



## MINUTES OF THE EXECUTIVE BOARD MEETING OF 27 MAY 2020

### Present:

Executive Board: Øystein Olsen, Jon Nicolaisen, Ida Wolden Bache, Karen Helene Ulltveit-Moe, Kristine Ryssdal, Arne Hyttnes, Nina Udnes Tronstad and Hans Aasnæs

Employee representatives: Mona H. Sørensen (items 91-95) and Kjersti-Gro Lindquist (items 91-95)

Office of the Supervisory Council: Jan Frode Jakobsen (items 93-98)

Management: Ørjan Agdesteen (items 93-94), Alexander Behringer (items 91-92 and 102), Ole Christian Bech-Moen (items 96 and 98), Tom Bernhardsen (item 101), Olav Bø (items 101-102), Anne Berit Christiansen (item 100), Hege Gjerde (items 94-95), Trond Grande (items 93-99), Bjarne Gulbrandsen (items 91-104), Lars Hammersbøen (item 93), Jane Haugland (items 91-94), Pål Haugerud (items 95-98), Dag Huse (item 98), Torbjørn Hægeland (item 101), Yee Wai Kochte (item 102), Lise Lindbäck (items 96-98), Runar Malkenes (items 91-92), Kyrre Nilsen (items 91-104), Arne Osnes (item 102), Marius Ryel (items 91-92), Yngve Slyngstad (items 93-99), Ingrid Solberg (item 100), Kirsten Steinberg (items 91-92), Jan Thomsen (item 93), Ingunn Valvatne (items 93-98), Birger Vikøren (items 91-92), Sindre Weme (item 101)

There were no comments on the meeting notice and agenda.

The Executive Board approved conducting the meeting via videoconference.

### Item 91/2020 Minutes of the Executive Board meeting of 28-29 April 2020

Discussion Draft minutes document

The Executive Board approved the minutes of its meeting of 28-29 April 2020 after a few editorial comments.

### Item 92/2020 Appointment of Nicolai Tangen as CEO of NBIM

Discussion a) Memo from the General Secretariat of 26 May 2020  
documents: b) Memo from the Governor of 26 May 2020  
c) Draft letter to the Supervisory Council

On 20 May, the Executive Board considered the proposed structure of Nicolai Tangen's financial engagements, the measures implemented to deal with the various forms of

conflicts of interest and a draft employment contract. Input from the consideration of this item is included in the attached discussion documents.

The Governor and Deputy Governor Jon Nicolaisen presented the key elements in the proposed structure and Nicolai Tangen's employment contract.

The Executive Board exchanged views and adopted the following decisions:

1. The Executive Board approved the proposed solution to structure Nicolai Tangen's relationship with the AKO system, including the exercise of his ownership through an independent trustee during the period he is CEO of NBIM.
2. The Executive Board accepted the proposed solution to manage Nicolai Tangen's personal investments with a discretionary management mandate, which will be given to an independent investment management firm, and the appointment of an independent proxy to safeguard Nicolai Tangen's interests associated with the manager.
3. The Executive Board took note of the review of identified and remaining risks, proposed controls and new measures.
4. The Executive Board approved the draft employment contract.
5. The Governor was authorised to approve the agreements and undertakings to be submitted to Norges Bank in connection with Nicolai Tangen's employment contract.

The Executive Board agreed that the matter before the Executive Board and the signed employment contract be sent to the Supervisory Council. The Governor was authorised to finalise the letter to the Supervisory Council based on the comments by the Executive Board.

#### **Item 93/2020 Norges Bank's pension fund – annual report for 2019**

Discussion Memo from Norges Bank Administration (NBA) of 19 May 2020  
document:

Jan Thomsen presented the main elements of the annual report.

The Executive Board took note of the pension fund's annual report for 2019. The annual report will be sent to the Supervisory Council for information.

#### **Item 94/2020 Letter to the Supervisory Council on new budget rules for Norges Bank**

Discussion Memo from NBA of 19 May 2020  
document:

Ørjan Agdesteen presented the matter for discussion.

The Executive Board discussed the matter and authorised the Governor to finalise the letter based on the comments at the meeting. The letter will be sent to the Supervisory Council for information.

**Item 95/2020 GPF – Evaluation of the strategy period 2017-2019**

Discussion Memo from the General Secretariat of 22 May 2020  
documents: Memo from NBIM of 15 May 2020  
Memo from the Risk and Investment Committee of 25 May 2020

Jon Nicolaisen presented the topic, including the Risk and Investment Committee's discussions and position.

The Executive Board discussed the matter and approved the request for a letter to be sent to the Ministry of Finance in line with the attached proposal. The Governor was authorised to finalise the letter and the attachment in line with the feedback from the Executive Board.

The Executive Board requested that the detailed reviews of NBIM's strategy be followed by an assessment by the CEO of NBIM on the extent to which the objectives in the strategic plan have been reached.

**Item 96/2020 GPF – Principles on contributions to research**

Discussion Memo from NBIM of 20 May 2020  
document:

Yngve Slyngstad presented the matter for discussion.

The Executive Board exchanged views and endorsed the draft principles on support for research. The Governor was authorised to finalise the principles document based on the feedback from the Executive Board. The final principles document will be sent to the Ministry of Finance for information and published on the Internet.

**Item 97/2020 GPF – Composition of the benchmark index for equities**

Discussion Memo from NBIM of 13 May 2020  
documents: Memo from the Risk and Investment Committee of 25 May 2020

Yngve Slyngstad presented the matter for discussion.

Jon Nicolaisen presented the Risk and Investment Committee's discussions and position.

The Executive Board discussed the matter and approved the submission of a letter to the Ministry of Finance in line with the draft from management and the comments from the Risk and Investment Committee and the Executive Board. The Governor was authorised to finalise the letter.

**Item 98/2020 GPF – Assurance engagement on design and implementation of Norges Bank's framework for risk management and control relating to the adoption and implementation of the benchmark portfolio and the GPF's internal benchmark indexes**

Discussion Memo from the General Secretariat of 20 May 2020  
document:

Pål Haugerud presented the draft response to the Supervisory Council on the assurance engagement.

The Executive Board discussed the matter and approved the request for a letter to be sent to the Supervisory Council in line with the draft. The Governor was authorised to finalise the letter based on the Executive Board's remarks.

**Item 99/2020 Briefing on relevant matters for NBIM**

Yngve Slyngstad gave a briefing on relevant matters for NBIM.

**Item 100/2020 Loans from Norges Bank to the International Monetary Fund (IMF)**

Discussion document: Memo from Monetary Policy of 20 May 2020

Anne Berit Christiansen presented the matter for discussion.

The Executive Board exchanged views and approved the entering into of an agreement to provide the IMF with a borrowing facility in Norges Bank in the form of a drawing arrangement of up to SDR 6 billion with maturity until end-2023. This is subject to approval by the Ministry of Finance pursuant to Section 3-10, Sub-section 2, of the Central Bank Act. The Governor was authorised to submit the agreement to the Ministry of Finance for approval.

**Item 101/2020 Application from mortgage companies to open accounts at Norges Bank**

Discussion document: Memo from Financial Stability of 20 May 2020

Torbjørn Hægeland presented the matter for discussion.

The Executive Board exchanged views and decided not to grant mortgage companies access to an account in Norges Bank or to Norges Bank's ordinary or extraordinary market operations.

The application from *[redacted text]* for temporary access to open an account and for facilities is refused.

**Item 102/2020 Investments in *[redacted text]***

Discussion document: Memo from Markets and ICT of 12 May 2020

Olav Bø presented the matter for discussion.

The Executive Board exchanged views and approved that Norges Bank allow investment in *[redacted text]* in the foreign exchange reserves. Work is to be commenced to establish the necessary infrastructure and routines for investing in *[redacted text]* in the second half of 2020. The Governor was authorised to set a date for the entry into force of this investment.

**Item 103/2020 Briefing on current issues in Norges Bank Central Banking Operations (NBCBO)**

The Governor gave a briefing on relevant matters for NBCBO.

**Item 104/2020 Any other business**

There was no other business.

**The following were distributed for information together with the discussion documents:**

- Follow-up after the reply dated 29 April 2020 from Norges Bank's Executive Board  
Letter from the Supervisory Council of 11 May 2020
- Report from the supervisory review of Norges Bank's periodic internal reports to governing bodies  
Letter from the Office of the Supervisory Council of 17 April 2020
- Report from the Audit Committee meeting of 27 April 2020
- NBIM Report – GPFG Performance and Risk - April 2020