PROPOSAL

FOR THE

PARTIAL AMENDMENT OF THE COMPANY'S BYLAWS

(with reference to **Point One** of the Agenda for the Extraordinary General Meeting of June 9th, 2011)

Whereas:

a) Banco Espírito Santo, S.A. may issue non subordinated bonds secured by a personal guarantee of the Portuguese State, under the terms of Law no. 60-A/2008, of 20 October, and *Portaria* no. 1219-A/2008, of 23 October, as amended by *Portaria* no. 946/2010, of 22 September.

b) To fulfil said legal provisions, and as requested by the Bank of Portugal, it is mandatory to introduce in the Company's bylaws an authorisation allowing the Board of Directors to resolve on a share capital increase, notably through the issuance of preferential shares, in case the guarantee to be provided by the Portuguese State were to be executed.

c) The new capital ratios require that core tier I is of 9% at the end of 2011, and of 10%, at the end of 2012, being therefore desirable that the Board of Directors have at all times management powers that enable the execution of the Financial Program, including capital increases.

d) Additionally, and as a way to eliminate the competitive disadvantages that Portuguese companies were subject to, the Board of Directors considers that it should be used the option provided in Decree-Law no. 49/2010, of 19 May, which allowed for the share capital to be represented by shares with no par value.

It is proposed that a resolution be passed to amend Article 4 of the Company's Bylaws:

PROJECTO DE ALTERAÇÃO DO CONTRATO DE SOCIEDADE DO BANCO ESPÍRITO SANTO, S.A.
PROPOSAL FOR THE AMENDMENT OF THE CORPORATE BYLAWS OF BANCO ESPÍRITO SANTO, S.A.

Modificação do artigo 4.º, de acordo com as alterações propostas pelo Ponto Um da Ordem de Trabalhos **Amendment of article 4.º in accordance with the proposals for resolution on item One of the Agenda**		
	Versão Portuguesa	**English Version**
Actual/Current	"**Artigo 4.º** **Capital Social** O capital social, integralmente subscrito e realizado é de 3.499.999.998,00 milhões de euros, e está representado por 1.166.666.666 acções com o valor nominal de 3,00 Euro cada."	"**Article 4.º** **Share Capital** The company's share capital is fully paid up and is 3,499,999,998.00 and it is represented by 1.166.666.666 shares with a par value of 3.00 euros each."
Alteração resultante do Ponto Um **Change pursuant to Item One**	"**Artigo 4.º** **Capital Social** 1. O capital social, integralmente subscrito e realizado é de 3.499.999.998,00 milhões de euros, e está representado por 1.166.666.666 acções sem valor nominal. 2. O Conselho de Administração fica autorizado, após parecer favorável da Comissão de Auditoria, a aumentar o capital social por entradas em dinheiro, por uma ou mais vezes, através da emissão de acções ordinárias ou de acções preferenciais, remíveis ou não, nos termos e condições a definir. 3. O montante máximo da autorização, a acrescer ao valor do capital social, é de €5.000.000.000,00, sendo a autorização válida pelo prazo de cinco anos.	"**Article 4.º** **Share Capital** 1. The company's share capital is fully paid up and is 3,499,999,998.00 and it is represented by 1.166.666.666 shares with no par value. 2. The Board of Directors is authorized, upon favourable opinion of the Audit Committee, to increase the share capital, one or more times, through the issuance of ordinary shares or preferential shares, redeemable or non-redeemable, under the terms and conditions to be defined. 3. The maximum amount authorized, in addition to the share capital amount, is of €5.000.000.000,00, being this authorization valid for a period of five years.

Lisbon, May 16th 2011

The Board of Directors