

## MINUTES OF THE EXECUTIVE BOARD MEETING OF 8 JUNE 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 110-121)

Alternates: Arne Hyttnes and Kristine Landmark

Employee representatives: Mona H. Sørensen and Henrik Borchgrevink (items 118-121)

Office of the Supervisory Council: Svenn-Erik Forsstrøm (items 115-116 and 118-120)

Management: Ida Wolden Bache (items 109-110), Torbjørn Hægeland (items 109-112), Per Espen Lilleås (items 109-110), Ingrid Solberg (items 109-110), Kristin Gulbrandsen (items 109-110), Olav Bø (items 109-110), Kristine Høegh-Omdal (items 109-110), Sindre Weme (items 109-112), Katrine G. Boye (items 111-112), Henrik Borchgrevink (items 111-112), Birger Vikøren (items 111-119), Mads Kristensen (items 115-116 and 118-119), Karsten Kallevig (items 115-116), Nina Hammerstad (items 115-116), Ivar Eriksen (items 115-116), Trond Grande (items 115-117), Pål Haugerud (items 115-116), Marius Ryel (items 118-120), Runar Malkenes (items 109-112, 115-116 and 118-120), Bjarne Gulbrandsen (items 109-121), Olav Mundal (items 109-116 and 118-121)

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

- National report from the regional network – Round 2/2016  
Memo from Monetary Policy of 2 June
- The Standing Committee on Finance and Economic Affairs' report on the management of the GPFG in 2015  
Memo from NBIM of 2 June 2016
- Real estate management – Report from the Real Estate Investment Board meeting of 2 May  
Memo from NBIM/NBREM of 3 June 2016

### 109/2016 Recommendation to the Ministry of Finance on the countercyclical capital buffer

#### Discussion documents:

- HIGHLY CONFIDENTIAL memo from Financial Stability of 3 June 2016

The Governor outlined the basis for the recommendation to the Ministry of Finance on the countercyclical capital buffer.

The Executive Board exchanged views. In light of the Executive Board's discussions, a draft letter to the Ministry of Finance with a recommendation on the countercyclical capital buffer for the second quarter of 2016 is to be presented for final consideration at the Executive Board's meeting of 22 June 2016.

#### **110/2016 Draft monetary policy report with financial stability assessment 2/16**

Discussion documents:

- HIGHLY CONFIDENTIAL memo from Monetary Policy of 2 June 2016

The Governor presented the main elements of the draft monetary policy report, including the analysis and assessment of the economic situation and the outlook for monetary policy. The Governor also referred to presentations and discussions at the seminar on the monetary policy situation.

The Executive Board discussed the economic outlook and the monetary policy stance. In light of the Executive Board's discussions and new information, a draft "Executive Board's Assessment" is to be presented for final consideration at the Executive Board's meeting of 22 June 2016.

#### **111/2016 Financial stability report for 2016**

Discussion documents:

- Memo from Financial Stability of 1 June 2016

Torbjørn Hægeland presented relevant themes for the 2016 financial stability report.

The Executive Board exchanged views and agreed to the proposed themes being explored in the work on the 2016 financial stability report. The report is to be submitted for consideration at the Executive Board meeting of 26 October 2016.

#### **112/2016 Consultation – Unweighted capital ratio**

Discussion documents:

- Memo from Financial Stability of 1 June 2016

Torbjørn Hægeland introduced the draft response to the Ministry of Finance's consultation on Norwegian rules on unweighted capital ratios.

The Executive Board exchanged views. The Governor was authorised to finalise the consultation response based on the draft and the Executive Board's remarks.

#### **113/2016 Briefing on current issues in Central Banking Operations**

The Governor and Deputy Governor Jon Nicolaisen gave a briefing on current issues in Central Banking Operations.

#### **114/2016 Executive Board's duties and working processes, including meeting schedule for 2017**

Discussion documents:

- Memo from the General Secretariat of 2 June 2016

The Executive Board discussed its working processes and duties on the basis of the discussion document.

The Executive Board requested the introduction of a practice of circulating the minutes to members of the Executive Board before they are presented for approval at the following Executive Board meeting.

The Executive Board approved the proposed meeting and seminar schedule for 2017.

#### **115/2016 Real estate management – Letter to the Ministry of Finance**

Discussion documents:

- Memo from NBREM of 3 June 2016
- Memo from NBIM of 3 June 2016
- Memo from the Risk and Investment Committee of 6 June 2016

Karsten Kallevig presented aspects of possible changes to the holding structure for the Fund's real estate investments. Egil Matsen presented the discussions on the Risk and Investment Committee.

The Executive Board exchanged views and asked NBREM to work further on the matter. The Executive Board asked for comments and remarks from the Risk and Investment Committee and the Executive Board's discussions to be incorporated into the draft letter, which is to be resubmitted for consideration at a later meeting.

#### **116/2016 Real estate management – Follow-up of development project**

Discussion documents:

- Memo from NBREM of 3 June 2016
- Memo from NBIM of 3 June 2016
- Memo from the Risk and Investment Committee of 6 June 2016

Karsten Kallevig presented the risk associated with a specific development project and NBREM's management of this risk. Egil Matsen presented the discussions on the Risk and Investment Committee.

The Executive Board took note of the presentation of the management of risk in the development project.

#### **117/2016 Briefing on current issues in investment management**

Egil Matsen gave a briefing on current issues in investment management.

## **118/2016 Minutes of the Executive Board meetings of 27 April and 11 May 2016**

The Executive Board approved the minutes of its meetings of 27 April and 11 May 2016.

## **119/2016 Publication of the Executive Board's minutes**

Discussion documents:

- Memo from the General Secretariat/General Counsel of 2 June 2016

Marius Ryel presented the topic.

The Executive Board exchanged views and agreed to the approved minutes of meetings of Norges Bank's Executive Board being published regularly on the Bank's website. Confidential information and information that for other reasons may, or should, be exempt from disclosure is to be removed from the minutes before publication. The decision on this is to be taken by the Governor or the person delegated by him.

Section 16 of the Executive Board's Rules of Procedure is to read as follows:

### **Section 16 Public disclosure**

*Distributed discussion documents are exempt from public access under Section 14 of the Freedom of Information Act on internal documents. The approved minutes of individual agenda items are public information and are to be made publicly available unless they are exempt from public access under the rules on exemptions for information subject to a duty of confidentiality or should for other reasons be exempt from public access due to their content. The minutes of the Executive Board's rate-setting meetings (cf. Section 13) are to be made public after 12 years.*

The amendments are to have immediate effect.

## **120/2016 Exemption from duty of confidentiality for information for the tax authorities etc.**

Discussion documents:

- Memo from the General Counsel of 2 June 2016

Marius Ryel presented the topic.

The Executive Board agreed that the Bank's consultation response to the Ministry of Finance should state that the Bank has no objections to the duty of confidentiality under the Norges Bank Act being amended so that the Bank can provide information to the tax authorities on request.

## **121/2016 Any other business**

There was no other business.

Executive Board members:

Executive Board alternates:

Employee representatives in respect of items 118-121: