

MINUTES OF THE EXECUTIVE BOARD MEETING OF 16 MARCH 2016

Present:

- Executive Board: Øystein Olsen, Jon Nicolaisen, Egil Matsen, Hilde Myrberg, Kjetil Storesletten, Karen Helene Ulltveit-Moe, Kathryn M. Baker and Steinar Juel
- Alternates: Arne Hyttnes
- Employee representatives: Mona H. Sørensen and Henrik Borchgrevink (items 72-74)
- Management: Ida Wolden Bache (items 67-69), Sindre Weme (items 67-69), Kristine Høegh-Omdal (items 67-69), Per Espen Lilleås (items 67-69), Ingrid Solberg (items 67-69), Kristin Gulbrandsen (items 67-70), Olav Bø (items 67-70), Anders Svor (item 70), Jannecke Ebbesen (items 72-73), Jane Haugland (items 72-73), Therese Riiser Wålen (items 67-69), Birger Vikøren (items 70-74), Runar Malkenes (items 67-69), Bjarne Gulbrandsen (items 67-74), Sigrid Igland (items 67-74)

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

- The Executive Board's strategy seminar 4-6 April 2016
Memo from the General Secretariat of 11 March 2016
- Composition of the Executive Board's subcommittees
Memo from the General Secretariat of 15 March 2016
- The Executive Board's assessment of the Government Pension Fund Global's performance in 2015
Letter to the Ministry of Finance of 15 March 2016

67/2016 Recommendation to the Ministry of Finance on the countercyclical capital buffer

Discussion documents:

- HIGHLY CONFIDENTIAL memo from Financial Stability of 15 March 2016

Jon Nicolaisen provided an update on the basis for the recommendation.

In its discussions, the Executive Board emphasised that the persistent rise in household debt ratios and high property price inflation in recent years are signs that financial imbalances have built up. On the whole, recent developments suggest that the imbalances are not building up further. Looking ahead, weak growth in the Norwegian economy may curb growth in both household and corporate debt. On the other hand, lower interest rates entail a risk of a pickup in property price inflation and debt growth.

On the basis of an overall assessment, the Executive Board decided to advise the Ministry of Finance to keep the buffer rate unchanged at 1.5 per cent from summer 2016.

68/2016 Draft monetary policy report with financial stability assessment 1/16

Discussion documents:

- HIGHLY CONFIDENTIAL memo from Monetary Policy of 15 March 2016

Jon Nicolaisen presented a number of adjustments to the report following its consideration by the Executive Board on 10 March 2016.

The Executive Board discussed the economic outlook, the monetary policy stance and the basis for the countercyclical buffer at the banks. The Executive Board approved the proposed "Executive Board's Assessment". The assessment is to be published in Monetary Policy Report 1/16.

69/2016 The current monetary situation

Discussion documents:

- Norges Bank's policy rates – Meeting of 16 March
HIGHLY CONFIDENTIAL memo of 15 March 2016
- Economic developments since 16 December 2015
Memo from Monetary Policy of 14 March 2016
- Report from the meeting between Norges Bank and
the Ministry of Finance of 15 December 2015
- Background information – Charts



70/2016 Annual report on government debt management for 2015

Discussion documents:

- Memo from Markets and Banking Services of 9 March 2016

Kristin Gulbrandsen and Anders Svor presented the main elements of the report.

The Executive Board had an exchange of views and took note of the annual report on government debt management for 2015. The report is to be submitted to the Ministry of Finance for information prior to publication.

71/2016 Briefing on current issues in Central Banking Operations

The Central Bank Governor presented current issues in Central Banking Operations.

72/2016 Minutes of the Executive Board meeting of 10 March 2016

The Executive Board approved the minutes of its meeting of 10 March 2016.

73/2016 Norges Bank's pension scheme / Changes to age limits and retirement age

Discussion documents:

- Memo from Corporate and Shared Services of 10 March 2016

Jannecke Ebbesen presented the topic.

The Executive Board had an exchange of views and agreed to set the age limit at Norges Bank at 70.

A majority of the Executive Board also agreed to:

- Set the age limit for the Bank's security guards at 65 years
- Retain employees' right to retire with pension up to three years before reaching the age limit – in other words, raise the retirement age at Norges Bank (excluding AFP early retirement pensions) from 65 to 67
- Apply the change in retirement age to all new recruits and to all employees born after 1 July 1975

The Executive Board's employee representatives were unable to agree to the changes to the retirement age and the special age limit for the Bank's security guards. They argued that these changes should await changes to the government pension scheme. Alternatively, they could support the changes if they applied only to new employees.

In the event of any changes to the government pension scheme, management is to come back to the Executive Board with an assessment of the need for changes to the Bank's pension scheme.

74/2016 Any other business

There was no other business.

Executive Board members:

Executive Board alternates:

Employee representatives in respect of items 72-74: