

FINAL TERMS FOR COVERED BONDS

Final Terms dated 17 July 2008

BANCO ESPÍRITO SANTO, S.A.

Issue of €1,250,000,000 Covered Bonds due 21 July 2010 issued under its Euro 10,000,000,000 Covered Bonds Programme

THE COVERED BONDS (AS DESCRIBED HEREIN) ARE MORTGAGE COVERED BONDS ISSUED IN ACCORDANCE WITH DECREE-LAW 59/2006, OF 20 MARCH 2006 (AS AMENDED, THE "COVERED BONDS LAW"). THE ISSUER HAS THE CAPACITY TO ISSUE COVERED BONDS IN ACCORDANCE WITH THE COVERED BONDS LAW. THE FINANCIAL OBLIGATIONS OF THE ISSUER UNDER THE COVERED BONDS ARE SECURED ON THE COVER POOL MAINTAINED BY THE ISSUER IN ACCORDANCE WITH THE COVERED BONDS LAW.

This document constitutes the Final Terms relating to the issue of Covered Bonds described herein.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Covered Bonds (the "Terms and Conditions") set forth in the base prospectus dated 9 November 2007, as supplemented by the supplemental base prospectus dated 29 November 2007, and the supplemental base prospectus dated 17 July 2008 (together the "Base-Prospectus"), which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the "Prospectus Directive"). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at Banco Espírito Santo, S.A., Av. da Liberdade n.º 195, 1250-142 Lisbon, Portugal, and copies may be obtained from the same address.

1	Issuer:	Banco Espírito Santo, S.A.
2	Series Number:	2
3	Specified Currency or Currencies:	EUR ("€")
4	(i) Aggregate Nominal Amount of Covered Bonds:	€ 1,250,000,000
	Series:	€ 1,250,000,000
	(ii) Specify whether Covered Bonds to be admitted to trading:	Yes
5	(i) Issue Price:	99.784 per cent. of the Aggregate Nominal Amount of Covered Bonds
	(ii) Net Proceeds:	€ 1,246,800,000
6	Specified Denominations:	€ 50,000
7	Issue Date:	21 July 2008

8	Maturity Date:	21 July 2010
9	Extended Maturity Date:	Applicable 21 July 2011
10	Interest Basis:	
	(i) Period to (and including) Maturity Date:	5.5 per cent/annual. Fixed Rate (further particulars specified below)
	(ii) Period from (but excluding) Maturity Date up to (and including) Extended Maturity Date:	1 month EURIBOR + 0.45 per cent (further particulars specified below)
11	Redemption/Payment Basis:	Redemption at par
12	Change of Interest or Redemption/Payment Basis	Not Applicable
13	Put/Call Options:	Not Applicable
14	(i) Status of the Covered Bonds:	The Covered Bonds will be direct, unconditional and senior obligations of the Issuer and rank equally with all other mortgage covered bonds issued or to be issued by the Issuer. The Covered Bonds will qualify as mortgage covered bonds for the purposes of the Covered Bonds Law.
	(ii) Date of Board approval for issuance of Covered Bonds obtained:	29 May 2008
15	Method of distribution:	Syndicated
16	Listing/Admission to Regulated Market	Eurolist by Euronext Lisbon

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17	Fixed Rate Covered Bonds Provisions	
	• To Maturity Date:	Applicable
	• From Maturity Date up to Extended Maturity Date:	Not Applicable
	(i) Rate of Interest:	
	• To Maturity Date:	5.5 per cent. per annum payable annually in arrear
	• From Maturity Date up to Extended Maturity Date:	Not Applicable
	(ii) Interest Payment Date:	
	• To Maturity Date:	21 July in each year, starting on 21 July 2009, up to and including the Maturity Date
	• From Maturity Date up to Extended Maturity Date:	Not Applicable
	(iii) Fixed Coupon Amount :	
	• To Maturity Date:	€ 2,750 per € 50,000 in nominal amount
	• From Maturity Date up to Extended Maturity Date:	Not Applicable
	(iv) Broken Amount:	
	• To Maturity Date:	Not Applicable

	<ul style="list-style-type: none"> • From Maturity Date up to Extended Maturity Date: 	Not Applicable
	(v) Day Count Fraction	
	<ul style="list-style-type: none"> • To Maturity Date: 	Actual/Actual (ICMA)
	<ul style="list-style-type: none"> • From Maturity Date up to Extended Maturity Date: 	Not Applicable
	(vi) Determination Date(s):	
	<ul style="list-style-type: none"> • To Maturity Date: 	21 July in each year
	<ul style="list-style-type: none"> • From Maturity Date up to Extended Maturity Date: 	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds:	None
18	Floating Rate Covered Bonds Provisions	
	<ul style="list-style-type: none"> • To Maturity Date: 	Not Applicable
	<ul style="list-style-type: none"> • From Maturity Date up to Extended Maturity Date 	Applicable
	(i) Specified Period(s)/Specified Interest Payment Dates:	
	<ul style="list-style-type: none"> • To Maturity Date: 	Not Applicable
	<ul style="list-style-type: none"> • From Maturity Date up to Extended Maturity Date: 	21 st in each month payable in arrear
	(ii) Business Day Convention:	
	<ul style="list-style-type: none"> • To Maturity Date: 	Not Applicable
	<ul style="list-style-type: none"> • From Maturity Date up to Extended Maturity Date: 	Following Business Day Convention
	(iii) Additional Business Centre(s):	
	<ul style="list-style-type: none"> • To Maturity Date: 	Not Applicable
	<ul style="list-style-type: none"> • From Maturity Date up to Extended Maturity Date: 	TARGET, London and Lisbon
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	
	<ul style="list-style-type: none"> • To Maturity Date: 	Not Applicable
	<ul style="list-style-type: none"> • From Maturity Date up to Extended Maturity Date: 	Screen Rate Determination
	(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent):	
	<ul style="list-style-type: none"> • To Maturity Date: 	Not Applicable
	<ul style="list-style-type: none"> • From Maturity Date up to Extended Maturity Date: 	Banco Espírito Santo, S.A.

	(vi) Screen Rate Determination:	
	A. To Maturity Date:	Not Applicable
	B. From Maturity Date up to Extended Maturity Date:	Applicable
	• Reference Rate:	1 month EURIBOR
	• Interest Determination Date:	Second TARGET Business Day, prior to the start of each Interest Period
	• Relevant Screen Page:	Reuters page EURIBOR01
	(vii) ISDA Determination:	
	A. To Maturity Date:	Not Applicable
	B. From Maturity Date up to Extended Maturity Date:	Not Applicable
	(viii) Margin(s):	
	• To Maturity Date:	Not Applicable
	• From Maturity Date up to Extended Maturity Date:	Plus 0.45 per cent. per annum
	(ix) Minimum Rate of Interest:	
	• To Maturity Date:	Not Applicable
	• From Maturity Date up to Extended Maturity Date:	Not Applicable
	(x) Maximum Rate of Interest:	
	• To Maturity Date:	Not Applicable
	• From Maturity Date up to Extended Maturity Date:	Not Applicable
	(xi) Day Count Fraction:	
	• To Maturity Date:	Not Applicable
	• From Maturity Date up to Extended Maturity Date:	Actual/360
	(xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Terms and Conditions:	
	• To Maturity Date:	Not Applicable
	• From Maturity Date up to Extended Maturity Date:	Not Applicable
19	Index Linked Covered Bonds Provisions	Not Applicable
20	Zero Coupon Covered Bonds Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21	Call Option	Not Applicable
22	Put Option	Not Applicable
23	Final Redemption Amount of each Covered Bond	€50,000 per Covered Bond of €50,000 Specified Denomination
24	Early Redemption Amount of each Covered Bond payable on an event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6 (<i>Redemption and Purchase</i>))	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

25	Form of Covered Bonds:	Bearer Covered Bonds held through Interbolsa
26	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable
27	Talons for future Coupons or Receipts to be attached to Definitive Bearer Covered Bonds (and dates on which such Talons mature):	No
28	Details relating to Partly Paid Covered Bonds	Not Applicable
29	Details relating to Instalment Covered Bonds:	Not Applicable
30	Redenomination applicable:	Not Applicable
31	Other final terms:	Not Applicable

DISTRIBUTION

32	(i) If syndicated, names of Dealers:	Banco Espírito Santo de Investimento, S.A, HSBC France, J.P. Morgan Securities Ltd., Landesbank Baden-Württemberg, Barclays Bank PLC, BNP PARIBAS, Cylon, Deutsche Bank Aktiengesellschaft, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main and The Royal Bank of Scotland plc which have entered into a subscription agreement for the subscription of the Covered Bonds on 17 July 2008
	(ii) Stabilising Manager (if any):	HSBC France, J.P. Morgan Securities Ltd. and Landesbank Baden-Württemberg. J.P. Morgan Securities Ltd. will act as Co-ordinating Stabilising Manager.
33	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	TEFRA D
34	Additional selling restrictions:	Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of the Covered Bonds described herein pursuant to the €10,000,000,000 Covered Bonds Programme of Banco Espírito Santo, S.A.

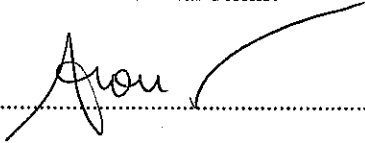
RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:  _____

Duly authorised

By:  _____

Duly authorised

PART B – OTHER INFORMATION

1 Listing

- | | |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Listing: | Eurolist by Euronext Lisbon |
| (ii) Admission to trading: | Application has been made for the Covered Bonds to be admitted to trading on the regulated market Eurolist by Euronext Lisbon with effects from Issue Date. |
| (iii) Estimate of total expenses related to admission to trading | € 3,500 |

2. Ratings

The Covered Bonds to be issued have been rated:

S & P: AAA
Moody's: Aaa
Fitch: AAA

3. Notification

Not Applicable

4. Interests of Natural and Legal Persons Involved in the Issue

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

Reasons for the offer	See Use of Proceeds wording in Base Prospectus.
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6. YIELD - Fixed Rate Covered Bonds only

Indication of yield:	5.617 per cent. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
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7. Performance of index/formula, explanation of effect on value of investment and associated risks and other information concerning the underlying – Index Linked Covered Bonds only

Not Applicable

8. Operational Information

ISIN Code: PTBEMB1E0016

Common Code: 037681822

Any clearing system(s) other than Not Applicable

Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. as operator of the *Central de Valores Mobiliários*, Euroclear Bank S.A./N.V. as operator of the Euroclear System and Clearstream Banking, société anonyme and the relevant identification number(s):

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: Yes

Note that the designation “yes” simply means that the Covered Bonds are intended upon issue to be deposited with one of Euroclear and/or Clearstream Luxembourg as common safekeeper, and/or are intended upon issue to be registered with Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. in its capacity as a securities settlement system, and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria