

MINUTES OF THE EXECUTIVE BOARD MEETING OF 14 JUNE 2017

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 and Kristine Landmark

Employee representatives: Mona H. Sørensen and Nina Larsson Midthjell (items 124-126)

Management: Ida Wolden Bache (items 120-121), Torbjørn Hægeland (items 120-123), Olav Bø (items 120-123), Per Espen Lilleås (items 120-121), Ingrid Solberg (items 120-121), Sindre Weme (items 120-122), Ylva Søvik (items 120-121), Henrik Borchgrevink (items 120-121), Katrine Godding Boye (items 122), Knut Sandal (items 122-123), Katrine Stang Ottesen (item 123), Runar Malkenes (items 120-126), Birger Vikøren (items 122-126), Bjarne Gulbrandsen (items 120-126), Olav Mundal (items 120-126)

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

- National report from the regional network 2/2017
Memo from Monetary Policy of 8 June 2017
- Market Focus 3-2017
Memo from Markets and Banking Services/Market Operations and Analysis of 9 June 2017
- Report on unemployment
Memo from Monetary Policy of 3 May 2017
- Report "The Norwegian Financial System 2017"
Memo from Financial Stability of 9 June 2017
- Updating of the Executive Board's Rules of Procedure
Memo from the General Secretariat of 9 June 2017
- Appointment of members of the Council on Ethics - letter from the Ministry of Finance of 22 May 2017
- Report from the Audit Committee meeting of 24 April 2017

120/2017 Advice on the countercyclical buffer 2017 Q2

Discussion document: HIGHLY CONFIDENTIAL memo from Financial Stability of 9 June 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 level of the countercyclical capital buffer for 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 second quarter of 2017 is to be presented for final consideration at the Executive Board's meeting of 21 June 2017.

121/2017 Draft monetary policy report with financial stability assessment 2/17 – Monetary policy analysis and provisional assessments

Discussion document: HIGHLY CONFIDENTIAL memo from Monetary Policy of 9 June 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 21 June 2017.

122/2017 Financial stability report for 2017

Discussion document: Memo from Financial Stability of 8 June 2017

Torbjørn Hægeland presented relevant themes for the 2017 financial stability report.

The Executive Board exchanged views and agreed to the proposed themes being explored in the work on the 2017 financial stability report. The report is to be submitted for consideration at the Executive Board meeting of 25 October 2017.

123/2017 Payments with faster settlement

Discussion document: Memo from Markets and Banking Services and Financial Stability of 8 June 2017

In autumn 2016, Norges Bank and Finance Norway initiated a project to develop and implement a new common infrastructure that does not have the weaknesses that current fast payment solutions have and that facilitates payments with real-time settlement. A task force was established that presented a report in spring 2017 with proposals for the design of such an infrastructure.

Jon Nicolaisen presented the proposed solution.

The Executive Board exchanged views and decided that Norges Bank would continue to work with the banking industry on developing and implementing an improved infrastructure for faster payments in accordance with the solution discussed in the presentation.

124/2017 Briefing on current issues in Central Banking Operations

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

125/2017 Minutes of the Executive Board meeting of 3 May 2017

The Executive Board approved the minutes of its meeting of 3 May 2017.

126/2017 Any other business

There was no other business.

Executive Board members:

Executive Board alternates:

Employee representatives in respect of items 124-126: