

REPORT  
OF THE  
BANK OF FINLAND

FOR THE 124<sup>TH</sup> FINANCIAL YEAR  
ENDED 31<sup>ST</sup> DECEMBER, 1935

\*

HELSINGFORS  
GOVERNMENT PRINTING OFFICE  
1936



31st December, 1935.

<b>LIABILITIES.</b>		
Notes in Circulation .....		1,380,682.353 —
Balance of Current Account due to Government .....	161,706,964.85	
Balance of other Current Accounts .....	401,716,585.46	
Bank Post Bills .....	12,173,592.43	
Bills collected .....	33,971.25	
Correspondents abroad .....	24,309,958.69	
Sundry Accounts .....	22,753,701.51	622,694,774.19
Capital .....	1,000,000,000 —	
Reserve Fund .....	262,108,027.44	1,262,108,027.44
Value of Real Estate and Furniture .....		12,000,100 —
Net Profit for the year 1935 .....		100,188,932.24
<b>Right to issue notes.</b>		
Stock of gold and Correspondents abroad ....	Mks. 1,738,914,618: 51	
According to § 6 of the Bank's Regulations ....	» 1,200,000,000: —	
Right to issue notes .....	<u>Mks. 2,938,914,618: 51</u>	
Notes in circulation .....	Mks. 1,380,682,353: —	
Other liabilities payable on demand .....	» 622,694,774: 19	
Undrawn amount of advances on current accounts	» 74,519,398: 80	
Reserve of note issue:		
immediately at disposal .....	» 412,201,963: 97	
depending upon increased supplementary cover	» 448,816,128: 55	
	<u>Mks. 2,938,914,618: 51</u>	
	<b>Mks. ....</b>	<b>3,377,674,186.87</b>

## II. Turnover.

### 1. Cash Account.

The aggregate Cash turnover in Debit and Credit for 1935 was ..... Mks. 74,015,178,754: 66  
of which at the Branches at

Viipuri .....	Mks. 5,534,502,082: 02	
Tampere .....	» 3,175,318,407: 59	
Turku (Åbo) .....	» 3,004,011,347: 99	
Oulu .....	» 2,769,730,934: 68	
Vaasa (Wasa) .....	» 2,665,744,196: 77	
Pori .....	» 2,393,960,998: 45	
Jyväskylä .....	» 1,123,859,002: 48	
Kuopio .....	» 961,019,693: 64	
Kotka .....	» 876,244,207: 60	
Mikkeli .....	» 704,028,014: 76	
Sortavala .....	» 703,961,396: 24	
Joensuu .....	» 682,936,484: 37	
Hämeenlinna .....	» 509,792,407: 06	Mks. 25,105,109,173: 65
and at the Head Office at Helsinki (Helsingfors) .....	» 48,910,069,581: 01	
		<u>Mks. 74,015,178,754: 66</u>

Thus the average turnover per day was ..... Mks. 246,717,262: 52  
of which at the Head Office ..... » 163,033,565: 27  
and at the Branches together ..... » 83,683,697: 25

Cash in hand:	Ultimo Dec. 1934.	Ultimo Dec. 1935.
Finnish Gold Coin .....	Mks. 14,135,700: —	Mks. 14,136,700: —
Other Gold Coin .....	» 200,817,282: 95	» 200,758,064: 14
Gold Bullion .....	» 107,573,782: 13	» 257,104,493: 43
Foreign Banknotes and Coupons .....	» 1,960,074: 10	» 1,717,899: 70
Aluminium-Bronze Coin .....	» 11,867,425: —	» 14,614,410: —
Nickel Coin .....	» 6,555,473: 50	» 4,042,136: 50
Copper Coin .....	» 126,296: 11	» 109,716: 97
Cheques issued by Joint Stock Banks .....	» 36,111,264: 12	» 40,133,811: 78
Own Banknotes .....	» 718,001,194: —	» 465,863,944: —
	<u>Mks. 1,097,148,491: 91</u>	<u>Mks. 998,481,176: 52</u>

### 2. Stock of Gold.

Balance 31st December 1934 .....	Mks. 322,526,765: 08
Bought in 1935 .....	» 149,608,146: 13
	<u>Mks. 472,134,911: 21</u>
Sold in 1935 .....	» 135,653: 64
	<u>Mks. 471,999,257: 57</u>

### 3. Correspondents abroad.

Balance in favour of the Bank at the end of each month:		1934	1935
January	Mks.	1,000,807,270: 20	Mks. 1,329,772,130: 60
February	»	1,044,365,571: 65	» 1,267,697,923: 65
March	»	1,054,335,860: 60	» 1,317,158,187: 47
April	»	1,031,341,560: 96	» 1,385,895,258: 89
May	»	984,871,029: 50	» 1,415,903,287: 01
June	»	933,861,175: 65	» 1,333,680,460: 95
July	»	969,405,939: 42	» 1,352,757,142: 88
August	»	1,073,449,254: 78	» 1,242,196,105: 31
September	»	1,121,726,726: 83	» 1,259,445,642: 15
October	»	1,190,295,433: 55	» 1,280,662,569: 06
November	»	1,283,020,377: 79	» 1,239,893,984: 30
December	»	1,327,987,777: 23	» 1,266,915,360: 94

Balance in favour of the Correspondents abroad at the end of each month:

		1934	1935
January	Mks.	3,299,685: 11	Mks. 11,272,039: 68
February	»	3,671,849: 37	» 11,302,435: 86
March	»	2,272,094: 26	» 6,966,626: 88
April	»	5,087,754: 23	» 14,576,325: 54
May	»	2,214,292: 99	» 9,901,228: 73
June	»	3,819,325: 71	» 13,545,411: 08
July	»	4,553,012: 96	» 16,681,807: 43
August	»	1,944,348: 23	» 23,993,919: 50
September	»	1,881,411: 28	» 21,809,585: 27
October	»	5,234,574: 24	» 24,701,175: 95
November	»	7,136,729: 12	» 27,552,690: 95
December	»	10,965,079: 36	» 24,309,958: 69

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

### 4. Foreign Bills Discounted.

In portfolio 31st December 1934	Mks.	117,127,495: 10
Discounted during 1935	»	778,776,285: 25
	Mks.	895,903,780: 35
Paid and sent for collection during 1935	»	815,498,720: 05
	Mks.	80,405,060: 30

### 5. Inland Bills Discounted.

In portfolio 31st December 1934	Mks.	542,881,846: 95
Discounted during 1935	»	2,971,253,252: 45
	Mks.	3,514,135,099: 40
Paid during 1935	»	2,845,074,187: 95
	Mks.	669,060,911: 45

The discount rates have been, according to the quality and currency of the bills, 4, 4 ½ and 5 %.

### 6. Inland Bills Protested.

Outstanding 31st December 1934 .....	Mks.	—
Protested during 1935 .....	»	12,100,190: 95
	Mks.	12,100,190: 95
Paid during 1935 .....	»	12,100,190: 95
	Mks.	—
Outstanding 31st December 1935		

### 7. Loans on Security.

Balance 31st December 1934 .....	Mks.	64,273,701: —
Granted during 1935 .....	»	40,031,550: —
	Mks.	104,305,251: —
Repaid during 1935 .....	»	58,879,350: —
	Mks.	45,425,901: —
Balance 31st December 1935		

The rates of interest on loans have been according to security 4. 4 ½ and 5 %.

Securities held against these loans consisted of:

Bonds pledged for loans amounting to .....	Mks.	18,438,900: —
Mortgages pledged for loans amounting to .....	»	26,987,001: —
	Mks.	45,425,901: —

### 8. Advances on Current Accounts.

Amount allowed 31st December 1934 .....	Mks.	132,050,000: —
»       »       31st       »       1935 .....	»	141,950,000: —
Amount used 31st December 1934 .....	Mks.	65,280,282: 20
Drawn during 1935 .....	»	1,175,532,482: 22
	Mks.	1,240,812,764: 42
Paid in during 1935 .....	»	1,173,382,163: 22
	Mks.	67,430,601: 20
Balance 31st December 1935		

The rates of interest on advances on current accounts during 1935 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 .....	Mks.	12,590,000: —
Mortgages pledged for advances amounting to .....	»	129,360,000: —
	Mks.	141,950,000: —

### 9. Bonds.

Balance 31st December 1934 .....	Mks.	357,847,596: 55
Bought during 1935 .....	Mks.	618,972,521: 15
Profit on sold and drawn bonds .....	»	140,101,030: 70
	Mks.	759,073,551: 85
	Mks.	1,116,921,148: 40
Sold and drawn during 1935 .....	Mks.	562,999,643: 25
Written off during 1935 .....	»	140,039,641: 50
	Mks.	703,039,284: 75
	Mks.	413,881,863: 65
Balance 31st December 1935		
of which Bonds in Finnish currency .....	Mks.	190,675,629: —
Bonds in foreign currency .....	Mks.	223,206,234: 65
	Mks.	413,881,863: 65

### 10. Current Account due to Government.

Balance 31st December 1934 .....	Mks.	162,276,145: 28
Paid in during 1935 .....	»	3,586,540,772: 95
	Mks.	3,748,816,918: 23
Withdrawn during 1935 .....	»	3,587,109,953: 38
	Mks.	161,706,964: 85

### 11. Other Current Accounts.

Balance 31st December 1934 .....	Mks.	181,125,885: 44
Paid in during 1935 .....	»	15,299,987,026: 33
	Mks.	15,481,112,911: 77
Withdrawn during 1935 .....	»	15,079,396,326: 31
	Mks.	401,716,585: 46

### 12. Bank Post Bills.

Outstanding 31st December 1934 .....	Mks.	9,767,688: 37
Issued during 1935 .....	»	1,343,551,356: 11
	Mks.	1,353,319,044: 48
Redeemed during 1935 .....	»	1,341,145,452: 05
	Mks.	12,173,592: 43

### 13. Bills for Collection.

Balance 31st December 1934 .....	Mks.	216,016: 86
Collected during 1935 .....	»	48,867,732: 09
	Mks.	49,083,748: 95
Covered by remittance during 1935 .....	»	49,049,777: 70
	Mks.	33,971: 25

### 14. Stock of Aluminium-Bronze Coin.

	Pieces of 20 Marks	Pieces of 10 Marks	Pieces of 5 Marks	Total
	Mks.	Mks.	Mks.	Mks.
Delivered by the Mint until the 31st December 1935	13,380,000	37,540,000	32,920,000	83,840,000
of which in circulation .....	7,156,300	32,381,170	29,688,120	69,225,590
and at the Bank on the 31st December 1935 .. Mks	6,223,700	5,158,830	3,231,880	14,614,410

## 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 Mks
Notes in hand and in circulation 31st December 1934:												
old issues .....	3,113,772	52,641	586,971	6,398	8,233	128,215	232	39,718	149,736	6,939	4,115	33,486,906
1922 issue .....	—	—	210,836	142,932	—	4,022,992	—	2,943,735	6,287,036	773,934	713,908	1,959,708,690
Printed in 1935:												
1922 issue .....	—	—	—	—	—	3,286,000	—	2,024,000	2,931,000	192,000	—	556,020,000
Total	3,113,772	52,641	797,807	149,330	8,233	7,437,207	232	5,007,453	9,367,772	972,873	718,023	2,549,215,596
Destroyed during 1935:												
old issues .....	7,000	—	4,000	3,000	—	2,000	—	1,000	2,000	100	—	397,000
1922 issue .....	—	—	24,000	29,000	—	3,365,000	—	1,905,000	2,830,000	215,000	151,000	704,460,000
Notes in hand and in circulation 31st December 1935 .....	3,106,772	52,641	769,807	117,330	8,233	4,070,207	232	3,101,453	6,535,772	757,773	567,023	1,844,358,596
Total	3,113,772	52,641	797,807	149,330	8,233	7,437,207	232	5,007,453	9,367,772	972,873	718,023	2,549,215,596
At the Bank 31st December 1935:												
old issues .....	5,383	56	3,396	3,006	77	3,484	2	1,983	2,104	1,280	500	1,572,825
1922 issue .....	—	—	10,182	11,523	—	928,522	—	899,434	1,360,617	251,795	138,618	464,285,480
In circulation 31st December 1935:												
old issues .....	3,101,389	52,585	579,575	392	8,156	122,731	230	36,735	145,632	5,559	3,615	31,517,081
1922 issue .....	—	—	176,654	102,409	—	3,015,470	—	2,163,301	5,027,419	499,139	424,290	1,346,983,210

## b) Penni Notes.

	Number of 25 Penni notes	Number of 50 Penni notes	Total Mks
Notes in hand and in circulation 31st Dec. 1934	4,698,136	1,613,938	1,981,503
Destroyed in 1935 .....	3,000	2,000	1,750
Notes in hand and in circulation 31st Dec. 1935	4,695,136	1,611,938	1,979,753
At the Bank 31st December 1935 .....	2,936	2,682	2,075
In circulation » » » .....	4,692,200	1,609,256	1,977,678

## c) Rouble Notes.

	Number of 3 Rouble notes	Number of 5 Rouble notes	Number of 10 Rouble notes	Number of 25 Rouble notes	Total Mks
Notes in hand and in circulation 31st Dec. 1934	8,539	2,355	762	279	207,948
Destroyed in 1935 .....	—	—	—	—	—
Notes in hand and in circulation 31st Dec. 1935	8,539	2,355	762	279	207,948
At the Bank 31st December 1935 .....	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 31st December 1935 amounted to . . . . . Mks. 1,846,546,297: —  
of which in hand . . . . . Mks. 465,863,944: —  
» » » circulation . . . . . » 1,380,682,353: — Mks. 1,846,546,297: —

### III. Summary of the Bank's Monthly Returns in 1935.

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
	Mks	Mks	Mks	Mks	Mks	Mks	Mks	Mks
January ...	322,520,046	1,443,094,098	704,026,614	509,719,803	1,268,118,502	380,963,772	79,453,248	1,123,756,654
February ..	322,515,940	1,382,597,015	764,032,988	529,602,879	1,371,534,781	294,105,327	71,512,379	1,053,061,376
March ....	322,510,256	1,423,673,717	860,554,754	521,758,417	1,441,451,011	343,549,959	66,615,928	988,051,545
April .....	322,504,821	1,471,140,418	905,407,076	547,649,737	1,431,368,591	462,520,916	69,947,667	944,562,905
May .....	322,489,025	1,503,366,162	889,947,517	553,825,536	1,369,473,558	543,494,706	72,208,738	953,215,309
June .....	323,628,913	1,420,827,610	850,353,502	642,540,174	1,327,571,750	548,778,238	81,096,879	899,862,507
July .....	324,760,101	1,438,816,159	783,261,202	751,877,931	1,309,677,221	618,550,556	88,945,967	860,343,499
August ....	400,756,022	1,333,927,492	777,323,737	787,035,936	1,317,214,497	605,125,237	77,785,339	842,827,054
September .	460,751,603	1,342,130,815	748,111,221	708,201,244	1,335,971,589	534,769,852	85,551,178	963,904,626
October ...	461,901,675	1,356,930,994	806,120,513	731,079,428	1,301,580,586	658,751,916	69,998,424	912,233,317
November .	466,806,854	1,316,348,941	808,537,345	732,509,058	1,319,389,020	604,396,717	62,701,627	920,213,474
December .	471,999,257	1,349,038,321	781,917,413	774,719,195	1,380,682,353	622,694,774	74,519,399	861,018,092

### IV. Clearing.

The Clearing Department's turnover amounted in the different months of 1935 and at the different Offices to:

Month	Head Office at Helsinki (Helsingfors)	Vihuri	Turku (Åbo)	Vaasa (Wasa)	Tampere	Oulu	Jyväskylä
	Mks.	Mks	Mks	Mks	Mks	Mks	Mks
January ...	1,602,667,384 83	108,217,226 72	86,610,907 37	63,994,430 21	61,620,438 17	65,478,832 14	— —
February ..	1,411,554,172 35	107,255,363 33	69,888,595 52	47,802,097 80	74,513,308 49	45,906,899 32	— —
March ....	1,540,593,302 05	86,355,192 38	68,173,613 42	56,841,791 82	62,062,833 72	44,665,428 17	— —
April .....	1,481,934,348 55	95,662,951 53	70,474,098 71	63,394,756 41	60,005,637 73	45,615,709 95	— —
May .....	1,517,286,880 20	112,093,059 71	69,846,488 72	89,585,310 41	80,121,745 32	37,335,460 90	— —
June .....	1,545,724,125 49	107,039,347 73	73,238,879 14	62,957,065 71	59,075,385 30	45,689,435 87	— —
July .....	1,692,181,388 78	117,973,717 28	77,267,209 03	85,632,723 98	59,979,752 32	57,776,877 34	— —
August ....	1,528,588,595 45	132,919,656 16	83,184,227 90	68,781,529 41	54,365,147 81	72,040,010 48	— —
September .	1,565,603,500 66	105,199,682 80	70,676,105 04	66,236,200 61	71,219,699 61	54,454,739 95	— —
October ...	1,786,235,002 86	134,709,221 38	110,660,152 73	91,080,381 03	79,368,269 55	76,917,337 36	15,888,291 —
November .	1,583,709,703 10	125,153,934 53	65,551,217 17	73,306,826 38	92,471,975 65	51,850,889 56	14,020,398 75
December .	1,797,190,944 91	110,550,305 30	44,597,715 10	63,901,040 92	78,195,648 82	49,547,748 73	13,848,728 45
	19,053,269,349 23	1,343,129,658 85	890,169,209 85	833,514,154 69	832,999,842 49	647,279,369 77	43,757 418 20

The total turnover in 1935 amounted thus to Mks 23,644,119,003:08

## V. The Year's Results.

### Profit and Loss Account.

#### Credit.

Interest on Home Credits .....	Mks.	38,433,604: 28	
» » Current Accounts abroad .....	»	13,634,394: 25	
» » Bonds .....	»	41,033,976: 11	
Agio .....	»	14,998,559: 83	
Commission .....	»	5,686,794: 25	Mks. 113,787,328: 72

#### Debit.

Salaries .....	Mks.	8,371,879: 75	
Pensions and Supports .....	»	778,194: 20	
Fees to the Bank Supervisors and their expenses ..	»	157,860: 80	
Cost of manufacturing Bank Notes .....	»	1,983,437: 40	
Miscellaneous Expenses .....	»	2,041,277: 23	
Written off .....	»	208,790: 10	
Depreciation of Furniture .....	»	56,957: —	Mks. 13,598,396: 48
Net Profit for the Year 1935 .....	»	100,188,932: 24	Mks. 113,787,328: 72

## VI. Capital.

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

## VII. Reserve Fund.

The Reserve Fund amounted on the 31st December 1934 to .....	Mks.	205,757,170: 67
In 1935 it has been transferred to the Reserve Fund, according to § 30 of the Bank's Regulations, from the Net Profit for the year 1934 .....	»	55,675,428: 37
In 1935 it has been transferred to the Reserve Fund from the Undisposed Profit Account, according to resolution of the Diet passed on the 17th April 1935. ....	»	675,428: 40
Balance 31st December 1935	Mks.	262,108,027: 44

## VIII. Undisposed Profit Account.

The Undisposed Profit Account amounted on the 31st December 1934 to	Mks.	—
In 1935 it has been transferred to the Undisposed Profit Account, according to § 30 of the Bank's Regulations. from the Net Profit for the year 1934	»	55,675,428: 40
	Mks.	55,675,428: 40
In 1935 it has been transferred to the Current Account due to Government. according to the budget passed by the Diet on the 17th December 1934,	Mks.	55,000,000: —
In 1935 it has been transferred to the Reserve Fund, according to resolution passed by the Diet on the 17th April 1935, .....	»	675,428: 40
Balance 31st December 1935	Mks.	—

## IX. Bank Offices.

Head Office at Helsinki (Helsingfors). Branches at Turku (Åbo), Pori, Vaasa (Wasa), Oulu, Kuopio, Joensuu, Sortavala, Viipuri, Mikkeli, Tampere, Hämeenlinna, Jyväskylä, Kotka and Agencies at Rovaniemi and Kajaani.

Helsinki, January 7th, 1936.

## 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

K. KIVIALHO