

BANCO ESPÍRITO SANTO, S.A.**RELEASE CONCERNING QUALIFYING HOLDING**

Pursuant to and for the purposes of article 17 of the Portuguese Securities Code, Banco Espírito Santo, SA (BES) informs that it has received the attached notice from Morgan Stanley & Co. International plc., pursuant to which, following the transposition deadline of Directive 2013/50/EU of the European Parliament and Council of 22 October 2013, amending Directive 2004/109/EC of the European Parliament and Council on the harmonization of transparency requirements as regards information of issuers whose securities are admitted to trading on a regulated market (Transparency Directive) and the Opinion of CMVM on the application of the Transparency Directive in Portugal¹, Morgan Stanley and its controlled undertakings no longer have a notifiable legal or economic interest in the shares or voting rights of BES.

Contacts**Representative for the relations with the market and with CMVM**

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Lisbon, 9 December 2015

BANCO ESPÍRITO SANTO, S.A.

¹ Available here: <http://www.cmvm.pt/en/Comunicados/Comunicados/Pages/20151127mm.aspx> .

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2nd December 2015

**PRIVATE AND CONFIDENTIAL
BY FAX, EMAIL, AND COURIER**

Dear Sirs

QUALIFYING HOLDINGS IN BANCO ESPIRITO SANTO - Trading book exemption disclosure.

In accordance with Directive 2013/50/EU, amending Directive 2004/109/EC ("ATD"), interests held in the trading book of an investment firm or credit institution are exempt from disclosure where (i) voting rights held in the trading book **do not exceed 5%**; and (ii) are not exercised or otherwise used to intervene in the management of the issuer (Article 9 (6) ATD).

Trading book is defined under Directive 2013/36/EU and Regulation (EU) No 575/2013 as all positions in financial instruments and commodities held by an institution either with trading intent, or in order to hedge positions held with trading intent (*paragraph 54 of Article 3(1) of Directive 2013/36/EU and paragraph 86 of Article 4(1) of Regulation (EU) No. 575/2013*).

Please accept this notice as confirmation that, following the transposition deadline of the ATD and the Opinion of CMVM on the application of the ATD in Portugal of 26 November 2015, Morgan Stanley and its controlled undertakings, no longer has a notifiable legal or economic interest in the shares or voting rights of BANCO ESPIRITO SANTO.

Yours faithfully



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and Prudential Regulation Authority