

REPORT
OF THE
BANK OF FINLAND

FOR THE 125TH FINANCIAL YEAR
ENDED 31ST DECEMBER, 1936

*

HELSINKI
GOVERNMENT PRINTING OFFICE
1937

31st December, 1936.

LIABILITIES.			
Notes in Circulation		1,630,120,942	—
Balance of Current Account due to Government	376,496,166	65	
Balance of other Current Accounts	571,315,914	43	
Foreign Clearing Accounts	68,404,539	12	
Bank Post Bills	23,355,733	31	
Bills collected	137,038	50	
Correspondents abroad	21,266,150	76	
Sundry Accounts	21,419,943	85	1,082,395,486 62
Capital	1,000,000,000	—	
Reserve Fund	312,296,959	68	1,312,296,959 68
Value of Real Estate and Furniture			12,000,100 —
Net Profit for the year 1936			101,332,503 20
Right to issue notes.			
Stock of gold and Correspondents abroad	Mks. 2,094,811,345:	81	
According to § 6 of the Bank's Regulations ..	» 1,200,000,000:	—	
Right to issue notes	<u>Mks. 3,294,811,345:</u>	<u>81</u>	
Notes in circulation	Mks. 1,630,120,942:	—	
Other liabilities payable on demand	» 1,082,395,486:	62	
Undrawn amount of advances on current accounts	» 76,004,952:	76	
Reserve of note issue:			
immediately at disposal	» 167,465,750:	88	
depending upon increased supplementary cover	» 338,824,213:	55	
	<u>Mks. 3,294,811,345:</u>	<u>81</u>	
Mks.			4,138,145,991 50

II. Turnover.

1 Cash Account.

The aggregate Cash turnover in Debit and Credit for 1936 was Mks. 84,478,242,369: 50
of which at the Branches at

Viipuri	Mks. 6,114,342,891: 36	
Oulu	» 5,040,373,034: 84	
Tampere	» 3,305,144,909: 94	
Turku (Åbo)	» 3,041,708,672: 56	
Vaasa (Wasa)	» 2,885,215,454: 08	
Pori	» 2,603,147,968: 95	
Jyväskylä	» 1,539,562,218: 60	
Kotka	» 1,030,691,005: 65	
Kuopio	» 1,028,942,428: 35	
Joensuu	» 922,790,679: 27	
Mikkeli	» 811,107,724: 65	
Sortavala	» 700,106,983: 80	
Hämeenlinna	» 517,345,832: 26	Mks. 29,540,479,804: 31
and at the Head Office at Helsinki (Helsingfors)		» 54,937,762,565: 19
		<u>Mks. 84,478,242,369: 50</u>

Thus the average turnover per day was	Mks. 281,594,141: 23
of which at the Head Office	» 183,125,875: 22
and at the Branches together	» 98,468,266: 01

Cash in hand:	Ultimo Dec. 1935.	Ultimo Dec. 1936.
Finnish Gold Coin	Mks. 14,136,700: —	Mks. 14,134,400: —
Other Gold Coin	» 200,758,064: 14	» 200,659,543: 28
Gold Bullion	» 257,104,493: 43	» 388,428,571: 78
Foreign Banknotes and Coupons	» 1,717,899: 70	» 1,174,430: 25
Coupons in Finnish currency		» 3,643,794: —
Aluminium Bronze Coin	» 14,614,410: —	» 13,882,345: —
Nickel Coin	» 4,042,136: 50	» 1,602,451: 25
Copper Coin	» 109,716: 97	» 118,024: 18
Cheques issued by Joint Stock Banks	» 40,133,811: 78	» 41,878,547: 76
Own Banknotes	» 465,863,944: —	» 431,819,450: —
	<u>Mks. 998,481,176: 52</u>	<u>Mks. 1,097,341,557: 50</u>

2. Stock of Gold.

Balance 31st December 1935	Mks. 471,999,257: 57
Bought in 1936	» 131,624,782: 10
	<u>Mks. 603,624,039: 67</u>
Sold in 1936	» 401,524: 61
	<u>Balance 31st December 1936 Mks. 603,222,515: 06</u>
Gold bought in 1936 and deposited abroad, not included in the cover of notes	Mks. 211,432,000: —
	<u>Balance 31st December 1936 Mks. 211,432,000: —</u>

3. Correspondents abroad.

Balance in favour of the Bank at the end of each month:		1935	1936
January	.....	Mks. 1,329,772,130: 60	Mks. 1,286,914,199: 82
February	.....	» 1,267,697,923: 65	» 1,263,326,541: 62
March	.....	» 1,317,158,187: 47	» 1,328,276,003: 70
April	.....	» 1,385,895,258: 89	» 1,354,506,705: 22
May	.....	» 1,415,903,287: 01	» 1,247,925,652: 92
June	.....	» 1,333,680,460: 95	» 1,114,416,886: 67
July	.....	» 1,352,757,142: 88	» 1,149,993,581: 62
August	.....	» 1,242,196,105: 31	» 1,147,371,645: 76
September	.....	» 1,259,445,642: 15	» 1,118,129,667: 08
October	.....	» 1,280,662,569: 06	» 1,254,593,511: 73
November	.....	» 1,239,893,984: 30	» 1,353,294,377: 18
December	.....	» 1,266,915,360: 94	» 1,491,588,830: 75

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

		1935	1936
January	.....	Mks. 11,272,039: 68	Mks. 19,004,092: 64
February	.....	» 11,302,435: 86	» 16,564,830: 93
March	.....	» 6,966,626: 88	» 18,284,363: 68
April	.....	» 14,576,325: 54	» 18,077,371: 21
May	.....	» 9,901,228: 73	» 18,315,641: 08
June	.....	» 13,545,411: 08	» 13,040,134: 18
July	.....	» 16,681,807: 43	» 20,277,588: 06
August	.....	» 23,993,919: 50	» 17,534,738: 84
September	.....	» 21,809,585: 27	» 29,285,486: 69
October	.....	» 24,701,175: 95	» 29,190,696: 89
November	.....	» 27,552,690: 95	» 27,256,177: —
December	.....	» 24,309,958: 69	» 21,266,150: 76

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 Clearing Accounts.

Paid in during 1936 and transferred to above mentioned accounts	.....	Mks. 1,856,785,625: 64
Withdrawn during 1936	.....	» 1,788,381,086: 52
		<hr/>
	Balance 31st December 1936	Mks. 68,404,539: 12

5. Foreign Bills Discounted.

In portfolio 31st December 1935	.....	Mks. 80,405,060: 30
Discounted during 1936	.....	» 552,540,844: 55
		<hr/>
		Mks. 632,945,904: 85
Paid and sent for collection during 1936	.....	» 550,499,520: 10
		<hr/>
	In portfolio 31st December 1936	Mks. 82,446,384: 75

6. Inland Bills Discounted.

In portfolio 31st December 1935	Mks.	669,060,911: 45
Discounted during 1936	»	3,426,543,825: 80
	Mks.	4,095,604,737: 25
Paid during 1936	»	3,318,049,765: 80
	Mks.	777,554,971: 45
Inland bills discounted during 1936, not included in the cover of notes	Mks.	129,680,000: —
Paid during 1936	»	84,240,000: —
	Mks.	45,440,000: —

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

7. Inland Bills Protested.

Outstanding 31st December 1935	Mks.	—
Protested during 1936	»	4,336,057: 10
	Mks.	4,336,057: 10
Paid during 1936	»	4,336,057: 10
	Mks.	—

8. Loans on Security.

Balance 31st December 1935	Mks.	45,425,901: —
Granted during 1936	»	39,241,100: —
	Mks.	84,667,001: —
Repaid during 1936	»	24,896,500: —
	Mks.	59,770,501: —

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.	10,363,500: —
Mortgages pledged for loans amounting to	»	49,407,001: —
	Mks.	59,770,501: —

9. Advances on Current Accounts.

Amount allowed 31st December 1935	Mks.	141,950,000: —
» » 31st » 1936	»	142,754,000: —
Amount used 31st December 1935	»	67,430,601: 20
Drawn during 1936	»	1,252,286,348: 60
	Mks.	1,319,716,949: 80
Paid in during 1936	»	1,252,967,902: 56
	Mks.	66,749,047: 24

The rates of interest on advances on current accounts during 1936 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.	13,594,000: —
Mortgages pledged for advances amounting to	»	129,160,000: —
	Mks.	142,754,000: —

10. Bonds.

Balance 31st December 1935		Mks.	413,881,863: 65
Bought during 1936	Mks. 515,818,320: 25		
Profit on sold and drawn bonds	» 186,177,804: 40	»	701,996,124: 65
			<u>Mks. 1,115,877,988: 30</u>
Sold and drawn during 1936	Mks. 502,136,246: 60		
Written off during 1936	» 173,281,094: 30	»	675,417,340: 90
			<u>Balance 31st December 1936 Mks. 440,460,647: 40</u>
of which Bonds in Finnish currency	Mks. 347,856,836: —		
Bonds in foreign currency	» 92,603,811: 40	Mks.	440,460,647: 40

11. Current Account due to Government.

Balance 31st December 1935		Mks.	161,706,964: 85
Paid in during 1936		»	4,464,834,488: 15
			<u>Mks. 4,626,541,453: —</u>
Withdrawn during 1936		»	4,250,045,286: 35
			<u>Balance 31st December 1936 Mks. 376,496,166: 65</u>

12. Other Current Accounts.

Balance 31st December 1935		Mks.	401,716,585: 46
Paid in during 1936		»	17,895,519,126: 75
			<u>Mks. 18,297,235,712: 21</u>
Withdrawn during 1936		»	17,725,919,797: 78
			<u>Balance 31st December 1936 Mks. 571,315,914: 43</u>

13. Bank Post Bills.

Outstanding 31st December 1935		Mks.	12,173,592: 43
Issued during 1936		»	1,814,565,353: 16
			<u>Mks. 1,826,738,945: 59</u>
Redeemed during 1936		»	1,803,383,212: 28
			<u>Outstanding 31st December 1936 Mks. 23,355,733: 31</u>

14. Bills for Collection.

Balance 31st December 1935		Mks.	33,971: 25
Collected during 1936		»	50,217,350: 60
			<u>Mks. 50,251,321: 85</u>
Covered by remittance during 1936		»	50,114,283: 35
			<u>Balance 31st December 1936 Mks. 137,038: 50</u>

15. 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 1936	15,660,000	40,580,000	35,270,000	91,510,000
of which in circulation	9,516,120	35,048,730	33,062,805	77,627,655
and at the Bank on the 31st December 1936 .. Mks.	6,143,880	5,531,270	2,207,195	13,882,345

16. 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 1935:												
old issues	3,106,772	52,641	582,971	3 398	8,233	126,215	232	38,718	147,736	6,839	4,115	33,089,906
1922 issue	—	—	186,836	113,932	—	3,943,992	—	3,062,735	6,388,036	750,934	562,908	1,811,268,690
Printed in 1936:												
1922 issue	—	—	—	—	—	3,768,000	—	2,117,000	3,737,000	281,000	256,000	951,410,000
Total	3,106,772	52,641	769,807	117,330	8,233	7,838,207	232	5,218,453	10,272,772	1,038,773	823,023	2,795,768,596
Destroyed during 1936:												
old issues	7,000	—	6,600	900	—	1,400	—	1,400	800	200	100	427,000
1922 issue	—	—	13,001	22,001	—	3,420,002	—	2,028,000	3,030,001	231,002	147,001	735,587,155
Notes in hand and in circulation 31st December 1936	3,099,772	52,641	750,206	94,429	8,233	4,416,805	232	3,189,053	7,241,971	807,571	675,922	2,059,754,441
Total	3,106,772	52,641	769,807	117,330	8,233	7,838,207	232	5,218,453	10,272,772	1,038,773	823,023	2,795,768,596
At the Bank 31st December 1936:												
old issues	3,702	56	3,242	2,205	77	2,845	2	1,878	2,206	1,212	486	1,506,534
1922 issue	—	—	7,714	7,590	—	1 141,973	—	779,989	1,260,860	176,635	153,951	430,307,880
In circulation 31st December 1936:												
old issues	3,096,070	52,585	573,129	293	8,156	121,970	230	35,440	144,730	5,427	3,529	31,156,372
1922 issue	—	—	166,121	84,341	—	3,150,017	—	2,371,746	5,834,175	624,297	517,956	1,596,783,655

b) Penni Notes.

c) Rouble Notes.

	Number of 25 Penni notes	Number of 50 Penni notes	Total Mks	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. 1935	4,695,136	1,611,938	1,979,753	8,539	2,355	762	279	207,948
Destroyed in 1936	3,000	2,000	1,750	—	—	—	—	—
Notes in hand and in circulation 31st Dec. 1936	4,692,136	1,609,938	1,978,003	8,539	2,355	762	279	207,948
At the Bank 31st December 1936	2,307	1,789	1,472	12	4	1	33	3,564
In circulation " " "	4,689,829	1,608,149	1,976,531	8,527	2,351	761	246	204,384

The total of banknotes in Finnish Marks, Pennis and Roubles on 31st December 1936 amounted to Mks. 2,061,940,392: —
of which in hand Mks. 431,819,450: —
» » » circulation » 1,630,120,942: — Mks. 2,061,940,392: —

III. Summary of the Bank's Monthly Returns in 1936.

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 . . .	485,237,524	1,365,465,501	842,899,890	774,187,225	1,341,539,661	751,953,421	87,597,613	791,061,028
February . .	489,343,610	1,347,982,763	906,269,773	669,374,600	1,444,703,079	588,701,456	78,459,605	840,806,010
March	501,347,723	1,415,345,986	1,002,277,628	650,100,653	1,520,348,143	656,928,806	82,599,605	769,747,171
April	501,337,929	1,437,832,065	1,021,348,771	675,346,718	1,546,084,098	688,817,640	82,309,437	738,633,458
May	501,327,095	1,336,265,128	1,016,878,807	703,216,081	1,500,884,067	651,698,109	72,024,856	724,645,714
June	531,055,366	1,207,451,304	1,004,719,790	777,597,519	1,465,031,582	695,402,304	82,499,971	602,538,395
July	557,100,487	1,235,124,444	953,863,763	861,742,379	1,460,102,602	777,362,530	89,416,414	580,212,522
August	581,993,023	1,238,537,048	933,233,898	859,424,328	1,502,776,114	734,055,514	97,212,312	595,320,728
September . .	605,409,560	1,200,858,707	963,344,147	902,626,906	1,551,371,948	734,553,718	74,624,702	560,988,858
October	603,366,743	1,334,908,953	937,525,447	929,680,015	1,560,816,442	853,931,828	73,110,068	570,101,916
November . . .	603,288,054	1,437,165,921	894,940,813	914,056,478	1,565,259,358	889,777,842	76,356,852	625,188,378
December . . .	603,222,515	1,575,209,645	949,514,519	1,010,199,311	1,630,120,942	1,082,395,486	76,004,952	506,289,964

IV. Clearing.

The Clearing Department's turnover amounted in the different months of 1936 and at the different Offices to:

Month	Head Office at Helsinki (Helsingfors)	Viipuri	Turku (Åbo)	Vaasa (Wasa)	Tampere	Oulu	Jyväskylä
	Mks	Mks	Mks	Mks	Mks	Mks	Mks
January . .	1,829,309,421 87	137,652,619 75	66,600,694 90	77,763,771 83	81,460,401 75	80,890,554 80	14,203,395 75
February . .	1,561,928,448 49	109,990,667 07	37,948,201 03	56,246,444 14	93,007,352 80	60,892,860 88	14,483,808 75
March	1,622,471,670 99	107,372,711 59	38,447,394 50	56,766,407 43	72,857,137 54	69,318,389 57	13,099,846 35
April	1,608,465,852 12	105,078,423 73	43,681,731 20	62,746,096 46	79,075,918 97	64,159,179 73	16,354,555 75
May	1,665,196,364 66	123,016,401 23	50,035,827 55	63,530,467 47	93,819,703 02	68,612,898 18	14,032,518 30
June	1,748,922,377 61	129,204,102 60	41,372,950 45	92,504,200 21	84,017,868 89	66,418,484 08	15,290,958 60
July	1,924,985,113 65	131,949,806 41	48,345,606 15	81,036,846 87	76,021,189 17	92,502,297 19	16,144,215 60
August	1,701,467,134 33	144,916,076 86	51,866,469 53	72,429,747 53	77,304,266 90	84,329,337 78	16,726,115 35
September . .	1,968,011,689 66	133,968,899 21	41,532,012 30	91,445,551 08	113,606,148 74	69,325,656 78	17,910,228 40
October	2,116,798,711 74	151,026,022 03	61,137,758 75	84,660,415 12	110,910,941 53	123,984,751 57	23,009,893 55
November . . .	1,903,145,551 85	142,614,001 99	47,989,118 95	88,454,960 94	129,706,416 30	79,635,150 29	17,310,222 10
December . . .	2,307,771,163 90	134,196,425 46	52,231,553 85	63,284,384 66	110,741,115 28	65,567,301 11	20,109,070 —
	21,958,473,500 87	1,550,986,157 93	581,189,319 16	890,869,293 74	1,122,528,460 29	925,636,861 96	198,674,828 50

The total turnover in 1936 amounted thus to Mks 27,228,358,422: 45.

V. The Year's Results.

Profit and Loss Account.

Credit.

Interest on Home Credits	Mks.	45,089,893: 20	
» » Current Accounts abroad	»	12,261,244: 35	
» » Bonds	»	37,436,206: 26	
Agio	»	16,869,767: 22	
Commission	»	3,915,938: 73	<u>Mks. 115,573,049: 76</u>

Debit.

Salaries	Mks.	8,363,050: 10	
Pensions and Supports	»	781,674: —	
Fees to the Bank Supervisors and their expenses ..	»	169,461: 80	
Cost of manufacturing Bank Notes	»	2,574,743: 25	
Miscellaneous Expenses	»	2,225,012: 36	
Depreciation of Furniture	»	126,605: 05	Mks. 14,240,546: 56
Net Profit for the Year 1936			<u>» 101,332,503: 20</u> <u>Mks. 115,573,049: 76</u>

VI. Capital.

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

VII. Reserve Fund.

The Reserve Fund amounted on the 31st December 1935 to	Mks.	262,108,027: 44
In 1936 it has been transferred to the Reserve Fund, according to § 30 of the Bank's Regulations, from the Net Profit for the year 1935	»	50,094,466: 12
In 1936 it has been transferred to the Reserve Fund from the Undisposed Profit Account, according to resolution of the Diet passed on the 7th April 1936	»	94,466: 12
		<u>Mks. 312,296,959: 68</u>

VIII. Undisposed Profit Account.

The Undisposed Profit Account amounted on the 31st December 1935 to	Mks.	—
In 1936 it has been transferred to the Undisposed Profit Account, according to § 30 of the Bank's Regulations, from the Net Profit for the year 1935	»	50,094,466: 12
	Mks.	50,094,466: 12
In 1936 it has been transferred to the Current Account due to Government, according to the budget passed by the Diet on the 21st December 1935,	Mks.	50,000,000: —
In 1936 it has been transferred to the Reserve Fund, according to resolution passed by the Diet on the 7th April 1936	»	94,466: 12
Balance 31st December 1936	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, 1937.

The Board of Management of the Bank of Finland

R I S T O R Y T I

LAURI AF HEURLIN

ADOLF BURGMAN

K. KIVIALHO
ad interim

G. ENGBERG
ad interim