

REPORT
OF THE
BANK OF FINLAND

FOR THE 122ND FINANCIAL YEAR
ENDED 30TH DECEMBER, 1933

*

HELSINGFORS
GOVERNMENT PRINTING OFFICE
1934

I. Balance Sheet,

ASSETS.		
Stock of Gold:		
Finnish Gold Coin	14,133,000—	
Other Gold Coin	200,850,916 44	
Bullion	107,628,634 33	322,612,550 77
Correspondents abroad		954,005,084 22
Bills in Foreign Currency	371,031,551 95	
Foreign Bank Notes and Coupons	1,738,865 95	
Bills in Finnish Currency discounted	574,760,080 75	947,530,498 65
Loans on Security	50,511,411 15	
Advances on Current Accounts	90,325,591 69	
Bonds in Finnish Currency	69,844,854 —	
Bonds in Foreign Currency	245,764,116 —	
Cheques issued by Joint Stock Banks	25,639,884 47	
Aluminium-Bronze Coin	12,224,730 —	
Nickel Coin	9,312,218 25	
Copper Coin	214,800 83	
Real Estate	12,000,000 —	
Furniture	100 —	
Sundry Accounts	163,534,465 35	679,372,171 74
Balance of Interest accrued		7,899,698 45
Fmk.		2,911,420,003 83

30th December, 1933.

LIABILITIES.		
Notes in Circulation		1,183,642,719 —
Balance of Current Accounts	327,081,315 30	
Balance of Current Accounts due to Government	55,344,708 15	
Bank Post Bills	6,599,343 75	
Bills collected	135,762 60	
Correspondents abroad	2,839,533 98	
Sundry Accounts	8,019,350 38	400,020,014 16
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Capital	1,000,000,000 —	
Reserve Fund	203,351,794 48	1,203,351,794 48
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Value of Real Estate and Furniture		12,000,100 —
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Net Profit for the year 1933		112,405,376 19
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Right to issue notes.		
Stock of gold and Correspondents abroad ..	Fmk. 1,276,617,634 99	
According to § 6 of the Bank's Regulations	» 1,200,000,000: —	
Right to issue notes	<u>Fmk. 2,476,617,634 99</u>	
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Notes in circulation	Fmk. 1,183,642,719: —	
Other liabilities payable on demand	» 400,020,014: 16	
Undrawn amount of advances on current accounts	» 73,699,408: 31	
Reserve of note issue:		
immediately at disposal	» 566,785,992: 17	
depending upon increased supplementary cover	» 252,469,501: 35	
	<u>Fmk. 2,476,617,634 99</u>	
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	Fmk.	2,911,420,003 83

II. Turnover.

1. Cash Account.

The aggregate Cash turnover in Debit and Credit for 1933 was	Fmk.	70,876,825,978: 86
of which at the Branches at		
Viipuri (Wiborg)	Fmk.	4,600,227,536: 55
Turku (Åbo)	»	2,555,116,642: 86
Oulu (Uleåborg)	»	2,499,609,751: 14
Vaasa (Wasa)	»	2,451,479,748: 81
Tampere (Tammerfors)	»	2,222,485,111: 26
Pori (Björneborg)	»	1,282,703,982: 56
Kuopio	»	790,476,470: 18
Jyväskylä	»	788,569,516: 69
Kotka	»	763,940,614: 05
Mikkeli (S:t Michel)	»	562,231,735: 65
Sortavala (Sordavala)	»	542,059,625: 40
Hämeenlinna (Tavastehus)	»	530,955,694: 80
Joensuu	»	457,485,035: 70
	Fmk.	20,047,341,465: 65
and at the Head Office at Helsinki (Helsingfors)	»	50,829,484,513: 21
	Fmk.	70,876,825,978: 86

Thus the average turnover per day was	Fmk.	236,256,086: 60
of which at the Head Office	»	169,431,615: 05
and at the Branches together	»	66,824,471: 55

Cash in hand:	Ultimo Dec. 1932.	Ultimo Dec. 1933.
Finnish Gold Coin	Fmk. 14,133,200: —	Fmk. 14,133,000: —
Other Gold Coin	» 200,809,654: 96	» 200,850,916: 44
Gold Bullion	» 89,432,986: 28	» 107,628,634: 33
Foreign Banknotes and Coupons	» 1,592,537: 45	» 1,738,865: 95
Aluminium-Bronze Coin	» 18,577,905: —	» 12,224,730: —
Nickel Coin	» 8,908,356: 75	» 9,312,218: 25
Copper Coin	» 347,835: 84	» 214,800: 83
Cheques issued by Joint Stock Banks	» 60,047,807: 50	» 25,639,884: 47
Own Banknotes	» 1,068,473,626: —	» 827,409,078: —
	Fmk. 1,462,323,909: 78	Fmk. 1,199,152,128: 27

2. Stock of Gold.

Balance 31st December 1932	Fmk.	304,375,841: 24
Bought in 1933	»	18,283,104: 40
	Fmk.	322,658,945: 64
Sold in 1933	»	46,394: 87
	Fmk.	322,612,550: 77

3. Correspondents abroad.

Balance in favour of the Bank at the end of each month:	1932.		1933.
January	Fmk. 406,778,968: 29	Fmk.	685,852,988: 19
February	» 576,549,794: 92	»	770,391,711: 17
March	» 642,386,743: 37	»	768,912,170: 13
April	» 588,692,404: 73	»	769,631,080: 31
May	» 545,737,611: 57	»	754,555,046: 56
June	» 449,877,941: 79	»	760,601,245: 34
July	» 433,069,571: 21	»	780,998,618: 70
August	» 506,614,454: 36	»	882,021,006: 68
September	» 495,371,787: 37	»	859,579,658: 93
October	» 459,941,711: 79	»	918,712,226: 06
November	» 453,527,129: 28	»	919,571,001: 08
December	» 498,429,139: 87	»	951,165,550: 24

For the time being the Bank of Finland has correspondents at the following places abroad: New York, Chicago, Toronto, 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 1932	Fmk.	235,988,769: 20
Discounted during 1933	»	2,274,713,183: 50
	Fmk.	2,510,701,952: 70
Sent for collection and sold during 1933	»	2,139,670,400: 75
	Fmk.	371,031,551: 95

5. Inland Bills Discounted and Re-discounted.

In portfolio 31st December 1932	Fmk.	1,002,729,733: 30
Discounted during 1933	»	3,297,703,624: 70
	Fmk.	4,300,433,358: —
Paid during 1933	»	3,725,673,277: 25
	Fmk.	574,760,080: 75

The discount rates have been, according to the quality and currency of the bills, 6 ½, 7 and 7 ½ % until the 1st February, 6, 6 ½ and 7 % until the 3rd June, 5 ½, 6 and 6 ½ % until the 5th September, 5, 5 ½ and 6 % until the 20th December and after that date 4 ½, 5 and 5 ½ %.

6. Inland Bills Protested.

Outstanding 31st December 1932	Fmk.	3,367: 80
Protested during 1933	»	410,879: 25
	Fmk.	414,247: 05
Paid during 1933	»	414,247: 05
	Fmk.	—

7. Loans on Security.

Balance 31st December 1932	Fmk.	99,745,827: —
Effectuated during 1933	»	351,517,655: —
	Fmk.	451,263,482: —
Repaid during 1933.	»	400,752,070: 85
	Fmk.	50,511,411: 15
Balance 30th December 1933		

The rates of interest for loans have been according to security 6 ½, 7 and 7 ½ % until the 1st February, 6, 6 ½ and 7 % until the 3rd June, 5 ½, 6 and 6 ½ % until the 5th September, 5, 5 ½ and 6 % until the 20th December and after that date 4 ½, 5 and 5 ½ %.

Securities held against these loans consisted of:

Bonds pledged for loans amounting to	Fmk.	9,021,409: 15
Mortgages pledged for loans amounting to	»	41,490,002: —
	Fmk.	50,511,411: 15

8. Advances on Current Accounts.

Amount allowed 31st December 1932	Fmk.	167,065,000: —
» » 30th » 1933	»	164,025,000: —
Amount used 31st December 1932	Fmk.	115,770,385: 64
Drawn during 1933	»	885,920,853: 94
	Fmk.	1,001,691,239: 58
Paid in during 1933	»	911,365,647: 89
	Fmk.	90,325,591: 69
Balance 30th December 1933		

The rates of interest for advances on current accounts during 1933 have been the same as those for loans on security. An opening commission of ½ % per year has been charged.

Securities held against these advances:

Bonds pledged for advances amounting to	Fmk.	11,640,000: —
Mortgages pledged for advances amounting to	»	152,385,000: —
	Fmk.	164,025,000: —

9. Bonds.

Balance 31st December 1932	Fmk.	301,041,304: 40
Bought during 1933	Fmk.	145,721,184: 30
Profit on sold and drawn bonds	»	41,221,688: 50
	Fmk.	487,984,177: 20
Sold and drawn during 1933	Fmk.	158,811,466: 90
Written off during 1933	»	13,563,740: 30
	Fmk.	172,375,207: 20
	Fmk.	315,608,970: —
Balance 30th December 1933		
of which Bonds in Finn'sh currency	Fmk.	69,844,854: —
Bonds in foreign currency	»	245,764,116: —
	Fmk.	315,608,970: —

10. Current Accounts.

Balance 31st December 1932	Fmk.	62,784,426: 95
Paid in during 1933	»	15,249,575,912: 61
	Fmk.	15,312,360,339: 56
Withdrawn during 1933	»	14,985,279,024: 26
	Fmk.	327,081,315: 30
Balance 30th December 1933	Fmk.	

11. Current Account due to Government.

Balance 31st December 1932	Fmk.	91,658,212: 24
Paid in during 1933	»	3,011,494,631: 26
	Fmk.	3,103,152,843: 50
Withdrawn during 1933	»	3,047,808,135: 35
	Fmk.	55,344,708: 15
Balance 30th December 1933	Fmk.	

12. Bank Post Bills.

Outstanding 31st December 1932	Fmk.	27,385,985: 23
Issued during 1933	»	890,123,955: —
	Fmk.	917,509,940: 23
Redeemed during 1933	»	910,910,596: 48
	Fmk.	6,599,343: 75
Outstanding 30th December 1933	Fmk.	

13. Bills for Collection.

Balance 31st December 1932	Fmk.	132,894: 45
Collected during 1933	»	88,618,440: 93
	Fmk.	88,751,335: 38
Covered by remittance during 1933	»	88,615,572: 78
	Fmk.	135,762: 60
Balance 30th December 1933	Fmk.	

14. Stock of Aluminium-Bronze Coin.

	Pieces of 10 Marks	Pieces of 5 Marks	Total
	Fmk.	Fmk.	Fmk.
Delivered by the Mint until the 30th December 1933	35,190,000	30,740,000	65,930,000
of which in circulation	29,015,120	24,690,150	53,705,270
and at the Bank on 30th December 1933	Fmk. 6,174,880	6,049,850	12,224,730

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 1932:												
old issues	3,133,772	52,641	630,971	9,398	8,233	131,215	232	41,718	153,736	7,439	4,315	34,766,906
1922 issue	—	—	1,249,836	866,932	—	4,486,992	—	3,730,735	6,327,036	769,936	807,909	2,116,775,690
Printed in 1933:												
1922 issue	—	—	—	—	—	1,716,000	—	1,997,000	2,419,000	186,000	—	469,070,000
Total	3,133,772	52,641	1,880,807	876,330	8,233	6,334,207	232	5,769,453	8,899,772	963,375	812,224	2,620,612,596
Destroyed during 1933:												
old issues	10,000	—	35,000	2,000	—	2,000	—	1,000	2,000	300	100	745,000
1922 issue	—	—	965,000	618,000	—	2,725,000	—	1,450,000	2,350,000	188,002	144,001	611,007,000
Notes in hand and in circulation 30th December 1933:												
old issues	3,123,772	52,641	880,807	256,330	8,233	3,607,207	232	4,318,453	6,547,772	775,073	668,123	2,008,860,596
1922 issue	—	—	—	—	—	—	—	—	—	—	—	—
Total	3,123,772	52,641	880,807	256,330	8,233	3,607,207	232	4,318,453	6,547,772	775,073	668,123	2,008,860,596
At the Bank 30th December 1933:												
old issues	6,366	56	4,275	3,559	77	3,525	2	2,748	3,538	1,205	484	1,712,703
1922 issue	—	—	24,648	34,596	—	497,707	—	2,322,530	2,051,440	363,194	312,400	825,690,840
In circulation 30th December 1933:												
old issues	3,117,406	52,585	591,696	3,839	8,156	125,690	230	37,970	148,198	5,934	3,731	32,309,203
1922 issue	—	—	260,188	214,336	—	2,980,285	—	1,955,205	4,344,596	404,740	351,508	1,149,147,850

b) Penni Notes.

	Number of 25 Penni notes	Number of 50 Penni notes	Total Fmk.
Notes in hand and in circulation 31st Dec. 1932	4,705,136	1,617,938	1,985,253
Destroyed in 1933	4,000	2,000	2,000
Notes in hand and in circulation 30th Dec. 1933	4,701,136	1,615,938	1,983,253
At the Bank 30th December 1933	2,632	2,626	1,971
In circulation » »	4,698,504	1,613,312	1,981,282

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. 1932	8,539	2,355	762	279	207,948
Destroyed in 1933	—	—	—	—	—
Notes in hand and in circulation 30th Dec. 1933	8,539	2,355	762	279	207,948
At the Bank 30th December 1933	12	4	1	33	3,564
In circulation » »	8,527	2,351	761	246	204,384

The total of banknotes in Finnish Marks, Pennis and Roubles on 30th December 1933 amounted to ... Fmk. 2,011,051,797: —
of which in hand Fmk. 827,409,078: —
» » » circulation » 1,183,642,719: — Fmk. 2,011,051,797: —

III. Summary of the Bank's Monthly Returns in 1933.

Month.	Stock of Gold.	Assets in Foreign Currency.	Home Credits	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.
January ...	304,367,348	972,810,429	1,057,767,384	606,977,671	1,047,282,183	565,891,629	57,788,565	521,029,808
February ..	304,367,335	1,100,610,411	970,098,630	653,345,469	1,125,679,545	586,064,920	52,796,866	511,719,635
March	304,369,545	1,109,746,068	994,056,896	537,954,525	1,182,971,998	431,173,609	50,319,245	612,850,354
April	304,368,815	1,110,191,806	962,808,789	536,328,644	1,177,778,105	391,998,569	54,181,528	651,993,982
May	308,824,217	1,110,450,129	957,866,794	513,270,512	1,124,467,910	465,319,043	53,006,757	622,158,546
June	308,822,717	1,092,457,109	964,668,158	496,928,516	1,096,564,453	492,808,774	56,424,111	625,223,869
July	322,568,417	1,101,675,210	942,139,069	534,623,783	1,080,857,202	538,236,366	58,337,942	627,321,980
August	322,573,382	1,160,293,760	875,626,630	588,341,057	1,087,090,242	571,318,426	71,331,335	677,879,068
September .	322,585,777	1,112,033,370	895,027,356	523,925,267	1,125,195,910	427,769,859	54,675,118	776,955,755
October ...	322,587,658	1,224,811,418	889,525,909	479,070,079	1,102,635,784	501,615,085	55,761,071	784,105,775
November .	322,587,289	1,273,693,910	817,688,609	494,292,591	1,114,680,856	479,518,472	69,109,087	781,446,439
December .	322,612,551	1,326,775,502	715,597,084	546,434,867	1,183,642,719	400,020,014	73,699,408	819,255,494

IV. Clearing.

The Clearing Department's turnover amounted in the different months of 1933 and at the different Offices to:

Month.	Head Office at Helsinki (Helsingfors)	Viipuri (Wiborg)	Turku (Åbo)	Vaasa (Wasa)	Tampere (Tammerfors)	Oulu (Uleaborg)
	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.	Fmk.
January	1,182,079,991 63	82,801,169 17	70,876,560 29	49,158,261 35	57,153,810 68	50,197,981 94
February	1,150,230,730 23	90,021,612 21	67,644,343 35	48,140,263 26	63,103,101 45	31,757,018 89
March	1,173,875,475 45	82,092,887 13	67,630,675 30	55,102,090 01	52,169,026 50	35,526,062 88
April	1,049,983,272 26	75,593,754 46	91,502,366 59	47,968,248 80	47,423,692 86	30,965,374 90
May	1,089,543,263 38	106,157,537 77	63,455,052 39	65,166,847 01	49,735,799 48	31,168,675 01
June	1,120,512,691 90	99,802,041 63	73,016,240 98	55,857,348 42	48,545,142 68	39,817,856 31
July	1,118,804,005 83	104,332,624 97	66,891,840 05	59,929,968 58	39,113,692 62	36,315,624 86
August	1,149,466,442 24	95,135,979 83	64,202,696 96	70,127,521 19	39,649,321 72	40,275,148 27
September	1,231,534,677 87	104,024,503 14	63,462,394 63	53,881,076 47	55,551,687 99	35,984,921 34
October	1,317,990,731 55	95,643,555 31	70,800,333 34	70,598,123 83	55,876,489 78	37,979,413 02
November	1,260,060,328 15	109,845,936 99	64,683,163 37	64,383,792 80	59,209,601 44	34,596,253 13
December	1,427,892,737 84	94,433,609 19	69,679,092 55	56,588,151 67	50,968,832 49	41,450,165 60
	14,271,974,348 33	1,139,885,211 80	833,844,759 80	696,901,693 39	618,500,199 69	446,034,496 15

The total turnover in 1933 amounted thus to Fmk. 18,007,140,709.16.

V. The Year's Results.

Profit and Loss Account.

C r e d i t.

Interest on Home Credits	Fmk.	63,850,885: 72	
» » Current Accounts abroad	»	17,157,434: 35	
» » Bonds	»	36,020,338: 15	
Agio	»	1,122,441: 59	
Commission	»	7,790,039: 14	Fmk. 125,941,138: 95
			<hr/>

D e b i t.

Salaries	Fmk.	8,323,841: 30	
Pensions and Supports	»	632,823: 95	
Fees to the Bank Supervisors and their expenses ...	»	162,620: 95	
Cost of manufacturing Bank Notes	»	1,804,481: 35	
Miscellaneous Expenses	»	2,602,785: 71	
Depreciation of Furniture	»	9,209: 50	Fmk. 13,535,762: 76
Net Profit for the Year 1933			» 112,405,376: 19
			<hr/> Fmk. 125,941,138: 95

VI. Capital.

The capital amounted unaltered to..... Fmk. 1,000,000,000: —

VII. Reserve Fund.

The Reserve Fund amounted on the 31st December 1932 to	Fmk.	197,526,353: 18
In 1933 it has been transferred to the Reserve Fund, according to Law of the 21st December 1932, from the Net Profit for the year 1932 ..	»	5,190,497: 42
» » it has been transferred to the Reserve Fund, in virtue of the decisions of the Diet of the 11th December 1931 and the 10th February 1933, from the Undisposed Profit Account	»	634,943: 88
		<hr/> Balance 30th December 1933 Fmk. 203,351,794: 48

VIII. Undisposed Profit Account.

The Undisposed Profit Account amounted on the 31st December 1932 to	Fmk.	634,943: 88
In 1933 it has been transferred to the Undisposed Profit Account, according to Law of the 21st December 1932, from the Net Profit for the year 1932	»	110,000,000: —
	Fmk.	110,634,943: 88
In 1933 it has been transferred to the Current Account due to Government according to the budget passed by the Diet on the 22nd December 1932	Fmk.	110,000,000: —
» » it has been transferred to the Reserve Fund in virtue of the decisions of the Diet of the 11th December 1931 and the 10th February 1933	»	634,943: 88
	»	110,634,943: 88
	Balance 30th December 1933	Fmk. —

IX. Bank Offices.

Head Office at Helsinki (Helsingfors), 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, Kotka and Agencies at Rovaniemi and Kajaani (Kajana).

Helsingfors, January 8th, 1934.

The Board of Management of the Bank of Finland

R I S T O R Y T I

LAURI AF HEURLIN

KYÖSTI KALLIO

ADOLF BURGMAN

JOHN HAMMARÉN