

ARTICLE 20

Special Reserve

The amount of commissions received by the Bank pursuant to article 19 of this Agreement shall be set aside as a special reserve which shall be kept for meeting liabilities of the Bank in accordance with its article 21. The special reserve shall be held in such liquid form, permitted under this Agreement, as the Board of Directors may decide.

ARTICLE 21

*Methods of Meeting Liabilities of the Bank
(Ordinary Operations)*

1. Whenever necessary to meet contractual payments of interest, other charges or amortization on the borrowing of the Bank, or to meet its liabilities with respect to similar payments in respect of loans guaranteed by it and chargeable to its ordinary capital resources, the Bank may call in appropriate amount of the unpaid subscribed callable capital in accordance with paragraph 4 of article 7 of this Agreement.

2. In cases of default in respect of a loan made out of borrowed funds or guaranteed by the Bank as part of its ordinary operations, the Bank may, if it believes that the default may be of long duration, call an additional amount of such callable capital not to exceed in any one year one percent of the total subscriptions of the members, for the following purposes;

- (a) To redeem before maturity, or otherwise discharge, its liability on all or part of the outstanding principal of any loan guaranteed by it in respect of which the debtor is in default; and
- (b) To repurchase, or otherwise discharge, its liability on all or part of its own outstanding borrowing.

ARTICLE 22

Methods of Meeting Liabilities on Borrowings for Special Funds

Payments in satisfaction of any liability in respect of borrowings of funds for inclusion in the special resources appertaining to a Special Fund shall be charged:

- (i) First, against any reserve established for this purpose for or within the Special Fund concerned; and
- (ii) Then, against any other assets available in the special resources appertaining to that Special Fund.