

**Acquisition of 50%
and management control of
the bancassurance subsidiaries of
the Espírito Santo Group in Portugal**

20 February 2006

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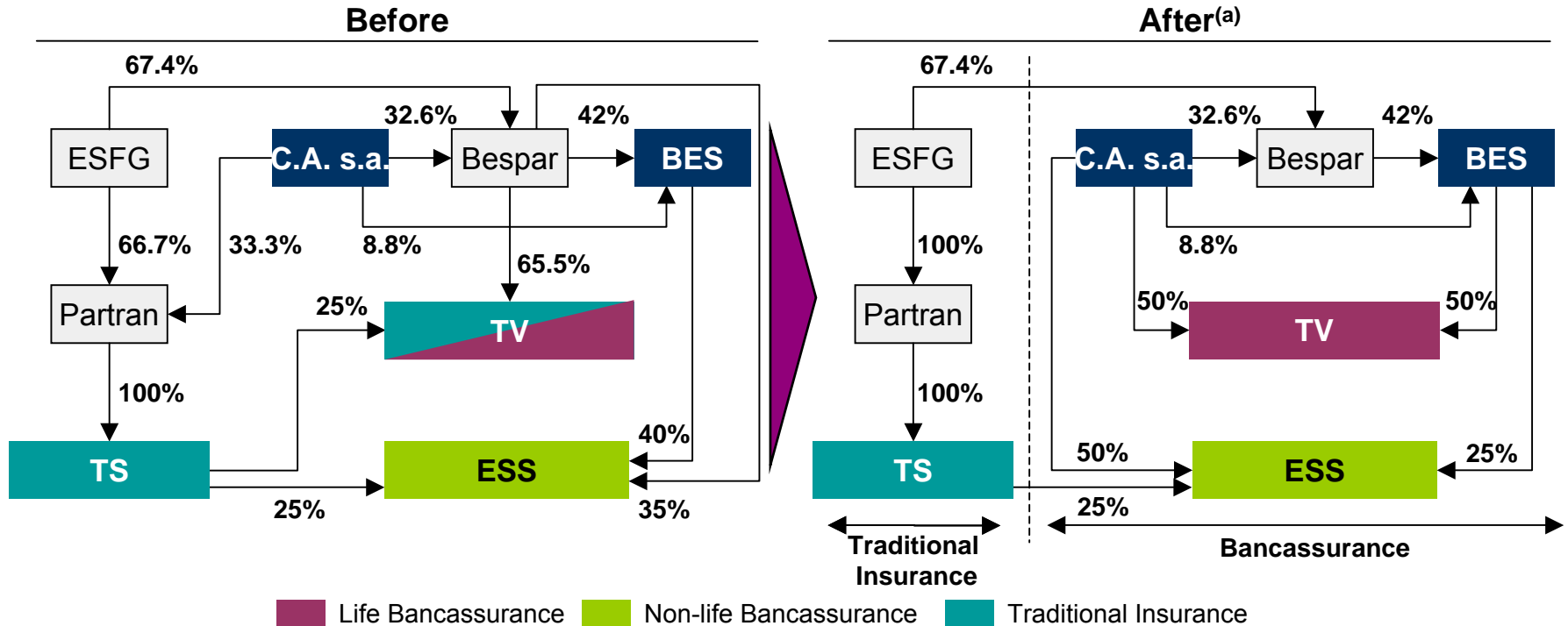
- Overview and rationale of the transaction
- Overview of Tranquilidade Vida and Espírito Santo Seguros
- Financial terms of the transaction
- Appendices:
 - The Portuguese insurance market

Overview of the transaction^(a)

- **Crédit Agricole S.A. (“C.A. s.a.”)** acquires 50% of the capital and takes management control of the life and non-life bancassurance subsidiaries of the Espírito Santo Group in Portugal,
 - **Tranquilidade Vida**, life bancassurance company (“TV”)
 - **Espírito Santo Seguros**, non-life bancassurance company (“ESS”)
- **Banco Espírito Santo (“BES”)** acquires the other 50% of TV’s capital and continues to hold a 25% stake in ESS. BES will distribute, within the framework of a 25-year agreement, TV and ESS’ products through its network
- **C.A. s.a. will divest to Espírito Santo Financial Group (“ESFG”)** its indirect 33% interest in Tranquilidade Seguros (“TS”), ESFG’s traditional insurance business. TV’s products portfolio originated via the broker and agent channel will be transferred to TS

(a) Subject to the approval of the relevant authorities

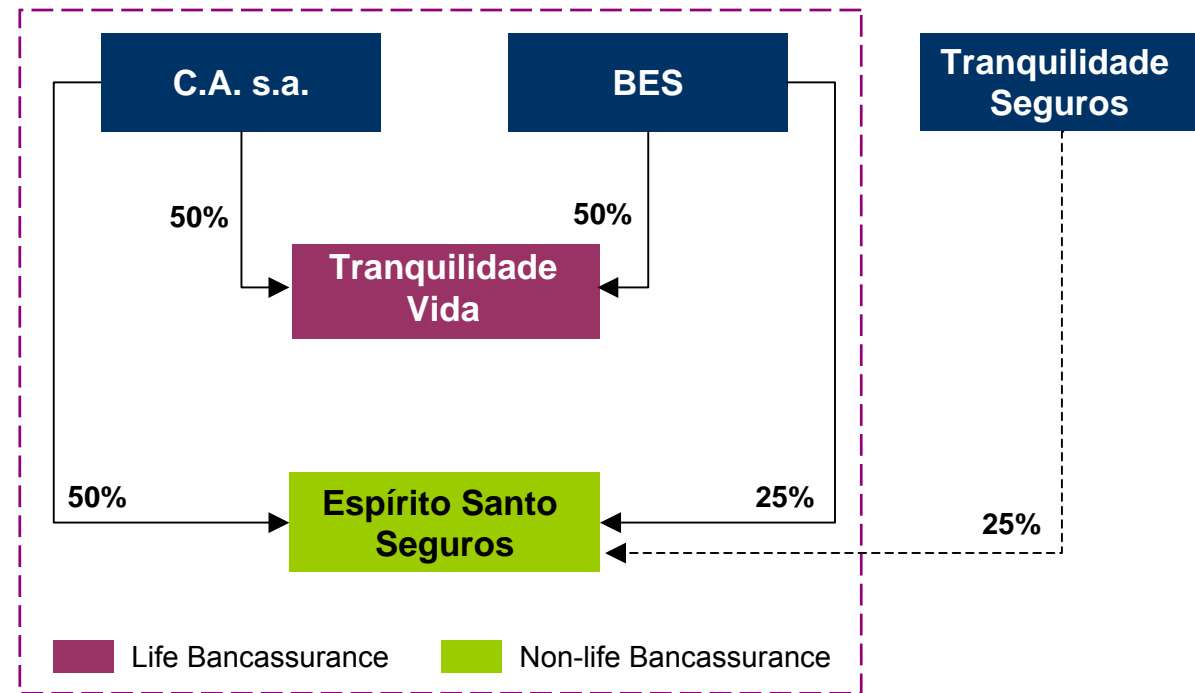
Restructuring of Espírito Santo Financial Group Insurance Operations



- Separation of the bancassurance and traditional insurance activities
 - TV and ESS - bancassurance companies under C.A. s.a. control in partnership with BES who is in charge of products distribution
 - TS - traditional insurance company under the exclusive control of ESFG
- Simplification of the ownership structure

(a) As of 20 February 2006

The future C.A. s.a.-BES bancassurance partnership in Portugal



- A more integrated bancassurance group:
 - The manufacturer and the distributor are more directly connected: BES becomes a direct shareholder of TV and ESS
 - Crédit Agricole becomes a direct shareholder and controls the management of TV and ESS

Transaction rationale for Crédit Agricole S.A.

- **Reinforces the long-standing alliance between C.A. s.a. and ESFG**
 - By strengthening the ownership links at the level of BES, 3rd Portuguese banking group, with a market share of 18%
 - By implementing a direct partnership in life and non-life bancassurance between C.A. s.a. and BES
- **Clarifies and simplifies the ownership structure of the insurance subsidiaries**
 - C.A. s.a takes direct interest of 50% in TV and ESS and increases economic interest from around 30% to around 61% in TV and 56% in ESS
 - C.A. s.a. takes management control of the bancassurance companies and fully consolidates them
 - C.A. s.a. divests its interest in the traditional insurance operations
- **Offers significant value creation opportunities**
 - Reinforces know-how synergies between Crédit Agricole's bancassurance expertise and BES' Portuguese banking market expertise
 - Reinforces Crédit Agricole's presence in the fast growing and high margin Portuguese insurance market
- **Fits with C.A. s.a's international development plan for its specialised business lines**
 - Represents a key stepping stone in the international development of the Group's insurance operations
 - Sets a benchmark for the international development of the Group's bancassurance model

Alliance between C.A. s.a.'s expertise in “integrated bancassurance” and BES’ distribution capabilities

C.A. s.a.’s expertise in “integrated bancassurance”

- Pioneer and leader in French bancassurance
- Predica is the N°1 life bancassurer and the N°2 life insurer in France with more than 20 years of experience
- Pacifica is the 2nd non-life bancassurer in France with more than 15 years of experience
- Experience with international partnerships

**Tranquilidade
Vida**

**Espírito Santo
Seguros**

BES’ distribution capabilities

- 3rd banking group in Portugal with approximately 644 branches and 18% market share
- Strong brand name and recognised dynamism
- Client base:
 - 1.5 million clients
 - +120,000 new clients in 2005
- 25-year distribution contract with TV and ESS

Corporate governance principles for TV and ESS

For each company:

- C.A. s.a. holds a majority at the Board of Directors (*5 directors proposed by C.A. s.a., 4 by BES*)
 - The non executive Chairman is proposed by BES
- Management is delegated to an Executive Committee composed of 3 members (*2 proposed by C.A. s.a., 1 by BES*)
 - The Chief Executive Officer and Chief Financial Officer are proposed by C.A. s.a.
 - The Chief Operating Officer is proposed by BES



C.A. s.a. will have management control of Tranquilidade Vida and Espírito Santo Seguros

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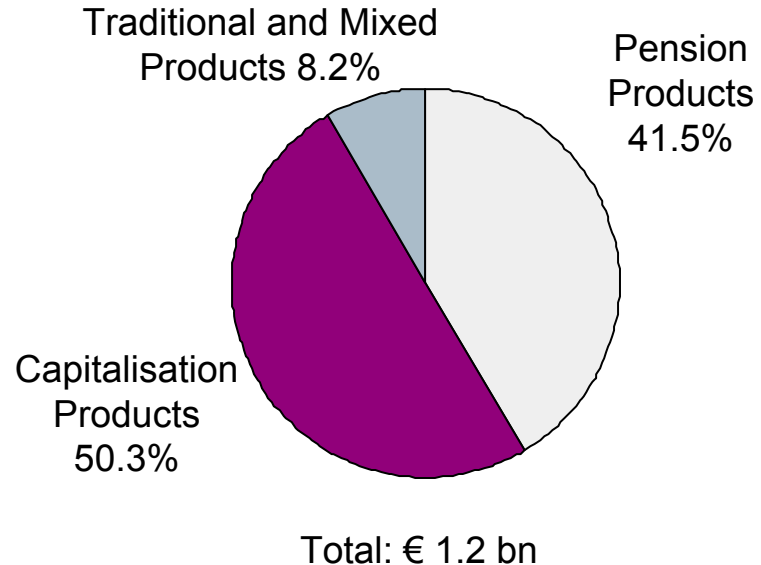
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Tranquilidade Vida

Key financials^(a)

Revenues:	€ 1.2 bn
Technical provisions:	~ € 6 bn
Solvency ratio:	197%
Number of policies:	~1 million

Split of 2005 premiums^(b) by products



Tranquilidade Vida is the 3rd life insurer in Portugal with a market share of 17.6%^(c). The company has a diversified revenue stream and is market leader for Pension Products with a 30% market share

(a) Unaudited 2005 IAS figures

(b) Gross written premiums

(c) Based on technical provisions

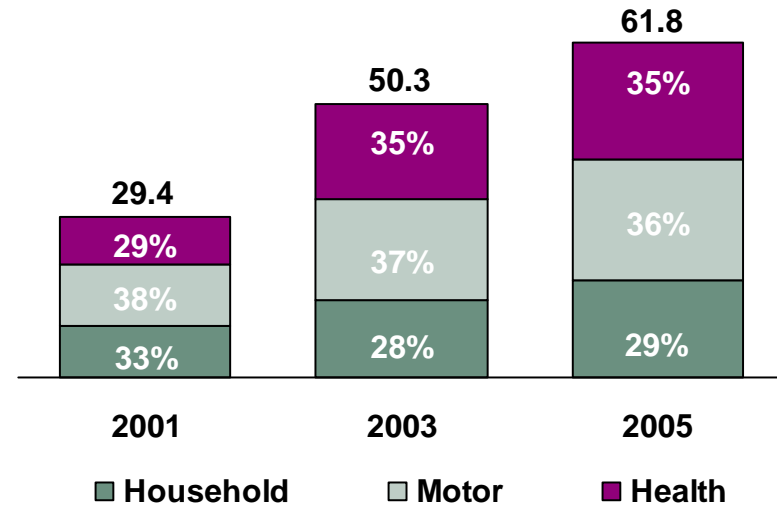
Source: Instituto de Seguros de Portugal

Espírito Santo Seguros

Key financials^(a)

Revenues:	€ 61.8 m
Combined ratio:	94.5%
Solvency ratio:	214%
Number of policies:	> 336 000

Evolution of ESS' premiums^(b) (€m)



Espírito Santo Seguros ranks among the top 10 companies for Health and Household Insurance in Portugal, with a market share above 5%

(a) Unaudited 2005 IAS figures

(b) Gross written premiums

Source: Instituto de Seguros de Portugal

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Key financial terms of the transaction

- Valuation of **TV's bancassurance operations** (100%): **€900 m**
- Valuation of **ESS** (100%): **€80 m**
- These valuations are based on a 25-year distribution agreement between the Companies and BES. A clawback price adjustment mechanism is in place should TV and ESS fail to reach the commercial targets set for the 2005-2009 period
- Valuation of **Tranquilidade Seguros** (100%): € 398 m^(a)
- Valuation of **TV's broker and agent product portfolio** to be transferred to Tranquilidade Seguros: € 50 m

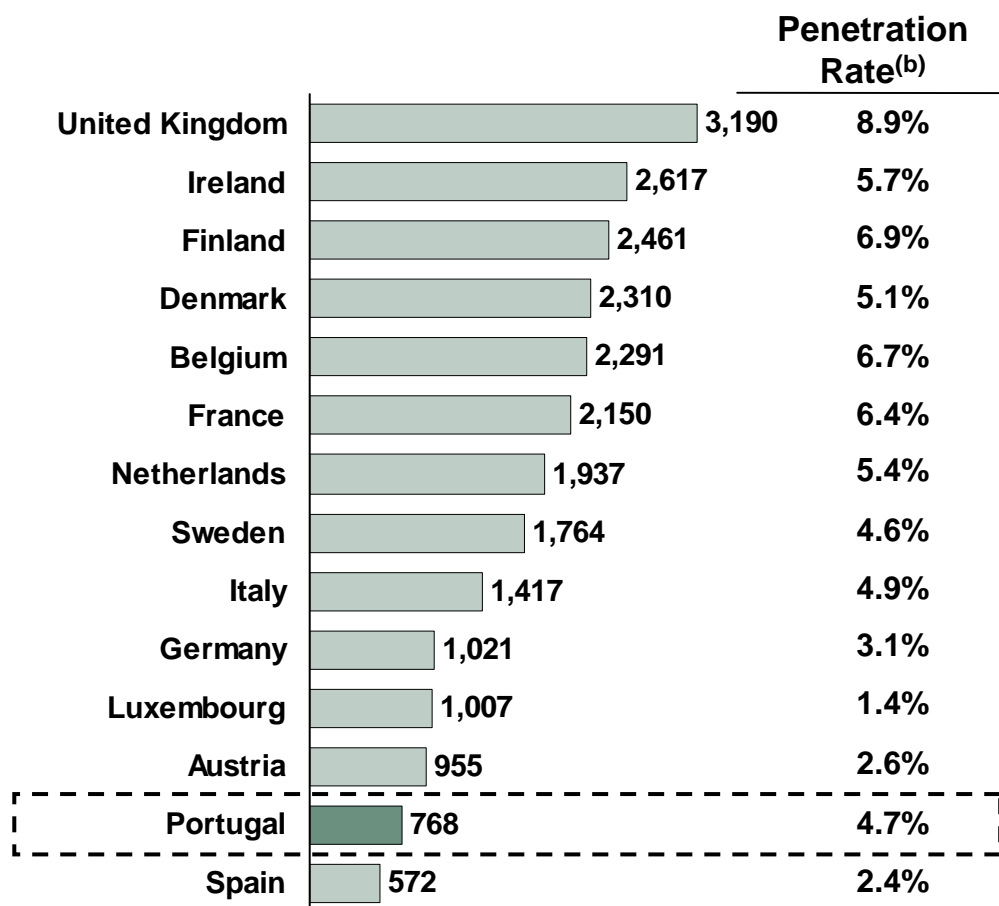
(a) Includes the post-tax capital gains related to Tranquilidade Seguros' stakes in TV and ESS

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The Portuguese life insurance market

2004 life premiums^(a) *per capita* (\$)



- A market in excess of € 6bn
- CAGR 1998-2004: +13% vs. +7% for France
- One of the lowest penetration rates in Europe
- Strong potential for long term growth
- High margins and profitability compared with other European countries
- Highly concentrated distribution, mostly through bank channels

(a) Gross written premiums

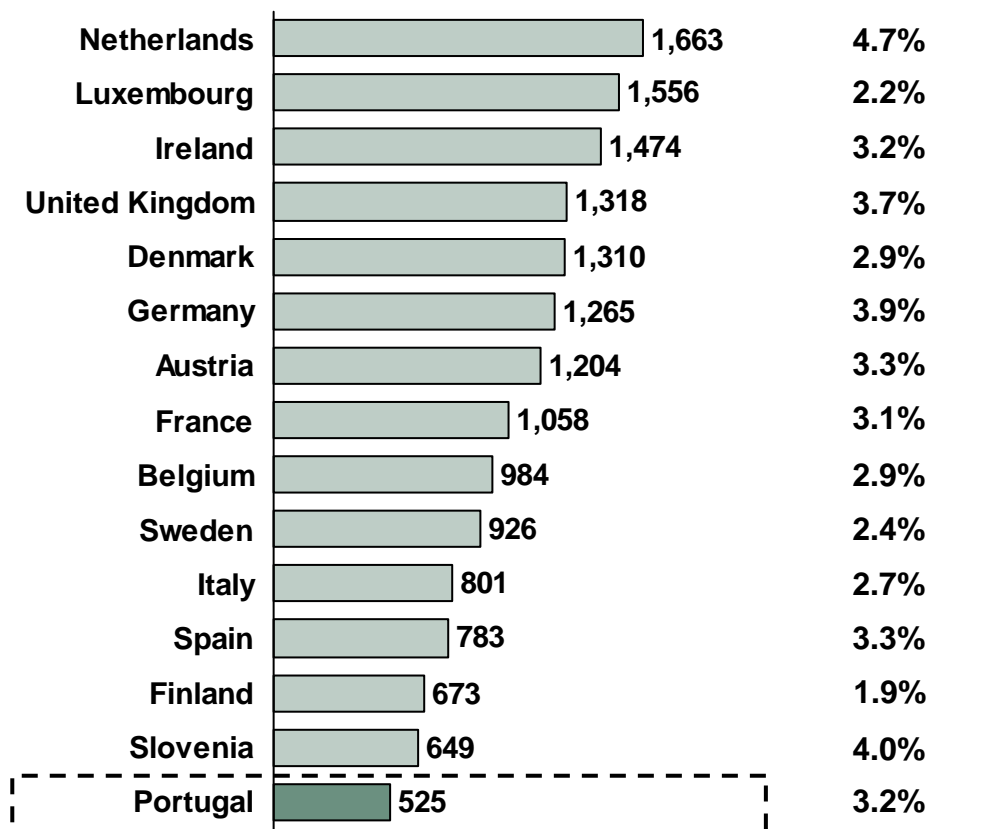
(b) As a % of GDP

Source: Sigma Swiss Re

The Portuguese non-life insurance market

2004 non-life premiums^(a) per capita (\$)

Penetration rate^(b)



(a) Gross written premiums

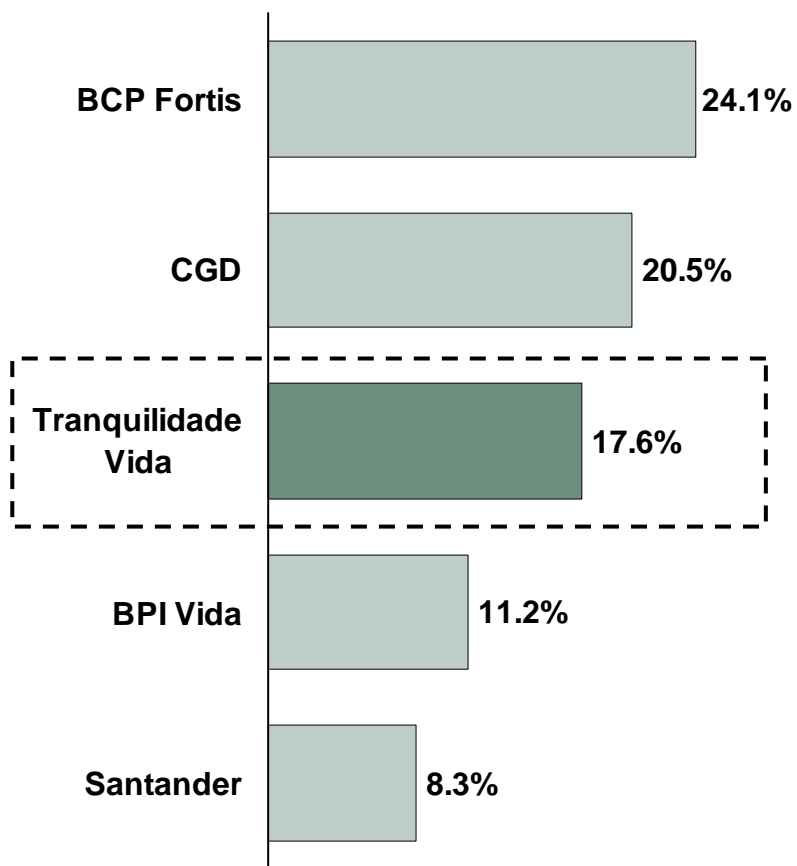
(b) As a % of GDP

Source: Sigma Swiss Re

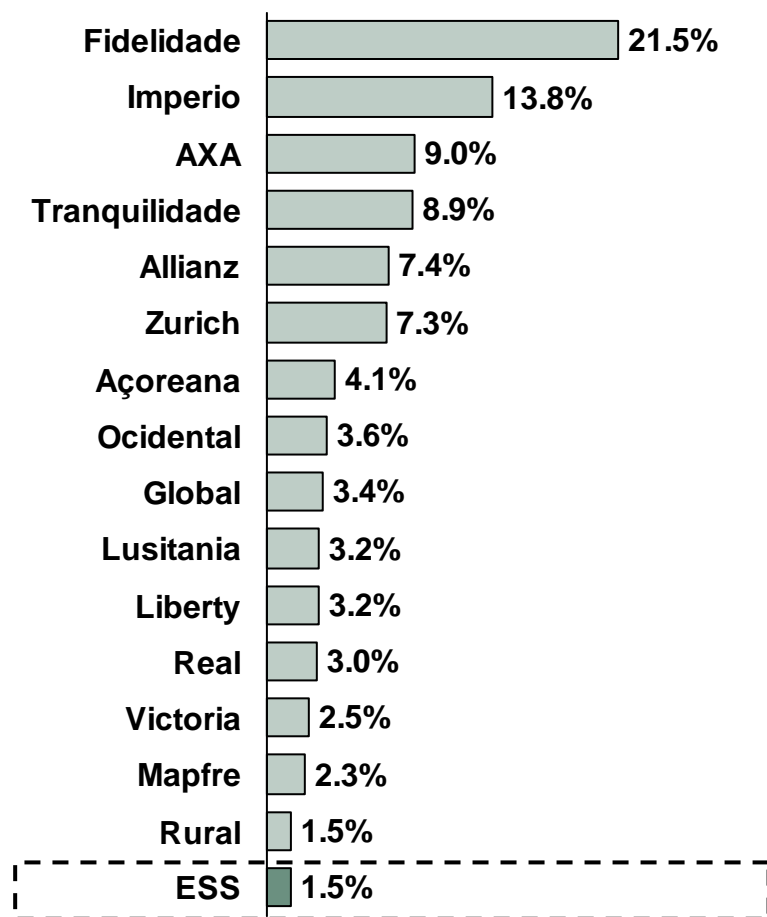
- A market of € 4.3 bn
- CAGR 1998-2004: +7.5% vs. +5% for France
- A low penetration rate relative to other European countries
- A highly fragmented market with some specialised players
- Distribution mostly through direct or agent/broker channels

Life and non-life insurance market shares in Portugal

2005 market share in life insurance^(a)



2005 market shares in non-life insurance^(b)



(a) Based on technical provisions

(b) Based on gross written premiums

Source: Instituto de Seguros de Portugal