

2. The total amount outstanding in respect of the special operations of the Bank relating to any special fund shall not at any time exceed the total amount of the unimpaired resources appertaining to that special fund.

3. In the case of funds invested in equity capital out of the ordinary capital resources of the Bank, the total amount invested shall not at any time exceed ten (10) per cent of the aggregate amount of the unimpaired paid-up capital stock of the Bank actually paid up at any given time together with the reserves and surplus included in its ordinary capital resources, exclusive of the special reserve provided for in Article 18.

4. The amount of any equity investment shall not exceed such percentage of the equity capital of the entity or enterprise concerned as the Board of Directors shall from time to time or in each specific case determine to be appropriate. The Bank shall not seek to obtain by such an investment a controlling interest in the entity or enterprise concerned, except where necessary to safeguard the investment of the Bank.

ARTICLE 15

Operating Principles

Subject to the provisions of this Agreement, the operations of the Bank shall be conducted in accordance with the following principles:

- (a) The operations of the Bank shall provide principally for the financing of specific projects, including those forming part of a national, sub-regional development programme. They may, however, include loans to, or guarantees of loans made to, national development banks or other suitable financial institutions, in order that the latter may finance development projects on terms approved by the Bank where the individual financing requirements of such projects are not, in the opinion of the Bank, large enough to warrant the direct supervision of the Bank.
- (b) The Bank shall not finance any undertaking in the territory of a member if that member objects to such financing.
- (c) Before a loan or guarantee is granted, the applicant shall have submitted an adequate loan or guarantee proposal and the President of the Bank shall have presented to the Board of Directors a written report regarding the proposal together with his recommendations on the basis of a staff study.
- (d) In considering an application for a loan or guarantee, the Bank shall pay due regard to the ability of the borrower to obtain financing elsewhere on terms and conditions that the Bank considers reasonable for the recipient.
- (e) In making or guaranteeing a loan, the Bank shall pay due regard to the prospects that the borrower and its guarantor, if any, will be in a position to meet their obligations under the loan contract.
- (f) In making or guaranteeing a loan, the rate of interest, other charges and the schedule for repayment of principal shall be such as are, in the opinion of the Bank, appropriate for the loan concerned.
- (g) In guaranteeing a loan made by other investors, or in under-writing the sale of securities, the Bank shall receive suitable compensation for its risk.