

REPORT
OF THE
BANK OF FINLAND

FOR THE 116TH FINANCIAL YEAR
ENDED 31ST DECEMBER, 1927.



HELSINGFORS
GOVERNMENT PRINTING OFFICE
1928.

I. Balance Sheet,

ASSETS.			
Stock of Gold:			
Finnish Gold Coin.....	14,647,700	—	
Other ' '	244,844,573	15	
Bullion	57,139,144	31	316,631,417 46
Assets in Foreign Currency:			
Correspondents abroad	1,245,219,640	72	
Credit abroad	114,600,000	—	1,359,819,640 72
Bills in Foreign Currency	47,522,617	25	
Foreign Bank Notes and Coupons	1,415,893	44	
Bills in Finnish Currency	640,075,020	57	689,013,531 26
Loans on Security.....	59,072,651	—	
Advances on Current Accounts	111,107,035	83	
Government's Short Term Liabilities	12,000,000	—	
Finnish State Bonds in Finnish Currency	109,540,368	75	
Other Bonds in Finnish Currency.....	26,474,778	—	
Bonds in Foreign Currency	256,166,189	50	
Bank Post Bills and Cheques issued by Joint Stock Banks ..	38,934,042	97	
Finnish Nickel Coin	3,564,403	—	
' Copper '	163,483	63	
Real Estate	12,000,000	—	
Furniture	100	—	
Sundry Accounts	18,174,981	55	647,198,034 23
Balance of Interest Accrued			4,575,807 15
			3,017,238,430 82
			Fmk.

FINLAND.

31st December, 1927.

LIABILITIES.		
Notes in Circulation		1,514,407,119
Balance of Current Accounts	96,135,542 02	
» » » » due to Government.....	371,337,325 03	
Credit abroad	114,600,000 —	
Bank Post Bills	18,481,546 98	
Bills collected	334,701 48	
Correspondents abroad	3,646,607 23	
Sundry Accounts.....	29,118,329 23	633,704,051 97
Capital	500,000,000 —	
Reserve Fund	240,462,502 11	740,462,502 11
Value of Real Estate and Furniture.....		12,000,100 —
Net Profit for the year 1927		116,664,657 74
 Right to issue notes.		
Stock of gold and Assets in foreign currency	Fmk. 1,676,451,058: 18	
Right to issue notes in addition to the above amount (Law of 21/12 1925)	» 1,200,000,000: —	
Right to issue notes	<u>Fmk. 2,876,451,058: 18</u>	
Notes in circulation	Fmk. 1,514,407,119: —	
Other liabilities payable on demand	» 633,704,051: 97	
Undrawn amount of advances on current accounts	» 31,451,964: 17	
Reserve of note issue:		
immediately at disposal	» 185,901,454: 30	
depending upon increased supplementary cover	» 510,986,468: 74	
	<u>Fmk. 2,876,451,058: 18</u>	
	Fmk.	3,017,238,430 82

II. Turnover.

• 1. Cash Account.

The aggregate Cash turnover in Debit and Credit for 1927 was Fmk. 76,932,589,716: 16
of which at the Branches at

Viipuri (Wiborg).....	Fmk.	4,896,149,419: 78	
Turku (Abo).....	»	4,530,405,538: 70	
Tampere (Tammerfors).....	»	3,400,410,662: 34	
Pori (Björneborg).....	»	2,756,591,412: 59	
Vaasa (Wasa).....	»	2,606,739,993: 73	
Oulu (Uleåborg).....	»	2,068,273,523: 42	
Kotka.....	»	835,264,680: 71	
Kuopio.....	»	808,146,059: 26	
Sortavala (Sordavala).....	»	639,330,409: 01	
Mikkeli (St. Michel).....	»	634,334,352: 21	
Jyväskylä.....	»	612,655,453: 40	
Hämeenlinna (Tavastehus).....	»	538,126,013: 40	
Joensuu.....	»	492,721,326: 86	Fmk. 24,819,148,845: 41
and at the Head Office at Helsinki (Helsingfors).....	»	52,113,440,870: 75	
			Fmk. 76,932,589,716: 16

Thus the average turnover per day was Fmk. 256,441,965: 72
of which at the Head Office » 173,711,469: 57
and at the Branches » 82,730,496: 15

Cash in hand:	Ultimo Dec. 1926.	Ultimo Dec. 1927.
Finnish Gold Coin.....	Fmk. 10,076,400: —	Fmk. 14,647,700: —
Other ».....	» 256,197,477: 78	» 244,844,573: 15
Gold bullion.....	» 55,845,990: 75	» 57,139,144: 31
Gold with the Mint.....	» 5,248,960: 10	» —
Foreign bank notes and coupons.....	» 1,682,979: 27	» 1,415,893: 44
Finnish nickel coin.....	» 6,873,807: 25	» 3,564,403: —
» copper coin.....	» 216,382: 08	» 163,483: 63
Silver.....	» 725,031: 45	» —
Bank Post Bills and Cheques issued by Joint Stock Banks.....	» 26,802,993: 67	» 38,934,042: 97
Own bank notes.....	» 315,733,334: —	» 501,136,794: —
	Fmk. 679,403,356: 35	Fmk. 861,846,034: 50

2. Stock of Gold.

Balance 31st December 1926.....	Fmk.	327,368,828: 63
Bought in 1927.....	»	4,395,311: 31
	Fmk.	331,764,139: 94
Sold in 1927.....	»	15,132,722: 48
	Fmk.	316,631,417: 46

3. Correspondents abroad.

Balance in favour of the Bank:	1926.		1927.	
At the end of January	Fmk.	1,353,355,522: 04	Fmk.	1,044,224,407: 61
» February	»	1,221,771,903: 11	»	1,122,609,479: 53
» March	»	1,177,010,103: 84	»	1,182,253,117: 93
» April	»	1,069,532,852: 15	»	1,092,018,842: 30
» May	»	942,683,013: 78	»	970,393,432: 57
» June	»	891,984,479: 86	»	897,797,611: 60
» July	»	882,759,170: 29	»	910,556,421: 64
» August	»	967,391,484: 36	»	1,090,234,694: 47
» September	»	949,212,623: 56	»	1,225,820,777: 43
» October	»	894,892,696: 65	»	1,320,406,556: 75
» November	»	999,154,138: 37	»	1,385,056,154: 39
» December	»	1,074,824,852: 13	»	1,356,173,033: 49

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 1926	Fmk.	115,374,988: 14
Discounted during 1927	»	315,035,662: 83
	Fmk.	430,410,650: 97
Sent for collection and sold during 1927	»	382,888,033: 72
	Fmk.	47,522,617: 25

5. Inland Bills Discounted.

In portfolio 31st December 1926	Fmk.	538,499,258: 24
Discounted during 1927	»	2,804,151,447: 43
	Fmk.	3,342,650,705: 67
Paid during 1927	»	2,702,575,685: 10
	Fmk.	640,075,020: 57

The discount rates have been, according to the quality and currency of the bills, $7\frac{1}{2}$, 8 and $8\frac{1}{2}$ % until the 22nd March, 7, $7\frac{1}{2}$ and 8 % until the 10th August, $6\frac{1}{2}$, 7 and $7\frac{1}{2}$ % until the 24th November and hereafter 6, $6\frac{1}{2}$ and 7 %.

6. Inland Bills Protested.

Outstanding 31st December 1926	Fmk.	6,100: —
Protested during 1927	»	890,297: 53
	Fmk.	896,397: 53
Paid during 1927	»	896,397: 53
	Fmk.	—
Outstanding 31st December 1927 ..	Fmk.	—

7. Loans on Security.

Balance 31st December 1926	Fmk.	23,132,050:—
Effected during 1927	»	77,936,151:—
	Fmk.	101,068,201:—
Repaid during 1927	»	41,995,550:—
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Balance 31st December 1927	Fmk.	59,072,651:—

The rates of interest for loans have been according to security $7\frac{1}{2}\%$, 8% and $8\frac{1}{2}\%$ until the 22nd March, $7\frac{1}{2}\%$ until the 24th November and hereafter $6\frac{1}{2}\%$ and 7% .

Securities held against these loans consisted of:

Bonds	Fmk.	43,522,650:—
Mortgages	»	15,550,001:—
	Fmk.	59,072,651:—

8. Advances on Current Accounts.

Amount allowed 31st December 1926	Fmk.	105,520,000:—
» » » » 1927	»	142,559,000:—
Amount used 31st December 1926	Fmk.	92,736,826:82
Withdrawn during 1927	»	533,086,394:14
	Fmk.	625,823,220:96
Paid in during 1927	»	514,716,185:13
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Balance 31st December 1927	Fmk.	111,107,035:83

The rates of interest for advances on current accounts during 1927 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.	11,109,000:—
Mortgages	»	131,450,000:—
	Fmk.	142,559,000:—

9. Bonds.

Balance 31st December 1926	Fmk.	369,730,191:25
Bought during 1927	Fmk.	192,552,388:43
Profit on sold and drawn bonds	»	13,049,900:50
		<hr/>
	Fmk.	575,332,480:18
Sold and drawn during 1927	Fmk.	160,188,270:50
Written off during 1927	»	22,962,873:43
		<hr/>
Balance 31st December 1927	Fmk.	392,181,336:25
of which Finnish State Bonds in Finnish currency	Fmk.	109,540,368:75
other Bonds in Finnish currency	»	26,474,778:—
Bonds in foreign currency	»	256,166,189:50
	Fmk.	392,181,336:25

10. Government's Short Term Liabilities.

Balance 31st December 1926	Fmk.	24,000,000:—
Paid during 1927	"	12,000,000:—
		12,000,000:—
Balance 31st December 1927	Fmk.	12,000,000:—

11. Current Accounts.

Balance 31st December 1926	Fmk.	86,562,268:10
Paid in during 1927	"	19,244,487:584:01
		19,331,049,852:11
Withdrawn during 1927	"	19,234,914,310:09
		96,135,542:02
Balance 31st December 1927	Fmk.	96,135,542:02

12. Current Account due to Government.

Balance 31st December 1926	Fmk.	303,428,364:11
Paid in during 1927	"	2,592,168,573:99
		2,895,596,938:10
Withdrawn during 1927	"	2,524,259,613:07
		371,337,325:03
Balance 31st December 1927	Fmk.	371,337,325:03

13. Bank Post Bills.

Outstanding 31st December 1926	Fmk.	15,420,360:89
Issued during 1927	"	1,515,443,904:56
		1,530,864,265:45
Redeemed during 1927	"	1,512,382,718:47
		18,481,546:98
Outstanding 31st December 1927	Fmk.	18,481,546:98

14. Bills for Collection.

Balance 31st December 1926	Fmk.	203,753:75
Collected during 1927	"	79,117,956:02
		79,321,709:77
Covered by remittance during 1927	"	78,937,008:29
		384,701:48
Balance 31st December 1927	Fmk.	384,701:48

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 1926:												
old issues	3,254,802	52,643	722,971	26,398	8,233	175,215	232	93,718	219,736	15,139	7,615	52,747,942
1922 issue	—	—	6,714,840	9,221,936	—	215,998	—	2,668,740	6,145,040	528,938	463,938	1,606,461,520
Printed in 1927:												
1922 issue	—	—	5,004,000	3,000,000	—	3,768,000	—	1,468,000	2,881,000	382,000	294,000	976,880,000
Total	3,254,802	52,643	12,441,811	12,248,334	8,233	4,159,213	232	4,230,458	9,245,776	926,077	765,553	2,636,089,462
Destroyed during 1927:												
old issues	35,000	—	34,000	5,000	—	15,000	—	22,000	29,000	3,300	1,500	7,955,000
1922 issue	—	—	4,564,000	5,220,000	—	392,000	—	1,368,000	2,323,000	185,000	139,000	614,810,000
Notes in hand and in circulation 31st December 1927:												
old issues	3,219,802	52,643	7,843,811	7,023,334	8,233	3,752,213	232	2,840,458	6,893,776	737,777	625,053	2,013,324,462
Total	3,254,802	52,643	12,441,811	12,248,334	8,233	4,159,213	232	4,230,458	9,245,776	926,077	765,553	2,636,089,462
At the Bank 31st December 1927:												
old issues	9,239	56	10,167	7,817	77	6,963	2	5,455	5,917	1,312	536	2,335,126
1922 issue	—	—	1,814,833	2,225,625	—	1,278,335	—	607,686	1,391,926	193,410	175,614	498,793,015
In circulation 31st December 1927:												
old issues	3,210,563	52,587	678,804	13,581	8,156	153,252	230	66,263	184,819	10,527	5,579	42,707,816
1922 issue	—	—	5,340,007	4,776,311	—	2,313,663	—	2,161,054	5,311,114	532,528	443,324	1,469,488,505

b) Penni Notes.

	Number of 25 Penni notes.	Number of 50 Penni notes.	Total. Fmk.
Notes in hand and in circulation 31st Dec. 1926	4,790,136	1,666,938	2,031,003
Destroyed in 1927	36,000	21,000	19,500
Notes in hand and in circulation 31st Dec. 1927	4,754,136	1,645,938	2,011,503
At the Bank 31st December 1927.....	8,316	6,020	5,089
In circulation » »	4,745,820	1,639,918	2,006,414

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. 1926	8,539	2,355	762	279	207,948
Destroyed in 1927	—	—	—	—	—
Notes in hand and in circulation 31st Dec. 1927	8,539	2,355	762	279	207,948
At the Bank 31st December 1927.....	12	4	1	33	3,564
In circulation » »	8,527	2,351	761	246	204,384

The total of bank notes in Finnish Marks, Pennis and Roubles on 31st December 1927 amounted to Fmk. 2,015,543,913:—
of which in hand Fmk. 501,136,794:—
» » » circulation » 1,514,407,119:— Fmk. 2,015,543,913:—

III. Summary of the Bank's Monthly Returns in 1927.

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 ..	326,725,831	1,138,692,164	627,043,619	123,997,744	360,559,550	1,330,437,614	484,514,578	24,187,758	735,155,902
February ..	326,279,883	1,190,222,742	637,507,584	123,997,744	342,619,722	1,446,554,465	407,716,136	22,317,287	776,283,813
March	325,935,306	1,237,333,782	654,601,221	123,997,744	315,113,773	1,472,792,359	406,116,644	27,697,162	804,572,005
April	325,158,985	1,138,238,557	698,857,654	123,997,744	298,108,663	1,447,274,636	343,793,005	23,424,406	806,935,211
May	324,273,944	1,021,823,004	721,224,865	121,788,744	290,760,923	1,411,268,845	265,538,686	39,280,696	782,127,056
June	323,470,211	946,178,281	778,238,602	121,788,744	325,122,712	1,398,497,316	282,016,911	22,053,214	722,296,556
July	322,563,286	982,615,054	775,842,405	121,788,744	303,056,331	1,376,594,415	303,256,644	19,962,147	737,187,950
August	321,592,271	1,166,820,909	729,426,882	123,806,784	327,493,588	1,413,535,706	426,165,596	27,946,585	749,149,920
September .	320,533,682	1,301,401,711	696,557,266	123,823,984	363,974,013	1,476,174,080	491,224,482	25,456,665	758,477,274
October....	319,281,267	1,388,551,003	697,378,898	121,598,984	488,990,263	1,482,974,623	685,133,267	13,845,695	661,869,857
November..	318,085,811	1,439,678,044	755,765,057	120,708,984	320,903,503	1,446,630,461	651,280,347	13,530,371	796,766,441
December..	316,631,417	1,408,758,151	810,254,708	121,540,369	360,053,787	1,514,407,119	633,704,051	31,451,964	696,887,923

IV. Clearing.

The Clearing Department's turnover amounted in the different months of 1927 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	1,242,404,320 20	122,919,204 89	74,615,559 86	96,580,965 75	58,417,270 13	33,851,694 56
February	1,179,466,052 42	110,282,341 82	90,470,301 59	99,286,131 76	47,024,134 27	31,818,865 30
March	1,322,514,170 62	112,653,324 10	87,969,880 18	102,074,721 67	72,368,791 15	29,475,197 35
April	1,366,706,536 46	113,869,686 42	85,090,393 73	92,678,221 95	68,430,224 25	23,655,221 78
May	1,318,205,755 35	124,812,334 49	98,314,178 19	99,514,055 24	68,625,630 21	28,448,573 90
June	1,206,413,665 78	115,190,378 27	88,685,261 35	92,462,903 31	71,861,088 81	29,457,255 66
July	1,384,134,279 18	129,015,112 26	103,155,398 —	96,698,975 19	70,703,681 40	29,047,584 02
August	1,195,814,017 84	115,862,232 91	103,590,659 36	91,133,202 82	70,482,515 13	28,190,679 57
September	1,641,772,246 89	115,607,297 82	114,087,237 41	69,056,686 81	74,297,414 22	31,022,524 62
October	1,768,124,575 36	148,762,839 71	120,617,245 26	102,465,582 96	82,969,920 08	48,653,271 81
November	1,683,918,457 75	130,052,661 32	146,716,129 98	87,539,894 18	74,562,866 17	42,548,125 38
December	1,824,012,072 52	125,471,742 03	120,444,529 27	75,322,573 62	67,256,210 54	37,070,428 63
	17,133,486,150 37	1,464,499,156 04	1,233,756,774 18	1,104,813,915 26	826,999,746 36	393,239,422 58

The total turnover in 1927 amounted thus to Fmk. 22,156,795,164: 79.

V. The Year's Results.

Profit and Loss Account.

K r e d i t.

Interest on Home Credits	Fmk.	55,500,265:06	
» » Current Accounts abroad	»	43,583,842:09	
» » Bonds.....	»	28,786,283:19	
Agio.....	»	9,197,659:51	
Commission	»	6,959,860:82	
Bad and Doubtful Debts paid	»	7,244:58	
			<u>Fmk. 144,035,155:25</u>

D e b i t.

Salaries	Fmk.	7,331,032:60	
Pensions and Supports	»	432,132:88	
Fees to the Bank Supervisors and their expenses	»	121,879:33	
Cost of manufacturing Bank Notes	»	3,489,924:57	
Miscellaneous Expenses	»	2,013,197:29	
Written off on Bonds and Shares	»	13,707,832:14	
Depreciation of Real Estate	»	209,906:20	
» » Furniture	»	64,592:50	
Net Profit for the Year 1927			<u>Fmk. 27,370,497:51</u>
			<u>Fmk. 116,664,657:74</u>
			<u>Fmk. 144,035,155:25</u>

VI. Capital.

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

VII. Reserve Fund.

The Reserve Fund amounted on the 31st December 1926 to Fmk. 133,356,524:80
 In 1927 it has been transferred to the Reserve Fund, according to § 30 of
 the Bank's Regulations. the Net Profit for the year 1926 » 107,105,977:31
 Balance 31st December 1927 Fmk. 240,462,502:11

VIII. Bank Offices.

Head Office at Helsinki (Helsingfors), Branches at Turku (Åbo), Pori (Björneborg), Vaasa (Waså), Oulu (Uleåborg), Kuopio, Joensuu, Sortavala (Sordavala), Viipuri (Wiborg), Mikkeli (S:t Michel), Tampere (Tammerfors), Hämeenlinna (Tavastehus), Jyväskylä and Kotka and Agency at Rovaniemi.
Helsingfors, January 10th, 1928.

The Board of Management of the Bank of Finland

R I S T O R Y T I

ERNST GRÅSTEN

LAURI af HEURLIN

KYÖSTI KALLIO

JOHN HAMMARÉN