



## MINUTES OF THE EXECUTIVE BOARD MEETING OF 25 NOVEMBER 2020

### Present:

Executive Board: Øystein Olsen, Jon Nicolaisen (items 188-200), Ida Wolden Bache, Karen Helene Ulltveit-Moe, Kristine Ryssdal, Arne Hyttnes, Nina Udnes Tronstad (188-194 and 199-203), Hans Aasnæs and Egil Hermann Sjørusen (188-199)

Employee representatives: Mona H. Sørensen (items 189-198) and Kjersti-Gro Lindquist (189-198)

Office of the Supervisory Council: Jan Frode Jakobsen (items 191-197 and 199)

Management: Nicolai Tangen (items 188 and 191-192), Trond Grande (188 and 191-197), Ørjan Agdesteen (191, 193-194 and 200), Ragna Alstadheim (201), Line Aaltvedt (195), Alexander Behringer (190 and 201), Olav Bø (199-202), Hege Gjerde (191), Bjarne Gulbrandsen (items 188-203), Geir Guldahl (191), Lars Hammersbøen (196), Pål Haugerud (190, 193, 197 and 199-200), Jane Haugland (191 and 195-196), Arild Lund (202), Kathrine Lund (199), Runar Malkenes (190-195), Bård Ove Molberg (181), Kyrre Nilsen (188-203), Arne Osnes (200), Ketil Rakkestad (202), Merethe Riddervold (191-194), Johann Rud (200), Ingrid Rogne (201), Marius Ryel (189-190), Thomas Sevang (190-193), Stian Solheim (191), Kirsten Steinberg (189-190), Anders Svor (199), John Tore Vatnar (197), Birger Vikøren (188-203), Ingunn Valvatne (191-197 and 199-202), Line Vogt (194)

There were no comments on the meeting notice and agenda.

The Executive Board approved conducting the meeting via videoconference.

### **Item 188/2020 Briefing on relevant matters for NBIM**

Nicolai Tangen gave a briefing on relevant matters for NBIM.

### **Item 189/2020 Approval of the minutes of the Executive Board meeting of 28 October 2020**

Draft minutes

The Executive Board approved the minutes of its meeting of 28 October following the incorporation of a few specific comments.

### **Item 190/2020 Revised contract of employment with the CEO of NBIM**

Discussion Memo from General Counsel of 24 November 2020  
document:

Marius Ryel and Jon Nicolaisen presented the matter for discussion.

The Executive Board discussed the matter and took note of the presentation on the follow-up of the contract of employment with the CEO of NBIM.

**Item 191/2020 Proposed 2021 budget for Norges Bank**

**a. Budget for investment management at Norges Bank in 2021**

Discussion Memo from NBIM of 19 November 2020  
document:

**b. Proposed 2021 budget for Norges Bank**

Discussion Memo from Norges Bank Administration (NBA) of 20 November  
document: 2020

Trond Grande presented the budget proposal for investment management. Ørjan Agdesten presented the combined budget proposal for Norges Bank.

The Executive Board discussed the matter and provided feedback and comments. The Executive Board approved the budget proposal of investment management and the combined budget proposal of Norges Bank. The proposed 2021 budget proposal for Norges Bank is to be submitted to the Supervisory Council for budget approval.

The Governor was authorised to finalise the document in the light of the Executive Board's comments and to update the accounting projections following consideration by the Executive Board.

The Executive Board authorised the Governor and the CEO of NBIM to make use of the budget allocations for their areas of responsibility.

**Item 192/2020 The Executive Board's remuneration principles for employees of NBIM**

Discussion Memo from NBIM of 19 November 2020  
documents:

Memo from the Remuneration Committee of 24 November 2020

Nicolai Tangen presented the matter for discussion.

Arne Hyttnes and Nina Udnes Tronstad reported on the Remuneration Committee's discussions and the issues that had been of particular concern to the Committee, including the purpose of the change and the reputational aspects of the proposed change. They also presented the Committee's assessments of management's recommendations.

The Executive Board discussed the matter with particular focus given to maximum performance-based pay limits. The Executive Board noted that the principles from the Executive Board are stricter than in the current regulation concerning remuneration schemes. Based on the Executive Board's comments and request for supplementary documentation, NBIM was asked to resubmit the

matter to the Executive Board with a broader review of the remuneration scheme. The Governor was authorised to approve individual exemptions from the current remuneration principles.

**Item 193/2020 Government Pension Fund Global - Annual reporting 2020**

Discussion Memo from NBIM of 19 November 2020  
document:

Trond Grande presented the matter for discussion.

The Executive Board discussed the matter and endorsed the proposed plan for the consideration and publication of the GPFG's annual report, supplementary publications and online publication in 2021.

- The key figures for the GPFG in 2020 will be published at a press conference at the end of January 2021 after they have been presented to the Executive Board.
- The annual report for 2020 will be submitted for consideration at the Executive Board meeting on 4 February, and will be published on 25 February 2021.
- The report on responsible investment of the GPFG in 2020 will be considered at an Executive Board meeting on 27 January and will be published at a press conference on 25 February 2021.
- Supplementary publications on performance and risk will not be printed.

**Item 194/2020 Norges Bank's Annual Report 2020 and the annual report of the Committee**

Discussion document: Memo from NBA of 19 November 2020

Runar Malkenes presented the matter for discussion.

The Executive Board discussed the matter and approved the publication of Norges Bank's Annual Report according to the proposed disposition and timetable.

The Monetary Policy and Financial Stability Committee provides its own annual report for 2020 as part of Norges Bank's Annual Report.

**Item 195/2020 Revision of communication principles for Norges Bank.**

Discussion Memo from NBA of 12 November 2020  
document:

Runar Malkenes presented the revised communication principles.

The Executive Board discussed the matter and made a few comments. The Governor was authorised to finalise the communication principles in the light of remarks made at the meeting.

**Item 196/2020 Norges Bank's pension scheme / Changes to survivor's pension**

Discussion Memo from NBA of 20 November 2020  
document:

Jane Haugland presented the matter for discussion.

In accordance with decision from 2009, the Executive Board approved that the Bank makes changes to the survivor's pensions in the pension scheme in line with the same principles and from the same date as the government pension scheme.

The approval was given under the condition that the Supervisory Council and the board of the pension fund did not have substantial comments on the changes. The Governor was authorised to draft a letter to the Supervisory Council and the pension fund.

**Item 197/2020 The Executive Board's subcommittees - revision of mandates and appointment of members**

Discussion Memo from the General Secretariat of 19 November 2020  
document:

In line with the requirement that the Audit Committee are elected by and from among the external members of the Executive Board, the external Board members - prior to the meeting of the Executive Board - decided that the Audit Committee shall consist of:

- Karen Helene Ulltveit-Moe (Chair)
- Arne Hyttnes
- Nina Udnes Tronstad

In addition to proposing the composition of the three other committees, the mandates for the Risk and Investment Committee and the Audit Committee are revised.

The Executive Board approved the mandates in line with the proposal.

The Executive Board decided on the following composition of the other committees:

*Ownership Committee:*

- Jon Nicolaisen (Chair)
- Kristine Ryssdal
- Egil Herman Sjursen

*Risk and Investment Committee:*

- Jon Nicolaisen (Chair)
- Hans Aasnæs
- Karen Helene Ulltveit-Moe

*Remuneration Committee:*

- Arne Hyttnes (Chair)
- Nina Udnes Tronstad
- Kristine Ryssdal

The appointments for all subcommittees apply in the period between 1 January 2021 and 31 March 2022.

In addition, the Remuneration Committee will have one member appointed by and from among the employee-elected members of the Board.

**Item 198/2020 Briefing on relevant matters within the Governor’s area of responsibility**

The Governor gave a briefing on relevant matters in Norges Bank Central Banking Operations.

**Item 199/2020 Government debt - Strategy and borrowing programme for 2021**

Discussion Memo from Markets and ICT of 18 November 2020  
document:

Norges Bank manages government debt under a mandate laid down by the Ministry of Finance. In accordance with the mandate, Norges Bank shall prepare a debt management strategy that describes how the Bank will meet the government’s borrowing requirement.

Kathrine Lund presented the main features of the discussion document.

The Executive Board discussed the matter and approved “Strategy and borrowing programme for 2021” for government debt management.

**Item 200/2020 Review of Foreign exchange reserves 2020**

Discussion Memo from Markets and ICT of 19 November 2020  
document:

Olav Bø presented the matter for discussion.

The Executive Board discussed the matter and approved retaining the current composition of the foreign exchange reserves and keeping the benchmark unchanged.

**Item 201/2020 Account management at Norges Bank for [redacted text]**

Discussion Memo from Markets and ICT and Financial Stability of 18  
document: November 2020

Torbjørn Hægeland presented the matter for discussion.

The Executive Board discussed the matter and decided that [redacted text] will no longer be entitled to have an account in Norges Bank. [redacted text] shall be informed of Norges Bank’s decision and notified of the termination of their account contract.

**Item 202/2020 IMF – Financial Sector Assessment Program (FSAP) for Norway – assessments and recommendations concerning Norges Bank**

Case report: Memo from Financial Stability of 17 November 2020

The IMF regularly conducts assessments of member-country financial systems (FSAP). The goal is to assess strengths and weaknesses, and to recommend measures to strengthen the resilience of the financial system at both a national and international level. Work on the most recent FSAP for Norway was concluded in August. IMF assessments are a part of the Norwegian authorities' continuous efforts to strengthen the Norwegian financial system.

Torbjørn Hægeland presented the case report, which describes the IMF recommendations that are relevant to Norges Bank. Hægeland further presented management's assessments and the plans for following up the recommendations.

The Executive Board took note of the assessments.

#### **Item 203/2020 Any other business**

There was no other business.

#### **Items for information:**

- Letter from the Ministry of Finance - Benchmark index for equities  
Memo from NBIM of 19 November 2020
- Letter from the ministry of Finance - GPFG management mandate - decisions concerning changes  
Memo from NBIM of 19 November 2020
- Letter from the Ministry of Finance - implementation of management in the light of the Covid-19 pandemic  
Memo from NBIM of 19 November 2020
- GPFG – Reports and presentations from meeting with the Ministry of Finance  
Memo from NBIM of 19 November 2020
- Division of roles and responsibilities between the Governor and the Deputy Governors.  
Memo from the General Secretariat of 16 November
- Agenda for the Executive Board seminar of 24 November 2020.
- Report from the Audit Committee meeting of 27 October 2020
- Report from the Audit Committee meeting of 13 November 2020
- Minutes of the Risk and Investment Committee meeting of 26 October 2020
- Minutes of the Risk and Investment Committee meeting of 20 October 2020
- NBIM Report: GPFG Performance and Risk - October 2020