

REPORT
OF THE
BANK OF FINLAND

FOR THE 110th FINANCIAL YEAR
ENDED 31st DECEMBER, 1921.

HELSINGFORS
F. TILGMANN, LIMITED
1922.

BANK OF

I. Balance Sheet,

ASSETS.			
Stock of Gold:			
Finnish Gold Coin	28,609,700	—	
Foreign Gold Coin	13,628,156	90	
Bullion	386,788	29	42,624,645 19
Foreign Correspondents			215,711,564 04
» Bank Notes and Coupons	773,738	75	
Bills in Foreign Currency	8,347,629	72	
Bonds » » »	9,237,741	15	
Finnish Silver Coin	546,892	—	
Government's Short-Term Obligations	303,918,600	—	
Finnish State Bonds in Finnish Currency	525,464,258	06	
Bills in Finnish Currency	627,445,068	86	1,475,733,928 54
Loans on Security	28,434,649	62	
Advances on Current Accounts	1,195,972	—	
Bonds in Finnish Currency	19,639,363	08	
Silver Bullion	76,101	60	
Finnish Nickel Coin	8,083,716	50	
» Copper »	268,622	21	
Shares in Terwakoski Aktie Bolag (Paper Mills)	7,030,000	—	
Bank Premises	6,000,000	—	
Furniture	100	—	
Sundry Accounts	13,490,863	80	
Balance of Interest Accrued	1,911,421	80	86,130,810 61
Fmk			1,820,200,948 38

FINLAND.
31st December, 1921.

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LIABILITIES.			
Notes in Circulation			1,356,108,067 —
Balance of Current Accounts	57,854,963	03	
» » » » due to Government	128,562,847	44	
Bank Post Bills	2,831,423	05	
Bills collected	642,476	12	
Foreign Correspondents	12,609,580	10	
Sinking Funds of Government Loans	7,451,583	74	
Sundry Accounts	28,155,650	63	238,108,524 11
Capital	100,000,000	—	
Reserve Fund	50,000,000	—	
Bank Premises and Furniture	6,000,100	—	156,000,100 —
Profits at disposal			69,984,257 27
Right to issue notes.			
Stock of gold and Foreign Correspondents	Fmk 258,336,209:	23	
Right to issue notes in addition to the above amount (Law of 30/12. 1921)	» 1,500,000,000:	—	
	Fmk 1,758,336,209:	23	
Less insufficient cover for the supplementary issue	» 24,266,071:	46	
Right to issue bank notes	Fmk 1,734,070,137:	77	
Notes in circulation	Fmk 1,356,108,067:	—	
Other liabilities payable on demand	» 238,108,524:	11	
Undrawn amount of advances on current accounts	» 472,028:	—	
Unused amount of issue	» 139,381,518:	66	
	Fmk 1,734,070,137:	77	
Fmk			1,820,200,948 38

II. Turnover.

1. Cash Account.

The aggregate Cash turnover in Debit and Credit for 1921 was . . . Fmk 46,770,527,305: 50
of which at the Branches at

Wiborg	Fmk	2,224,128,964: —	
Wasa	»	1,996,913,760: 95	
Åbo	»	1,926,771,426: 65	
Uleåborg	»	1,370,233,262: 92	
Björneborg	»	1,023,364,404: 88	
Tammerfors	»	875,425,645: 70	
Kuopio	»	612,825,729: 63	
Kotka	»	474,740,668: 50	
Tavastehus	»	433,455,088: 72	
Sordavala	»	351,991,816: 90	
Joensuu	»	267,732,879: 13	
Jyväskylä	»	248,891,912: 13	
St. Michel	»	215,120,123: 66	Fmk 12,021,595,683: 77
and at the Head Office at Helsingfors	»		34,748,931,621: 73
			<u>Fmk 46,770,527,305: 50</u>

Thus the average turnover per day was Fmk 155,901,757: 68
of which at the Head Office » 115,829,772: 07
and at the Branches » 40,071,985: 61

Cash in hand:	At the end of 1920.	At the end of 1921.
Finnish gold coin	Fmk 28,575,770: —	Fmk 28,609,700: —
Foreign gold coin	» 13,625,384: 59	» 13,628,156: 90
Gold bullion	» 423,881: 72	» 386,788: 29
Silver »	» 55,205: 52	» 76,101: 60
Finnish silver coin	» 537,034: 50	» 546,892: —
» nickel coin	» —	» 8,083,716: 50
» copper coin	» 68,185: 35	» 268,622: 21
Foreign bank notes and coupons.	» 845,451: 12	» 773,738: 75
Bank Post Bills issued by Commercial Banks	» —	» 13,490,863: 80
Own bank notes	» 751,953,656: —	» 784,457,140: —
	<u>Fmk 796,084,568: 80</u>	<u>Fmk 850,321,720: 05</u>

2. Stock of Finnish Gold Coin.

	20 Mark pieces.	10 Mark pieces.	Total.
	Fmk.	Fmk.	Fmk.
Delivered by the Mint until 31 st December 1913	49,450,000	14,800,000	64,250,000
In circulation	28,071,680	7,568,620	35,640,300
Stock on hand at the Bank	Fmk 21,378,320	7,231,380	28,609,700

3. Government's Short-Term Obligations.

Transferred from Bonds Account	Fmk	512,618,600: —
Paid during 1921	»	208,700,000: —
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Balance 31st December 1921	Fmk	303,918,600: —

4. Bonds.

Balance 31st December 1920	Fmk	1,079,406,860: 50
Bought during 1921	Fmk	1,188,274,823: 48
Profit on sold and drawn bonds	»	114,042: 12
		<hr/>
	Fmk	2,267,795,726: 10
Transferred in 1921 to Government's Short-Term Obligations	Fmk	512,618,600: —
Sold and written off in 1921	»	1,200,835,763: 81
		<hr/>
Balance 31st December 1921	Fmk	554,341,362: 29
of which Finnish State bonds in Finnish currency	Fmk	525,464,258: 06
bonds in foreign currency	»	9,237,741: 15
» » Finnish »	»	19,639,363: 08
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	Fmk	554,341,362: 29

5. Foreign Correspondents.

Balance in favour of the Bank:	1920.	1921.
At the end of January	Fmk 72,753,608: 82	Fmk 147,983,613: 57
» February	» 69,532,365: 59	» 107,732,430: 96
» March	» 63,598,259: 56	» 73,009,339: 12
» April	» 57,568,872: 59	» 48,162,736: 31
» May	» 53,366,081: 46	» 93,322,521: 15
» June	» 43,490,081: 75	» 95,473,807: 43
» July	» 73,097,299: 57	» 116,634,197: 31
» August	» 73,234,954: 73	» 108,151,664: 38
» September	» 89,353,031: 69	» 90,781,616: 92*
» October	» 144,904,410: 55	» 114,386,870: 60
» November	» 195,321,769: 18	» 137,725,491: 72
» December	» 174,455,467: 63	» 203,101,983: 94

For the time being the Bank of Finland has correspondents at the following places abroad: Stockholm, Copenhagen, Christiania, London, Paris, Basel, Antwerp, Brussels, Amsterdam, Hamburg, Lübeck, Berlin, Cologne, Vienna, Riga, Madrid, New York and Chicago.

6. Inland Bills.

In portfolio 31st December 1920	Fmk	219,574,085: 14
Discounted during 1921	»	2,099,107,602: 39
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	Fmk	2,318,681,687: 53
Paid during 1921	»	1,691,236,618: 67
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In portfolio 31st December 1921	Fmk	627,445,068: 86

The discount rates have been according to the quality and currency of the bills 9, 9½ and 10 %.

7. Loans on Security.

Balance 31st December 1920	Fmk	33,749,166: 55
Effected during 1921	»	98,526,866: 65
	Fmk	132,276,033: 20
Repaid during 1921	»	103,841,383: 58
	Fmk	28,434,649: 62

The rates of interest for loans have been, according to security, 9¹/₂, 10 and 11 %.

Securities held against these loans:

Bonds and Bank deposit receipts	Fmk	9,453,549: 62
Shares	»	2,581,100: —
Mortgages	»	11,200,000: —
Timber	»	5,200,000: —
	Fmk	28,434,649: 62

8. Advances on Current Accounts.

Balance of amount allowed 31st December 1920	Fmk	2,718,000: —
» » » » » » 1921	»	1,668,000: —
	»	2,032,236: 50
Balance of amount used 31st December 1920	»	2,032,236: 50
Withdrawn during 1921	»	38,868,920: 48
	Fmk	40,901,156: 98
Paid in during 1921	»	39,705,184: 98
	Fmk	1,195,972: —

The rates of interest for advances on current accounts during 1921 have been the same as those for loans on security. A commission of ¹/₂ % per year has been charged.

Securities held against these advances:

Bonds	Fmk	1,115,000: —
Mortgages	»	553,000: —
	Fmk	1,668,000: —

9. Foreign Bills.

Balance 31st December 1920	Fmk	51,888,419: 11
Discounted during 1921	»	1,143,259,609: 11
	Fmk	1,195,148,028: 22
Sent for collection during 1921	»	1,186,800,398: 50
	Fmk	8,347,629: 72

10. 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 1920:												
old issues	79,903	52,648	50,717	18,766	8,244	10,974	232	984	2,486	276	—	1,442,580
1897/98 issue	—	—	21,500	49,852	—	20,592	—	6,714	36,098	33,447	—	21,686,860
1909/18 »	—	—	9,545,991	10,292,094	—	5,862,494	—	3,731,396	5,102,994	761,174	694,641	2,039,997,975
1915/18 »	20,837,993	—	—	—	—	—	—	—	—	—	—	20,837,993
Printed in 1921:												
1918 issue	1,593,000	—	4,986,000	2,445,000	—	688,000	—	2,618,000	2,665,000	—	—	462,133,000
Total	22,510,896	52,648	14,604,208	12,805,712	8,244	6,582,060	232	6,357,094	7,806,578	794,897	694,641	2,546,098,408
Destroyed during 1921:												
old issues	—	—	134	65	1	108	—	49	90	2	—	15,942
1897/98 issue	—	—	809	1,315	—	736	—	599	7,242	8,800	—	5,186,065
1909/18 »	—	—	4,184,000	3,586,000	—	2,270,000	—	1,084,000	1,336,500	48,922	79,922	394,413,000
1915/18 »	11,195,002	—	—	—	—	—	—	—	—	—	—	11,195,002
Notes in hand and in circulation 31st December 1921	11,315,894	52,648	10,419,265	9,218,332	8,243	4,311,216	232	5,272,446	6,462,746	737,173	614,719	2,135,288,399
Total	22,510,896	52,648	14,604,208	12,805,712	8,244	6,582,060	232	6,357,094	7,806,578	794,897	694,641	2,546,098,408
At the Bank 31st December 1921:												
old issues	14	61	101	31	87	99	2	19	174	102	—	73,466
1897/98 issue	—	—	1,586	2,437	—	1,994	—	1,540	2,205	452	—	595,680
1909/18 »	—	—	5,445,598	4,972,752	—	1,286,665	—	3,238,425	1,815,740	276,465	198,677	783,093,560
1915/18 »	471,281	—	—	—	—	—	—	—	—	—	—	471,281
In circulation 31st December 1921:												
old issues	79,889	52,587	50,482	18,670	8,156	10,767	230	916	2,222	172	—	1,353,172
1897/98 issue	—	—	19,105	46,100	—	17,862	—	4,575	26,651	24,195	—	15,905,115
1909/18 »	—	—	4,902,393	4,178,342	—	2,993,829	—	2,026,971	4,615,754	435,787	416,042	1,323,031,415
1915/18 »	10,764,710	—	—	—	—	—	—	—	—	—	—	10,764,710

b) Penni Notes.

	Number of 25 Penni notes.	Number of 50 Penni notes.	Total. Fmk.
Notes in hand and in circulation 31st December 1920	14,921,200	10,181,000	8,820,800
Printed in 1921	—	—	—
Destroyed during 1921.	5,112,000	4,950,000	3,753,000
Notes in hand and in circulation 31st December 1921	9,809,200	5,231,000	5,067,800
At the Bank 31st December 1921	351,980	261,068	218,529
In circulation » » »	9,457,220	4,969,932	4,849,271

c) 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 1920	8,544	2,355	762	289	209,008
Printed in 1921	—	—	—	—	—
Destroyed during 1921.	8,544	2,355	762	289	209,008
Notes in hand and in circulation 31st December 1921	8,544	2,355	762	289	209,008
At the Bank 31st December 1921	17	4	1	43	4,624
In circulation » » »	8,527	2,351	761	246	204,384

The Notes of the Bank in Finnish Marks, Pennis and Roubles on 31st December 1921 amounted to Fmk 2,140,565,207:—
of which in hand Fmk 784,457,140:—
» » » circulation » 1,356,108,067:— Fmk 2,140,565,207:—

11. Bank Post Bills.

Outstanding 31st December 1920	Fmk	6,684,189: 31
Issued during 1921	»	506,594,986: 41
	Fmk	513,279,175: 72
Redeemed during 1921	»	510,447,752: 67
Outstanding 31st December 1921	Fmk	2,831,423: 05

12. Drafts issued on the Petrograd Branch.

Outstanding 31st December 1920	Ro.	45,110: 69	=	Fmk	51,365: 17
Issued during 1921	»	—	=	»	—
	Ro.	45,110: 69	=	Fmk	51,365: 17
Transferred in 1921 to Sundry Accounts	»	45,110: 69	=	»	51,365: 17
	Ro.	—		Fmk	—

13. Current Accounts.

Balance 31st December 1920	Fmk	53,138,646: 22
Paid in during 1921	»	11,293,985,564: 14
	Fmk	11,347,124,210: 36
Withdrawn during 1921	»	11,289,269,247: 33
Balance 31st December 1921	Fmk	57,854,963: 03

14. Current Accounts due to Government.

Balance 31st December 1920	Fmk	26,064,783: 60
Paid in during 1921	»	2,056,583,292: 23
	Fmk	2,082,648,075: 83
Withdrawn during 1921	»	1,954,085,228: 39
Balance 31st December 1921	Fmk	128,562,847: 44

15. Bills for Collection.

Balance 31st December 1920	Fmk	177,783: 30
Collected during 1921	»	109,063,723: 63
	Fmk	109,241,506: 93
Covered by remittance during 1921	»	108,599,030: 81
Balance 31st December 1921	Fmk	642,476: 12

III. Summary of the Bank's Monthly Returns in 1921.

Month.	Gold and Finnish Silver Coin. *)	Assets in Foreign Currency.	Government's Short-Term Obligations and State Bonds in Finnish Currency.	Home Investments.	Other Assets.	Notes in Circulation.	Other Liabilities.	Undrawn amount of advances on current accounts.	Unused Amount of Issue.
	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.
January . .	43,162,484	407,656,443	918,106,581	225,242,571	22,063,609	1,348,757,858	93,010,291	1,604,207	125,553,152
February .	43,162,466	417,499,293	929,604,581	292,564,995	22,301,931	1,464,380,258	59,187,296	460,068	66,238,718
March . .	43,163,205	505,824,482	941,248,081	264,248,227	23,590,419	1,476,025,723	114,282,851	580,058	99,347,135
April . . .	43,162,946	494,183,079	896,235,281	254,435,445	28,659,326	1,451,440,918	79,110,307	1,501,815	101,528,265
May . . .	43,163,150	550,704,886	859,722,981	319,522,955	30,016,544	1,404,904,962	174,337,375	755,847	73,592,833
June	43,163,135	563,531,690	775,711,631	338,147,930	31,006,018	1,398,586,192	114,897,377	1,743,759	67,179,128
July	43,169,793	566,258,901	745,820,962	348,801,415	43,980,591	1,357,741,087	140,033,555	305,466	57,169,548
August . .	43,168,652	562,854,019	737,527,381	380,236,672	46,968,690	1,379,062,846	126,678,861	1,599,314	36,209,029
September	43,168,781	533,929,056	731,246,905	434,106,053	49,298,529	1,415,735,338	84,226,965	1,013,426	7,369,013
October . .	43,168,794	571,921,213	736,391,019	435,186,293	47,029,600	1,382,667,606	141,552,849	664,184	26,596,386
November	43,171,471	555,861,509	732,199,558	452,094,242	45,364,107	1,327,057,492	174,874,800	567,953	28,732,293
December	43,171,537	234,070,674	829,382,858	657,075,690	56,500,189	1,356,108,067	238,108,524	472,028	139,381,519

*) The average amount of Finnish Silver coin held was Fmk 541,127: —.

IV. Clearing.

The Clearing Department's turnover amounted in 1921 to Fmk 8,234,329,133: 47
of which in the different months:

January Fmk 547,810,747: 28, February Fmk 479,713,364: 52, March Fmk 526,038,990: 32,
April » 595,148,952: 84, May » 595,577,394: 84, June » 760,596,391: 56,
July » 736,986,854: 25, August » 724,344,410: 67, September » 833,560,707: 55,
October » 872,011,409: 80, November » 810,510,590: 90, December » 752,029,318: 94.

V. The Year's Results.

Profit and Loss Account.

Credit.

Interest on Home Investments	Fmk	45,651,980: 62	
» » Current Accounts abroad	»	5,496,126: 79	
» » Bonds	»	32,592,255: 70	
Agio	»	35,483,184: 39	
Commission	»	631,179: 95	
Bad and Doubtful Debts paid	»	19,882: 38	<u>Fmk 119,874,609: 83</u>

Debit.

Salaries	Fmk	3,983,807: 23	
Pensions and Supports	»	173,211: 83	
Fees to the Representatives of the Diet and their expenses	»	54,386: 21	
Cost of manufacturing Bank Notes	»	4,842,114: 19	
Miscellaneous Expenses	»	1,765,814: 07	
Written off Bad and Doubtful Debts (inclusively the countervalue of frs. 878,612: 03 seized at Brussels in the beginning of the Great War)	»	884,812: 03	
Loss on the Bank's assets seized in Germany	»	5,466,100: 75	
Depreciation of Bank Premises	»	4,190,952: 64	<u>Fmk 21,361,198: 95</u>
Net Profit for the Year 1921			<u>» 98,513,410: 88</u>
			<u>Fmk 119,874,609: 83</u>

The Net Profit has been transferred to the Profit Reserve Account Fmk 98,513,410: 88

By balancing the books in the above manner all the Bank's Rouble assets and the other depreciated foreign assets have been entirely written off.

VI. Capital.

The capital amounts to Fmk 100,000,000: —

VII. Reserve Fund.

The Reserve Fund amounted at the end of 1920 to	Fmk	23,583,153: 04
In 1921 transferred from the Profit Reserve Account as per resolution passed by the Diet on the 16th December 1921	»	3,887,793: 35
In 1921 transferred from the Profit Reserve Account as per § 3 of the Bank Act	»	28,529,153: 61
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Balance 31st December 1921	Fmk	56,000,100: —
Bank Premises and Furniture	»	6,000,100: —
The remainder amounts to	»	50,000,000: —

VIII. Profit Reserve Account.

Balance 31st December 1920	Fmk	48,387,793: 35
Addition in 1921	»	98,513,410: 88
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	Fmk	146,901,204: 23
In 1921 disposed of as per resolution of the Finnish Diet	Fmk	44,500,000: —
» » transferred to the Reserve Fund as per resolution passed by the Diet on the 16th December	»	3,887,793: 35
» » transferred to the Reserve Fund as per § 3 of the Bank Act	»	28,529,153: 61
	<hr/>	
Balance 31st December 1921	Fmk	69,984,257: 27

IX. Bank Offices in Operation during 1921.

Head Office at Helsingfors and Branches at Åbo, Björneborg, Wasa, Uleåborg, Kuopio, Joensuu, Sordavala, Wiborg, St. Michel, Tammerfors, Tavastehus, Jyväskylä and Kotka.
Helsingfors, January 26th, 1922.

The Board of Management of the Bank of Finland

OTTO STENROTH.

K. BASILIER.

ERNST GRÅSTEN.

A. BROBERG.

JOHN HAMMARÉN.