

RESOLUTION No 59**Increase in authorized capital stock and subscriptions thereto**

WHEREAS,

the Board of Directors of the Bank, having undertaken a study of the Bank's future resource requirements in accordance with Resolution No 50 of the Board of Governors, has submitted a Report thereon to the Board of Governors;

the Board of Governors, having considered such Report and its related appendices and attachments, fully endorses the findings and recommendations embodied therein and has concluded that it is necessary to increase the authorized capital stock of the Bank;

the Board of Directors has proposed that each member, and each prospective member pursuant to Board of Governors' Resolution No 30, be authorized, subject to certain conditions, to subscribe shares of the newly-authorized capital in proportion to the aggregate number of shares such member has subscribed, or such prospective member may be authorized to subscribe pursuant to Board of Governors' Resolution No 30;

NOW, THEREFORE, THE BOARD OF GOVERNORS
HEREBY RESOLVES THAT:

The authorized capital stock of the Bank be increased and the shares of capital stock so increased be made available for subscription on the following terms and conditions:

1. Increase in authorized capital stock

- (a) The authorized capital stock of the Bank shall, on the effective date as defined in paragraph 4 (a) of this Resolution, be increased by 1 000 000 shares, each share having a par value of ECU 10 000.
- (b) Of the shares authorized by this Resolution, the number of whole shares up to, but not in excess of, 100 percent of the shares subscribed to by each member immediately prior to the Effective Date, or the shares that may be authorized for subscription by each prospective members pursuant to Resolution No 30 of the Board of Governors, shall be made available for subscription by such members and prospective members in accordance with paragraph 2 of this Resolution.
- (c) The shares authorized by this Resolution which shall not have been subscribed to in accordance with paragraph 2 of this Resolution shall be reserved for initial subscriptions by new members

and for special increases in the subscriptions of individual members, as may be determined by the Board of Governors pursuant to paragraphs 2 and 4 of Article 5 of the Agreement Establishing the Bank.

2. Subscriptions

- (a) Each member, and each prospective member referred in paragraph 1 (b) above, shall be entitled to subscribe, at par, a number of whole shares up to, but not in excess of, 100 percent of the number of shares subscribed to by such member immediately prior to the Effective Date, or 100 percent of the number of shares that may be authorized for subscription by any such prospective member. Each such subscription shall be on the terms and conditions set forth in this Resolution, and in all events shall comprise paid-in and callable shares in such proportions that 22,5 percent (as near as may be) of the shares subscribed shall be whole paid-in shares and the balance shall be callable shares.
- (b) Each member, or prospective member referred to in paragraph 1 (b) above, wishing to subscribe pursuant to this Resolution shall deposit with the Bank the following documents in a form acceptable to the Bank:
 - (i) an instrument of subscription whereby the member subscribes to the number of paid-in callable shares specified in such instrument;
 - (ii) a representation that the member has duly taken all legislative and other internal action necessary to enable it to make such subscription; and
 - (iii) an undertaking that the member will furnish such information as the Bank may request concerning such action.

Such documents shall be deposited on or before 15 April 1997 or such subsequent date not later than 31 December 1997 as the Board of Directors may determine.

- (c) Each instrument of subscription shall become effective and the subscription thereunder shall be deemed to have been made on the Effective Date, or on the date on which the Bank notifies the subscribing member that the documents deposited by such member pursuant to paragraph 2 (b) of this Resolution are satisfactory to the Bank, whichever is the later.

- (d) If documents satisfactory to the Bank providing for subscriptions in the aggregate amount of shares specified in paragraph 4 (a) of this Resolution shall not have been deposited by the Effective Date, then the Board of Directors may, at its option, declare that the instruments of subscription already deposited by members and the subscriptions thereunder shall become effective immediately notwithstanding any other provision in this Resolution, provided that such action is considered by the Board of Directors to be in the best operational interests of the Bank, and provided further that the aggregate of instruments of subscription already deposited and expected to be deposited in the foreseeable future is, in the judgement of the Board of Directors, sufficiently close to the aggregate amount of shares specified in the said paragraph 4 (a).
- (e) Notwithstanding any other provision in this Resolution, no prospective member referred to in paragraph 1 (b) above shall be entitled to subscribe to shares under this Resolution until such prospective member has become a member of the Bank pursuant to Resolution No 30 and any other applicable Resolution or Resolutions of the Board of Governors.

3. Payments for paid-in shares

- (a) Payment for the paid-in shares subscribed pursuant to this Resolution shall be made in eight equal annual instalments. The first instalment shall be paid on or before 15 April 1998, and the remaining instalments shall be paid not later than the respective anniversaries of the first payment date; provided that a member may, after consultation with the Bank, make payments on terms more favourable to the Bank than those stipulated in foregoing provisions of this paragraph.

- (b) 60 (sixty) percent of payments of each instalment may be made by a subscribing member in promissory notes or other obligations issued by such member and denominated in ECU, in United States dollars or in Japanese Yen. Such note or obligations shall be non-negotiable, non-interest-bearing and encashable by the Bank at par value upon demand in equal annual tranches in accordance with an encashment programme determined by the Board of Directors.
- (c) All payment obligations of a member in respect of subscription to shares in accordance with this Resolution shall be settled either in ECU, in United States dollars or in Japanese Yen on the basis of the average exchange rate of the relevant currency in terms of the ECU for the period from 16 October 1995 to 15 April 1996 inclusive.

4. Effectiveness and other provisions

- (a) For the purposes of this Resolution, the Effective Date shall be the date, on or before 15 April 1997 or such subsequent date not later than 31 December 1997 as the Board of Directors may determine, on which documents satisfactory to the Bank have been deposited pursuant to paragraph 2 (b) of this Resolution providing for subscriptions in an aggregate amount of at least 494 188 shares.
- (b) Subject to the provisions of this Resolution, the provisions of the Agreement Establishing the Bank shall apply *mutatis mutandis* to the increase in shares authorized by, and to the subscriptions and payments made under, this Resolution as if such shares were part of the initial capital stock of the Bank and such subscriptions and payments were initial subscriptions to and payments for such stock.

(Adopted 15 April 1996)