

MINUTES OF THE EXECUTIVE BOARD MEETING OF 11 MAY 2016

Present:

Executive Board: Øystein Olsen, Jon Nicolaisen, Egil Matsen, Hilde Myrberg, Kjetil Storesletten, Karen Helene Ulltveit-Moe, Kathryn M. Baker and Steinar Juel (items 98 and 100-108)

Apologies: Kristine Landmark

Alternates: Arne Hyttnes

Employee representatives: Gøril B. Havro and Mona H. Sørensen (items 107-108)

Office of the Supervisory Council: Svenn-Erik Forsstrøm (items 102-103 and 105)

Management: Ida Wolden Bache (items 98-99), Sindre Weme (items 98-100), Per Espen Lilleås (item 98), Ingrid Solberg (item 98), Nina Langbraaten (item 98), Kristin Gulbrandsen (items 98-104), Olav Bø (items 98 and 104), Ketil Rakkestad (item 104), Bent Vale (item 99), Knut Sandal (items 100-101), Kjetil Heltne (item 101), Trond Eklund (items 101-103) Ingunn Valvatne (item 105), Therese Riiser Wålen (items 98 and 103), Birger Vikøren (items 100-108), Runar Malkenes (items 80-86 and 93-94), Bjarne Gulbrandsen (items 98-108), Olav Mundal (items 98-108)

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

- Agenda
- National report from the regional network – Phone survey 1/2016
Memo from Monetary Policy of 28 April
- Market Focus 2-2016
Memo from Markets and Banking Services of 4 May
- Report from the Audit Committee meeting of 25 April 2016
- GPFG performance and risk report, March 2016
Memo from NBIM of 26 April

98/2016 The current monetary situation

Discussion documents:

- Norges Bank's key policy rate
HIGHLY CONFIDENTIAL memo from Monetary Policy of 6 May 2016
- Economic developments since 16 March 2016
Memo from Monetary Policy of 6 May 2016
- Report from the meeting between Norges Bank and the Ministry of Finance of 15 March 2016
- Updated outlook
CONFIDENTIAL memo from Monetary Policy of 6 May 2016



99/2016 Nordea Bank Norge ASA – Conversion to branch

Discussion documents:

- Memo from Financial Stability of 4 May 2016

Steinar Juel withdrew while this item was considered.

Jon Nicolaisen presented the topic.

The Executive Board exchanged views and approved the proposed consultation response to the Ministry of Finance. The Central Bank Governor was authorised to finalise the consultation response based on the draft letter and the Executive Board's remarks.

100/2016 The report Financial Infrastructure 2016

Discussion documents:

- Memo from Financial Stability of 4 May 2016

Anna Grinaker presented the main elements of the report.

The Executive Board approved the proposed "Executive Board's Assessment" and took note of the remainder of the report. The Executive Board noted that Norway has an efficient system for payments and financial transactions and that there are few disruptions in interbank systems and in the securities settlement system. At the same time, we face new challenges that need to be addressed in the years ahead. The Executive Board also noted that banks' contingency arrangements for cash distribution may prove inadequate in a crisis situation. It is important for contingency arrangements in the payment system to be followed up by Finanstilsynet and Norges Bank.

The Central Bank Governor was authorised to finalise the report on the basis of the Executive Board's discussions.

The report is to be published at a press seminar on 24 May 2015.

101/2016 Annual report on Norges Bank's settlement system for 2015

Discussion documents:

- Memo from Markets and Banking Services of 29 April 2016

Kristin Gulbrandsen and Kjetil Heltne presented the main elements of the report, with the emphasis on the risk outlook and risk-reducing measures.

Against this background, the Executive Board exchanged views and took note of the annual report on Norges Bank's settlement system.

102/2016 Annual report on notes and coins for 2015

Discussion documents:

- Memo from Markets and Banking Services of 28 April 2016

Trond Eklund presented developments and the main elements of the report.

Against this background, the Executive Board exchanged views and took note of the annual report on notes and coins for 2015.

103/2016 Work on the new banknote series – Status report

Discussion documents:

- Memo from Markets and Banking Services of 29 April 2016

Trond Eklund gave a status report on progress on the new banknote series and presented a test sample of the new NOK 100 note.

The Executive Board exchanged views and took note of the status report on the banknote project.

104/2016 Changes to the lending regulation – Banks engaged in cross-border activities in Norway

Discussion document: Memo from NBIM of 28 April 2016

Kristin Gulbrandsen presented the proposal on changes to § 10 of the lending regulation.

The Executive Board exchanged views, including on the regulation relating to banks that engage in cross-border activities. The Executive Board decided to subject the proposal on changes to the lending regulation to a consultation round following clarification of a number of questions regarding the regulation. The Governor was authorised to finalise the consultation proposal based on the Executive Board's discussions.

105/2016 Updated mandates for the Risk and Investment Committee and the Audit Committee

Discussion documents:

- Memo from the General Secretariat of 4 May 2016

Birger Vikøren and Egil Matsen presented the topic.

The Executive Board exchanged views and decided to update the mandates for the Audit Committee and the Risk and Investment Committee in line with the attached drafts and a few specific remarks.

The Executive Board decided to retain the current composition of the Risk and Investment Committee for the rest of the year. The Executive Board's external members decided to retain the current composition of the Audit Committee for the rest of the year.

106/2016 Briefing on current issues

Øystein Olsen and Egil Matsen gave briefings on current issues.

107/2016 Minutes of the Executive Board meeting of 27 April 2016

The Executive Board had a few comments on the minutes, which are to be resubmitted for consideration at its next meeting.

108/2016 Any other business

There was no other business.

Executive Board members:

Executive Board alternates:

Employee representatives in respect of items 107-108: