

PROPOSAL

(Refers to **Item Six** in the Agenda of the Annual General Meeting of April 17th, 2006)

Pursuant to the resolution that may be taken regarding the proposal to increase the share capital of “BANCO ESPÍRITO SANTO, S.A.” included in the preceding Item 5 in the Agenda, the Bank’s Board of Directors hereby submits to the Shareholders gathered in this General Meeting a proposal to amend Article 5 of the Company’s Memorandum of Association to the effect that, following the referred capital increase, it states the amount of the fully paid up share capital, the number of shares in which it is divided and the respective nominal value, which will be euro 5 per share.

It is therefore proposed that Article five be amended to read as follows:

ARTICLE FIVE

“The share capital is _____ (corresponding to the current share capital of one thousand and five hundred million euros plus the amount resulting from the incorporation of reserves plus the total amount of subscriptions received) and is fully paid up, and represented by _____ shares (the number of shares corresponding to said total) with the nominal value of euro five each.”

And that the Board of Directors be authorised to establish the amount of the share capital and the number of shares in light of the subscriptions received.

Lisbon, March 9th, 2006

THE BOARD OF DIRECTORS