

**Minutes from meeting in the Nowa user group
Tuesday 15th September 2020
Video conference**

Participants:

Norges Bank (organiser)	Nordic Trustee ASA
DNB Bank ASA	Verdipapirfondenes forening
Handelsbanken	Oslo kommune
Skandinaviska Enskilda Banken AB – SEB	Storebrand Asset Management AS
SpareBank 1 Nord-Norge	Equinor ASA
SpareBank 1 SMN	Danske Bank
Nordea Bank	KLP Kapitalforvaltning AS
Kommunalbanken AS	Swedbank
SpareBank 1 SR-Bank	

Minutes:

Director Ketil Johan Rakkestad in Norges Bank started the meeting by welcoming the attendees. Due to the Covid-19 pandemic, the meeting was arranged as a video conference. The participants introduced themselves and their institutions.

Rakkestad gave a brief background on the establishment of the user group. Norges Bank has drafted a mandate for the user group and presented it to the participants. None of the attendees had any comments to the mandate. Norges Bank has established a page for the user group on its website where the mandate and minutes from the meetings will be published.

Marie Norum Lerbak, assistant director, presented the history of Nowa, how Nowa is calculated today, and how it differs from Nowa before it was reformed. She informed that the reporting of data from banks in general has worked well since Norges Bank took over as administrator. The Nowa rate has been close to the key interest rate so far in 2020. Lerbak then reported on the developments in Nowa after Norges Bank started providing extraordinary F-loans during the Covid-19 pandemic. The extraordinary liquidity has led to reduced activity in the overnight market measured by Nowa. Therefore, Norges Bank gave a press release on 26 March 2020 to inform that if Nowa is published using the contingency method more than three days in a row, then Nowa will be set equal to the key policy rate on the fourth day. This happened between 8 May and 11 June 2020. None of the meeting attendees had any comments regarding this fallback solution. Norges Bank will include the solution as a part of the principles for calculating and publishing Nowa. None of the users had any other input or comments on their experiences with the reformed Nowa.

Norges Bank has previously published a consultation report where it recommends a calculation method for a compounded Nowa index. Users of reference rates are encouraged to provide input on the recommendation with deadline 15 October 2020.

The next meeting will take place on Wednesday 24 March 2021. There were no objections to this time and date.