



# Chair's Summary of Meeting of the Board of Directors

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27 October 2020

## Preparing for the Reference Rate Transition of ADB's Sovereign Loans

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Asian Development Bank



1. The Board of Directors of the Asian Development Bank (ADB) approved the recommendations of the Preparing for the Reference Rate Transition of ADB's Sovereign Loans policy paper.

2. Directors supported the proposed principles that will guide the transition to alternative reference rates and agreed to amend the OCR Loan Regulations with language for reference rate replacement and its implementation. Many Directors also compared ADB's and the World Bank's language for reference rate replacement, and suggested that the fallback language used by ADB should include the IBRD provision for 'no commercial advantage'. Staff clarified that this aspect is captured in the proposed principles and that it will therefore be binding upon ADB during the implementation of the transition process.

3. Directors emphasized the importance of continued dialogue with borrowers and encouraged collaboration with other multilateral development banks in the transition process.

4. Directors looked forward to ADB's new loan product, which the Board will consider in the first half of 2021.