

REPORT
OF THE
BANK OF FINLAND

FOR THE 106th FINANCIAL YEAR
ENDED 31st DECEMBER, 1917.

HELSINGFORS
F. TILGMANN, LIMITED
1918.

BANK OF

I. Balance Sheet,

ASSETS.			
Cover for the Issue of Notes.			
Stock of Gold:			
Finnish Gold Coin	28,511,410	—	
Foreign Gold Coin	13,592,708	13	
Bullion	525,090	56	42,629,208 69
Finnish Silver Coin		813,551	—
Bonds in Foreign Currency		434,423,395	05
Foreign Correspondents		464,249,476	50
» Bank Notes and Coupons		2,020,992	26
» Bills		356,633	56
			944,493,257 06
Home Investments.			
Inland Bills		34,806,826	01
Loans on Security		5,837,736	74
Advances on Current Accounts		5,140,644	62
			45,785,207 37
Other Assets.			
Bonds in Germany		10,391,241	99
Correspondents in Germany and Austria		22,448,297	86
Silver Bullion		8,283	25
Finnish Copper Coin		61,109	85
Bonds in Finnish Currency		6,205,835	—
Sundry Accounts		1,301	25
Silver at the Mint		235,249	18
Balance of Interest Accrued		2,742,508	85
Bank Premises	3,466,356	41	
Furniture	100	—	3,466,456 41
			45,560,283 64
			1,035,838,748 07
Fmk			

II. Summary of the Bank's Monthly Returns in 1917.

Month.	Cover for the Issue of Notes.			Home Investments.	Other Assets.	Liabilities payable on demand.			Unused Amount of Issue.
	Gold.	Finnish Silver Coin.	Assets abroad.			Notes in Circulation.	Other Liabilities.	Undrawn amount of advances on current accounts.	
	Fmk.	Fmk.	Fmk.			Fmk.	Fmk.	Fmk.	
January . .	42,652,669	742,865	553,027,164	41,224,608	40,831,218	427,426,509	155,355,655	3,385,997	80,254,537
February . .	42,647,263	863,757	611,480,682	51,466,148	40,913,298	469,631,928	174,681,639	3,012,847	77,665,288
March . . .	42,641,675	956,268	636,528,748	59,426,544	41,171,469	525,209,196	151,852,108	2,588,943	70,476,444
April	42,637,921	960,564	706,338,549	40,823,417	41,005,288	538,918,582	188,838,436	3,281,421	88,898,595
May	42,644,888	761,969	784,782,114	43,350,836	41,629,884	557,493,226	251,592,557	2,220,193	86,882,995
June	42,647,514	884,990	864,512,786	45,233,588	41,496,193	583,852,920	306,703,808	1,973,960	85,514,602
July	42,648,857	681,837	857,321,916	82,588,965	41,514,640	600,091,698	319,933,041	2,181,073	48,446,798
August . . .	42,649,143	473,478	916,114,271	96,521,300	42,497,775	623,492,895	365,248,032	1,889,990	38,605,975
September .	42,644,981	761,760	939,682,886	97,521,902	42,737,405	658,118,610	352,855,071	1,349,318	40,766,628
October . . .	42,636,331	950,157	993,531,429	97,719,032	42,703,175	744,833,835	317,936,604	2,068,977	42,278,501
November . .	42,633,410	808,129	1,042,412,158	96,106,924	42,650,021	782,786,095	325,001,061	3,034,562	45,031,979
December . .	42,629,209	813,551	901,050,497	45,785,207	45,560,284	764,485,158	266,638,371	1,859,155	111,510,573

III. Turnover.

1. Cash Account.

The aggregate Cash turnover in Debit and Credit for 1917 was . . . Fmk 11,538,548,540: 08
of which at the Branches at

Petrograd, Finnish currency	Fmk	80,895,211: 32	
» Russian »		672,518,356: 59	Fmk 753,413,567: 91
Wiborg			» 816,352,394: 78
Åbo			» 418,656,006: 13
Tammerfors			» 398,019,735: 60
Wasa			» 257,430,246: 01
Björneborg			» 203,775,914: 25
Uleåborg			» 192,886,705: 56
Kotka			» 156,748,579: 76
Kuopio			» 121,031,352: 11
Joensuu			» 114,606,538: 49
Jyväskylä			» 98,257,758: 72
Sordavala			» 92,701,493: 55
Tavastehus			» 67,159,569: 32
S:t Michel			» 61,577,267: —
and at the Head Office at Helsingfors			» 7,785,931,410: 89
			Fmk 11,538,548,540: 08

Thus the average turnover per day was	Fmk	38,461,828: 47
of which at the Head Office	»	25,953,104: 70
and at the Branches	»	12,508,723: 77
Cash in hand:		
	At the end of 1916.	At the end of 1917.
Finnish gold coin	Fmk 28,511,170: —	Fmk 28,511,410: —
Foreign gold coin	» 13,583,582: 45	» 13,592,708: 13
Gold bullion	» 556,023: 53	» 525,090: 56
Silver »	» 5,878: 86	» 8,283: 25
Finnish silver coin	» 941,978: —	» 813,551: —
» copper coin	» 27,026: 98	» 61,109: 85
Foreign bank notes and coupons	» 2,642,188: 26	» 2,020,992: 26
Own bank notes	» 406,943,691: —	» 196,631,636: —
	<u>Fmk 453,211,539: 08</u>	<u>Fmk 242,164,781: 05</u>

2. Stock of Finnish Gold Coin.

	20 Mark pieces.	10 Mark pieces.	Total.
	Fmk.	Fmk.	Fmk.
Delivered by the Mint until 31st December 1913	49,450,000	14,800,000	64,250,000
In circulation	28,135,380	7,603,210	35,738,590
Stock on hand at the Bank	Fmk 21,314,620	7,196,790	28,511,410

3. Bonds.

Balance 31st December 1916	Fmk	271,676,323: 99
Bought during 1917	Fmk 561,063,879: 85	
Profit on sold and drawn bonds	» 863,763: 69	» 561,927,643: 54
		<u>Fmk 833,603,967: 53</u>
Sold and drawn during 1917	Fmk 376,124,901: 49	
Depreciation in 1917	» 6,458,594: —	» 382,583,495: 49
		<u>Fmk 451,020,472: 04</u>
of which bonds in foreign currency	Fmk 434,423,395: 05	
» » » » in Germany	» 10,391,241: 99	
» » Finnish	» 6,205,835: —	Fmk 451,020,472: 04

This balance was invested in the following securities:

Finnish Government 3 1/2 % Loans of 1895, 1901 & 1903	Fr.	557,000: —
» » 3 % Loan » 1898	»	9,000: —
» » 3 1/2 % » » 1889	M.	36,000: —
» » 4 1/2 % » » 1909	»	163,200: —
» » 5 1/2 % » » 1917	£	1,237,113: 16
Finlands Hypoteksförening 4 % Loans of 1887 & 1902	M.	352,755: —
» » 4 1/2 % » » 1907 & 1909	»	1,603,395: —
Städernas i Finland Hypotekskassa 4 % Loans of 1895 & 1897	»	232,065: —
» » » » 4 1/2 % » » 1900 & 1903	»	353,160: —
Förenings-Banken i Finland 3 1/2 % Loan of 1895	»	708,000: —
Nordiska Aktiebanken 4 % Loans of 1897 & 1898	»	206,955: —
City of Helsingfors 4 1/2 % Loan of 1892	Kr.	360,360: —
» » » » » 1909	M.	130,560: —
» » Wiborg » » » 1902	Kr.	135,720: —

Russian 4 0/0 Consols of 1889	G. Ro.	126,000:—
» » Gold Loans of 1890 & 1893	»	112,750:—
» 3 1/2 0/0 » Loan » 1894	»	316,500:—
» 3 0/0 » » » 1896	Ro.	187,500:—
» 3 8/10 0/0 Converted Loan of 1898	»	220,500:—
» 5 0/0 Inland Loans of 1914 & 1915	»	1,950,000:—
» 5 0/0 Government Bonds	»	325,000:—
» 5 1/2 0/0 War Loans of 1915 & 1916	»	53,662,000:—
» 5 0/0 Treasury Bonds	»	69,876,000:—
» 5 1/2 0/0 » »	»	44,691,000:—
Ryazan-Uralsk 4 0/0 Railway Loan of 1894	G. Ro.	16,250:—
» » » » » 1897	M.	514,500:—
Vladikavkaz » » Loans » 1897 & 1898	»	100,000:—
Russian South Eastern Railway 4 0/0 Loans of 1897, 1898 & 1901	»	923,000:—
Moscow-Kiev-Voronezh 4 0/0 Railway Loan of 1895	»	194,500:—
Kozlov-Vorenezh » » » » 1887	»	1,800:—
English 5 0/0 War Loan 1929—1947	£	12,100:—
Transvaal 3 0/0 Loan of 1903	»	10,400:—
Swedish Government 3,6 0/0 Loan of 1887	Kr.	1,050,500:—
Sveriges Allm. Hypoteksbank 3 3/4 0/0 Loans of 1880 & 1883	»	621,000:—
City of Stockholm 3 1/2 0/0 Loan of 1887	M.	46,350:—
» » Gothenburg » » » 1886 & 1890	»	186,300:—
Norges Hypoteksbank 3 1/2 0/0 Loan of 1887	»	159,750:—
City of Copenhagen 3 1/2 0/0 Loans of 1886 & 1887	Kr.	237,400:—
German Imperial 3 0/0 Loans	M.	3,100,000:—
» » 3 1/2 0/0 »	»	1,075,100:—
Prussian 3 0/0 Consols	»	1,600,000:—
» 3 1/2 0/0 » of 1906	»	572,500:—
» » Central Boden Credit Bonds	»	731,500:—
Saxon 3 0/0 State Rentes	»	1,403,000:—
Hessian 4 0/0 State Loans of 1899 & 1906	»	33,000:—
Hamburg 3 0/0 State Loan of 1886	»	1,217,500:—
Bremen » » » » 1896	»	250,000:—
Austrian 4 0/0 Gold Rentes	Fl.	550,000:—
» » Crown »	K.	735,000:—
Hungarian 4 0/0 Gold Rentes	Fl.	735,000:—
» » Crown »	K.	500,000:—
» 3 1/2 0/0 State Rentes of 1897	»	500,000:—
» » Boden Credit Bonds	»	1,275,800:—
Finlands Hypoteksförening 5 0/0 Loan of 1915	Fmk	20,000:—
Städernas i Finland Hypotekskassa 4 0/0 Loan of 1896	»	15,000:—
Fastighetsbanken i Finland Ab. 4 1/2 0/0 Loan of 1917	»	324,500:—
Centrallånekassan för stads- o. landskom. i Finland 5 0/0 Loan of 1910	»	28,000:—
Kansallis-Osake-Pankki 5 0/0 Loan of 1917	»	1,000,000:—
Andelskassornas Centrallånekassa A. B. 5 0/0 Loan of 1917	»	200,000:—
Landsfastighetsbanken A. B. 4 1/2 0/0 Loan of 1917	»	190,000:—
» » 5 0/0 » » »	»	440,000:—
City of Åbo 5 0/0 Loan of 1902	»	5,000:—
» » Wiborg 5 0/0 Loan of 1915	»	795,000:—
» » Tammerfors » » » 1915	»	165,000:—
Kymmene A.B. 6 0/0 Loans of 1910 & 1915	»	3,118,850:—

4. Foreign Correspondents.

Balance in favour of the Bank:		1916.	1917.
At the end of January	Fmk	278,610,012: 26	Fmk 275,457,492: 90
» February	»	275,002,788: 29	» 266,506,246: 26
» March	»	279,975,314: 07	» 283,197,972: 54
» April	»	297,685,653: 38	» 321,347,443: 01
» May	»	325,435,082: 69	» 317,529,447: 75
» June	»	311,289,536: 44	» 313,510,998: 72
» July	»	255,722,264: 32	» 319,026,527: 46
» August	»	312,533,651: 05	» 374,853,394: 60
» September	»	305,782,284: 46	» 395,493,485: 41
» October	»	301,942,719: 95	» 515,008,448: 82
» November	»	282,304,836: 61	» 567,024,197: 19
» December	»	259,062,831: 60	» 456,321,782: 09
» » in Germany and Austria	»	22,448,297: 86	» 22,448,297: 86

At present the Bank of Finland has correspondents at the following places abroad: Stockholm, Copenhagen, Christiania, London, Paris, Basel, Antwerp, Brussels, Amsterdam, Petrograd, Riga, Madrid, New York and Chicago.

Since the beginning of the war there have been no connections with the correspondents at Hamburg, Lübeck, Berlin, Frankfort-on-Main, Vienna and Trieste.

5. Inland Bills.

In portfolio 31st December 1916	Fmk	34,171,159: 68
Discounted during 1917	»	250,868,528: 14
	Fmk	285,039,687: 82
Paid during 1917	Fmk	250,229,361: 81
Protested during 1917	»	3,500: —
	Fmk	250,232,861: 81
	Fmk	34,806,826: 01

The discount rates have been according to the quality and currency of the bills 5, 5 1/2 and 6 %.

6. Loans on Security.

Balance 31st December 1916	Fmk	5,583,567: 63
Effected during 1917	»	13,058,887: 84
	Fmk	18,642,455: 47
Repaid during 1917	»	12,804,718: 73
	Fmk	5,837,736: 74

The rates of interest for loans have been, according to security, 5, 5 1/2 and 6 %.

Securities held against these loans:

Bonds and Bank deposit receipts	Fmk	345,176: 59
Shares.	»	114,900: —
Mortgages	»	5,377,410: 15
Gold and silver	»	250: —
	<u>Fmk</u>	<u>5,837,736: 74</u>

7. Advances on Current Accounts.

Balance of amount allowed 31st December 1916.	Fmk	6,638,200: —
» » » » » 1917.	»	6,999,800: —
Balance of amount used 31st December 1916.	Fmk	4,191,932: 80
Withdrawn during 1917	»	35,556,290: 32
	<u>Fmk</u>	<u>39,748,223: 12</u>
Paid in during 1917.	»	34,607,578: 50
	<u>Fmk</u>	<u>5,140,644: 62</u>

The rates of interest for advances on current accounts during 1917 have been the same as those for loans on security. A commission of $\frac{1}{2}\%$ per year has been charged.

Securities held against these advances:

Bonds and Bank deposit receipts	Fmk	6,176,500: —
Shares.	»	110,000: —
Mortgages	»	713,300: —
	<u>Fmk</u>	<u>6,999,800: —</u>

8. Foreign Bills.

Balance 31st December 1916	Fmk	2,121,184: 80
Discounted during 1917	»	19,574,218: 76
	<u>Fmk</u>	<u>21,695,403: 56</u>
Sent for collection during 1917	Fmk	21,299,058: 07
Protested	»	39,711: 93
	<u>Fmk</u>	<u>21,338,770: —</u>
	<u>Fmk</u>	<u>356,633: 56</u>

9. Inland Bills Protested.

Balance 31st December 1916	Fmk	—
Protested during 1917	»	3,500: —
	<u>Fmk</u>	<u>3,500: —</u>
Paid during 1917	»	3,500: —
	<u>Fmk</u>	<u>—</u>

10. Foreign Bills Protested.

Balance 31st December 1916	Fmk	—
Protested during 1917	»	39,711: 93
	<u>Fmk</u>	<u>39,711: 93</u>
Paid during 1917	»	39,711: 93
	<u>Fmk</u>	<u>—</u>

11. Bank Notes.

a) Finnish Mark Notes.

	Number of 1 Mark notes.	Number of 3 Mark notes.	Number of 5 Mark notes.	Number of 10 Mark notes.	Number of 12 Mark notes.	Number of 20 Mark notes.	Number of 40 Mark notes.	Number of 50 Mark notes.	Number of 100 Mark notes.	Number of 500 Mark notes.	Number of 1000 Mark notes.	Total Fmk.
Notes in hand and in circulation 31st December 1916:												
old issues	79,903	52,649	50,920	19,038	8,244	11,190	232	1,114	2,557	325	—	1,488,738
1897/98 issue	—	—	26,800	61,069	—	29,617	—	13,752	132,398	79,468	—	54,998,430
1909 »	—	—	8,458,997	5,063,998	—	3,787,498	—	1,622,398	1,476,898	169,998	277,014	759,507,625
1915/16 »	12,023,996	—	—	—	—	—	—	—	—	—	—	12,023,996
Printed in 1917:												
1909 issue	—	—	496,000	1,545,000	—	3,335,500	—	168,000	975,500	—	—	190,590,000
1915/16 »	16,296,000	—	—	—	—	—	—	—	—	—	—	16,296,000
Total	28,399,899	52,649	9,032,717	6,689,105	8,244	7,163,805	232	1,805,264	2,587,353	249,791	277,014	1,034,904,789
Destroyed during 1917:												
old issues	—	1	—	100	—	—	—	100	—	16	—	11,003
1897/98 issue	—	—	3,400	6,200	—	4,800	—	3,200	26,300	6,460	—	6,195,000
1909 »	—	—	1,253,000	605,500	—	327,000	—	133,000	186,300	1,140	15,740	60,450,000
1915/16 »	7,338,000	—	—	—	—	—	—	—	—	—	—	7,338,000
Notes in hand and in circulation 31st December 1917:												
Total	21,061,899	52,648	7,776,317	6,077,305	8,244	6,832,005	232	1,668,964	2,374,753	242,175	261,274	960,907,786
Total	28,399,899	52,649	9,032,717	6,689,105	8,244	7,163,805	232	1,805,264	2,587,353	249,791	277,014	1,034,904,789
At the Bank 31st December 1917:												
old issues	14	62	482	208	89	291	2	100	311	108	—	101,758
1897/98 issue	—	—	4,821	6,039	—	4,746	—	2,596	7,057	7,659	—	4,844,415
1909 »	—	—	1,289,732	923,842	—	1,721,401	—	79,690	153,400	102,581	63,016	183,746,100
1915/16 »	7,934,739	—	—	—	—	—	—	—	—	—	—	7,934,739
In circulation 31st December 1917:												
old issues	79,889	52,586	50,438	18,730	8,155	10,899	230	914	2,246	201	—	1,372,977
1897/98 issue	—	—	18,579	48,830	—	20,071	—	7,956	99,041	65,349	—	43,959,015
1909 »	—	—	6,412,265	5,079,656	—	5,074,597	—	1,577,708	2,112,698	66,277	198,258	705,901,525
1915/16 »	13,047,257	—	—	—	—	—	—	—	—	—	—	13,047,257

b) Rouble Notes.

	Number of 3 Rouble notes.	Number of 5 Rouble notes.	Number of 10 Rouble notes.	Number of 25 Rouble notes.	Total Fmk.
Notes in hand and in circulation 31st December 1916	8,544	2,355	762	289	209,008
At the Bank 31st December 1917	17	4	1	43	4,624
In circulation » » »	8,527	2,351	761	246	204,384

The Notes of the Bank in Finnish Marks and Roubles on 31st December 1917 amounted to Fmk 961,116,794:—
of which in hand Fmk 196,631,636:—
» » » circulation » 764,485,158:— Fmk 961,116,794:—

12. Bank Post Bills.

Outstanding 31st December 1916	Fmk	1,135,667: 93
Issued during 1917	»	51,181,853: 60
	Fmk	52,317,521: 53
Redeemed during 1917	»	49,056,377: 52
Outstanding 31st December 1917	Fmk	3,261,144: 01

13. Drafts issued on the Petrograd Branch.

Outstanding 31st December 1916	Ro.	30,923: 82 =	Fmk	67,352: 20
Issued during 1917	»	4,811,703: 91 =	»	8,740,535: 49
	Ro.	4,842,627: 73 =	Fmk	8,807,887: 69
Redeemed during 1917	»	4,762,861: 85 =	»	8,718,286: 28
Outstanding 31st December 1917	Ro.	79,765: 88 =	Fmk	89,601: 41

14. Current Accounts.*a) The Government's Current Accounts.*

Balance 31st December 1916	Fmk	9,251,636: 24
Paid in during 1917.	»	400,177,617: 80
	Fmk	409,429,254: 04
Withdrawn during 1917	»	399,424,309: 43
Balance 31st December 1917	Fmk	10,004,944: 61

b) Other Current Accounts.

Balance 31st December 1916	Fmk	116,076,202: 53
Paid in during 1917.	»	2,470,135,764: 02
	Fmk	2,586,211,966: 55
Withdrawn during 1917	»	2,348,371,709: 97
Balance 31st December 1917	Fmk	237,840,256: 58

15. Bills for Collection.

Balance 31st December 1916	Fmk	769,052: 72
Collected during 1917	»	35,123,675: 54
	Fmk	35,892,728: 26
Covered by remittance during 1917	»	35,591,179: 66
Balance 31st December 1917	Fmk	301,548: 60

IV. The Year's Results.

Profit and Loss Account.

Credit.

Interest on Home Investments	Fmk	3,260,853: 18	
» » Current Accounts abroad	»	11,145,829: —	
» » Bonds	»	21,067,567: 67	
Agio	»	41,044,892: 36	
Commission	»	238,436: 93	
Bad and doubtful Debts paid	»	28,218: 67	Fmk 76,785,797: 81
Net amount of loss in the year 1917			» 90,893,053: 54
			<u>Fmk 167,678,851: 35</u>

Debit.

Salaries	Fmk	906,462: 83	
Extraordinary Grant	»	99,868: 48	
Pensions	»	52,133: 33	
Fees to the Representatives of the Diet and their expenses	»	23,788: 52	
Cost of manufacturing Bank Notes	»	891,416: 68	
Miscellaneous Expenses	»	307,678: —	
Loss on rate of exchange for Roubles	»	158,938,909: 51	
Value of Bonds depreciated	»	6,458,594: —	Fmk 167,678,851: 35

The loss has been covered:

from Profit Reserve Account with	Fmk	8,198,316: 52	
from the Reserve Fund »	»	62,409,956: 12	
and from the Capital »	»	20,284,780: 90	

V. Capital.

The Capital amounted at the end of 1916 to	Fmk	25,000,000: —	
In 1917 transferred to the Profit and Loss Account	»	20,284,780: 90	
			<u>Fmk 4,715,219: 10</u>

VI. Reserve Fund.

The Reserve Fund amounted 31st 1916 to		Fmk 62,498,044: 41
In 1917 Value of Premises depreciated	Fmk 88,088: 29	
» » transferred to the Profit and Loss Account	<u>Fmk 62,409,956: 12</u>	Fmk 62,498,044: 41

VII. Profit Reserve Account.

Balance 31st Dec. 1916	Fmk 8,198,316: 52
In 1917 transferred to the Profit and Loss Account	Fmk 8,198,316: 52

VIII. Bank Offices in Operation during 1917.

Head Office at Helsingfors and Branches at Åbo, Björneborg, Vasa, Uleåborg, Kuopio, Joensuu, Sordavala, Wiborg, St. Michel, Tammerfors, Tavastehus, Jyväskylä, Kotka and Petrograd.
Helsingfors, May 8th, 1918.

The Board of Management of the Bank of Finland

CLAS v. COLLAN.

JALO JÄRNEFELT.

K. BASILIER.

A. BROBERG.

A. V. MANNELIN.