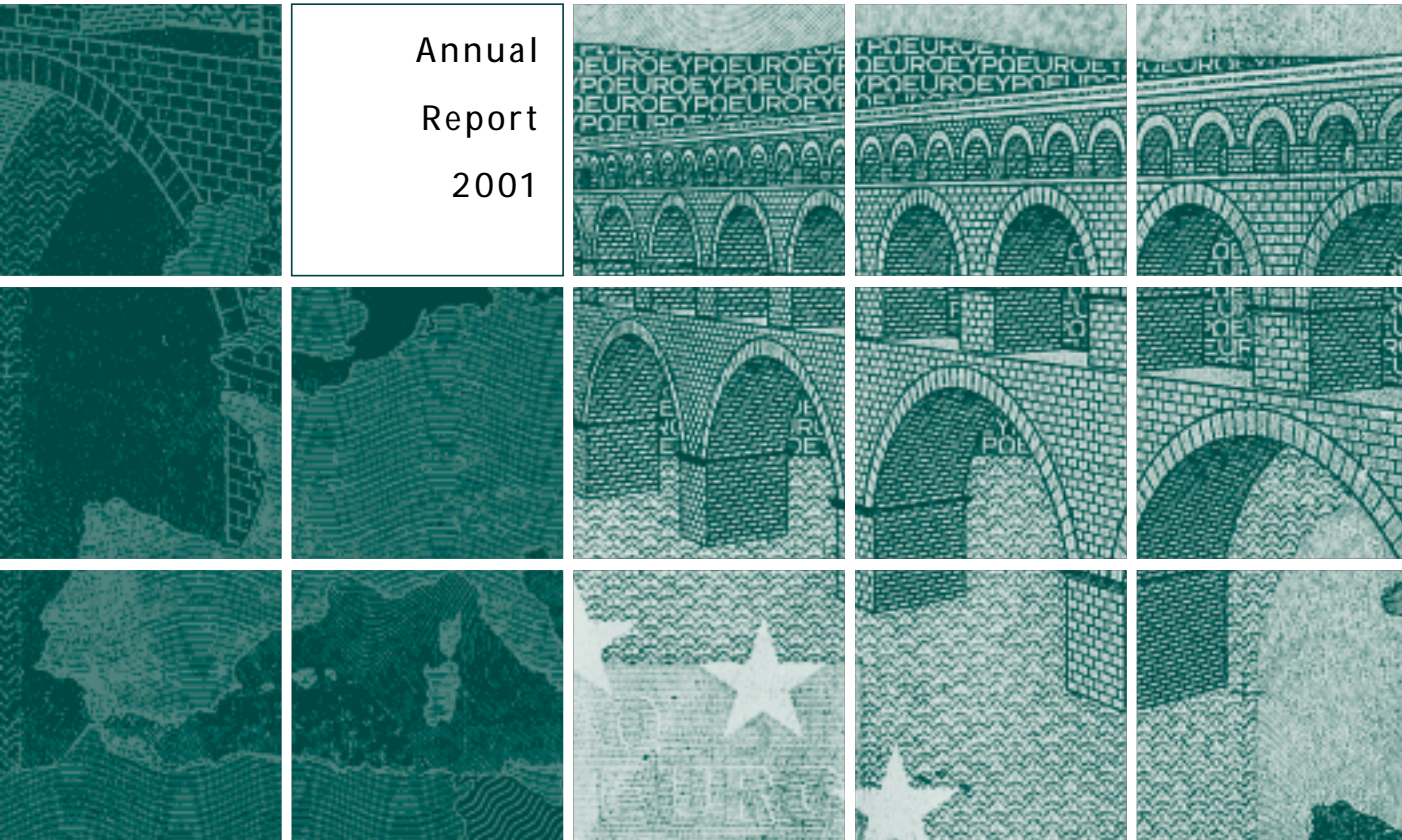


# Corporate Governance Report

Annual  
Report  
2001



5 Euros - Note's Detaill





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## 1 – Introduction

The Securities and Exchange Commission (SEC) Regulation no. 07/2001 on Corporate Governance requires Companies issuing shares which are admitted to trading on a regulated market to publish a report on corporate governance practices, to be presented either as a chapter of the annual management report or in the form of an appendix to the said annual management report.

It is quite clear today that the access of companies to the capital markets occurs in a framework of increasing competition and within global financial market. Investors' decisions on the allocation of capital are not only based on economic assessments but also on the degree of safety and reliability afforded by the management of companies.

The corporate governance standards aim merely at providing a systematic set of rules to be employed in the conduct and control of listed companies, bearing in mind the standards, usage and traditions developing in the various economic and legal systems, and in these, in the different sectors of economic activity.

The main purpose of corporate governance rules is to maximize shareholder value, it being understood that the pursuance of this goal may trigger a dynamics of efficiency susceptible of reflecting favorably on customers, consumers, suppliers and likewise the market in general.

To this extent, Banco Espírito Santo S.A. (BES) believes in the importance of preparing this report contentiously and as an exercise of

critical reflection on its practices concerning corporate governance.

The report is divided into four major parts: disclosure of information (2), the exercise of shareholder voting and representation rights (3), company internal regulations (4) and structure and role of the board of directors (5).

The first part provides central information concerning the reporting year. It comprises the organization charts relating to the internal structure of BES as regards power-sharing between the various departments and bodies of the company, which check and control the internal circulation of information, a description of the performance of the share price during the reporting year, and the dividend distribution policy adopted by the company. In addition, the use made of new information technologies for the disclosure of financial information is described, and the existence of an investor information department referred.

It is of crucial importance for BES to pursue the dialogue maintained with its shareholders in general, whether institutional or non-institutional investors. In this regard, the general meeting maintains to this day its role of providing a key moment in the relation between these and the board of directors. BES believes that the participation of shareholders in general meetings should be encouraged. Accordingly, the second part of the report presents the existing mechanisms intended to stimulate the exercise of shareholders' voting rights.

The third part describes the existing codes of conduct and internal regulations applying to all

BES employees aimed at regulating situations of conflict of interest, confidentiality and incompatibility. All the procedures adopted to control the risks arising from BES activity are also referred.

Finally, a precise characterization of the structure and role of BES's board of directors is given. For a company's board of directors to efficiently exercise its functions, it must have the conditions to act with the required authority and independence, while its composition must ensure that the decisions taken safeguard and give primacy at all times to the interests of the company and the maximization of shareholder value. To meet the above-mentioned objectives, this report provides a description of the Board of Directors of BES, listing the operations carried out and the powers exercised by it, also describing how effective control over the day-to-day management of the company is exercised.

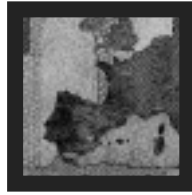
In the composition of its board of directors, BES ensures that an adequate balance exists between executive and non-executive members. The non-executive component, for the number and authority of its members, has a significant weight in the decisions taken by the Board, contributing significantly to the decision-making process – a crucial requirement to ensure that the collective decisions arising out this process are duly pondered, taken with awareness and aligned with the interests of the company.

Of particular importance was the decision taken by the Board of Directors on 26 October 2001 to create an Audit Committee at the Board's level. BES is aware that a good

control system endowed with reliable and competent means at both the human resources and the financial level will ensure a better capacity to identify, avert and manage, within possible limits, financial or operating risks as well as acts of deception intended to damage the company. In accordance with internationally recognized and applied guidelines, this committee is composed of an appropriate number of non-executive members of the board. Its functions are not only of an advisory nature, but include also proposing that precise measures be taken. The committee must report to the board of directors at regular intervals.

Finally the referred SEC Regulation requires that each company specify the independent members of the board of directors, explaining the concept of independent director adopted.

On this last issue, some clarification should be given. All BES's board members are obviously independent: in the exercise of their functions they are forced by law to act exclusively guided by BES's interest, with the interests of shareholders and workers in mind. The independence to which the SEC refers thus embraces another meaning, i.e., it relies on a merely *de facto* situation, based on the existence of special relations between the members of the board and other entities or between them and the company itself. Along these lines, BES decided to adopt the following concept: an independent director shall be considered as being any director that does not have economic, family or working links with the company's dominant shareholders.



## 2 – Disclosure of information

### 2.1 – Organization and flow charts

According to its Multi-specialist Organizational Model, BES's macrostructure comprises a set of units differentiated according to the type of activity developed.

At the level of structural bodies, these units group top-line bodies, Departments and Divisions that are directly accountable to the Executive Committee.

Hence 3 distinct major building blocks are systematized:

- i) Segmented Distribution Units
- ii) Basic Specialized Products Units
- iii) Shared Services Units

#### i) Segmented Distribution Units

Block of structures that engage in activities of a commercial nature. As a whole their common feature is the fact that they have Customers allocated to them. This block also includes other structures that, although not sharing this feature, work in close association with the Segmented Distribution Units to exploit/enhance distribution channels. This block comprises the following Departments/Divisions:

- Large Corporates Department (LCD)
- International Corporate Department (ICD)
- Private Banking Department (PBD)
- Municipals and Institutionals Department (MID)
- Commercial Department - South (CDS)
- Department of Residents Abroad (RAD)
- Virtual Banking Division (VBD)
- Direct Banking and e-Business Department (DBeBD)
- Self-Service Network Department (SSND)
- Corporate Banking Department – South (CBDS)
- Corporate Banking Department – North (CBDN)
- International Department (ID)
- Commercial Department – North (CDN)

#### ii) Product Units

Block of structures focused on the creation of products to be sold by the Commercial Network, which is divided into two sub-groups.

##### **Specialized**

Jointly, these units ensure a high degree of specialization in product design. The concept of specialized supplier product units can rely on Group internal structures or on Group BES Companies. This block comprises the following Departments, Divisions and Group Companies:

- Financial Department, Markets and Surveys (FDMS)

- Banco Espírito Santo de Investimento (BESI)
- Besleasing Mobiliária and Imobiliária
- Espírito Santo Activos Financeiros (ESAF)
- Crediflash
- Credibom
- ES Seguros

##### **Basic**

These units supply products that are shared by the distribution units. Basically, these are traditional banking products – i.e. accounts, personal loans, etc. – developed by the Bank's internal structures. These units tend to advance into higher specialization levels. This block comprises the following Departments/Divisions:

- Operational Marketing Department (OMD)
- External Transactional Banking Department (ETBD)
- Personal Credit and Auto Loans Department (PCALD)

#### iii) Shared Services Units

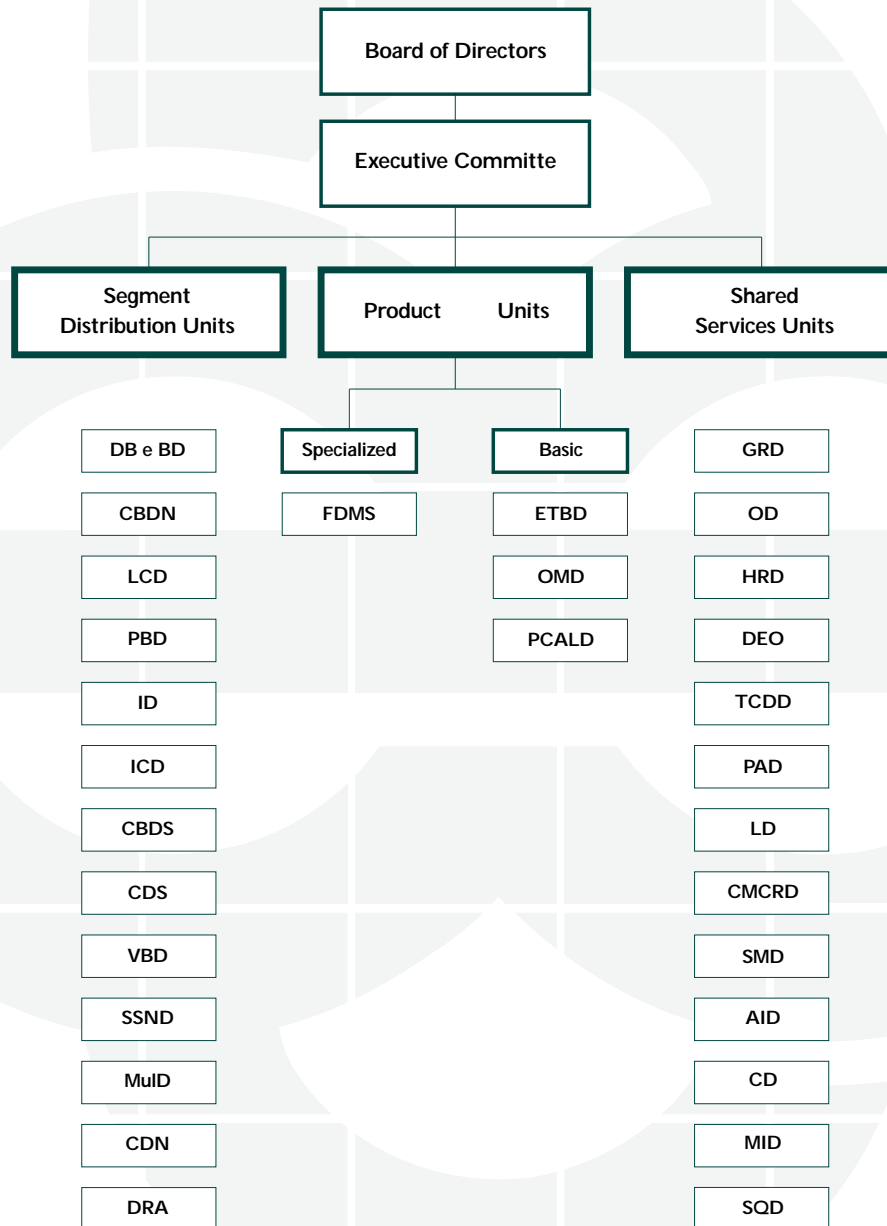
Block of Structures providing logistics support to the business. This block is made up of all the structures, either internal or at Group level, whose technical/operational activity is developed to provide direct support to the remaining units. This block comprises the following Departments, Divisions and Group Companies:

- Global Risk Department (GRD)
- Strategic Marketing Department (SMD)
- Organization Department (OD)
- Planning and Accounts Department (PAD)
- Management Information Department (MID)
- Audit and Inspection Department (AID)
- Department for the Execution of Operations (DEO)
- Human Resources Department (HRD)
- Legal Department (LD)
- Corporate Communication Department (CD)
- Service Quality Department (SQD)
- Training and Competencies Development Department (TCDD)
- Espírito Santo Data Informática
- Company Monitoring and Credit Recovery Department (CMCR) (DAERC)

#### iv) Group BES's multi-specialist model

<b>Segmented Distribution Units</b>		DB e BD	ICD	SSND
		CBDN	CBDS	MID
		LCD	CDS	CDN
		PBD	VBD	DRA
		ID		
<b>Product Units</b>	<b>Basic</b>	ETBD	OMD	PCALD
		FDMS	CREDIFLASH*	BESI*
	<b>Specialized</b>	BESLEASING*	ESAF*	
		CREDIBOM*	ES SEGUROS*	
<b>Shared Services Units</b>		GRD	TCDD	SMD
		OD	PAD	AID
		HRD	LD	CD
		DEO	CMCR	MID
		SQD		ESDI*

\* Group BES Companies



The main responsibilities and duties of each of BES's department units are given below.

**Planning and Accounts Department (PAD)**

Records and controls accounting operations, coordinates and promotes provisioning and depreciation policies. Coordinates the Bank and the Group's budgetary process and management control.

**Management Information Department (MID)**

Responsible for implementing Group BES's management information system to provide a guiding framework to management decisions. Translates the Group's vision and strategy into operating terms (objectives/measures).

**Corporate Communication Department (CD)**

Responsible for managing Group BES's corporate image and institutional communication.

**International Department (ID)**

Monitors and controls the management of Group BES's units abroad, ensuring that the global external relations policy is implemented.

**External Transactional Banking Department (ETBD)**

Expertise center in transactional banking products. Among other tasks, promotes commercial relations with non-resident Financial Institutions.

**International Corporate Department (ICD)**

Responsible for the commercial monitoring of multinational companies operating in Portugal.

**Subsidiaries Office (SO)**

Coordinates the incorporation of companies and acquisition of equity holdings.

**Private Banking Department (PBD)**

Structure providing customized financial consultancy and asset planning services to high net-worth customers.

**Department of Residents Abroad (DRA)**

Commercial approach to the segment of Portuguese emigrants abroad.

**Office for Relations with BESSA (ORB)**

Responsible for developing a relational and basis and ensuring full reciprocity between all BES and BESSA branches.

**Large Corporates Department (LCD)**

Responsible for managing the portfolios of corporate customers with turnover in excess of Euro 2.5 million.

**Corporate Banking Department – South (CBDS)**

Controls and monitors all Corporate Centers in the Lisbon, Center and Southern areas and in the Islands.



**Corporate Banking Department – North (CBDN)**

Controls and monitors all Corporate Centers in the Greater Oporto and Northern areas.

**Corporate Marketing Office (CMO)**

Develops sales and management support tools for the medium-sized corporate segment.

**Municipals and Institutionals Department (MID)**

Responsible for the commercial monitoring of the local administration and institutionals segment.

**Commercial Department – North (CDN)**

Develops retail commercial action in the North.

**Personal Credit and Auto Loans Department (PCALD)**

Develops, implements and manages the personal and auto loans product range in the Bank's different channels and in the retail segment.

**Financial Department, Markets and Surveys (FDMS)**

Responsible for the treasury management and for managing and coordinating the negotiation of financial instruments and products and respective derivative instruments. Analyses, controls and reports the Bank's exposure to market risks. Promotes and develops surveys on macroeconomic conditions and financial markets.

**Global Risk Department (GRD)**

Ensures that the solvency of the Group and of each of its companies is preserved, by executing a risk policy aligned with the strategic objectives. Using risk-adjusted return tools, provides a framework for operating and strategic decisions based on the criterion of creation shareholder value.

**Company Monitoring and Credit Recovery Department (CMCR)**

Develops and promotes adequate measures regarding the credit of companies under its responsibility, as well as that transferred to the Overdue loans category, all from a business-oriented standpoint.

**Audit and Inspection Department (AID)**

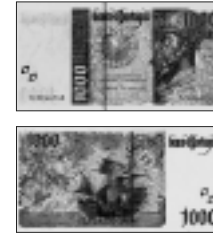
Fine-tunes control procedures to improve the organization's functioning and reduce general risk conditions.

**Organization Department (OD)**

Its purpose is to set up and maintain the Bank and the Group's administrative and operating organization, seeking to optimize processes and the allocation of resources.

**Department for the Execution of Operations (DEO)**

This is the body in the Bank that actually executes processes, namely regarding credit, funds, guarantees, transfers and values.



### **Legal Department (LD)**

Its mission is to ensure legal certainty and security in the credit operations and contracts in which the Bank is a party. It analyses, studies and prepares new legal and fiscal solutions. It acts, in court and out of court, against situations liable of harming the Bank's interests.

### **Strategic Marketing Department (SMD)**

Identifies the financial needs of the different market sectors, devising value proposals and establishing a competitive approach. Is responsible for executing the communication strategy for the Bank's products, as well as the management and analytic exploitation of the customer database.

### **Direct Banking and e-Business Department (DBeBD)**

Promotes the cross-selling of financial products by exploring alternative customer service channels, namely the Internet and Telephone Banking.

### **Human Resources Department (HRD)**

Defines and monitors policies and procedures concerning human resources management. Proposes and supervises the implementation of a strategy aimed at managing senior staff while attracting, motivating and retaining the most talented.

### **Self-Service Network Department (SSND)**

Manages, coordinates and supervises the whole Multibanco and MultiBES ATM network, the POSs, and other self-service equipment.

### **Virtual Banking Division (VBD)**

Responsible for establishing partnerships with companies/institutions under which a global and exclusive range of bank products and services is offered to their employees.

### **Training and Competencies Development Department (TCDD)**

Promotes the development of competencies, performance, efficiency and productivity at the human-resources level, executing the Bank's training policy.

### **Operational Marketing Department (OMD)**

Applies, coordinates and manages the offer of retail products and services. Promotes functional links between product factories and distribution channels. Implements and organizes the launch of products and services under a segmented commercial approach; supports BES's entire commercial network.

### **Commercial Department - South (CDS)**

Develops retail commercial action in the South.

### **Service Quality Department (SQD)**

Represents the voice of the Customer in the Group, ensuring that the organization's strategy is geared towards providing customer satisfaction, as well as the mechanisms to promote service quality.

## 2.2 – Share Price Performance

The performance of BES shares in 2001 is given below.

In 2001 the net dividend per share paid by BES to its shareholders on the 2000 earnings was euro 0.3240.

During the reporting year no relevant fact occurred concerning the issue of shares or other securities liable of conferring rights to subscribe or acquire shares. However, the General Meeting held on December 31, 2001 approved an increase in BES registered share capital from euro 1.0 billion to up to euro 1.5 billion through the issue of up to 100,000,000 new shares reserved for shareholders. This capital increase will take place in 2002, as follows:

- By incorporation of reserves: 50,000,000 new shares in the proportion of 1 new share for each 4 already held
- By fresh cash inflows: 50,000,000 new shares reserved for subscription by current shareholders in the proportion of 1 new share for each 4 already held, at the price of euro 11 each.

More detailed information is given in point 6.3 of the Annual Report.

## 2.3 – Dividend Policy

The Bank's expectations are to pay dividends corresponding to at least 50% of its net individual earnings. Still, this intent is dependent on the evolution of BES's financial conditions and results, as well as on other factors deemed relevant by the Board of Directors.

Accordingly, and as described in the proposal on the distribution of the 2001 earnings, BES's Board of Directors will submit to the General Meeting a proposal to pay a dividend per share of euro 0.376.

## 2.4 – Plans to Allot Shares and Stock Option Plans

BES has in place two systems of attributing a variable remuneration to its employees, which apply regardless of the post or professional category occupied. These are the Objectives and Incentives System (SOI) and the Stock-based Incentive System (SIBA). However,

none of these systems constitutes a scheme for the attribution of stock options.

The SOI consists in a scheme for employee sharing in BES's profits that takes into account individual performance. This is assessed in both qualitative terms (through a professional rating given by the superior officer) and quantitative terms (commercial objectives, cost to income or service levels depending on the department where the employee in question works).

The SIBA is one of the main tools used to implement BES's human resources policy. It is justified by the willingness to foster loyalty in employees and stimulate their commitment to a permanent improvement of business and results.

This incentives scheme consists in the sale to the employees of one or more blocks of BES shares with deferred settlement. The employees eligible to benefit from the SIBA are the members of the Executive Committee and BES's active workers, the employees and executive board members of Group Banco Espírito Santo (understood as the universe of companies made up of BES, all Credit Institutions and Financial

(euros)

2001	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Min</b>	17,20	17,30	16,30	15,02	14,60	15,35	13,80	13,55	11,50	12,90	13,85	13,90
<b>Avrg</b>	17,50	17,62	17,30	15,85	15,20	15,93	14,72	13,72	12,21	13,55	14,16	14,04
<b>Max</b>	17,79	17,93	18,00	16,90	16,00	16,17	16,15	13,95	13,50	14,10	14,75	14,47
<b>Last</b>	17,45	17,68	16,80	15,30	16,00	16,15	14,00	13,55	13,00	13,70	13,90	14,47

Source: BVL-DATHIS

Companies included in the banking supervision consolidation scope, and the banking Complementary Grouping of Companies in which BES participates. The Board of Directors, based on a proposal submitted by the Executive Committee, selects the potential beneficiaries and determines the quantity of shares to be made available to each of them. When drawing up this proposal, the Executive Committee takes into account the performance appraisal of potential beneficiaries according to the responsibility involved in and the objectives established for the respective positions. When the decision involves any member of the Executive Committee, it will be taken by the Remuneration-Setting Committee.

As far as the SIBA is concerned the share's unit selling price is that which results from dividing the value of the shares' closing price in the Lisbon and Oporto Stock Exchange session immediately prior to the date of the sale by the total number of shares, plus the value corresponding to the dividends that may be attributed to these shares up to their full redemption, plus the value equivalent to financial charges on eventual loans granted under capital increases by cash inflows.

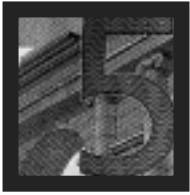
## **2.5 – The use of New Information Technologies for the Disclosure of Information**

Group BES discloses its financial information, namely annual and interim reports, financial statements and quarterly, interim and annual brief synthesis of the activity through the internet (<http://www.bes.pt>).

In compliance of the SEC's express guidelines, an Investor Relations microsite was created in 2001 to increase the level of sophistication of the information available via the internet to shareholders, investors and analysts. Some examples of the information provided are regular presentations to analysts, a calendar of BES events, of interest to investors, the structure of debt issuance, and quarterly financial information. As far as its relation with shareholders, investors and analysts is concerned, BES's institutional site also permits to make inquiries and suggestions and contact the Bank. Moreover, all the preparatory documents to General Meetings are published in BES's institutional site.

## **2.6 – Investor Information Office**

The role of supporting and providing clarification to investors and analysts is ensured by BES's Corporate Communication Department (Paulo Padrão and Elsa Jardim), which may be contacted by phone (00 351 21 350 17 13), by mail (Avenida da Liberdade, 195, 11º, 1250-142 Lisboa, Portugal) or through the internet (site: [www.bes.pt/ir](http://www.bes.pt/ir) or e-mail: [investor.relations@bes.pt](mailto:investor.relations@bes.pt)). This department ensures regular and frequent contact with the different investors, promoting the disclosure of information, and keeping the shareholders and the market in general permanently informed. The person in charge with market relations with the SEC (Júlio André) is responsible for the contacts with the authorities and the disclosure of information through announcements and/or relevant event notices.



### 3 – The Exercise of Shareholder Voting and Representation Rights.

General Meetings are convened in the terms and with the advance notice required by law. Before each annual general meeting, the Chief Executive Officer addresses a letter to the shareholders where, besides giving an overview of the previous year's activity, also stresses the importance of having all shareholders participate in the meeting.

On the other hand BES regularly takes initiatives aimed at the disclosure of information to ensure that the dates and agendas of its general meetings are widely publicized, and hence stimulate an increased participation of shareholders in these meetings.

The holders of shares registered in their name no later than 15 (fifteen) days prior to the date of the meeting are entitled to participate in the meeting. The shareholder is also required to deliver to BES a communication from the financial agent where his/her shares are registered addressed to the Chairman of the General meeting, certifying that (i) the shares were registered in his/her name no later than 15 (fifteen) days prior to the date of the meeting and (ii) that the freezing of the shares since then and up to the closing of the meeting has been registered.

Those shareholders who, under the terms of the law, wish to cause themselves to be represented in a General Meeting should deliver the respective representation instruments to BES's head-office no later than 5 (five) days prior to the day of the meeting.

Likewise, all corporations that are shareholders and wish to be represented in a General Meeting should indicate their representative within the same time limit. However, the Chairman of the General Meeting may allow the participation in a General Meeting of representatives that were not indicated within the prescribed time limit, providing it is ascertained that this will not hamper the General Meeting's works. BES guarantees the availability of suitable information for the shareholder represented, namely by making available, for consultation, the proposals that will be submitted to the General Meeting, so that he/she can give voting instructions to this/her representative.

Each 100 (one hundred) shares will be entitled to one vote, although shareholders owning less than this number of shares may form a group under the terms of the law.

Under the terms of the law, postal votes are admitted. Voting instructions, enclosed in a sealed envelope and addressed to the Chairman of the General Meeting, should be delivered to BES's head-office no later than by 18:00 (eighteen) hours of the fifth business day prior to the day designated for the General Meeting. Shareholders' signatures must be authenticated by a notary public or certified by BES's secretary. A form for postal voting is available for consultation from BES's Secretary (at the Company's Legal Department – Head-office building) or at the Bank's internet site ([www.bes.pt](http://www.bes.pt)).

The system that will permit the exercise of voting rights by electronic devices is not yet operational.

### 4 – Company Internal Regulations

#### 4.1 – Code of Conduct

BES is very strict and exacting in the translation of legal norms on these matters into its Code of Conduct. This Code has been filed in the Securities and Exchange Commission for registration.

Meanwhile, the Bank complies scrupulously with the conduct rules specifically applying to its activity, namely those set out in the General Law on Credit Institutions and Financial Companies, the Stock Exchange Code, the rules issued by the supervision authority and those provided in the Code of Conduct prepared by the Portuguese Banks Association.

#### 4.2 – Internal Procedures to Control the Risks Arising from BES's Activity

BES has an internal structure that is especially dedicated to controlling the risk inherent in its activity. The information concerning the attribution of powers, the organization and the levels of risk is broadly presented in points 4.7 and 6.2 of the Management Report.

In addition, the following organic units are responsible for internal auditing and risk management:

##### i) Global Risk Committee

This Committee has the following responsibilities:

- to submit to the Executive Committee's approval methodologies, policies, procedures and instruments to deal with all types of risk incurred by Group BES;
- to ensure coordination between the Global Risk Department's activity and the business units and central departments;
- to ensure that the business units comply with the methodologies, policies and procedures approved;
- to give opinions to the Executive Committee on the approval of new products whose features make them rather complex in terms of risk;
- to act as a monitoring committee on matters of risk pertaining to all projects conducted within the Group;
- to validate results and approve recommendations;
- to decide which initiatives are priorities and to allocate internal and external resources to their implementation;
- to decide on the communication plan that suits the organization's different levels;
- to ensure that there is an integrated vision of the different types of risk.

As a rule this committee meets every month. It includes the following executive board members:

Ricardo Espírito Santo Silva Salgado  
 Mário Mosqueira do Amaral  
 António José Baptista do Souto  
 Jorge Alberto Carvalho Martins  
 Manuel António Gomes de Almeida Pinho  
 José Maria Espírito Santo Silva Ricciardi

## ii) Audit and Inspection Department

Reporting directly to the Executive Committee, its relations with the other departments are

those which its functions require for the fulfillment of its objectives, namely carrying out audits and internal inquests.

Within the scope of its powers, it is responsible for:

- analyzing, verifying and conferring the operations made and the monetary and documentary values belonging to the Group or entrusted to it according to the control standards and mechanisms that have been established;
- ensuring and promoting the relations with Legal, Police and Supervision authorities, as well as responding to requests from other public and private entities;
- participating in the definition and preparation of sets of internal rules, as well as issuing and publishing communications and circular letters on matters pertaining to its specific sphere of action.

According to its organizational chart, the Audit and Inspection Department comprises the following units: Top Management, Operating Audit Office, Information Systems Audit Office, Audit to Branches Office, Audit to Central Services and Subsidiaries Office, Inspection Office and Administrative Section.

## 4.3 – The Existence of Limits on the Exercise of Voting Rights, Special Rights and Shareholder Agreements

As far as BES is aware, there is no shareholder agreement or clause in the Company's by-laws bearing on BES or on any of the companies in which it has equity holdings and whose shares

are listed on the stock exchange regarding the exercise of rights in the company or the transferability of shares.

## 5 – Board of Directors

### 5.1 – Description of the Board of Directors

Under the terms of Article 16 number 1 of the Bank's memorandum of association, the Board of Directors is composed of an odd number of members, from 11 (eleven) to 31 (thirty one). The number currently established is 27 (twenty seven). At present there are only 26 (twenty six) members of the board in office, and the existing vacancy will be filled in the next Annual General Meeting. Of these, 13 (thirteen) are executive members and 13 (thirteen) non-executive members.

BES has 12 (twelve) independent board members, being considered as such those that do not have economic, family or labor ties with BES's dominant shareholders. The Agenda for the next Annual General Meeting includes a proposal to elect another three members to BES's Board of Directors, these members falling within the concept of independent numbers. If this election takes place, the number of independent members will rise from 12 (twelve) to 15 (fifteen).

At present the Board of Directors comprises the following members:

#### **CHAIRMAN (NON-EXECUTIVE)**

##### **António Luís Roquette Ricciardi**

The post held in BES is not his main activity. Is a non-independent member, given his ties with the shareholders having qualified stakes in BES.

##### **Member of the Board of Directors in:**

Banque Espírito Santo et de la Vénétie, S.A.

Bespar - Sociedade Gestora de Participações Sociais, S.A.

Compagnie Bancaire Espírito Santo, S.A.

ES Control Holding, S.A.

Espírito Santo International Holding, S.A.

Esfint Holding, S.A.

Espírito Santo Financial Group, S.A.

Espírito Santo Resources, Limited

Espírito Santo Services, S.A.

Gespetro – Sociedade Gestora de Participações Sociais, S.A.

Partran – Sociedade Gestora de Participações Sociais, S.A.

##### **General Meeting:**

Banco Internacional de Crédito, S.A.

Espírito Santo Tourism (Portugal) – Consultoria de Gestão Empresarial, S.A.

Espírito Santo Viagens – Sociedade Gestora de Participações Sociais, S.A.

Espírito Santo Property Holding (Portugal), S.A.

Espírito Santo Resources (Portugal), S.A.

Gestres – Gestão Estratégica Espírito Santo, S.A.

Quinta dos Cónegos – Sociedade Imobiliária, S.A.

The Atlantic Company (Portugal) – Turismo e Urbanização, S.A.

Top Atlântico Turismo – Holding de Distribuição Turística, Sociedade Gestora de Participações Sociais, S.A.

#### **VICE-CHAIRMAN (CHIEF EXECUTIVE OFFICER)**

##### **Ricardo Espírito Santo Silva Salgado**

The post held in BES is his main professional activity. Is an non-independent member. In addition to BES, exercises functions in the following companies:

##### **As member of the Board of Directors:**

Banco Espírito Santo de Investimento, S.A.

Banco Espírito Santo do Oriente, S.A.

Banco Espírito Santo, S.A. (Spain)

Bank Espírito Santo International, Limited

Banque Espírito Santo et de la Vénétie, S.A.

BES Finance, Ltd.

BES Overseas, Ltd

BES.Com, SGPS, S.A.

Bespar – Sociedade Gestora de Participações Sociais, S.A.

BEST – Banco Electrónico de Serviço Total, S.A.

Cariges, S.A.

Casa dos Pórticos – Sociedade de Administração de Bens, S.A.

Compagnie Bancaire Espírito Santo, S.A.

ES Control (BVI), S.A.

ES Control Holding, S.A.

ES Holding Administração e Participações, S.A.

Espírito Santo International Holding, S.A.

ESAF - Espírito Santo Activos Financeiros, SGPS, S.A.

ESCA Participation, Limited

Esfint Holding, S.A.

Espírito Santo Bank (Florida)

Espírito Santo BP Invest, S.A.

Espírito Santo BVI Participation, Ltd.

Espírito Santo Financial (BVI), S.A.

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

Espírito Santo Financial Group S.A.

Espírito Santo Industrial (BVI), S.A.

Espírito Santo International (BVI), S.A.

Espírito Santo Overseas, Ltd.

Espírito Santo Property (BVI), S.A.

Espírito Santo Resources, Limited

Espírito Santo Financial Services, Inc

Euronext TNV

Gesor, S.A.

Gespetro – Sociedade Gestora de Participações Sociais, S.A.

Maes – Administração, Participações e Consultoria, S.A.

Novagest Assets Management, Ltd.

Partran – Sociedade Gestora de Participações Sociais, S.A..

Sociedade de Administração de Bens Pedra da Nau, S.A.

## VICE-CHAIRMAN (NON-EXECUTIVE)

### Jean Gaston Pierre Marie Victor Laurent

The post held in BES is not his main professional activity. Is an independent member. Also exercises functions in the following companies:

#### As member of the Board of Directors:

Amacam  
Association Française des Etablissements de Crédit  
et des Entreprises d'Investissement  
Banca Intesa  
Crédit Agricole Asset Management  
Crédit Agricole, S.A. (General Manager)  
Crédit Lyonnais  
Fédération Bancaire Française  
Segespar  
Union d'Études et d'Investissements

#### As member of the Audit Committee:

Crédit Agricole Indosuez

## MEMBERS OF THE EXECUTIVE COMMITTEE:

### Mário Mosqueira do Amaral

The post held in BES is his main professional activity. Is a non-independent member. In addition to BES, he exercises functions in the following companies:

#### As member of the Board of Directors:

Amaral & Pinto – Empreendimentos Imobiliários, S.A.  
Banque Espírito Santo et de la Vénétie, S.A.  
Banco Espírito Santo North American Capital Corporation  
Bespar – Sociedade Gestora de Participações Sociais, S.A.  
Campos & Amaral – Sociedade Turística e Imobiliária, S.A.  
Compagnie Bancaire Espírito Santo, S.A.  
Espírito Santo Control Holding, S.A.  
Espírito Santo International Holding, S.A.  
Espírito Santo Services, S.A.  
Espírito Santo Financial Group, S.A.

Espírito Santo Investment Management  
Espírito Santo Overseas, Ltd  
Espírito Santo Resources Limited  
Gespetro - Sociedade Gestora de Participações Sociais, S.A.  
Partran - Sociedade Gestora de Participações Sociais, S.A.

#### General Meeting:

Banco Internacional de Crédito, S.A.  
Gesfimo – Espírito Santo Irmãos – Sociedade Gestora de Fundos  
de Investimento Imobiliário, S.A.  
Telepri – Telecomunicações Privadas, SGPS, S.A.

### José Manuel Pinheiro Espírito Santo Silva

The post held in BES is his main professional activity. Is a non-independent member. In addition to BES, exercises functions in the following companies:

#### As member of the Board of Directors:

Banco Espírito Santo de Investimento, S.A.  
Banque Espírito Santo et de la Vénétie, S.A.  
Banco Espírito Santo, S.A. (Spain)  
Bespar - Sociedade Gestora de Participações Sociais, S.A.  
Casa da Saudade – Administração de Bens Móveis e Imóveis, S.A.  
Compagnie Bancaire Espírito Santo, S.A.  
ES Control Holding, S.A.  
ES Holding Administração e Participações, S.A.  
Espírito Santo International Holding, S.A.  
ESAF - Espírito Santo Activos Financeiros, SGPS, S.A.  
Espírito Santo Bank  
Espírito Santo Financial (Portugal) – Sociedade Gestora de Participações  
Sociais, S.A.,  
Espírito Santo Financial Consultants (Gestão de Patrimónios), S.A.  
Espírito Santo Financial Group, S.A.  
Espírito Santo Overseas, Ltd.  
Espírito Santo Resources Limited  
Espírito Santo Services, S.A.  
Europ Assistance – Companhia Portuguesa de Seguros de Assistência, S.A.  
Fiduprivate – Sociedade de Serviços, Consultoria, Administração  
de Empresas, S.A.



Gespetro - Sociedade Gestora de Participações Sociais, S.A.  
Parfil – Sociedade de Gestão de Participações Financeiras, SGPS, Lda.  
Quinta dos Cónegos – Sociedade Imobiliária, S.A.  
Ribeira do Marchante – Administração de Bens Móveis e Imóveis, S.A.  
Sociedade Imobiliária e Turística da Quinta do Perú, S.A.

#### **António José Baptista do Souto**

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The post held in BES is his main professional activity. Is an independent member. In addition to BES, exercises functions in the following companies:

##### **As member of the Board of Directors:**

Angra Moura – Sociedade de Administração de Bens, S.A.  
Besleasing Imobiliária – Sociedade de Locação Financeira, S.A.  
Besleasing Mobiliária – Sociedade de Locação Financeira, S.A.  
Companhia de Seguros Tranquilidade, S.A.  
Espírito Santo – Companhia de Seguros, S.A.  
Espírito Santo – Empresa de Prestação de Serviços, ACE  
Espírito Santo Data Informática, S.A.  
Espírito Santo Overseas, Ltd  
SIBS – Sociedade Interbancária de Serviços, S.A.  
Unicre – Cartão Internacional de Crédito, S.A.

#### **Jorge Alberto Carvalho Martins**

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The post held in BES is his main professional activity. Is an independent member. In addition to BES, exercises executive functions in the following companies:

##### **As member of the Board of Directors:**

Banco Espírito Santo, S.A. (Spain)  
Credibom – Sociedade Financeira para Aquisições a Crédito, S.A.

##### **General Meeting:**

Leica, Aparelhos Ópticos de Precisão, S.A.

##### **As member of the Audit Committee:**

Agência de Desenvolvimento Regional de Entre-o-Douro e Tâmega

##### **As member of the Higher Council:**

Primus - Promoção e Desenvolvimento Regional, S.A.

#### **Manuel António Gomes de Almeida Pinho**

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The post held in BES is his main professional activity. Is a non-independent member. In addition to BES, exercises functions in the following companies:

##### **As member of the Board of Directors:**

Banco Espírito Santo de Investimento, S.A.  
BES Finance, Ltd.  
BES Overseas, Ltd.  
ESAF – Espírito Santo Activos Financeiros, SGPS, S.A.

#### **José Manuel Ferreira Neto**

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His main professional activity is that of Chairman of the Board of Directors of Banco Internacional de Crédito S.A., which is held at 100% by BES. He is an independent member. Also exercises functions in the following companies:

##### **As member of the Board of Directors:**

Banco Internacional de Crédito, S.A.  
ESAF – Espírito Santo Activos Financeiros, S.A.

##### **As member of the Audit Committee:**

Fundação Cultursintra

#### **Patrick Gérard Daniel Coudène**

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The post held in BES is his main professional activity. Is a non-independent member, and also exercises functions in the following companies:

##### **As member of the Board of Directors:**

Banco Espírito Santo, S.A. (Spain)  
BES.com, SGPS, S.A.

Bespar – Sociedade Gestora de Participações Sociais, S.A.  
Espírito Santo – Companhia de Seguros, S.A.

#### **José Maria Espírito Santo Silva Ricciardi**

The post held in BES is his main professional activity. Is a non-independent member. Also exercises functions in the following companies:

##### **As member of the Board of Directors:**

Banco Espírito Santo de Investimento, S.A.  
Bespar – Sociedade Gestora de Participações Sociais, S.A.  
Espírito Santo Investment, Plc (Ireland)  
Espírito Santo Empresa de Prestação de Serviços, ACE  
Espírito Santo Activos Financeiros, SGPS, S.A.  
Espírito Santo Financial Group, S.A.  
ESSI – SGPS, S.A.  
ESSI Comunicações, SGPS, S.A.  
ESSI Investimentos, SGPS, S.A.  
Multiger – Sociedade de Compra, Venda e Administração  
de Propriedades, S.A.  
Palácio do Correio Velho – Sociedade Comercial de Leilões, S.A.

##### **General Meeting:**

Controlled Sport (Portugal) Turismo Cinagética e Agricultura, S.A.  
Espírito Santo Participações Financeiras, SGPS, S.A.

##### **Audit Committee:**

Central de Cervejas, S.A.  
Sporting Clube de Portugal

#### **Jean-Luc Louis Marie Guinoiseau**

The post held in BES is his main professional activity. Is an independent member. In addition to BES, exercises functions in the following companies:

##### **As member of the Board of Directors:**

Besleasing Imobiliária – Sociedade de Locação Financeira, S.A.  
Besleasing Mobiliária – Sociedade de Locação Financeira, S.A.  
Credibom – Sociedade Financeira para Aquisições a Crédito, S.A.  
Crediflash – Sociedade Financeira para Aquisições a Crédito, S.A.

#### **Dr. Rui Manuel Duarte Sousa da Silveira**

The post held in BES is his main professional activity. Is an independent member. Also exercises functions in the following companies:

##### **As member of the Board of Directors:**

Espírito Santo – Unidades de Saúde e de Apoio à Terceira Idade, S.A.  
Sociedade de Administração de Bens, Casa de Bons Ares, S.A.

##### **General Meeting:**

Banco Internacional de Crédito, S.A.  
BES.com – Desenvolvimento Empresarial e Serviços de Gestão, S.A.  
BES.com, SGPS, S.A.  
Bespar – Sociedade Gestora de Participações Sociais, S.A.  
BEST – Banco Electrónico de Serviço Total, S.A.  
Capital Mais – Assessoria Financeira, S.A.  
Casa do Visconde – Sociedade de Administração  
de Bens Móveis e Imóveis, S.A.  
Casa dos Pórticos – Sociedade de Administração de Bens, S.A.  
Centum – Sociedade Gestora de Participações Sociais, S.A.  
Companhia de Seguros Tranquilidade, S.A.  
Credibom – Sociedade Financeira para Aquisições a Crédito, S.A.  
Crediflash – Sociedade Financeira para Aquisições a Crédito, S.A.  
ES Interaction – Sistemas de Informática Interactivos, S.A.  
ES Capital – Sociedade de Capital de Risco, S.A.  
Espírito Santo Cobranças, S.A.  
ESAF – Espírito Santo Activos Financeiros, SGPS, S.A.  
ESAF – Espírito Santo Fundos de Investimento Imobiliário, S.A.  
ESAF – Espírito Santo Fundos de Investimento Mobiliário, S.A.  
ESAF – Espírito Santo Fundos de Pensões, S.A.  
ESAF – Espírito Santo Participações Internacionais, SGPS, S.A.  
Espírito Santo – Companhia de Seguros, S.A.  
Espírito Santo – Gestão de Patrimónios, S.A.  
Espírito Santo Data Informática, S.A.  
Espírito Santo Equipamentos de Segurança, S.A.  
Espírito Santo Financial (Portugal) – Sociedade Gestora  
de Participações Sociais, S.A.  
Espírito Santo Financial Consultants (Gestão de Patrimónios), S.A.  
Espírito Santo Hotéis, SGPS, S.A.  
Espírito Santo Irmãos – Sociedade Gestora de Participações Sociais, S.A.  
Espírito Santo Prestação de Serviços, A.C.E.

Espírito Santo Saúde, SGPS, S.A.  
 Espírito Santo Tourism (Portugal) – Consultoria de Gestão Empresarial, S.A.  
 Europ Assistance – Companhia Portuguesa de Seguros de Assistência, S.A.  
 Fundo de Turismo – Capital de Risco, S.A.  
 Fundo de Turismo – Sociedade Gestora de Fundos  
 de Investimento Imobiliário, S.A.  
 Gespetro – Sociedade Gestora de Participações Sociais, S.A.  
 Multiger – Sociedade de Compra, Venda e Administração  
 de Propriedades, S.A.  
 Oblog Software, S.A.  
 Partran – Sociedade Gestora de Participações Sociais, S.A.  
 Quinta Patiño – Sociedade de Investimentos Turísticos e Imobiliários, S.A.  
 Ribeira do Marchante – Sociedade de Administração de Bens Móveis e  
 Imóveis, S.A.  
 Sites – Sociedade Imobiliária e Turística Espírito Santo, S.A.  
 Sociedade de Administração de Bens, Duas Casas, S.A.  
 Sociedade de Administração de Bens, Monte da Várzea do Moinho, S.A.  
 Sociedade de Administração de Bens, Pinhal da Gandarinha, S.A.  
 Sociedade de Administração de Bens, Pinhal de Cima, S.A.  
 Vila Pasadena – Sociedade de Administração de Bens, S.A.

**As member of the Audit Committee:**

Instituto Português de Direito Bancário

**Joaquim Aníbal Brito Freixial de Goes**

The post held in BES is his main professional activity. Is an independent member, and also exercises functions in the following companies:

**As member of the Board of Directors:**

BES.com, SGPS, S.A.  
 Crediflash – Sociedade Financeira para Aquisições a Crédito, S.A.  
 ES Interaction – Sistemas de Informação Interactivos, S.A.  
 Espírito Santo Data Informática, S.A.  
 Portugal Telecom, SGPS, S.A.

**Pedro José de Sousa Fernandes Homem**

The post held in BES is his main professional activity. Is an independent member. Also exercises functions in the following companies:

**As member of the Board of Directors:**

Empresa de Servicios de Inversion Hiscapital, A.V., S.A.  
 ESAF – Espírito Santo Activos Financeiros, SGPS, S.A.  
 Espírito Santo Financial Consultants (Gestão de Patrimónios), S.A.

**NON-EXECUTIVE MEMBERS:**

**Yves Henri Camille Barsalou**

The post held in BES is not his main professional activity. Is an independent member, and also exercises functions in the following companies:

**As member of the Board of Directors:**

Academie d'Agriculture de France  
 Confederation Internationale de Crédit Agricole  
 Credit Foncier de Monaco  
 Fondation du Crédit Agricole  
 Groupe Val d'Orbieu Listel  
 Société Anonyme des Caves & Producteurs Réunis de Roquefort  
 Sodagri – Société de Développement Agricole  
 Total-Fina-Elf  
 Union d'Études et d'Investissements

**Gilles François Gramat**

The post held in BES is not his main professional activity. Is a non-independent member, and also exercises functions in the following companies:

**As member of the Board of Directors:**

Idia Participations, S.A.  
 Sofagri Participations, S.A.

Sofagri, S.A.  
Sofipar, S.A.  
Unipar, S.A.  
Altra Banque, S.A.  
Eurazeo, S.A.  
François Charles Oberthur Fiduciaire, S.A.  
Banque Libano-Française, S.A.  
Crédit Agricole Deveurope Bv  
Agos-Itafinco, S.P.A.  
Banca Intesa BCI, S.P.A.  
Bespar, Sociedade Gestora de Participações Sociais, S.A.  
Agrinova Participations  
Monparnasse SNC  
Domaines Listel

**As member of the Audit Committee:**

Elior, Société en Commandite par Actions  
Lukas, S.A.  
Atria Capital Partenaires, S.A.

**Aníbal da Costa Reis de Oliveira**

The post held in BES is not his main professional activity. Is a non-independent member. Also exercises functions in the following companies:

**As member of the Board of Directors:**

Acro, SGPS, S.A.  
Aurecom – Automóveis, Reparações e Comércio, Lda.  
Diliva – Sociedade de Investimentos Imobiliários, S.A.  
Espírito Santo Financial Group, S.A.  
Espírito Santo Financial (Portugal), SGPS, S.A.  
Fábrica Têxtil Riopele, S.A.  
Filatex Têxteis, S.A.  
Olicor Têxteis, Lda.  
Olifil Têxteis, S.A.  
Olinveste, SGPS, Lda.  
Urpor – Imobiliária, S.A.

**Manuel de Magalhães Villas-Boas**

The post held in BES is not his main professional activity. Is a non-independent member. Also exercises functions in the following companies:

**As member of the Board of Directors:**

Banco Espírito Santo de Investimento, S.A.  
Bank Espírito Santo (International), Limited  
BES Overseas, Limited  
ESFG Overseas, Limited  
Espírito Santo Financial Group, S.A.  
Espírito Santo Investment Management  
Espírito Santo Overseas, Ltd.  
Modicus Limited

**Manuel Fernando Moniz Galvão Espírito Santo Silva**

The post held in BES is not his main professional activity. Is a non-independent member. Also exercises functions in the following companies:

**As member of the Board of Directors:**

Academia de Música de Santa Cecília  
Bespar – Sociedade Gestora de Participações Sociais, S.A.  
ES Control (BVI), S.A.  
ES Control Holding, S.A.  
Espírito Santo Internacional Holding, S.A.  
Espírito Santo Bank (Florida)  
Espírito Santo Financial Group, S.A.  
Espírito Santo Hotéis, SGPS, S.A.  
Espírito Santo Resources, Limited  
Espírito Santo Services, S.A.  
Espírito Santo Tourism (Europe), S.A.  
Espírito Santo Tourism (Portugal) – Consultoria de Gestão Empresarial, S.A.  
Espírito Santo Tourism, Limited  
Euroamerican Finance Corporation, Inc.  
Gespetro – Sociedade Gestora de Participações Sociais, S.A.  
Herdade do Reguengo – Exploração de Propriedades, S.A.  
Hotéis Tivoli, S.A.

Partran – Sociedade Gestora de Participações Sociais, S.A.  
Santogal, SGPS, S.A.  
Sociedade de Investimentos Imobiliários Sodim, S.A.  
Telepri – Telecomunicações Privadas, SGPS, S.A.  
The Atlantic Company, Limited

#### **Table of the General Meeting:**

Espart – Espírito Santo Participações Financeiras, SGPS, S.A.  
Hotelagos, S.A.  
Marinoteis – Sociedade de Promoção e Construção de Hotéis, S.A.  
Quinta Patiño – Sociedade de Investimentos Turísticos e Imobiliários, S.A.  
Siha – Sociedade de Investimentos Hoteleiros Almansor, S.A.  
Sociedade Imobiliária e Turística da Quinta do Perú, S.A.

#### **Jackson Behr Gilbert**

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The post held in BES is not his main professional activity. Is a non-independent member, and also exercises functions in the following companies:

#### **As member of the Board of Directors:**

Banco Espírito Santo, S.A. (Spain)  
Espírito Santo Bank of Florida  
Espírito Santo Financial Group, S.A.  
Espírito Santo Financial Services, Inc  
Espírito Santo Inversiones, S.A.  
Espírito Santo Overseas, Ltd.  
Espírito Santo Properties, Inc.

#### **Jean-Luc Marie Perron**

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The post held in BES is not his main professional activity. Is a non-independent member, and also exercises functions in the following companies:

#### **As member of the Board of Directors:**

Agos Itafinco (Italy)  
Banco Bisel (Argentina)  
Banco del Desarrollo (Chile)  
Banco Suquia (Argentina)  
Banque Commerciale de Grèce  
Crédit Agricole Consultants  
Deveurope (Chairman – General Manager)  
Fransabank SA (France)  
Fransabank SAL (Lebanon)  
Intesa BCI (Italy)  
Lebanese Leasing Company SAL (Lebanon)

#### **As member of the Audit Committee:**

Lukas Bank, S.A.

#### **Manuel António Ribeiro Serzedelo de Almeida**

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His main professional activity is that of Chairman of the Executive Committee of Banco Espírito Santo de Investimento S.A., which is held at 100% by BES. Is a non-independent member, and also exercises functions in the following companies:

#### **As member of the Board of Directors:**

Banco Espírito Santo de Investimento, S.A.  
BES Investimento do Brasil, S.A.  
BES.com, SGPS, S.A.  
Companhia Cervejas Estrela, S.A.  
Espírito Santo Financial Group, S.A.  
Espírito Santo Financial (Portugal),SGPS, S.A.  
Parfil, SGPS, Lda.  
Portugal Telecom, SGPS, S.A.  
Urfil, S.A.  
VTR, SGPS, S.A.



### **Francisco Luís Murteira Nabo**

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The post held in BES is not his main professional activity. Is an independent member, and also exercises functions in the following companies:

**As member of the Board of Directors:**

Associação Antigos Alunos de Económicas /ISEG  
Associação Comercial de Lisboa  
Associação Industrial Portuguesa  
Câmara de Comércio e Indústria Luso-Chinesa  
Fundação Luso Espanhola  
Portugal Telecom, SGPS, S.A.

### **Ilídio da Costa Leite de Pinho**

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The post held in BES is not his main professional activity. Is an independent member, and also exercises functions in the following companies:

**As member of the Board of Directors:**

Asiainvest, S.A.  
IP Agro  
IP Cínegética  
IP Holding, SGPS, S.A.  
IP Tur, S.A.  
IP Vale, S.A.  
Spiering, SGPS, S.A.

### **Herman Agneessens**

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The post held in BES is not his main professional activity. Is an independent member, and also a member of the board of directors of:

KBC Bankinsurance Holding (Director)

## 5.2 – Description of the Executive Committee and Other Committees with Powers to Intervene in Management Matters

Under the terms of Article 21 (2) of the Bank's memorandum of association, the Company shall have an Executive Committee composed of 11 (eleven), 13 (thirteen) or 15 (fifteen) members of the Board of Directors, to whom the Board of Directors delegates the day-to-day running of the company.

At present the Executive Committee comprises 13 (thirteen) members (already identified in the previous section), who are responsible for the following areas:

### **Ricardo Espírito Santo Silva Salgado**

Chairman of the Daily Financial and Credit Committee and ALCO Committee (Assets and Liabilities Committee); Planning, Control and Accounts, Asset Management, Supplies and Costs, Communication Department, General Secretariat to the Board of Directors, Management Information; also ensures coordination between BES activity and that of Bes.com, SGPS, S.A. and ESEGUR – Empresa de Segurança S.A.

### **Mário Mosqueira do Amaral**

International, External Transactional Banking, International Corporate, External Branches (New York, London, Madrid, Lausanne and Cayman Islands), Subsidiaries Office, International Holdings and Multinational Companies.

### **José Manuel Pinheiro Espírito Santo Silva**

Private Banking (Group BES Coordination), Residents Abroad, Historical Archives, Financial Consultants and Banco Espírito Santo, S.A. (Spain).

### **José Manuel Ferreira Neto**

Ensures coordination between BES activity and that of Banco Internacional de Crédito S.A..

### **António José Baptista do Souto**

Large Companies, Corporate North, Corporate South, Municipals and Institutionals, Corporate Marketing Office, Euro Committee. Also ensures coordination between BES activity and that of Espírito Santo Data Informática S.A., Besleasing Mobiliária – Sociedade de Locação Financeira S.A., Besleasing Imobiliária – Sociedade de Locação Financeira S.A. and Euroges – Aquisição de Créditos a Curto Prazo S.A..

### **Jorge Alberto Carvalho Martins**

Commercial Department – North, Personal Credit and Auto Loans Department. Also ensures coordination between BES activity and that of Credibom – Sociedade Financeira para Aquisições a Crédito S.A.

### **Manuel António Gomes de Almeida Pinho**

Financial Department, Markets and Surveys.

### **Patrick Gérard Daniel Coudène**

Commercial Department – South, Operational Marketing Department.

### **José Maria Espírito Santo Silva Ricciardi**

Global Risk, Company Monitoring and Credit Recovery Department, and Audit and Inspection.

### **Jean-Luc Louis Marie Guinoiseau**

Organization and Quality, Execution of Operations. Also ensures coordination between BES activity and that of Crediflash – Sociedade Financeira para Aquisições a Crédito S.A.

### **Rui Manuel Duarte Sousa da Silveira**

Legal Division of Banco Espírito Santo.

### **Joaquim Aníbal Brito Freixial de Goes**

Strategic Marketing, Direct Banking and e-Business, Human Resources, Virtual Banking, Training and Competencies Development and Self-Service Network.

### **Pedro José de Sousa Fernandes Homem**

Private Banking (BES).

In addition, there are the following committees with specialized powers on management matters:

#### **Business Units Monitoring Committees**

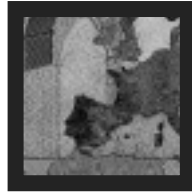
##### **i) Wholesale Committee (Corporate, Investment and International Banking)**

This committee has the following responsibilities: to submit to the Executive Committee the major strategic development guidelines for the Wholesale Banking area; to ensure that there is coordination between BES's corporate banking activity and the activity of Banco Espírito Santo de Investimento S.A.; to promote coordinated action with Banco Internacional de Crédito S.A., Banco Espírito Santo S.A. (Spain) and Banco Espírito Santo de Investimento do Brasil; to monitor the segment's evolution and the fulfillment of established targets; to decide on the allocation of resources; to control the margin and profitability; to submit proposals on price schedule changes to the ALCO Committee.

As a rule this committee meets every week, and includes the following members:

Mário Mosqueira do Amaral  
José Manuel Ferreira Neto  
Manuel António Ribeiro Serzedelo de Almeida  
António José Baptista do Souto  
Jorge Alberto Carvalho Martins  
Manuel António Gomes de Almeida Pinho  
José Maria Espírito Santo Silva Ricciardi  
Rafael Valverde (Banco Espírito Santo de Investimento, S.A.)





## ii) Retail Banking Committee (Individual Customers and Small Enterprises)

This committee has the following responsibilities: to submit to the Executive Committee the major strategic development guidelines for the Retail Banking area; to ensure that there is coordination between BES's retail banking activity and the activity of Banco Internacional de Crédito S.A.; to monitor business activities and the fulfillment of established targets; to decide on commercial initiatives reinforcing the Group's competitiveness; to control the margin and profitability; to submit proposals on price schedule changes to the ALCO Committee.

As a rule this committee meets every two weeks and includes the following members:

José Manuel Ferreira Neto  
Jorge Alberto Carvalho Martins  
Patrick Gérard Daniel Coudène  
Jean Luc Louis Marie Guinoiseau  
Joaquim Aníbal Brito Freixial de Goes

## iii) Private Banking Committee

This committee has the following responsibilities: to submit to the Executive Committee the major strategic development guidelines on global targets and the projected operating plan; to ensure that there is coordination between BES's Private Banking activity and the activity of Banco Internacional de Crédito S.A.; to approve a products and services policy that best meets the customers' needs and market opportunities; to analyze on a monthly basis the execution of the operating and performance plan and the quality levels of the service provided to the customer, while assessing the cooperation and efficiency level of internal and external suppliers; to control the margin and profitability; to submit proposals on price schedule changes to the ALCO Committee and assess power delegation proposals concerning credit and deposits operations; to watch the competition on a regular basis so as to be able to have an active role in recommending alternative strategies; to recommend the targets and incentives scheme; to ratify senior staff appointments.

As a rule this committee meets every month and includes the following members:

José Manuel Pinheiro Espírito Santo Silva  
José Manuel Ferreira Neto  
Manuel António Ribeiro Serzedelo de Almeida  
Jorge Alberto Carvalho Martins  
Manuel António Gomes de Almeida Pinho  
Pedro José de Sousa Fernandes Homem

## Specialized Monitoring Committees

### i) Financial and Credit Committee

The committee meets daily in Lisbon and is attended by officers from the following areas: corporate area, Municipals and Institutionals, Financial Department, Markets and Surveys, International Department and Global Risk Department. Operations exceeding the Board members' credit powers are submitted to this committee.

The committee meets daily in Oporto and is attended by officers from the following areas: Commercial Department – North, Corporate Banking Department – North, Global Risk Department and Municipals and Institutionals Department.

### ii) ALCO Committee

This committee has the following responsibilities: to analyze macroeconomic data from the main economic areas in the world; to analyze the ALCO report; to monitor and make a comparative analysis of products sold by the competition; to approve the guidelines on balance sheet mismatching management, namely by resorting to derivative instruments; to approve the products' price policy, introducing any changes considered necessary; to approve the marketing of products and respective conditions.

This committee meets at least once every month. It is headed by Dr. Ricardo Espírito Santo Salgado, the Chief Executive Officer, and attended by all the members of the Executive Committee,

representatives of the Financial, Markets and Surveys, Planning and Accounts, Global Risk, and Marketing Departments, and representatives of all Corporate and Private Banking Commercial Departments.

### **iii) Organization, Information Systems and Operations Committee**

This committee has the following responsibilities: to define priorities in terms of IT developments; to monitor ongoing IT projects; to ensure that information systems evolve in tandem with operating efficiency and the organizational structure; to promote the use of the Internet to improve the internal processes and procedures of all Group Espírito Santo units.

As a rule this committee meets every two weeks and includes the following members:

Ricardo Espírito Santo Silva Salgado  
José Manuel Ferreira Neto  
António José Baptista do Souto  
Jorge Alberto Carvalho Martins  
Jean – Luc Louis Marie Guinoiseau  
Joaquim Anibal Brito Freixial de Goes

It is also attended by representatives from the following units: Operational Marketing Department, Direct Banking and e-Business Department, Organization and Quality Department, Department for the Execution of Operations, as well as representatives from Espírito Santo Data Informática S.A..

### **iv) Global Risk Committee**

Cf. point 4.2.i) of this report

### 5.3 – How the Board of Directors Exercises Effective Control in its Guidance of the Company

According to the Bank's bye-laws, the Board of Directors meets at least quarterly and whenever convened by the Chairman or by two board members. The Board of Directors' Executive Committee meets as a rule every week, also ensuring day-to-day monitoring that on occasion requires general or partial meetings.

Some of the non-executive board members are executive members of the Board of Directors of companies with which BES has a shareholding relationship and for that reason are aware of part of BES's activity.

The Board of Directors' Secretariat is responsible for ensuring that the members of the Board and of the Executive Committee receive in due time – as a rule with at least 72 hours prior notice – all the appropriate documents for the analysis of the items included in the Agenda for each of these bodies' meetings.

### 5.4 – Internal Control Committees

#### i) Audit and Inspection Department

Cf. 4.2.ii) of this Report

#### ii) Audit Committee

The Audit Committee, created by a Board of Directors' resolution of 26 October 2001, has as its main task to assist BES's

Board of Directors in the fulfillment of its internal control duties. It has the power to conduct investigations on any matters within the sphere of its responsibilities. It is composed of two non-executive members of BES's Board of Directors.

This Committee meets at least four times a year, having full powers and autonomy to meet more often, as dictated by the circumstances. Minutes are drawn of every Committee meeting, which, after being signed by the respective members, are sent to the Board of Directors.

The Audit Committee's powers and responsibilities concern essentially the following areas:

#### – Financial Statements

- a) analysis of relevant accounting and financial reporting issues, including transactions of an exceptional nature or complexity, as well as recently issued regulations, determining and assessing the respective impact on BES's financial statements;
- b) analysis of external auditors' findings;
- c) analysis of BES's annual financial statements;
- d) overall analysis of BES's annual management report and other documents to be submitted to the financial markets' regulators.
- e) analysis of BES's interim financial reports.

#### – Internal Control System

- a) to assess the effectiveness of BES's internal control system in the

process of preparing annual and interim financial reports;

- b) to obtain a clear understanding of the scope of revisions of internal control over the process of preparing annual and interim financial reports.

#### – Internal Audit and Inspection

- a) to analyze action plans, activities, human resources and the organizational structure from the standpoint of its internal audit and inspection functions;
- b) to analyze the effectiveness of global risk control functions and internal audit and inspection functions.

#### – External Audit

- a) to analyze the external auditors' annual work planing proposal;
- b) to analyze the external auditors' performance and give final approval to their appointment or resignation;
- c) to analyze and confirm the external auditors' independence;
- d) to meet regularly with the external auditors.

#### – Compliance with laws, standards and regulations

- a) to analyze the effectiveness of BES's system of guaranteeing compliance with legal and regulatory requirements, as well as the findings of eventual investigations led by the Executive Committee and respective conclusion;
- b) to analyze the findings of examinations conducted by inspectors from governmental or regulatory entities, as well as observations on non-

- performance made by BES's external auditors;
- c) to follow-up the disclosure of the Code of Conduct and monitor the compliance with its rules and principles;
- d) to analyze any issues that may arise regarding compliance with the law, the standards and the regulations applying to BES.

– Providing information

- a) to keep the Board of Directors regularly informed of the Committee's work, problems faced and solutions proposed or recommended;
- b) to confirm that efficient and regular communication has been established and maintained between the Internal Audit Department, the Planning and Accounts Department, the Global Risk Department, the external auditors and BES's Board of Directors.

**5.5 – Remuneration of Members of the Board of Directors Dependent on the Results of BES**

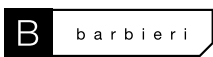
Part of the remuneration of the members of BES's board of directors depends on the results of the company, and they may share in the results subject to previous resolution taken by the shareholders in a General Meeting. The relevant variable to be considered for this purpose is BES's actual cost to income versus the budgeted figure. The amounts attributed are exactly the

same for all the members of the Executive Committee, except for the Chairman. The board members that are not part of the Executive Committee are not remunerated.

**5.6 – Remuneration Paid to the Members of the Board of Directors**

The table below shows the overall remuneration paid to the members of the board of directors as a whole, distinguishing between the fixed and the variable part of this remuneration:

Total fixed remuneration:	2,170,102.29 euros
Total variable remuneration:	619,506.99 euros



Criação, execução gráfica e impressão