

REPORT
OF THE
BANK OF FINLAND

FOR THE 115TH FINANCIAL YEAR
ENDED 31ST DECEMBER, 1926.



HELSINGFORS
GOVERNMENT PRINTING OFFICE
1927.

BANK OF
I. Balance Sheet,

ASSETS.			
Stock of Gold:			
Finnish Gold Coin	10,076,400	—	
Other ' '	256,197,477	78	
Bullion	55,845,990	75	
Gold with the Mint	5,248,960	10	327,368,828 63
Assets in Foreign Currency:			
Correspondents abroad	967,803,564	90	
Credit abroad	114,600,000	—	1,082,403,564 90
Bills in Foreign Currency	115,374,988	14	
Foreign Bank Notes and Coupons	1,682,979	27	
Bills in Finnish Currency	538,499,258	24	655,557,225 65
Loans on Security	23,132,050	—	
Advances on Current Accounts	92,736,826	82	
Government's Short Term Liabilities	24,000,000	—	
Finnish State Bonds in Finnish Currency	111,997,743	75	
Other Bonds in Finnish Currency	25,235,900	50	
Bonds in Foreign Currency	232,496,547	—	
Bank Post Bills and Cheques issued by Joint Stock Banks ..	26,802,993	67	
Finnish Nickel Coin	6,873,807	25	
' Copper '	216,382	08	
Real Estate	12,000,000	—	
Furniture	100	—	
Sundry Accounts	21,117,400	21	576,609,751 28
Balance of Interest Accrued			3,295,909 33
<div style="display: flex; justify-content: space-between; align-items: center;"> Fmk. 2,645,235,279 79 </div>			

II. Turnover.

1. Cash Account.

The aggregate Cash turnover in Debit and Credit for 1926 was Fmk. 64,758,742.163: 54
of which at the Branches at

Turku (Abo).....	Fmk.	4,009,064,340: 90	
Viipuri (Wiborg).....	›	3,860,956,094: 11	
Tampere (Tammerfors)	›	2,760,444,665: 66	
Vaasa (Wasa)	›	2,346,626,330: 30	
Oulu (Uleåborg)	›	1,796,686,808: 64	
Pori (Björneborg)	›	1,411,132,523: 21	
Kotka.....	›	710,503,454: 20	
Kuopio	›	699,894,433: 72	
Mikkeli (St. Michel)	›	545,765,445: 35	
Sortavala (Sordavala).....	›	545,485,707: 78	
Jyväskylä	›	519,023,292: 49	
Joensuu	›	467,578,971: 98	
Hämeenlinna (Tavastehus).....	›	411,539,641: 30	Fmk. 20,084,701,709: 64
and at the Head Office at Helsinki (Helsingfors).....	›	44,674,040,453: 90	
			Fmk. 64,758,742,163: 54

Thus the average turnover per day was Fmk. 215,862,473: 88
of which at the Head Office › 148,913,468: 18
and at the Branches › 66,949,005: 70

Cash in hand:	Ultimo Dec. 1925.	Ultimo Dec. 1926.
Finnish Gold Coin	Fmk. —	Fmk. 10,076,400: —
Other › ›	› 264,802,090: 26	› 256,197,477: 78
Gold bullion	› 66,832,282: 42	› 55,845,990: 75
Gold with the Mint	› —	› 5,248,960: 10
Foreign bank notes and coupons	› 1,504,370: 10	› 1,682,979: 27
Finnish nickel coin	› 8,752,665: —	› 6,873,807: 25
› copper coin.....	› 304,999: 59	› 216,382: 08
Silver	› 886,531: 83	› 725,031: 45
Bank Post Bills and Cheques issued by Joint Stock Banks	› 54,456,547: 65	› 26,802,993: 67
Own bank notes	› 524,525,944: —	› 315,733,334: —
	Fmk. 922,065,430: 85	Fmk. 679,403,356: 35

2. Stock of Gold.

Balance 31st December 1925	Fmk.	331,634,372: 68
Bought in 1926	›	964,950: 48
	Fmk.	332,599,323: 16
Sold in 1926	›	5,230,494: 53
	Fmk.	327,368,828: 63

3. Correspondents abroad.

Balance in favour of the Bank:		1925.		1926.	
At the end of January	.....	Fmk.	862,122,718: 28	Fmk.	1,353,355,522: 04
›	February	›	899,913,369: 42	›	1,221,771,903: 11
›	March	›	853,977,716: 81	›	1,177,010,103: 84
›	April	›	1,126,796,219: 38	›	1,069,532,852: 15
›	May	›	1,082,685,381: 79	›	942,683,013: 78
›	June	›	1,011,514,891: 30	›	891,984,479: 86
›	July	›	1,019,925,433: 97	›	882,759,170: 29
›	August	›	993,182,956: 27	›	967,391,484: 36
›	September	›	1,082,818,153: 98	›	949,212,623: 56
›	October	›	1,261,247,972: 86	›	894,892,696: 65
›	November	›	1,300,098,906: 63	›	999,154,138: 37
›	December	›	1,397,295,730: 14	›	1,074,824,852: 13

For the time being the Bank of Finland has correspondents at the following places abroad: New York, Chicago, London, Stockholm, Oslo, Copenhagen, Berlin, Amsterdam, Paris, Brussels, Basle, Milan, Madrid, Vienna, Prague, Warsaw, Riga and Reval.

4. Foreign Bills Discounted.

In portfolio 31st December 1925	.....	Fmk.	101,549,416: 02
Discounted during 1926	.....	›	453,169,394: 04
		Fmk.	554,718,810: 06
Sent for collection and sold during 1926	.....	›	439,343,821: 92
		Fmk.	115,374,988: 14

5. Inland Bills Discounted.

In portfolio 31st December 1925	.....	Fmk.	424,133,606: 34
Discounted during 1926	.....	›	2,712,267,685: 36
		Fmk.	3,136,401,291: 70
Paid during 1926	.....	›	2,597,902,033: 46
		Fmk.	538,499,258: 24

The discount rates have been, according to the quality and currency of the bills, $7\frac{1}{2}$, 8 and $8\frac{1}{2}$ %.

6. Inland Bills Protested.

Outstanding 31st December 1925	.....	Fmk.	—
Protested during 1926	.....	›	623,430: 77
		Fmk.	623,430: 77
Paid during 1926	.....	›	617,330: 77
		Fmk.	6,100: —

7. Loans on Security.

Balance 31st December 1925	Fmk.	31,094,550:—
Effected during 1926	»	36,565,200:—
	Fmk.	67,659,750:—
Repaid during 1926	»	44,527,700:—
	<u>Fmk.</u>	<u>23,132,050:—</u>

The rates of interest for loans have been according to security $7\frac{1}{2}$, 8 and $8\frac{1}{2}$ %.

Securities held against these loans consisted of:

Bonds	Fmk.	17,832,050:—
Mortgages	»	5,300,000:—
	<u>Fmk.</u>	<u>23,132,050:—</u>

8. Advances on Current Accounts.

Balance of amount allowed 31st December 1925	Fmk.	27,870,000:—
» » » » » » 1926	»	105,520,000:—
Balance of amount used 31st December 1925	Fmk.	23,672,799:33
Withdrawn during 1926	»	332,040,012:69
	<u>Fmk.</u>	<u>355,712,812:02</u>
Paid in during 1926	»	262,975,985:20
	<u>Fmk.</u>	<u>92,736,826:82</u>

The rates of interest for advances on current accounts during 1926 have been the same as those for loans on security. An opening commission of $\frac{1}{2}$ % per year has been charged.

Securities held against these advances:

Bonds	Fmk.	12,070,000:—
Mortgages	»	93,450,000:—
	<u>Fmk.</u>	<u>105,520,000:—</u>

9. Bonds.

Balance 31st December 1925	Fmk.	355,315,058:—
Bought during 1926	Fmk.	286,905,226:80
Profit on sold and drawn bonds	»	13,403,857:50
	<u>Fmk.</u>	<u>655,624,142:30</u>
Sold and drawn during 1926	Fmk.	250,733,927:25
Written off during 1926	»	35,160,023:80
	<u>Fmk.</u>	<u>285,893,951:05</u>
	<u>Fmk.</u>	<u>369,730,191:25</u>
of which Finnish State Bonds in Finnish currency	Fmk.	111,997,743:75
other Bonds in Finnish currency	»	25,235,900:50
Bonds in foreign currency	»	232,496,547:—
	<u>Fmk.</u>	<u>369,730,191:25</u>

10. Government's Short Term Liabilities.

Balance 31st December 1925	Fmk.	36,000,000:—
Paid during 1926	»	12,000,000:—
		<hr/>
Balance 31st December 1926	Fmk.	24,000,000:—

11. Current Accounts.

Balance 31st December 1925	Fmk.	51,391,811:12
Paid in during 1926	»	16,210,238.945:04
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	Fmk.	16,261,630.756:16
Withdrawn during 1926	»	16,175,068.488:06
		<hr/>
Outstanding 31st December 1926	Fmk.	86,562,268:10

12. Current Account due to Government.

Balance 31st December 1925	Fmk.	505,670,445:23
Paid in during 1926	»	2,147,836.799:79
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	Fmk.	2,653,507.245:02
Withdrawn during 1926	»	2,350,078.880:91
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Balance 31st December 1926	Fmk.	303,428,364:11

13. Bank Post Bills.

Outstanding 31st December 1925	Fmk.	8,084,053:61
Issued during 1926	»	1,164,370.805:28
		<hr/>
	Fmk.	1,172,454.858:89
Redeemed during 1926	»	1,157,034.498:—
		<hr/>
Balance 31st December 1926	Fmk.	15,420,360:89

14. Bills for Collection.

Balance 31st December 1925	Fmk.	72,745:08
Collected during 1926	»	73,511,716:34
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	Fmk.	73,584,461:42
Covered by remittance during 1926	»	73,380,707:67
		<hr/>
Balance 31st December 1926	Fmk.	203,753:75

15. 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 1,000 Mark notes.	Total Fmk.
Notes in hand and in circulation 31st December 1925:												
old issues	3,320,802	52,643	800,971	31,398	8,233	203,215	232	148,718	297,736	22,639	10,115	70,613,942
1922 issue	—	—	7,506,842	9,831,938	—	—	—	2,591,740	6,506,040	539,938	574,938	1,760,951,590
Printed in 1926:												
1922 issue	—	—	4,373,000	6,710,000	—	216,000	—	1,732,000	2,210,000	192,000	80,000	576,885,000
Total	3,320,802	52,643	12,680,813	16,573,336	8,233	419,215	232	4,472,458	9,013,776	754,577	665,053	2,408,450,532
Destroyed during 1926:												
old issues	66,000	—	78,000	5,000	—	28,000	—	55,000	78,000	7,500	2,500	17,866,000
1922 issue	—	—	5,165,002	7,320,002	—	2	—	1,655,000	2,571,000	203,000	191,000	731,375,070
Notes in hand and in circulation 31st December 1926	3,254,802	52,643	7,437,811	9,248,334	8,233	391,213	232	2,762,458	6,364,776	544,077	471,553	1,659,209,462
Total	3,320,802	52,643	12,680,813	16,573,336	8,233	419,215	232	4,472,458	9,013,776	754,577	665,053	2,408,450,532
At the Bank 31st December 1926:												
old issues	17,635	56	15,191	7,386	77	9,539	2	7,217	6,344	1,604	771	2,927,652
1922 issue	—	—	1,413,541	1,866,985	—	136,669	—	637,373	1,275,190	82,513	83,671	312,786,085
In circulation 31st December 1926:												
old issues	3,237,167	52,587	707,780	19,012	8,156	165,676	230	86,501	213,392	13,535	6,844	49,820,290
1922 issue	—	—	5,301,299	7,354,951	—	79,329	—	2,031,367	4,869,850	446,425	380,267	1,293,675,435

b) Penni Notes.

	Number of 25 Penni notes.	Number of 50 Penni notes.	Total Fmk.
Notes in hand and in circulation 31st Dec. 1925	4,842,136	1,695,938	2,058,503
Destroyed in 1926	52,000	29,000	27,500
Notes in hand and in circulation 31st Dec. 1926	4,790,136	1,666,938	2,031,003
At the Bank 31st December 1926	31,496	16,318	16,033
In circulation » »	4,758,640	1,650,620	2,014,970

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 Dec. 1925	8,544	2,355	762	289	209,008
Destroyed in 1926	5	—	—	10	1,060
Notes in hand and in circulation 31st Dec. 1926	8,539	2,355	762	279	207,948
At the Bank 31st December 1926	12	4	1	33	3,564
In circulation » »	8,527	2,351	761	246	204,384

The Notes of the Bank of Finnish Marks, Pennis and Roubles on 31st December 1926 amounted to Fmk. 1,661,448,413:—
of which in hand Fmk. 315,733,334:—
» » » circulation » 1,345,715,079:— Fmk. 1,661,448,413:—

III. Summary of the Bank's Monthly Returns in 1926.

Month.	Stock of Gold.	Balances and Bills in Foreign Currency.	Home Credits.	Government's Short Term Liabilities and Bonds in Finnish Currency.	Other Assets.	Notes in Circulation.	Other Liabilities.	Undrawn amount of advances on current accounts.	Reserve of Note Issue.
	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.
January	331,536,783	1,465,626,756	477,660,910	261,512,566	198,020,152	1,291,555,543	788,703,141	2,509,627	809,562,982
February	331,828,986	1,307,272,003	567,051,461	261,512,566	186,372,158	1,349,884,500	644,214,224	2,569,666	761,694,819
March	331,562,795	1,248,334,604	600,461,192	261,512,566	195,908,283	1,385,776,861	582,029,344	14,174,841	731,839,385
April	331,383,054	1,132,874,378	594,774,177	261,512,566	191,487,523	1,361,791,861	468,188,856	7,512,990	766,996,591
May	331,084,069	1,007,396,032	623,290,119	261,512,566	204,700,860	1,319,682,540	410,232,431	15,660,545	733,488,087
June	330,612,722	963,122,054	735,401,571	261,512,566	195,731,185	1,297,748,256	480,776,691	11,422,685	640,553,108
July	330,133,377	951,212,696	649,588,770	261,512,566	182,969,583	1,289,437,593	368,758,064	13,082,921	748,951,430
August	329,561,795	1,052,680,989	596,715,921	261,512,566	201,290,247	1,295,914,686	422,913,781	15,255,888	767,731,937
September	328,807,458	1,061,553,631	602,713,263	261,512,566	202,614,415	1,334,523,609	392,004,093	21,025,077	737,376,955
October	328,407,562	1,011,010,477	653,876,173	154,322,566	380,888,736	1,327,378,258	450,869,331	13,231,781	637,899,182
November	327,818,882	1,108,242,250	672,149,340	154,322,566	316,864,250	1,295,587,639	526,527,936	15,405,520	696,618,950
December	327,368,829	1,199,461,532	654,368,135	135,997,744	328,039,040	1,345,715,079	547,057,599	12,783,173	704,216,543

IV. Clearing.

The Clearing Department's turnover amounted in the different months of 1926 and at the different Offices to:

Month.	Head Office at Helsinki (Helsingfors)	Turku (Åbo)	Viipuri (Wiborg)	Tampere (Tammerfors)	Vaasa (Wasa)	Oulu (Uleåborg)
	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.
January	1,073,091,658 08	108,911,720 15	66,178,361 77	67,936,280 59	54,374,670 83	34,464,266 46
February	909,549,079 72	89,008,513 56	68,757,277 85	67,435,456 80	41,393,287 03	36,000,893 74
March	1,116,979,801 88	102,147,016 54	67,306,517 80	75,841,966 96	55,805,158 37	29,316,232 35
April	1,054,176,929 38	101,707,186 21	69,957,449 08	74,803,147 16	52,380,891 22	35,922,271 24
May	1,024,277,999 35	101,501,445 39	66,862,946 37	75,773,600 51	55,534,482 94	33,214,906 86
June	1,030,662,637 12	94,330,303 59	77,313,328 55	76,579,146 22	63,051,049 13	38,609,596 55
July	1,149,913,955 13	104,400,303 09	87,912,691 18	77,036,148 44	62,162,190 09	32,763,043 52
August	1,014,023,263 76	97,799,656 37	86,396,391 30	68,992,569 08	55,424,248 39	29,629,593 24
September	1,113,772,700 41	97,502,237 22	95,282,293 24	74,104,299 50	64,923,010 45	31,804,553 63
October	1,233,395,957 74	115,628,114 31	102,636,510 71	86,719,017 51	79,009,146 18	43,647,089 73
November	1,197,135,111 15	126,049,692 03	112,381,009 14	104,228,390 68	76,952,180 84	41,981,052 41
December	1,297,751,857 42	112,234,781 63	101,548,964 46	90,497,917 48	67,234,235 68	32,120,350 54
	13,214,730,951 14	1,251,220,970 09	1,002,533,741 45	939,947,940 93	728,244,551 15	419,473,850 27

The total turnover in 1926 amounted thus to Fmk. 17,556,152,005.03.

V. The Year's Results.

Profit and Loss Account.

Credit.

Interest on Home Credits	Fmk.	50,104,045: 93	
» » Current Accounts abroad	»	48,266,058: 46	
» » Bonds	»	25,703,554: 63	
Agio.....	»	9,436,744: 13	
Commission	»	7,793,244: 68	
Bad and Doubtful Debts paid	»	28,158: 83	Fmk. 141,331,806: 66

Debit.

Salaries	Fmk.	7,310,250: 51	
Pensions and Supports	»	358,901: 83	
Fees to the Bank Supervisors and their expenses	»	118,366: 04	
Cost of manufacturing Bank Notes	»	3,005,870: 16	
Miscellaneous Expenses	»	1,947,194: 78	
Written off on Bonds and Shares	»	20,971,265: 13	
Depreciation of Real Estate	»	464,000: —	
» » Furniture	»	49,980: 90	Fmk. 34,225,829: 35
Net Profit for the Year 1926			» 107,105,977: 31
			Fmk. 141,331,806: 66

VI. Capital.

The capital amounted unaltered to Fmk. 500,000,000: —

VII. Reserve Fund.

The Reserve Fund amounted on the 31st December 1925 to Fmk. 50,682,634: 67
 In 1926 it has been transferred to the Reserve Fund, according to § 30 of
 the Bank's Regulations, the Net Profit for the year 1925 » 82,673,890: 13
 Balance 31st December 1926 Fmk. 133,356,524: 80

VIII. Bank Offices.

Head Office at Helsinki (Helsingfors) and Branches at Turku (Åbo), Pori (Björneborg), Vaasa (Wasa), Oulu (Uleåborg), Kuopio, Joensuu, Sortavala (Sordavala), Viipuri (Wiborg), Mikkeli (S:t Michel), Tampere (Tammerfors), Hämeenlinna (Tavastehus), Jyväskylä and Kotka.

Helsingfors. January 12th, 1927.

The Board of Management of the Bank of Finland

R I S T O R Y T I

ERNST GRÅSTEN

LAURI af HEURLIN

JOHN HAMMARÉN
