

MINUTES OF THE EXECUTIVE BOARD MEETING OF 8 MARCH 2017

Present:

Executive Board: Øystein Olsen, Jon Nicolaisen, Egil Matsen, Hilde Myrberg, Karen Helene Ulltveit-Moe, Kathryn M. Baker and Steinar Juel

Alternates: Arne Hyttnes and Kristine Landmark

Apologies: Kjetil Storesletten

Employee representatives: Mona H. Sørensen and Nina Larsson Midthjell (items 59-61)

Office of the Supervisory Council: Jan Frode Jakobsen (item 55)

Management: Ida Wolden Bache (items 51-52), Kristin Gulbrandsen (items 51-53), Torbjørn Hægeland (items 51-52), Olav Bø (items 51-53), Per Espen Lilleås (items 51-52), Ingrid Solberg (items 51-52), Sindre Weme (items 51-52), Henrik Borchgrevink (items 51-52), Andreas Andersen (item 52), Ketil Rakkestad (item 53), Yngve Slyngstad (items 55-61), Trond Grande (items 55-61), Merethe Riddervold (items 55-57 and 59-61), Dag Huse (items 55-57), Renate Haugen (item 55), Runar Malkenes (items 51-52 and 55-56), Birger Vikøren (items 53-61), Bjarne Gulbrandsen (items 51-61), Olav Mundal (items 51-53 and 55-56)

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

- National report from the regional network 1/2017
Memo from Monetary Policy of 2 March 2017
- Countercyclical capital buffers in third countries
Memo from Financial Stability of 1 March 2017
- Report from the Audit Committee meeting of 6 February 2017
- Market Focus 1-2017

51/2017 Advice on the countercyclical buffer 2017 Q1

Discussion documents: HIGHLY CONFIDENTIAL memo from Financial Stability of 3 March 2017

Torbjørn Hægeland and the Governor outlined the basis for the recommendation to the Ministry of Finance on the countercyclical capital buffer.

The Executive Board discussed the need for a countercyclical capital buffer at banks. 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 first quarter of 2017 is to be presented for final consideration at the Executive

Board's meeting of 14 March 2017.

52/2017 Draft monetary policy report with financial stability assessment 1/17 – Monetary policy analysis and provisional assessments

Discussion documents: HIGHLY CONFIDENTIAL memo from Monetary Policy of 3 March 2017

Ida Wolden Backe and the Governor presented the main elements of the draft monetary policy report, including the analyses and assessments of the economic situation and the outlook for monetary policy. They 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 14 March 2017.

53/2017 Delegation of authority to the Governor to set terms for cross-border institutions

Discussion documents: Memo from Markets and Banking Services of 3 March 2017

On 23 November 2016, the Executive Board resolved to amend the regulation on the access of banks to borrowing and deposit facilities in Norges Bank (the Lending Regulation). The changes allow Norges Bank to set the terms for overnight deposits from cross-border institutions and issue rules on the calculation and payment of penalty interest if these institutions fail to settle D-loans at the end of the day.

The Executive Board authorised the Governor to set the terms for such deposits and issue more detailed rules on the calculation and payment of penalty interest if cross-border institutions fail to settle D-loans at the end of the day.

54/2017 Briefing on current issues in Central Banking Operations

The Governor gave a briefing on current issues in Central Banking Operations.

55/2017 GPF – Publication of information on return and risk in 2016

Discussion documents: Memo from NBIM of 3 March 2017

Yngve Slyngstad and Dag Huse presented the topic. Egil Matsen presented the discussions on the Risk and Investment Committee and the aspects that particularly drew its attention.

The Executive Board had an exchange of views and took note of the extended information on return and risk in the GPF for 2016. The Governor was

authorised to finalise the report based on the Executive Board's feedback and comments.

56/2017 GPF – Framework for investments in new instruments and markets

Discussion Memo from NBIM of 3 March 2017
documents:

Yngve Slyngstad presented the topic.

The Executive Board had an exchange of views and took note of the report on the framework for investments in new instruments and markets in the management of the GPF.

57/2017 GPF – Monthly report on return and risk for January 2017

Discussion Memo from NBIM of 3 March 2017
documents:

Dag Huse presented the discussion document, which shows how return and risk in the GPF can be reported after the new mandate entered into force at the start of the year.

The Executive Board had an exchange of views and took note of the monthly report on return and risk in the GPF for January 2017.

58/2017 Briefing on current issues in investment management

Yngve Slyngstad gave a briefing on current issues in investment management.

59/2017 Minutes of the Executive Board meeting of 8 February 2017

The Executive Board approved the minutes of its meeting of 8 February 2017.

60/2017 Status of the Executive Board's follow-up of the Supervisory Council's supervision reports

Discussion Memo from the General Secretariat of 3 March 2017
documents:

Birger Vikøren presented the topic.

The Executive Board had an exchange of views and approved the submission of the attached letter to the Supervisory Council. The Governor was authorised to finalise the letter based on the Executive Board's remarks.

61/2017 Any other business

There was no other business.

Executive Board members:

Executive Board alternates:

Employee representatives in respect of items 59-61: