fifty five, providing the board member has served on BES' Board of Directors for a minimum period of nine consecutive or non consecutive years. Positions held in the senior management or Board of Directors of the former "Banco Espírito Santo e Comercial de Lisboa, S.A." count for purposes of calculating seniority in the post."
- c) Complementary pension benefits may exist as a way of topping up other retirement schemes that may be granted under any other social security system, to the effect that the total pension reaches one hundred per cent of the last annual gross remuneration.

In any case, retirement pensions or complementary pension benefits shall never exceed the pensionable salary of the board member in question, although they may be of a lower amount. The pensionable salary corresponds to the sum of the fixed annual remuneration and the variable remuneration received by the Board member in question in the year immediately preceding the year of retirement, deducted of any annual pension paid by any other social security system, as well as of the seniority payments received by that Board member. The variable remuneration shall correspond to at least the amount of the average variable remuneration received in the last twelve years by the Board member in question at retirement date.

The complementary retirement or survivor's pension benefits paid by the company shall be updated annually in accordance with the global percentage of increase of the remuneration of the Board members in active service, such as established by the Remuneration Committee; however the update rate may never be lower than the rate of change of the consumer price index or higher than twice that rate.

The current version of the regulation on the members of the Board of Directors' entitlement to receive retirement pensions or complementary pension benefits for old age or disability was approved by the General Meeting of Shareholders held on November 11th, 2011.

A proposal on the overall redefinition of the regulation on the members of the Board of Directors' entitlement to receive retirement pensions will be submitted to the 2013 Annual General Meeting.

O) An estimate of the non-financial benefits considered as remuneration which do not fall under the categories listed above

Besides the health insurance attributed to all the members of the Executive Committee, which supplements the benefits attributed by SAMS, the medical and healthcare services for banking sector employees, and is maintained even after retirement, no other non-financial benefits are attributed to the members of the Board of Directors.

8. Rules applicable to all the members of the Board of Directors

A) Payments for dismissal or voluntary termination of directors

There are no payments foreseen for the dismissal of directors, and any voluntary termination requires the previous approval of the Remuneration Committee with regard to the amounts in question.

B) Amounts paid in 2012 to the members of the corporate bodies

i. Members of the Corporate Bodies (with the exception of the Executive Committee)

2012 Board Members Remunerations (excluding Executive Committee)

(Eur million)

Remunerations 2012	BES			Other BES Group			Total			Chg.	TOTAL	
	Fixed		Chg.	TOTAL BES	Fixed		Chg.	TOTAL OTHER	Fixed			
	Salary	Subsidies and other			Salary	Subsidies and other			Salary	Subsidies and other		
João Faria Rodrigues	163	-	-	163	-	-	-	-	163	-	-	
Horácio Lisboa Afonso	108	-	-	108	-	-	-	-	108	-	-	
Pedro João Reis de Matos Silva	92	-	-	92	-	-	-	-	92	-	-	
Total Audit Committee	364	-	-	364	-	-	-	-	364	-	-	
Board Members (excluding Executive Committee)												
Alberto Alves de Oliveira Pinto	-	185	-	185	-	-	-	-	-	185	-	
Aníbal da Costa Reis de Oliveira	-	22	-	22	-	-	-	-	-	22	-	
Manuel Fernando Moniz Galvão Espírito Santo Silva	-	22	-	22	-	-	-	-	-	22	-	
Nuno Maria Monteiro Godinho de Matos	-	42	-	42	-	-	-	-	-	42	-	
Ricardo Abecassis Espírito Santo Silva	-	19	-	19	464	13	71	547	464	31	71	
Pedro Mosqueira do Amaral	135	40	-	174	302	-	191	493	437	40	191	
Isabel Maria Osório de Antas Mégre de Sousa Coutinho	-	42	-	42	-	-	-	-	-	42	-	
Rita Maria Lagos do Amaral Cabral	-	36	-	36	-	-	-	-	-	36	-	
Milton Almícar Silva Vargas	-	7	-	7	-	-	-	-	-	7	-	
Vincent Claude Paul Pacaud	-	30	-	30	207	-	-	207	207	30	-	
Total Board Members (excluding Executive Committee)	135	446	-	581	973	13	262	1,248	1,108	459	262	
Board of the General meeting												
Paulo Manuel de Pitta e Cunha	-	19	-	19	-	-	-	-	-	19	-	
Fernão de Carvalho Fernandes Thomaz	-	12	-	12	-	-	-	-	-	12	-	
Nuno Miguel Matos Silva Pires Pombo	-	9	-	9	-	-	-	-	-	9	-	
Total of the Board of the General meeting	-	40	-	40	-	-	-	-	-	40	-	
Remuneration Committee												
Daniel Proença de Carvalho	-	18	-	18	-	-	-	-	-	18	-	
Joaquim Jesus Taveira Santos	-	18	-	18	-	-	-	-	-	18	-	
Alvaro João Duarte Pinto Correia	-	14	-	14	-	-	-	-	-	14	-	
Total Remuneration Committee	-	50	-	50	-	-	-	-	-	50	-	
Total Corporate Bodies (excluding Executive Committee)	499	536	-	1,034	973	13	262	1,248	1,471	548	262	

ii. Members of the Executive Committee

2012 Executive Committee Remunerations

(Eur million)

	BES			Other BES Group			Total			Chg.	TOTAL	
	Fixed		Chg.	TOTAL BES	Fixed		Chg.	TOTAL OTHERS	Fixed			
	Salary	Subsidies and other			Salary	Subsidies and other			Salary	Subsidies and other		
Ricardo Espírito Santo Silva Salgado	547	2	-	550	-	3	-	3	547	5	-	
José Manuel Pinheiro Espírito Santo Silva	462	2	-	464	-	3	-	3	462	6	-	
António José Baptista do Souto	459	2	-	461	-	-	-	-	459	2	-	
Jorge Alberto Carvalho Martins	456	2	-	458	-	-	-	-	456	2	-	
José Maria Espírito Santo Silva Ricciardi	-	-	-	-	460	-	-	460	460	-	-	
Rui Manuel Duarte Sousa da Silveira	456	2	-	458	-	-	-	-	456	2	-	
Joaquim Aníbal Brito Freixial de Goes	455	3	-	458	-	-	-	-	455	3	-	
Amílcar Carlos Ferreira de Morais Pires	455	2	-	457	-	-	-	-	455	2	-	
João Eduardo Moura da Silva Freixa	454	2	-	456	-	2	-	2	454	5	-	
Stanislas Gerard Marie Georges Ribes	211	233	-	444	-	-	-	-	211	233	-	
Total Executive Committee	3,956	250	-	4,206	460	9	-	468	4,416	259	-	

	2012				2011				TOTAL 2011	Chg. (%)		
	Fixed		Chg.	TOTAL 2012	Fixed		Chg.					
	Salary	Subsidies and other			Salary	Subsidies and other						
Ricardo Espírito Santo Silva Salgado	547	5	-	552	546	5	253	804	-31%			
José Manuel Pinheiro Espírito Santo Silva	462	6	-	468	461	6	212	678	-31%			
António José Baptista do Souto	459	2	-	461	457	2	212	671	-31%			
Jorge Alberto Carvalho Martins	456	2	-	458	454	99	212	765	-40%			
José Maria Espírito Santo Silva Ricciardi	460	-	-	460	451	64	212	727	-37%			
Rui Manuel Duarte Sousa da Silveira	456	2	-	458	454	2	212	668	-31%			
Joaquim Aníbal Brito Freixial de Goes	455	3	-	458	454	2	212	668	-31%			
Amílcar Carlos Ferreira de Moraes Pires	455	2	-	457	454	67	212	733	-38%			
João Eduardo Moura da Silva Freixa	454	5	-	458	452	5	212	669	-32%			
Stanislas Gerard Marie Georges Ribes ⁽¹⁾	211	233	-	444	-	-	-	-	-			
Jean-Luc Louis Marie Guinoiseau ⁽²⁾	-	-	-	-	438	57	318	813	-100%			
Pedro José de Sousa Fernandes Homem ⁽²⁾	-	-	-	-	452	3	318	774	-100%			
Total Executive Committee	4 416	259	-	4,674	5,072	313	2,584	7,969	-41%			

(1) Appointed in 2012.

(2) Resigned in 2012.

In 2012 no variable remuneration was attributed to the members of the Executive Committee except for a new **Medium Term Variable Remuneration** attributed on September 21st, 2012, in the overall amount of EUR 1.94 million, consisting of options on BES shares which can only be exercised at the end of January 2016 and providing that the price of the shares has risen by at least 10% in the referred 3-year period. This Medium Term Variable Remuneration adds on to that attributed in 2011, in the overall amount of EUR 1.13 million, consisting of options on BES shares which can only be exercised three years after their date of attribution (end of March 2014).

By decision of the Remuneration Committee the payment of the **Deferred Annual Variable Remuneration** relative to 2011 was suspended in 2012 and 2013 and therefore no payment was made.

2011-2012

(Eur million)

	Deferred Cash (2012-2014)	Deferred Cash (2012-2014)	Subtotal	Deferred Options (2011-2014)	Options (2011-2014)
Ricardo Espírito Santo Silva Salgado	127	127	254	130	230
José Manuel Pinheiro Espírito Santo Silva	106	106	212	100	190
António José Baptista do Souto	106	106	212	100	190
Jorge Alberto Carvalho Martins	106	106	212	100	190
José Maria Espírito Santo Silva Ricciardi	-	-	-	100	190
Rui Manuel Duarte Sousa da Silveira	106	106	212	100	190
Joaquim Aníbal Brito Freixial de Goes	106	106	212	100	190
Amílcar Carlos Ferreira de Moraes Pires	106	106	212	100	190
João Eduardo Moura da Silva Freixa	106	106	212	100	190
Stanislas Gerard Marie Georges Ribes	-	-	-	-	190
Total Executive Committee	869	869	1 738	930	1,940

Lisbon, March 1st, 2013

The Remuneration Committee

Daniel Proença de Carvalho

Jacques dos Santos

Álvaro Pinto Correia

Appendix III: Remuneration Policy of the Senior Officers

Remuneration Policy of the Senior Officers and Managers with Control Functions of Banco Espírito Santo, S.A. («BES»)

I. Scope of application and fundamental principles

The present remuneration policy applies to BES's "senior officers" in a broad sense, which include:

- a) The General Managers, the Advisors to the Board of Directors and the Coordinating Managers;
- b) Employees with management positions in the commercial departments (retail, private and corporate banking), financial department and international department;
- c) Employees with management positions in the Human Resources, Internal Audit, Compliance and Risk Management departments. For the purposes of this remuneration policy all employees covered in this paragraph are collectively referred to as «control functions».

A list of all the departments whose employees in management positions are covered by the remuneration policy under paragraph b) above is attached to this document.

In fact, it is easy to understand that, besides the members of the corporate bodies, in the specific case of BES these officers correspond to those whose performance has a material impact on the Bank's risk profile, as per our interpretation of the recommendations of the Committee of European Banking Supervisors on remuneration policies and practices.

II. The remuneration policy of BES's senior officers

1. Approval Process of the Remuneration Policy

A) Approval

The process of approval of the remuneration policy of the employees considered herein starts with a proposal submitted by the Board of Directors. The statement on the remuneration policy of the senior officers is submitted to the General Meeting, for approval, pursuant to Law no. 28/2009, of June 19th. Finally, the exact setting of the remuneration is approved by the Board of Directors.

B) Mandate of the Board of Directors

Under the terms of the law and the Company's bylaws, the setting of the remuneration of BES's senior officers is the responsibility of the Board of Directors, within the scope of their management of the human resources and incentives policies, and viewing the achievement of the Bank's strategic objectives.

C) Composition of the Board of Directors

Current composition of the Board of Directors:

Alberto Alves de Oliveira Pinto - Chairman
Ricardo Espírito Santo Silva Salgado - Vice-Chairman
Bruno Bernard Marie Joseph de Laage de Meux – Vice-Chairman
José Manuel Pinheiro Espírito Santo Silva
António José Baptista do Souto
Jorge Alberto Carvalho Martins
Aníbal da Costa Reis de Oliveira
Manuel Fernando Moniz Galvão Espírito Santo Silva
José Maria Espírito Santo Silva Ricciardi
Rui Manuel Duarte Sousa da Silveira
Joaquim Aníbal Brito Freixial de Goes
Ricardo Abecassis Espírito Santo Silva
Amílcar Carlos Ferreira Morais Pires
Nuno Maria Monteiro Godinho de Matos
João Eduardo Moura da Silva Freixa
Pedro Mosqueira do Amaral
Isabel Maria Osório de Antas Mégreda de Sousa Coutinho
João de Faria Rodrigues
Marc Olivier Tristan Oppenheim
Vincent Claude Paul Pacaud
Rita Maria Lagos do Amaral Cabral
Stanislas Gerard Marie Georges Ribes
Horácio Lisboa Afonso
Pedro João Reis Matos e Silva
Milton Almícar Silva Vargas
Xavier Musca

D) External consultants

The external consultants recruited in 2009 to assist the Board of Directors in the drafting of the remuneration policy of BES's senior officers were Mercer (Portugal), Lda and Sérvalo & Associados – Sociedade de Advogados, RL.

Merger (Portugal), Lda. provides other services to BES in the area of human resources.

2. General Managers, Advisors to the Board of Directors and Coordinating Managers (except control functions)

A) Composition of the remuneration

The remuneration consists of a fixed component and possibly a variable component.

The Bank's overall remuneration policy is revised every year by the Board of Directors until the end of May. As a result, the fixed remuneration may be revised on an annual basis in accordance with indicators such as the rate of inflation and the rate of salary increase set by the collective wage agreement (ACTV) for the banking sector, whilst a variable component may also be set, also before the end of May of each year, based on the assessment of performance in the previous year.

B) Remuneration limits

The fixed component shall be subject to the limits established by the Board of Directors, and represent on average approximately 75% of the Total Annual Remuneration.

The fixed component consists of the basic salary, plus the supplements that are attributed to all the employees of the Bank, such as seniority payments or other allowances.

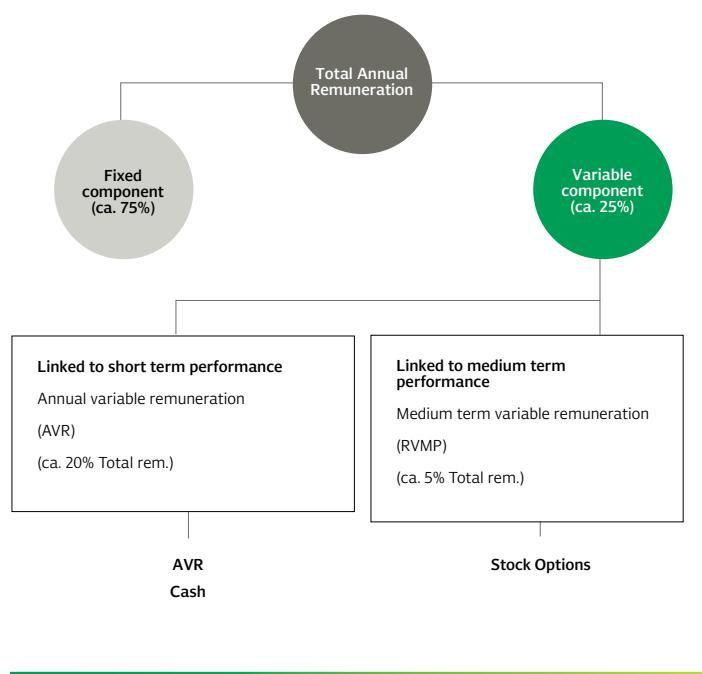
The variable component in 2013, if one is established, shall correspond to 25% of the average Total Annual Remuneration, although it may reach up to 50% of individual total remuneration.

C) Balanced remuneration

The fixed component shall represent on average approximately 75% of the total remuneration, the remaining 25% being attributed as a variable component.

When a variable component is due, its exact amount will vary each year in accordance with the level of achievement of the main annual objectives set individually (quantitative and qualitative) for the officer in question and for the respective business unit as a whole, in accordance with BES's performance assessment model approved by the Board of Directors.

D) Criteria for defining the variable component and respective time of payment



The variable component is divided into two sub-components.

A) Short term performance (Annual Variable Remuneration)

The **Annual Variable Remuneration** («AVR») is linked to **Short Term Performance** and will correspond on average to approximately 20% of the Total Annual Remuneration.

The **AVR** will be set by the Board of Directors at the beginning of each year, and calculated based on the Objectives and Incentives System (“SOI”) established for each type of area, in accordance with the level of achievement of the main objectives set by the Board of Directors, based on the following indicators:

- Commercial Areas – Volume indicators, Banking Income, Quality Indicators and Cost to Income;
- Central Areas – Operational Risk, Activity Indicators, Quality Indicators and Cost to Income.

The AVR is paid in cash in the first year after the reference date of results, upon approval of the accounts for the year in question.

B) Medium Term Performance (Medium Term Variable Remuneration)

The **Medium Term Variable Remuneration** («MTVR») is linked to **Medium Term Performance** and, when due, will correspond to approximately 5% of the Total Annual Remuneration.

At the beginning of each year the Board of Directors may decide on the attribution of a MTVR, based on the assessment of the previous year's performance. This MTVR will be paid through the attribution of stock options which can only be exercised at least three years after their date of attribution thus implying the accrual of their cost until such time as they are exercised.

The MTVR will be linked to the sustainability of BES's indicators, and calculated in accordance with the global return afforded to the shareholders over the period of its attribution, such return deriving from dividends paid and stock market capitalisation. The exercise price of the MTVR's underlying Stock Options at the end of the exercise period will be 10% higher than the market price at the beginning of this period.

Applying this assumption of evolution of the share's market price to the reference price used to structure the Stock Options will permit to establish the exercise value of those options and consequently to determine the number of stock options to be attributed each year to each senior officer.

Since the approval of the remuneration policy up to the present date no Variable Remuneration for Senior Officers has been attributed.

C) Regulation on the attribution of Options

The rules on attribution of stock options are set out in a specific Regulation, which was approved by the 2010 Annual General Meeting.

E) Mechanisms of Limitation of the Variable Remuneration

By definition, the Medium Term Variable Remuneration («MTVR») is limited by the performance of the BES shares, and the exercise of the options is subject to a deferral period. This remuneration will have no value unless the share price increases by at least 10% over the period in question.

F) Criteria for performance assessment

Senior officers working in the Commercial areas are assessed based on five variables.

- **Results** - set of indicators translating the results of the area;
- **Banking Income**;
- **Quality** - determined by metrics that assess the quality of service provided to the internal/external client;
- **Cost-to-Income** - (ratio of operating costs to total banking income) – an indicator of the Bank's operational activity, this ratio measures its capacity to generate revenues setting it against the operating costs incurred;
- **Stock market capitalisation** - an indication of the market's assessment of BES's performance, this indicator permits to align the shareholders' perspective to the markets' perspective.

Senior officers working in the Central areas are assessed based on five variables:

- **Activity** – set of indicators translating the results of the area;
- **Operational Risk**;
- **Quality**;
- **Cost-to-Income**;
- **Stock market capitalisation**.

G) Criteria for the retention of the shares allocated

The stock options granted to the senior officers can only be exercised after a period of at least three years.

The Board of Directors may establish rules on the retention or maintenance of the shares acquired.

3. Management Officers in the Commercial, Financial and International Departments

A) Composition of the remuneration

The remuneration consists of a fixed component and a variable component.

The Bank's overall remuneration policy is revised every year by the Board of Directors until the end of May. This entails the annual revision of the fixed remuneration in accordance with indicators such as the rate of inflation and the rate of salary increase set by the collective wage agreement (ACTV) for the banking sector, and the setting of a variable component, also before the end of May of each year, based on the assessment of performance in the previous year.

B) Remuneration Limits

The fixed component shall be subject to the limits established by the Board of Directors, and represent on average approximately 80% of the Total Annual Remuneration.

The fixed component consists of the basic salary, plus the supplements that are attributed to all the employees of the Bank, such as seniority payments or other allowances.

The variable component in 2013, if one is established, shall correspond to 20% of the average Total Annual Remuneration, although it may reach up to 30% of individual total remuneration.

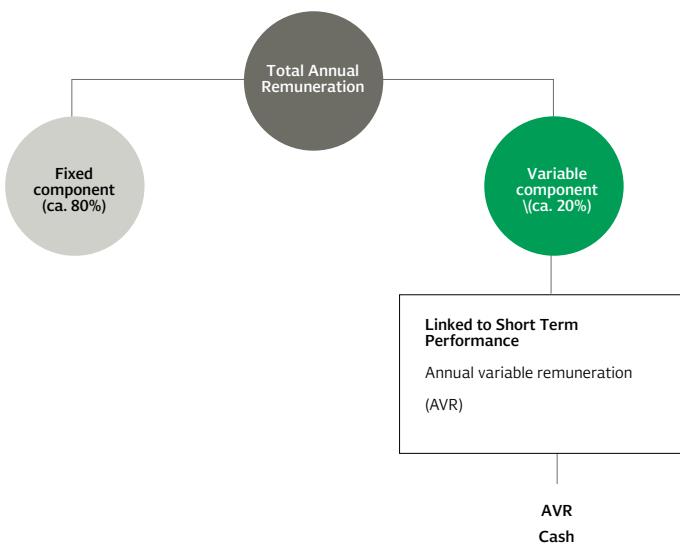
C) Balanced remuneration

The fixed component shall represent on average approximately 80% of the total remuneration, the remaining 20% being attributed as a variable component, when one is due.

The exact amount of the variable component will vary each year in accordance with the level of achievement of the main annual objectives set individually (quantitative and qualitative) for the officer in question and for the respective business unit as a whole, in accordance with the performance assessment model approved by the Board of Directors.

D) Criteria for defining the variable component and respective time of payment

The variable component is divided into two sub-components.



The **Annual Variable Remuneration** («AVR») is linked to **Short Term Performance** and will correspond on average to approximately 20% of the Total Annual Remuneration.

The **AVR** will be set at the beginning of each year by the Board of Directors, being calculated based on the Objectives and Incentives System ("SOI") established for the department, in accordance with the level of achievement of the main objectives approved by the Board of Directors, determined on the basis of indicators such as Activity, Costs, Risk and Quality.

The **AVR** is paid in cash on the dividend payment date in the first year after the reference date of results, upon approval of the accounts for the year in question.

E) Criteria for performance assessment

Senior officers working in the Commercial areas are assessed based on five variables:

- **Results** - set of indicators translating the results of the area;
- **Banking Income;**
- **Quality** - determined by metrics that assess the quality of service provided to the internal/external client;
- **Cost-to-Income** - (ratio of operating costs to total banking income) – an indicator of the Bank's operational activity, this ratio measures its capacity to generate revenues setting it against the operating costs incurred;
- **Stock market capitalisation** - an indication of the market's assessment of BES's performance, this indicator permits to align the shareholders' perspective to the markets' perspective.

Senior officers working in the Central areas are assessed based on five variables:

- **Activity** – set of indicators translating the results of the area;
- **Operational Risk;**
- **Quality;**
- **Cost-to-Income;**
- **Stock market capitalisation.**

4. Management Officers in Control Functions (including General Managers, Advisors to the Board of Directors and Coordinating Managers in control functions)

A) Composition of the remuneration

The remuneration consists of a fixed component and a variable component.

The Bank's overall remuneration policy is revised every year by the Board of Directors until the end of May. This entails the annual revision of the fixed remuneration in accordance with indicators such as the rate of inflation and the rate of salary increase set by the collective wage agreement (ACTV) for the banking sector, and the setting of a variable component, also before the end of May of each year, based on the assessment of performance in the previous year.

B) Remuneration Limits

The fixed component shall be subject to the limits established by the Board of Directors, and represent on average approximately 85% of the Total Annual Remuneration.

The fixed component consists of the basic salary, plus the supplements that are attributed to all the employees of the Bank, such as seniority payments or other allowances.

The variable component in 2013, if one is established, shall correspond to 15% of the average Total Annual Remuneration, although it may reach up to 30% of individual total remuneration.

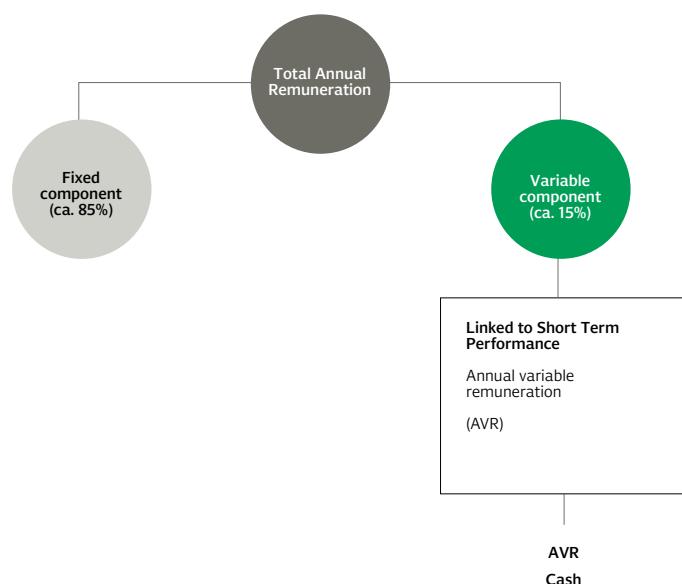
C) Balanced remuneration

The fixed component shall represent on average approximately 85% of the total remuneration, the remaining 15% being attributed as a variable component, when one is due.

The exact amount of the variable component will vary each year in accordance with the level of achievement of the main annual objectives set individually (quantitative and qualitative) for the officer in question and for the respective business unit as a whole, in accordance with the performance assessment model approved by the Board of Directors.

D) Criteria for defining the variable component and respective time of payment

The variable component is divided into two sub-components.



The **Annual Variable Remuneration** («AVR») is linked to **Short Term Performance** and will correspond on average to approximately 15% of the Total Annual Remuneration.

The **AVR** will be set at the beginning of each year by the Board of Directors, being calculated based on the Objectives and Incentives System ("SOI") established for the department, in accordance with the level of achievement of the main objectives approved by the Board of Directors, determined on the basis of indicators such as Activity, Costs, Risk and Quality.

These objectives' guidelines also apply to the General Managers, Advisors and Coordinating Managers in control functions.

The AVR is paid in cash on the dividend payment date in the first year after the reference date of results, upon approval of the accounts for the year in question.

E) Criteria for performance assessment

Control functions are assessed based on four variables, referred to in point 2 (f) (Activity, Costs, Risk and Quality).

5. Main Parameters and Rationale for any Annual Bonus Scheme and any other non Cash Benefits Attributed to the Senior Officers

In addition to the fixed and variable components described in this remuneration policy, senior officers are granted the following benefits:

- Life Insurance, as defined in article 142 of the collective wage agreement (ACTV) for the banking sector (SAMS1);
- Health Insurance, as defined in article 144 of the collective wage agreement (ACTV) for the banking sector (SAMS);
- Personal Accident Insurance, as defined in article 38 of the ACTV for the banking sector (SAMS).

6. Main Characteristics of the Supplementary Pension Schemes set up for Senior Officers

In accordance with the Collective Wage Agreement ("ACTV") for the banking sector, senior officers are currently entitled to receive a retirement pension which is calculated on the basic salary (salary level and seniority payments) and number of years of service in banking, and which does not take into account the full remuneration and/or allowances for fixed working hours exemption. In addition, and considering that all bank employees are since 2011 registered with the Social Security, and that by law all the employees who are members of the pension fund must obligatorily be informed every year about the amount of the pension to which they are entitled at the end of each year, BES decided to set up a defined contribution supplementary pension plan for this group of employees. In order to benefit from this plan, which is optional, the employees have to make a monthly contribution of 3% of their basic salary to an individual retirement savings plan ("PPR"). BES contributes with 3% of the basic salary to individual PPR plus a certain percentage to a Group PPR, the aim being to reach at pensions corresponding to a certain percentage of the salary, as described below.

Hence, under this plan, retirement pensions will correspond to the following estimated percentages of the last global salary earned: General Managers, Advisors to the Board of Directors and Coordinating Managers - 85%; Managers and Assistant Managers - 75%; and Deputy Managers - 70%.

This benefit only applies to senior officers in service as of December 31st, 2010. Senior officers engaged by the Bank after this date are not entitled to this benefit.

7. Amounts paid in 2012 to BES's Senior Officers

	(Eur)			
	BES			
	General Managers, Advisors and Coordinating Managers			
	General Managers	Adv BD	Coordinating Managers	Total
Nº of employees	3	15	30	48
Total Fixed Remuneration	648,030	2,601,350	3,887,636	7,137,016
Total Variable Remuneration	20,106	153,488	203,891	377,485
Share of Variable Remuneration	3.0%	5.6%	5.0%	5.0%

	BES			(Eur)
	General Managers, Advisors and Coordinating Managers			
	Commercial Areas	Central Areas	Total	
Nº of employees	11	37	48	
Total Fixed Remuneration	1,528,843	5,608,174	7,137,016	
Total Variable Remuneration	69,273	308,121	377,485	
Share of Variable Remuneration	4.3%	5.2%	5.0%	

	BES				
	Control Functions				
	Coord. Manager or higher	Manager	Assistant Manager	Deputy Manager	Total
Nº of employees	4	13	8	17	42
Total Fixed Remuneration	588,581	1,088,605	474,918	843,736	2,995,840
Total Variable Remuneration	91,105	178,276	70,670	113,617	453,668
Share of Variable Remuneration	13.4%	14.1%	13.0%	11.9%	13.2%

	BES			
	Senior Officers in the Commercial, Financial and International Departments			
	Manager	Assistant Manager	Deputy Manager	Total
Nº of employees	48	51	71	170
Total Fixed Remuneration	4,306,481	3,497,150	3,967,838	11,771,469
Total Variable Remuneration	741,500	548,318	531,401	1,821,219
Share of Variable Remuneration	14.7%	13.6%	11.8%	13.4%

	BES		
	Senior Officers in the Commercial, Financial and International Departments		
	Commercial Areas	Central Areas	Total
Nº of employees	129	41	170
Total Fixed Remuneration	8,762,770	3,008,699	11,771,469
Total Variable Remuneration	1,378,727	442,492	1,821,219
Share of Variable Remuneration	13.6%	12.8%	13.4%

In 2012 BES did not recruit any senior officer, did not make any early termination payment and there wasn't any kind of payment made by any company in a control or group relationship with BES.

Lisbon, March 1st, 2013.

THE BOARD OF DIRECTORS

Appendix IV: Statement of the Audit Committee



STATEMENT OF THE AUDIT COMMITTEE on the content of the Corporate Governance Report for the year ended 31 December 2012

To the Shareholders

The Audit Committee has reviewed the Corporate Governance Report of **Banco Espírito Santo, S.A.**, which is part of the 2012 Annual Report of the bank, in order to assess whether or not it includes all the information on the structure and corporate governance practices of the bank as specified in article 245.º-A of the Portuguese Securities Code (*Código de Valores Mobiliários*).

As required in paragraph 5 of article 420.º, by remission of article 423.º-F, both of the Portuguese Companies Code (*Código das Sociedades Comerciais*), the Audit Committee attests that the Corporate Governance Report referred to in the preceding paragraph includes all the abovementioned information for the year ended 31 December 2012 as required and applicable to **Banco Espírito Santo, S.A.**.

Lisbon, 4 March 2013

The Audit Committee

Horácio Lisboa Afonso (Chairman)

João de Faria Rodrigues

Pedro João Reis de Matos Silva

Excerpt from the minutes of the Annual General Shareholders' Meeting of Banco Espírito Santo, S.A.

Minutes No. 79

At ten hours on March twenty seventh, in the year two thousand and thirteen, the Annual General Meeting of the Shareholders of Banco Espírito Santo, S.A. was held at the Hotel Ritz - Salão Nobre, at Rua Castilho, no. 77, in Lisbon, with the following Agenda:

Item One: Resolve on the appointment of the Vice-Chairman of the Board of the General Meeting.

Item Two: Resolve on the Management Report, the Corporate Governance Report and the remaining individual reporting documents relative to financial year 2012.

Item Three: Resolve on the Consolidated Management Report, the consolidated accounts and the remaining consolidated reporting documents relative to financial year 2012.

Item Four: Resolve on the allocation of earnings.

Item Five: Make a general assessment of BES' management and supervisory bodies.

Item Six: Resolve on the Remuneration Committee and Board of Directors' statements on the remuneration policy of BES' corporate and supervisory bodies and remaining BES senior officers, respectively.

Item Seven: Approve the co-optation of Mr. Xavier Musca as member of the Board of Directors.

Item Eight: Resolve on a proposal for acquisition and sale of own shares and bonds, by BES or companies under BES's control;

Item Nine: Resolve on the authorisation to exercise activities in a competing company;

Item Ten: Resolve on the redefinition of the Regulation on the Right of Directors to a Pension or Complementary Pension Benefits for Old Age or Disability.

The Board of the General meeting consisted of its elected Chairman, Vice-Chairmen, and Secretary, respectively Messrs. Paulo de Pitta e Cunha, Nuno Miguel Matos Silva Pires Pombo, and Eugénio Fernando de Jesus Quintais Lopes, the latter in the capacity of Company Secretary. Also present in the meeting were the majority of the members of the Board of Directors, all the members of the Audit Committee, of the Remuneration Committee, of the Corporate Governance Committee and of the Remuneration Advisory Committee, the statutory auditors, KPMG & Associados SROC, S.A., represented by Ms. Sílvia Cristina de Sá Velho Corrêa da Silva Gomes, and also Ms. Ana Rita Almeida Campos, in representation of Vieira de Almeida & Associados - Sociedade de Advogados, RL, in its capacity as common representative of the holders of notes under BES's 20,000,000,000 EMTN programme.

The Chairman of the General Meeting declared the session opened, after ascertaining that there was a quorum of shareholders present or represented owning 2,919,530,703 shares, corresponding to 72.66% of the share capital and to 29,195,258 votes, and that the General Meeting had been regularly

called as per notices published on March 2nd, 2013 on the websites of the Directorate-General of Registry and Notary Services - Publicações of the Ministry of Justice, and on March 4th, 2013 on the websites of the Portuguese Securities Market Commission ("CMVM") and BES. The convening notice was also published on the Diário de Notícias, Jornal de Notícias, Açoriano Oriental and Diário de Notícias (Madeira) newspapers on March 5th, 2013. In compliance of Article 10 of the Legal Framework of Credit Institutions and Financial Companies, the list of Shareholders with holdings exceeding 2% of the Bank's share capital was also published, namely on the Diário de Notícias and Correio da Manhã newspapers of March 21st, 2013. Under the terms of the law all the documents for this General Meeting were available for consultation by the Shareholders at the Bank's registered office, and were included in the folders delivered to them.

(...)

Going into the Agenda, the Chairman of the General Meeting asked the meeting to analyse Item One of the Agenda: "Resolve on the appointment of the Vice-Chairman of the Board of the General Meeting", namely the proposal submitted on this item by BESPAR SGPS, S.A., as follows:

"Whereas:

- a) The Vice-Chairman of the Board of the General Meeting, Mr. Fernão de Carvalho Fernandes Thomaz has resigned his position;
- b) A new Vice-Chairman for the General Meeting must be elected to conclude the term of office initiated in 2012 and ending in 2015;

It is proposed that the General Meeting resolve on:

1. A vote of praise and recognition to the outgoing member for the exemplary discharge of his functions;
2. Pursuant to the terms of article 374 of the Portuguese Companies Code, the election of Mr. Alexandre de Sousa Machado as Vice-Chairman of the Board of the General Meeting until the end of the current term of office."

(...)

At this point the Board of the General Meeting was informed that the number of shares owned by the Shareholders present or represented in the meeting was 3,004,895,466, corresponding to 74.79% of the share capital, and to 30,048,902 votes. The proposal was put to the vote, and it was approved by a majority of 30,028,066 votes, with 20,836 abstentions, in a total of 30,048,902 votes present in the meeting.

(...)

The meeting then proceeded to analyse items two, three and four of the Agenda, which were jointly submitted for discussion:

Item Two - "Resolve on the Management Report, the Corporate Governance Report and the remaining individual reporting documents relative to financial year 2012".

The Board of Directors of BANCO ESPÍRITO SANTO, S.A. submitted the following proposal:

"The Board of Directors of BANCO ESPÍRITO SANTO, S.A. hereby submits the Management Report, the Corporate Governance Report and other reporting documents of BANCO ESPÍRITO SANTO, S.A. for the financial year of 2012 to the Shareholders, for appreciation and discussion, proposing their approval."

Item Three: - "Resolve on the Consolidated Management Report, the consolidated accounts and the remaining consolidated reporting documents relative to financial year 2012".

The Board of Directors of BANCO ESPÍRITO SANTO, S.A. submitted the following proposal:

"The Board of Directors of BANCO ESPÍRITO SANTO, S.A. hereby submits the Consolidated Management Report, the Consolidated Accounts and other consolidated reporting documents of BANCO ESPÍRITO SANTO, S.A. for the financial year of 2012 to the Shareholders, for appreciation and discussion, proposing their approval."

Item Four: - “Resolve on the allocation of earnings”

The Board of Directors of BANCO ESPÍRITO SANTO, S.A. submitted the following proposal:

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

Pursuant to Article 376 (b) of the Portuguese Companies Code, and in accordance with the Management Report, the company’s net earnings of the year, amounting to EUR 121,961,308.14, be allocated as follows:

TO LEGAL RESERVE: EUR 12,197,000.00

TO OTHER RESERVES AND RETAINED EARNINGS: EUR 109,764,308.14”

(...)

The meeting then voted separately on the above proposals.

The proposal on Item Two of the Agenda was approved by a majority of 29,974,465 votes, with 10,082 dissenting votes and 49,573 abstentions, in a total of 30,034,120 votes present.

The proposal on Item Three of the Agenda was approved by a majority of 29,981,421 votes, with 10,194 dissenting votes and 40,287 abstentions, in a total of 30,031,902 votes present.

Finally, the proposal on Item Four of the Agenda was approved by a majority of 29,976,658 votes, with 41,867 dissenting votes and 13,377 abstentions, in a total of 30,031,902 votes present.

(...)

The meeting then moved to Item Five: - “Make a general assessment of BES’ management and supervisory bodies”, about which the shareholder BESPAR SGPS, S.A. submitted the following proposal:

“Pursuant to the terms of Article 455 (1) of the Portuguese Companies Code, which requires the Annual General Meeting to make a general assessment of the management and supervisory bodies of the company;

The shareholder “BESPAR – Sociedade Gestora de Participações Sociais, S.A.” proposes that the General Meeting approve an expression of praise and a vote of confidence in the Board of Directors and the Audit Committee of the Company, and in each of the respective members, for the following reasons:

1 - The accuracy and timeliness of the management decisions taken by the Board of Directors and the Executive Committee, which, in a very adverse context to banking activity where severe limitations on access to funding in the markets led to sharp restrictions on liquidity, permitted to:

- Increase the Core Tier 1 ratio during 2012, up to 10.05% in December (above the regulatory requirement of 10%);
- In May 2012, increase the share capital of “Banco Espírito Santo, S.A.” by €1,009,891,912.86, from €4,030,232,150.40 to €5,040,124,063.26, through a public offering that proved a landmark in the recapitalisation of the Portuguese banks as it was done without any State aid;
- Return to the financial markets for funding – the first Portuguese bank to do so – with two operations: a EUR 750 million bond issue in October, and a USD 450 million issue of bonds convertible into Bradesco shares, in November; in both cases demand exceeded supply;
- Respond very positively to the various regulatory stress testing processes;
- Increase the portfolio of Clients and maintain a very solid level of commercial income.

2 - The manner in which the Audit Committee performed its supervisory functions.”

(...)

This proposal was put to the vote and approved by a majority of 27,721,742 votes, with 2,298,220 dissenting votes and 11,874 abstentions, in a total of 30,031,836 votes present.

The meeting then considered Item Six of the Agenda: “Resolve on the Remuneration Committee and Board of Directors’ statements on the

remuneration policy of BES’ management and supervisory bodies and remaining BES senior officers, respectively”. The Remuneration Committee presented the following statement (6.A) on the remuneration policy of the management and supervisory bodies of Banco Espírito Santo, S.A.:

“Whereas:

1 – Following the approval of Law no. 28/2009 of 19 June, the 2010 Annual General Meeting approved the remuneration policy of the members of the management and supervisory bodies submitted to it by the Remuneration Committee;

2 - Based on the annual assessment made at the beginning of 2013 of BES’s remuneration structure, the Remuneration Committee concluded that the remuneration policy was generally up-to-date, only requiring the inclusion of new rules on the attribution of allowances to foreign directors who carry out executive duties in BES and establish their residence in Portugal so as to be allowed to perform these functions;

BES’s Remuneration Committee proposes that the General Meeting approve the «Statement on the Remuneration Policy of the Members of the Management and Supervisory Bodies» for 2013. (...)

(...)

The Board of Directors then presented the following statement (6.B) on the same item in the Agenda: “Proposal of Approval of the Statement on the Remuneration Policy of Bes Senior Officers and Managers with Control Functions”.

Whereas:

1 - The 2010 Annual General Meeting approved the remuneration policy of BES senior officers as set out in a proposal submitted to it by the Board of Directors;

2 - Based on the annual assessment made of the remuneration structure of BES senior officers, the Board of Directors concluded that said proposal should be broadly maintained, with the inclusion of a new category of employees to be covered by the remuneration policy and the necessary changes for adaptation to the year 2013;

BES’ Board of Directors proposes that the General Meeting approve the «Statement on the Remuneration Policy», which is included as an Annex to this Proposal”

(...)

The Chairman of the General Meeting clarified that there were two proposals for discussion but that each would be voted separately.

(...)

The Remuneration Committee proposal (6.A) was put to the vote and it was approved by a majority of 29,910,452 votes, with 37,269 dissenting votes and 83,895 abstentions, in a total of 30,031,616 votes present.

The proposal of BES’s Board of Directors was then put to the vote and approved by a majority of 29,932,138 votes, with 38,249 dissenting votes and 61,229 abstentions, in a total of 30,031,616 votes present. The Chairman of the General Meeting then proceeded to Item Seven of the Agenda: “Approve co-optation of member of the Board of Directors”, about which the Board of Directors of Banco Espírito Santo, S.A. submitted the following proposal: “Following the resignation submitted by Mr. MICHEL JACQUES MATHIEU, on November 9th, 2012 the Board of Directors of BANCO ESPÍRITO SANTO, S.A. resolved to co-opt Mr. XAVIER MUSCA as member of the Board of Directors.

Under the terms and for the purposes of Article 393 (4) of the Portuguese Companies Code, the Board of Directors hereby submits said co-optation to ratification by the General Meeting.”

The proposal was open for discussion, and as no one wished to take the floor, the Chairman put it to the vote, and it was approved by a majority of

29,637,006 votes, with 371,813 dissenting votes and 20,274 abstentions, in a total of 30,029,093 votes present.

The meeting then moved to Item Eight: "Resolve on a proposal for acquisition and sale of own shares and bonds, by BES or companies under BES's control" about which the Board of Directors of Banco Espírito Santo, S.A. submitted the proposal below:

"Whereas:

- a) The legal regulations applying to the acquisition and sale of own shares by public limited liability companies set out in the Portuguese Companies Code;
- b) The provisions set forth in the European Commission Regulation (EC) 2273/2003 of December 22nd, 2003, that established a special regime contemplating, namely, requirements for exemption from the regime of market abuse for certain buy-back programmes of own shares, which should be taken into consideration even if the acquisitions of own shares that will be made fall outside the scope of the buy-back programmes covered by said Regulation;
- c) The duty of issuers of securities admitted to trading on a regulated market to disclose and report on transactions involving own shares set forth in the Portuguese Securities Market Commission (CMVM) regulation no. 5/2008;
- d) In the General Meeting of April 6th, 2010, a proposal was submitted to the Shareholders of Banco Espírito Santo S.A., for resolution, concerning the creation of two "Variable Remuneration Plans based on Financial Instruments" applicable respectively to the members of BES's Executive Committee and to its General Managers, Advisors to the Board of Directors and Coordinating Managers, which will imply the execution of transactions involving own shares;
- e) The convenience of Banco Espírito Santo, S.A. being able to continue to execute such transactions within legally admitted terms, other than in the circumstances foreseen in Article 319 (3) of the Portuguese Companies Code;
- f) The same convenience exists regarding the possibility of subsidiaries of the Bank acquiring and disposing of shares in Banco Espírito Santo, S.A.;
- g) The same possibility should be guaranteed with regard to the execution of transactions involving own bonds, which are subject to the same legal framework applying to the acquisition of own shares.

The Board of Directors of Banco Espírito Santo, S.A. proposes that a resolution be passed to:

1. Authorise Banco Espírito Santo, S.A. or any subsidiary, present or future (each of them being hereinafter designated as "Company") to, subject to decision by the management board of the Company in question, purchase shares, including rights to the acquisition or granting thereof, in Banco Espírito Santo, S.A., under the following terms:
 - a) Maximum number of shares to be purchased: up to a limit corresponding to 10% of the share capital of Banco Espírito Santo, S.A., minus shares which are sold, without loss to the number of shares required for the Company to comply with obligations arising from the law, a contract, the issuance of securities, or contractual binding to the execution of the «Variable Remuneration Plans based on Financial Instruments», subject to, if applicable, the subsequent sale, within the legal limits, of the shares exceeding the said limit, and without prejudice to the acquisition of own shares intended to execute a resolution to reduce the share capital approved by the general meeting, in which case the specific limits set forth in said share capital reduction resolution shall apply;
 - b) Acquisition period: eighteen months as of the date of the present resolution;
- c) Means of acquisition: subject to the mandatory limits established by law, the purchase of shares, or rights to acquire or grant shares, may be carried out, in exchange for payment, through any means, in regulated markets where the shares are admitted to trading, or in non regulated markets, respecting the principle of equal treatment of shareholders under the terms of the law, namely through acquisition from financial institutions with which the Company has signed an equity swap contract or other similar financial derivative instruments, or through acquisition, by any means, intended to comply or resulting from compliance with obligations arising from the law, a contract, or the «Variable Remuneration Plans based on Financial Instruments», under the respective terms and conditions;
- d) Minimum and maximum payment for acquisitions: the acquisition price shall fall within an interval of twenty percent below and above the average listed price of the Banco Espírito Santo, S.A. shares in the last five sessions of the NYSE Euronext Lisbon immediately prior to the acquisition date or the date of creation of the right to purchase or grant shares resulting from the financial instruments contracted by the Company;
- e) Time of acquisition: to be determined by the Company's management board, bearing in mind the situation of the securities market and the convenience or commitments of the seller and/or the Company. Acquisitions may occur on one or more occasions, in the manner that the referred Board deems appropriate.

2. Approve the disposal of own shares that were purchased, including rights to the acquisition or granting thereof, subject to decision by the management board of the Company in question, under the following terms:
 - a) Minimum number of shares to be sold: the number of sale transactions and the number of shares to be sold shall be determined by the Company's management board in light of what at each time may be deemed necessary or convenient to further the Company's interests or to comply with obligations arising from the law, a contract, or the «Variable Remuneration Plans based on Financial Instruments», under the respective terms and conditions;
 - b) Period during which the disposal may be performed: eighteen months as of the date of this resolution;
 - c) Means of disposal: subject to the mandatory terms and limits established by law, the disposal of shares against payment may be carried out through any means, namely through sale or exchange in regulated markets where the shares are admitted to trading, or in non regulated markets, respecting the principle of equal treatment of shareholders under the terms of the law, to or with specific entities appointed by the Company's management board, namely financial institutions with which the Company has signed an equity swap contract or other similar financial derivative instruments, or through disposal by any means to comply with obligations arising from the law, a contract, or the «Variable Remuneration Plans based on Financial Instruments», under the respective terms and conditions;
 - d) Minimum price: the minimum selling price shall be either no less than twenty percent below the average listed price of the Banco Espírito Santo, S.A. shares in the last five sessions of the NYSE Euronext Lisbon immediately prior to the date of disposal, or it shall be the price that was set in a contract entered to by the Company. In the case of the «Variable Remuneration Plans based on Financial Instruments», the selling price of the shares shall be that which results from the respective Regulations;
 - e) Time of Disposal: to be determined by the Company's management board, bearing in mind the situation of the securities market and the convenience or commitments of the purchaser and/or the Company. Disposals may occur on one or more occasions, in the manner that the referred Board deems appropriate.
3. The provisions of the preceding paragraphs shall apply, with the required adaptations, to the acquisition of own bonds by Banco Espírito Santo, S.A.,

or by any subsidiary, present or future, subject to decision of the respective management board.

4. Recommend that the Company's management board, without prejudice to its freedom to decide and to act as per the resolutions taken in respect to paragraphs 1 and 2, consider not only the applicable legislation concerning the disclosure of the remuneration policy of the members of the corporate bodies, the Bank of Portugal notices and the recommendations of the Portuguese Securities Market Commission in force, but also the following recommended practices concerning the buying and selling of own shares under the authorisations granted in paragraphs 1 and 2 hereinabove, particularly in relation to acquisitions forming part of the «Variable Remuneration Plans based on Financial Instruments» or other plans that may be governed by the Regulations mentioned in Recital b):
 - a) Disclose to the public, before beginning purchase and sale transactions, the contents of the authorisation referred to in the foregoing paragraphs 1 and 2, in particular, the objective, maximum amount paid for acquisition, maximum number of shares to buy and the authorised timeframe established for the transaction;
 - b) Maintain a record of each transaction performed within the scope of the preceding authorisations;
 - c) Perform the transactions in such a manner, in terms of timing, form and volume, as not to not disturb the regular functioning of the market, trying to avoid execution during sensitive trading periods, in particular the opening and closure of a session, at times of market turmoil, or when relevant facts are about to be announced or financial results are being disclosed;
 - d) Restrict acquisitions to 25% of the average daily trading volume, or to 50% of this trading volume provided that the competent authority is notified;
 - e) Publicly disclose any transactions performed, that are relevant according to the applicable regulations, until the end of the third working day subsequent to the date on which such transaction occurred;
 - f) Notify the competent authority of all the purchase and sale transactions performed until the end of the third working day subsequent to the date on which such transactions occurred;
 - g) Refrain from selling shares during the execution of the «Variable Remuneration Plans based on Financial Instruments» or other plans that may be governed by the Regulations mentioned in Recital b).

To the purposes herein, and in the case of acquisitions forming part of the «Variable Remuneration Plans based on Financial Instruments» or other plans that may be governed by the Regulations mentioned in Recital b), the Board of Directors may provide for the separation of the acquisitions and respective systems according to the specific programme in which they are included, and refer such separation in the public notification that may be issued.”

The Chairman of the General Meeting declared the proposal open for discussion. As no one wished to take the floor, the proposal was put to the vote and approved by a majority of 29,945,467 votes, with 69,274 dissenting votes and 11,221 abstentions, in a total of 30,025,962 votes present.

The meeting then proceeded to Item Nine, “Resolve on the authorisation to exercise activities in a competing company”, about which the shareholder CRÉDIT AGRICOLE S.A. submitted the following proposal:

“Whereas:

- a) By indication of Eurofactor France, S.A. a company in which Crédit Agricole Leasing and Factoring, S.A., a subsidiary of Crédit Agricole, S.A., holds a 99.99% stake, Mr. Vincent Claude Pacaud will be appointed on behalf of

and in representation of Crédit Agricole, S.A. a non executive member of the Board of Directors of EUROFACTOR PORTUGAL, S.A. (“Eurofactor”), in 2013;

- b) The corporate object of Eurofactor is exclusively the carrying out of factoring para-banking activities, with such latitude as may be allowed by law (Article 3 of the By-laws);
- c) Mr. Vincent Claude Pacaud will exercise functions as a non executive director in a competitor with Banco Espírito Santo, S.A.;
- d) Under the terms of Article 398 (3) of the Portuguese Companies Code, it is the responsibility of the General Meeting of Banco Espírito Santo, S.A. to authorise the Board member Mr. Vincent Claude Pacaud to exercise functions at Eurofactor, as well as to establish the system of access to sensitive information by a Board member of the Bank exercising functions in a competing company;

The shareholder proposes that Mr. Vincent Claude Pacaud be authorised to exercise functions as non executive director of Eurofactor, for which he was indicated on behalf of and in representation of Crédit Agricole, S.A.. The shareholder further proposes that the regulation on access to sensitive information attached to this proposal also be approved.”

The Chairman of the General Meeting declared the proposal open for discussion. As no one wished to intervene, the proposal was put to the vote and approved by a majority of 29,944,466 votes, with 67,662 dissenting votes and 13,834 abstentions, in a total of 30,025,962 votes present.

Finally, the meeting moved to Item Ten: “Resolve on the redefinition of the Regulation on the Right of Directors to a Pension or Complementary Pension Benefits for Old Age or Disability”, about which the shareholder BESPAR Sociedade Gestora de Participações Sociais, S.A. submitted the following proposal:

“Whereas:

- A – It is important for the Company to have an adequate retirement pension scheme for its directors;
- B – Such a scheme should evolve and be adjusted to the requirements of the Company's context;
- C – The regulation in force basically corresponds to the retirement pension scheme established by the Company over 20 years ago;
- D – In practice the Company has recently only attributed retirement pensions to the directors and no longer complementary pension benefits;

The Board of Directors of “BESPAR – Sociedade Gestora de Participações Sociais, S.A.” proposes, under the terms of Article 25 of the Company's articles of association, that the current Regulation be replaced by the Regulation attached herein, of which we stress the following:

1. At functional level, the reinforcement of the powers and intervention of the Remuneration Committee elected by the General Meeting;
2. At technical and legal level, the explicit clarification that the scheme concerns retirement pensions alone.”

(...)

The Chairman put the above proposal to the vote and the same was approved by a majority of 27,673,287 votes, with 2,341,974 dissenting votes and 7,102 abstentions, in a total of 30,022,363 votes present.

(...)

There being no further matters to discuss, the Chairman of the General Meeting declared the meeting closed at thirteen hours and thirty minutes, in record whereof these minutes have been drawn up and will be signed by the Members of the Board of the General Meeting and by the Company Secretary.

Caio Reisewitz (b. 1967, Brasil). Mamanguá, 2007
C-print, Diasec, 227x180 cm. Ed. 2/5. Courtesy the artist & Galeria Joan Prats.

BES
art
COLEÇÃO
BANCO
ESPIRITO SANTO

DESIGN AND DEVELOPMENT

L21 Linha 21
Marketing
e Publicidade

GENERAL

Banco Espírito Santo
Avenida da Liberdade, 195
1250-142 Lisboa
Tel: (351) 21 350 10 00
Fax: (351) 21 855 74 91
E-mail: info@bes.pt

BESdirecto

707 247 365

Reuters: BES.LS

Bloomberg: BES PL



GRUPO BANCO ESPIRITO SANTO

BANCO ESPÍRITO SANTO, S.A. Headquarters - Av. da Liberdade, 195, 1250-142 Lisbon - Portugal
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