BANCO ESPIRITO SANTO

U.S. Resolution Plan

Update

12/30/2014

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Introduction

This public section of the resolution plan with respect to Banco Espírito Santo S.A. ("BES"), is being filed pursuant to a requirement in Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "DFA") and the implementing joint final rule issued by the Board of Governors of the Federal Reserve System (the "Federal Reserve") and the Federal Deposit Insurance Corporation ("FDIC") on September 13, 2011 (the "Final Rule").

On December 26, 2013, BES met its obligation under the Final Rule by filing a tailored resolution plan (the " BES 2013 Resolution Plan"). On April 4, 2014 BES filed a Notice with the Federal Reserve and the FDIC of its intent to file a tailored resolution plan for calendar year 2014. In a letter to BES dated June 24, 2014, the Federal Reserve and the FDIC notified BES that it could file a tailored resolution plan for its 2014 submission (the "2014 Submission").

In a letter dated August 14, 2014, the Federal Reserve and the FDIC indicated that they had reviewed the BES 2013 Resolution Plan. In the same letter the Federal Reserve and the FDIC (together the "Agencies") notified BES that pursuant to paragraph 4(k) of the Final Rule, the Agencies had determined that, in preparing the 2014 Submission, BES was exempted from all informational requirements of section_.4 of the Final Rule other than the requirements of paragraphs _.4(b)(2) and _.4(b)(3). More specifically, the Agencies noted that the 2014 Submission only required information concerning 1) material changes that require modifications to the BES 2013 Resolution Plan, and 2) any actions taken by BES since the BES 2013 Resolution Plan to improve the effectiveness of that resolution plan.

Material Changes Requiring Modification to the BES 2013 Resolution Plan

Period before August 3, 2014

During the period through August 3, 2014, no significant changes occurred to the size, nature or interconnections and interdependences of the U.S operations of BES, since the submission of the BES 2013 Resolution Plan. In fact, BES continued not having any non-banking Material Entities, Core Business Lines or Critical Operations domiciled in the United States or conducted in whole or material part in the United States. As of December 31, 2013 and through August 3, 2014, the U.S. operations of BES were as follows:

i. The New York Branch of BES

The New York branch of BES is primarily regulated by the Federal Reserve and the New York State Department of Financial Services ("NYSDFS"). Its business consists of wholesale banking, mainly in the United States, and its most significant assets are derived from lending activities. As of December 31, 2013, the BES New York branch had $1,082.5 million in total assets as reported on its FFIEC 002 Call Report.

ii. The New York Branch of BESI

Banco Espírito Santo de Investimento S.A. ("BESI"), a wholly owned subsidiary of BES headquartered in Portugal, also has a state branch located in New York. The New York branch of BESI is primarily regulated by the Federal Reserve and the NYSDFS and is involved in structured finance, project finance and advisory work. As of December 31, 2013, the BESI New York branch had $132.4 million in total assets as reported on its FFIEC 002 Call Report.

iii. Espirito Santo Bank

Espirito Santo Bank ("ESB") is a Florida state chartered FDIC insured non-member bank that is primarily regulated by the FDIC and the Florida Office of Financial Regulation (the "OFR"). Its business consists of private and commercial banking services, including lending, for domestic and international individuals, institutions and corporate clients.

ESB has three wholly owned subsidiaries: (1) Espírito Santo Investment Advisors, Inc., a Florida corporation that is registered as an investment adviser with the OFR; (2) E.S. Financial Services, Inc., an SEC-registered broker dealer regulated by Financial Industry Regulatory Authority that provides private banking clients with brokerage accounts and securities services and distributes research to, and provides securities services for, institutional clients; and (3) Tagide Properties, Inc., a Florida corporation used to hold non-performing real estate assets of ESB. As of December 31, 2013, ESB had approximately $793.3 million in total assets as reported on its FFIEC 031 Call Report.

iv. Banco Espirito Santo North American Capital, LLC

BES is the direct parent company for a Delaware limited liability company, Banco Espirito Santo North American Capital, LLC ("BESNAC LLC"), that is the successor company of Banco Espirito North American Capital Corporation, established in 1990 for the purpose of issuing commercial paper in the United States. As of December 31, 2013, BESNAC LLC's only asset was cash, approximately $3,100, and it had no active business.

v. U.S. Non-Bank Operations

As set forth in the 2014 Request, BES had no material U.S. non-banking operations.

Period since August 3, 2014

Bank of Portugal Intervention; Novo Banco S.A.

On August 3, 2014, the Board of Directors of the Bank of Portugal decided to apply a "resolution measure" to BES. Pursuant to this action, most of the assets and liabilities and operations (including employees) of BES and ownership of most of BES's subsidiaries were transferred to a newly created bank, Novo Banco S.A. ("Novo Banco"). BES retained certain assets and liabilities and ownership in certain subsidiaries.

As it pertains to operations of BES in the United States, the Bank of Portugal determined that the New York branch of BES, as well as the New York branch of BESI, whose ownership was transferred from BES to Novo Banco, became Novo Banco operations. BESNAC LLC and all other non-banking assets were also transferred to Novo Banco. However, ownership of ESB and all of its subsidiaries were not transferred to Novo Banco and ownership remains with BES.

On August 8, 2014, the FDIC and the Florida Office of Financial Regulation (the "OFR") issued a Consent Order (the "Consent Order") to ESB. The Board of Directors of ESB (the "Board") executed a Stipulation and Consent to the Issuance of a Consent Order on August 7, 2014.

The Consent Order requires ESB, within thirty (30) days, to develop, adopt and comply with a plan (“Disposition Plan”) for the disposition of ESB by way of sale or merger of ESB into, or the transfer of substantially all of the assets and liabilities of ESB to, an insured depository institution that is not controlled by BES or any of its affiliates, or a liquidation of ESB. The Consent Order was also required to be provided to ESB’s shareholder. The Disposition Plan was submitted to the FDIC and the sales process of ESB is nearing conclusion.

While BES still is licensed as a bank in Portugal, the Bank of Portugal has restricted its ability to conduct any banking business and BES cannot take deposits or engage in any lending activities. As of August 4, 2104, BES assets were approximately $2.5 billion, corresponding to net assets of approximately $268 million after deduction of impairments and provisions.

Interconnections and interdependencies

In the BES 2013 Resolution Plan, BES described the existence of interconnections and interdependencies between the New York Branch of BESI and ESB and one of ESB’s subsidiaries, Espirito Santo Financial Services, Inc. in terms of shared services, personnel, facilities and systems.

Following the resolution of BES, the Bank of Portugal determined that these interconnections and interdependencies should be eliminated so that the New York Branch of BESI would become fully independent from ESB and its subsidiaries. As a result, these interconnections and interdependencies were eliminated in the month of August 2014 and the needed services and systems were arranged through the home office of BESI.

No other significant changes occurred to the interconnections and interdependencies reported in the company’s most recently filed resolution plan in 2013 since the submission of the plan.

Actions taken by BES since the submission of the BES 2013 Resolution Plan to improve the Plan’s effectiveness

Not applicable. Due to BES not having any non-banking Material Entities, Core Business Lines or Critical Operations that are domiciled in the United States or conducted in whole or material part in the United States, no actions were taken to improve the effectiveness of the company’s resolution plan.