

REPORT
OF THE
BANK OF FINLAND

FOR THE 132ND FINANCIAL YEAR
ENDED 31ST DECEMBER, 1943

★

HELSINKI
GOVERNMENT PRINTING OFFICE
1944

31st December 1943.

LIABILITIES.			
Notes in Circulation		10,824,902,050	—
Balance of Current Account due to Government	26,163,649 06		
Balance of other Current Accounts	710,846,135 45		
Foreign Clearing Accounts	1,409,998,320 70		
Bank Post Bills	83,627,517 45		
Bills collected	1,021,712 15		
Correspondents abroad, mark accounts	2,296,496,275 06		
Postal Cheque Account	1,473,263 30		
Sundry Accounts	1,181,736,600 89	5,711,363,474	06
Balance of accrued interest		29,428,852	75
Capital	1,250,000,000	—	
Reserve Fund	868,292,566 98	2,118,292,566	98
Value of Real Estate and Furniture		32,000,100	—
Net Profit for the year 1943		232,167,975	96
Right to issue notes.			
Stock of gold and Correspondents abroad	mk 386,906,317: —		
According to § 6 of the Bank's Regulations ..	» 1,800,000,000: —		
According to the Law of December 13, 1939 ..	» 17,193,212,777: 60		
Right to issue notes	mk 19,380,119,094: 60		
Notes in circulation	mk 10,824,902,050: —		
Other liabilities payable on demand	» 5,711,363,474: 06		
Undrawn amount of advances on current accounts ..	» 134,159,921: 95		
Reserve of note issue	» 2,709,693,648: 59		
	mk 19,380,119,094: 60		
	mk	18,948,155,019	75

II. Turnover.

I. Cash Account.

The aggregate Cash turnover in Debit and Credit for 1943 was mk 481,022,912,458: 61
of which at the Branches at

Oulu	mk 15,165,408,298: 25	
Tampere	» 13,018,685,322: 90	
Turku	» 11,365,607,158: 40	
Jyväskylä	» 5,468,825,353: 80	
Pori	» 5,344,463,088: 85	
Viipuri	» 4,917,384,912: 40	
Vaasa	» 3,970,276,842: 80	
Kuopio	» 3,115,720,613: 05	
Joensuu	» 2,835,188,578: 30	
Lahti	» 2,452,149,023: 10	
Kotka	» 2,447,258,685: 69	
Sortavala	» 2,271,390,959: 20	
Mikkeli	» 1,923,088,857: 30	
Hämeenlinna	» 1,114,503,175: 80	
at the other Branches	» 6,729,053,307: 95	mk 82,139,004,177: 79
and at the Head Office at Helsinki		» 398,883,908,280: 82
		<u>mk 481,022,912,458: 61</u>

Thus the average turnover per day was » 1,603,409,708: 20
of which at the Head Office » 1,329,613,027: 60
and at the Branches together » 273,796,680: 60

Cash in hand:	Ultimo Dec. 1942	Ultimo Dec. 1943
Gold Coin	mk 62,974,231: 85	mk 63,106,206: 50
Gold Bullion	» 108,409,853: 55	» 108,409,853: 55
Foreign Bank Notes and Coupons	» 1,441,261: 65	» 1,215,065: —
Coupons in Finnish currency	» 1,687,892: —	» 2,467,192: —
Aluminium-Bronze Coin	» 6,201,470: —	» 2,286,670: —
Nickel-Bronze Coin	» 819,656: 50	» 673,477: 50
Copper Coin	» 94,932: 10	» 35,575: —
Cheques issued by Joint Stock Banks	» 68,014,431: 64	» 311,246,520: 60
Own Bank Notes	» 3,958,258,180: —	» 5,744,732,450: —
	<u>mk 4,207,901,909: 29</u>	<u>mk 6,234,173,010: 15</u>

2. Stock of Gold.

Balance 31st December 1942	mk 171,384,085: 40
Bought in 1943	» 131,974: 65
	<u>mk 171,516,060: 05</u>
Sold in 1943	» —: —
	<u>Balance 31st December 1943 mk 171,516,060: 05</u>

3. Foreign Bills Discounted.

In portfolio 31st December 1942	mk 3,671,758: 10
Discounted during 1943	» 74,764,715: 85
	<u>mk 78,436,473: 95</u>
Paid and sent for collection during 1943	» 75,731,407: 05
	<u>In portfolio 31st December 1943 mk 2,705,066: 90</u>

4. Correspondents abroad.

Balance 31st December 1942	mk	523,916,151: 70	
Bought during 1943 and transferred to the above account	»	635,972,957: 20	
	mk	1,159,889,108: 90	
Sold 1943 and withdrawn from the above account	»	936,925,186: 60	
		<u>Balance 31st December 1943</u>	mk 222,963,922: 30

Balance in the Bank's position	mk	215,390,256: 95	
Reserved for opened commercial credits	»	7,573,665: 35	mk 222,963,922: 30

Balance in favour of the Bank at the end of
each month:

	1942	1943
January	mk 897,701,503: 45	mk 491,355,358: 15
February	» 885,118,505: 85	» 450,970,652: —
March	» 801,912,997: 60	» 408,193,657: 80
April	» 743,324,035: 25	» 375,847,378: 50
May	» 582,361,565: 30	» 349,584,679: 40
June	» 754,938,123: 15	» 327,031,297: 95
July	» 709,529,098: 65	» 289,017,123: 35
August	» 699,399,706: 05	» 266,987,214: 15
September	» 617,496,132: 70	» 235,442,021: 10
October	» 569,785,419: 50	» 226,969,342: 40
November	» 521,300,037: 90	» 217,094,454: 30
December	» 495,308,098: 05	» 215,390,256: 95

5. Finnish mark accounts of Correspondents abroad.

Balance 31st December 1942	mk	406,072,471: 46	
Transferred during 1943 to the above account	»	2,130,207,658: 65	
	mk	2,536,280,130: 11	
Withdrawn during 1943 from the above account	»	239,783,855: 05	
		<u>Balance 31st December 1943</u>	mk 2,296,496,275: 06

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

	1942	1943
January	mk 1,214,200,382: 95	mk 668,126,916: 91
February	» 1,302,287,277: 95	» 775,175,855: 01
March	» 1,352,400,032: 90	» 1,018,492,798: 06
April	» 1,395,038,095: 45	» 1,128,504,972: 51
May	» 993,539,448: 60	» 1,272,411,102: 11
June	» 858,943,972: 70	» 1,421,977,782: 51
July	» 708,755,597: 15	» 1,541,990,302: 46
August	» 848,996,707: 15	» 1,681,189,442: 96
September	» 671,367,615: 45	» 1,829,552,504: 66
October	» 204,515,467: 15	» 2,003,075,991: 61
November	» 77,168,573: 10	» 2,165,460,319: 71
December	» 406,072,471: 46	» 2,296,496,275: 06

6. Foreign Clearing Accounts.

Balance 31st December 1942	mk	2,955,775,520: 25
Paid in during 1943 and transferred to above mentioned accounts	»	17,087,065,739: 90
	mk	20,042,841,260: 15
Withdrawn during 1943	»	18,632,842,939: 45
	mk	1,409,998,320: 70

7. Inland Bills Discounted.

In portfolio 31st December 1942	mk	15,872,639,754: 70
Discounted during 1943	»	68,360,386,911: 75
	mk	84,233,026,666: 45
Paid during 1943	»	67,043,734,020: 75
	mk	17,189,292,645: 70

8. Inland Bills Rediscounted.

In portfolio 31st December 1942	mk	—: —
Discounted during 1943	»	—: —
	mk	—: —
Paid during 1943	»	—: —
	mk	—: —

The discount rates have been, according to the quality and currency of the bills, 4, 4 $\frac{1}{2}$, and 5 %.

9. Loans on Security.

Balance 31st December 1942	mk	29,665,001: —
Granted during 1943	»	20,000,000: —
	mk	49,665,001: —
Repaid during 1943	»	20,025,000: —
	mk	29,640,001: —

Securities held against these loans consisted of:

Bonds pledged for loans amounting to	mk	15,000,000: —
Mortgages pledged for loans amounting to	»	14,640,001: —
	mk	29,640,001: —

The rates of interest on loans have been according to security 4, 4 $\frac{1}{2}$, and 5 %.

10. Advances on Current Accounts.

Amount allowed 31st December 1942	mk	217,150,000: —
» » » » 1943	»	228,850,000: —
	»	60,869,665: 60
Amount used 31st December 1942	»	2,436,851,889: 70
Drawn during 1943	mk	2,497,721,555: 30
	»	2,403,031,477: 25
	mk	94,690,078: 05

The rates of interest on advances on current accounts during 1943 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 pledged for advances amounting to	mk	39,950,000: —
Mortgages pledged for advances amounting to	»	188,900,000: —
	mk	228,850,000: —

11. Bonds.

Balance 31st December 1942		mk	590,278,128: 15
Bought during 1943	mk 216,757,902: 95		
Profit on sold and drawn bonds	» 19,283,635: 15	»	236,041,538: 10
		mk	826,319,666: 25
Sold and drawn during 1943	mk 55,487,070: 60		
Written off during 1943	» 42,656,945: —	»	98,144,015: 60
	Balance 31st December 1943	mk	728,175,650: 65
Of the Bonds: in Finnish currency	mk 435,620,392: 50		
in foreign currency	» 292,555,258: 15	mk	728,175,650: 65

12. Drawn bonds and coupons.

Balance 31st December 1942		mk	1,729,171: 50
Paid during 1943		»	267,446,417: 05
		mk	269,175,588: 55
Collected during 1943		»	266,820,609: 30
	Balance 31st December 1943	mk	2,354,979: 25
	Remitted » » »	»	637,350: 25

13. Current Account due to Government.

Balance 31st December 1942		mk	9,918,547: 96
Paid in during 1943		»	49,542,741,999: 10
		mk	49,552,660,547: 06
Withdrawn during 1943		»	49,526,496,898: —
	Balance 31st December 1943	mk	26,163,649: 06

14. Other Current Accounts.

Balance 31st December 1942		mk	1,178,981,074: 25
Paid in during 1943		»	61,316,351,891: 50
		mk	62,495,332,965: 75
Withdrawn during 1943		»	61,784,486,830: 30
	Balance 31st December 1943	mk	710,846,135: 45

15. Remitted funds.

Balance 31st December 1942		mk	58,322,415: 25
Remitted during 1943		»	7,534,128,769: 49
		mk	7,592,451,184: 74
Received during 1943		»	7,542,116,881: 49
	Balance 31st December 1943	mk	50,334,303: 25

16. Bank Post Bills.

Outstanding 31st December 1942		mk	83,320,298: 75
Issued during 1943		»	4,906,347,483: 35
		mk	4,989,667,782: 10
Redeemed during 1943		»	4,906,040,264: 65
	Outstanding 31st December 1943	mk	83,627,517: 45

17. Bills for Collection.

Balance 31st December 1942	mk	3,224,462: 25
Collected during 1943	»	362,686,159: 30
	mk	365,910,621: 55
Covered by remittance during 1943	»	364,888,909: 40
	mk	1,021,712: 15

18. Account of the Branches.

Balance 31st December 1942	mk	73,044,849: 60
The account has been credited during 1943 with	»	13,037,622,827: —
	mk	13,110,667,676: 60
The account has been debited during 1943 with	»	12,993,355,593: 85
	mk	117,312,082: 75

19. Account of Commercial Credits.

Balance 31st December 1942	mk	69,084,083: 40
Opened during 1943 and transferred to the above account	»	2,562,504,631: 15
	mk	2,631,588,714: 55
Used during 1943 and withdrawn from the above account	»	2,530,051,219: 40
	mk	101,537,495: 15

20. Stock of Aluminium-Bronze Coin.

	Pieces of 20 marks	Pieces of 10 marks	Pieces of 5 marks	Total
	mk	mk	mk	mk
Delivered by the Mint until 31st December 1942 ..	52,230,000	49,967,700	66,982,200	169,179,900
» » » » » » » 1943 ..	52,230,000	49,967,700	66,982,200	169,179,900
of which at the Bank	648,980	722,530	915,160	2,286,670
and in circulation	51,581,020	49,245,170	66,067,040	166,893,230

21. Stock of Nickel-Bronze Coin.

	Pieces of 1 mark	Pieces of 50 penni	Pieces of 25 penni	Total
	mk	mk	mk	mk
Deliv. by the Mint until 31 Dec. 1942 nickel coin	49,989,235:—	14,242,015:—	12,850,740:—	77,081,990:—
» » » » » » » 1943 copper coin	20,250,000:—	4,878,000:—	3,128,000:—	28,256,000:—
» » » » » » » 1943 nickel coin	49,977,235:—	14,238,015:—	12,846,740:—	77,061,990:—
» » » » » » » 1943 copper coin	27,704,000:—	6,448,000:—	4,356,000:—	38,508,000:—
» » » » » » » 1943 iron coin ..	7,460,000:—	790,000:—	674,000:—	8,924,000:—
of which at the Bank	517,659:—	39,765:—	116,053: 50	673,477: 50
and in circulation	84,623,576:—	21,436,250:—	17,760,686: 50	123,820,512: 50

22. Stock of Copper Coin.

	Pieces of 10 penni	Pieces of 5 penni	Pieces of 1 penni	Total
	mk	mk	mk	mk
Deliv. by the Mint until 31st Dec. 1942	5,270,730:—	4,641,226: 50	737,173: 49	10,649,129: 99
» » » » » » » 1943:				
» » » » » » » 1943: copper coin	5,358,930:—	4,659,726:—	737,023: 49	10,755,679: 49
» » » » » » » 1943: iron coin ..	142,600:—	—:—	—:—	142,600:—
of which at the Bank	25,175:—	10,250:—	150:—	35,575:—
and in circulation	5,476,355:—	4,649,476:—	736,873: 49	10,862,704: 49

23. 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	Number of 5,000 mark notes	Total mk
Notes in hand and in circulation 31st December 1942:													
old issues	3,081,730	52,641	541,071	2,498	8,233	121,915	232	34,618	144,136	6,158	3,837	—	31,576,864
1922 issue	—	—	118,235	54,931	—	1,551,989	—	1,603,734	9,992,033	5,627,931	5,869,904	239	9,796,634,765
1939 »	—	—	6,069,999	9,317,998	—	9,026,998	—	9,712,998	15,739,998	—	—	276,299	3,745,214,635
Printed in 1943:													
1922 issue	—	—	—	—	—	—	—	—	—	1,738,000	2,156,000	—	3,025,000,000
1939 »	—	—	7,440,000	6,000,000	—	9,200,000	—	3,560,000	4,720,000	—	—	90,000	1,381,200,000
Total	3,081,730	52,641	14,169,305	15,375,427	8,233	19,900,902	232	14,911,350	30,596,167	7,372,089	8,029,741	366,538	17,979,626,264
Destroyed during 1943:													
old issues	2,615	—	1,200	—	—	700	—	600	700	—	—	—	122,615
1922 issue	—	—	8,025	2,131	—	185,989	—	575,734	3,665,033	516,931	307,904	69	965,785,715
1939 »	—	—	1,551,999	3,328,998	—	4,420,998	—	2,905,998	1,394,998	—	—	6,399	446,264,635
Notes in hand and in circulation 31st December 1943	3,079,115	52,641	12,608,081	12,044,298	8,233	15,293,215	232	11,429,018	25,535,436	6,855,158	7,721,837	360,070	16,567,453,299
Total	3,081,730	52,641	14,169,305	15,375,427	8,233	19,900,902	232	14,911,350	30,596,167	7,372,089	8,029,741	366,538	17,979,626,264
At the Bank 31st December 1943:													
old issues	3,345	54	5,212	575	77	2,745	2	1,807	2,030	1,180	470	—	1,444,571
1922 and 1939 issue	—	—	2,705,192	4,020,764	—	5,571,082	—	3,781,632	7,091,353	2,752,315	1,888,834	282,984	5,743,283,640
In circulation 31st December 1943:													
old issues	3,075,770	52,587	534,659	1,923	8,156	118,470	230	32,211	141,406	4,978	3,367	—	30,009,678
1922 and 1939 issue	—	—	9,363,018	8,021,036	—	9,600,918	—	7,613,368	18,300,647	4,096,685	5,829,166	77,086	10,792,715,410

b) Penni Notes.

c) Rouble Notes.

	Number of 25 penni notes	Number of 50 penni notes	Total mk	Number of 3 rouble notes	Number of 5 rouble notes	Number of 10 rouble notes	Number of 25 rouble notes	Total mk
Notes in hand and in circulation 31st Dec. 1942	4,683,136	1,604,938	1,973,253	8,539	2,355	762	279	207,948
Destroyed in 1943	—	—	—	—	—	—	—	—
Notes in hand and in circulation 31st Dec. 1943	4,683,136	1,604,938	1,973,253	8,539	2,355	762	279	207,948
At the Bank 31st December 1943	900	900	675	12	4	1	33	3,564
In circulation » »	4,682,236	1,604,038	1,972,578	8,527	2,351	761	246	204,384

The total of banknotes in Finnish Marks, Pennis, and Roubles on 31st December 1943 amounted to mk 16,569,634,500:—
of which in hand mk 5,744,732,450:—
» » » circulation » 10,824,902,050:— mk 16,569,634,500:—

III. Summary of the Bank's Monthly Returns in 1943.

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
	mk	mk	mk	mk	mk	mk	mk	mk
January ...	171,384,085	495,023,638	15,852,076,931	1,505,296,228	9,441,758,170	6,286,673,540	134,771,425	2,343,237,943
February ...	171,514,945	457,006,135	15,946,069,331	1,621,232,438	9,795,793,125	6,196,964,347	116,403,444	2,135,030,439
March ...	171,514,945	411,771,555	17,686,738,307	1,240,057,012	10,205,946,745	7,066,950,965	129,648,603	2,548,824,596
April ...	171,514,945	380,008,130	17,892,962,565	1,309,660,052	10,335,467,460	7,162,536,879	128,033,378	2,493,178,800
May ...	171,514,945	354,024,381	16,749,827,539	1,618,088,785	9,618,328,835	7,006,272,715	143,435,449	2,192,362,814
June ...	171,514,945	329,563,482	15,741,282,281	1,987,594,029	9,086,715,605	6,854,434,349	151,573,626	1,842,808,253
July ...	171,514,945	292,283,378	15,745,311,913	1,493,735,629	9,059,892,680	6,335,425,502	145,835,194	2,354,389,553
August ...	171,514,945	269,585,750	15,712,595,911	1,975,743,099	9,301,416,140	6,508,938,435	131,985,315	1,884,452,030
September	171,514,945	238,232,960	15,676,817,038	2,375,365,460	9,945,040,725	6,178,435,029	129,845,110	1,504,199,188
October ...	171,514,945	229,979,943	17,086,241,376	1,689,252,239	10,426,266,410	6,393,564,155	138,702,797	2,202,515,699
November	171,516,060	218,441,471	16,607,575,927	1,478,864,489	10,430,229,625	5,668,882,981	117,553,301	2,433,030,851
December ..	171,516,060	219,310,389	17,313,622,725	1,243,705,846	10,824,902,050	5,711,363,474	134,159,922	2,709,693,649

IV. Home Clearing.

The Home Clearing's turnover amounted in the different months of 1943 and at the different Offices as follows:

Month	Head Office at Helsinki (Helsingfors)	Turku (Åbo)	Vaasa (Vasa)	Tampere (Tammerfors)	●ulu (Uleåborg)	Jyvaskyla
	mk	mk	mk	mk	mk	mk
January	5,350,853,008 95	141,910,009 50	84,482,064 40	270,869,077 55	155,576,016 45	60,541,072 05
February	4,938,321,545 70	146,932,730 75	89,166,324 35	275,574 291 25	187,125,611 05	60,847,098 90
March	5,565,304,232 15	126,538,084 55	101,764,803 20	268,478,458 50	212,533,452 45	68,298,536 55
April	5,543,025,763 35	126,989,361 65	102,067,507 —	287,239,484 95	163,277,060 35	73,242,222 20
May	6,177,194,097 —	158,776,709 60	102,270,910 20	285,473,692 45	177,609,164 35	86,268,776 30
June	5,663,246,798 70	136,732,430 75	89,126,203 15	268,476,278 75	209,982,622 65	62,376,681 45
July	6,041,588,916 95	142,690,128 40	95,189,334 95	250,956,928 05	215,066,117 50	66,505,011 30
August	5,237,260,650 —	145,650,725 35	85,364,392 65	240,172,987 35	186,959,208 15	76,381,467 20
September	5,487,992,404 60	115,424,999 60	109,741,381 75	252,192,603 40	174,763,370 35	63,161,568 30
October	5,444,143,024 80	138,563,831 90	139,458,149 75	255,349,047 25	211,477,552 70	66,142,985 50
November	6,946,605,789 95	171,117,733 30	135,045,000 35	319,199,465 65	205,356,530 75	102,338,289 35
December	6,391,472,785 50	165,400,468 20	129,015,336 95	314,070,280 05	228,930,891 85	95,199,308 45
	68,787,009,017 65	1,716,727,213 55	1,262,691,408 70	3,288,052,595 20	2,328,657,598 60	881,303,017 45

The total turnover in 1943 amounted to mk 78,264,440,851: 15.

V. The Year's Results.

Profit and Loss Account.

Credit.

Interest on Home Credits	mk 199,660,391: 75	
» » Current Accounts abroad	» 72,347: 85	
» » Bonds	» 47,705,147: 80	
Dividends	» 4,598,770: 65	
Commission	» 42,957,686: 02	
Agio profit	» 1,329,897: 04	<u>mk 296,324,241: 11</u>

Debit.

Salaries	mk 22,010,673: 25	
Pensions and Supports	» 1,646,886: 75	
Fees to the Bank Supervisors and their expenses	» 229,558: 80	
» » » Controllers of the Branches	» 293,200: —	
Cost of manufacturing Bank Notes	» 5,516,785: 85	
Expenses	» 4,965,153: 20	
Depreciations	» 28,442,323: 25	
Depreciation of Furniture	» 1,051,684: 05	mk 64,156,265: 15
Net Profit for the Year 1943		» 232,167,975: 96
		<u>mk 296,324,241: 11</u>

VI. Capital.

Capital 31st December 1943	mk 1,250,000,000: —
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VII. Reserve Fund.

The Reserve Fund amounted on the 31st December 1942 to	mk 737,282,175: 22
In 1943 it has been transferred to the Reserve Fund, according to § 30 of the Bank's Regulations, from the Net Profit for the year 1942	» 115,505,195: 88
In 1943 it has been transferred to the Reserve Fund from the Undisposed Profit Account, according to resolution of the Diet passed on the 11th May 1943	» 15,505,195: 88
	<u>mk 868,292,566: 98</u>
Balance 31st December 1943	mk 868,292,566: 98

VIII. Undisposed Profit Account.

The Undisposed Profit Account amounted on the 31st December 1942 to	mk	—: —
In 1943 it has been transferred to the Undisposed Profit Account, according to § 30 of the Bank's Regulations, from the Net Profit for the year 1942	»	115,505,195: 88
	mk	115,505,195: 88
In 1943 it has been transferred to the Current Account due to Government according to the budget passed by the Diet on the 22nd December 1942	»	100,000,000: —
In 1943 it has been transferred to the Reserve Fund according to resolution passed by the Diet on the 11th May 1943	»	15,505,195: 88
Balance on the 31st December 1943	mk	—: —

IX. Bank Offices.

Head Office at Helsinki (Helsingfors), Branches at Turku (Åbo), Pori (Björneborg), Vaasa (Vasa) Oulu (Uleåborg), Kuopio, Joensuu, Sortavala, Viipuri (Viborg), Mikkeli (St. Michel), Tampere (Tammerfors), Hämeenlinna (Tavastehus), Jyväskylä, Kotka, Lahti and Agencies at Rovaniemi and Kajaani.

Helsinki, January 7th, 1944.

The Board of Management of the Bank of Finland.

J. W. RANGELL

K. KIVIALHO

K. T. JUTILA

PAAVO RAITTINEN

W. SAHLSTEIN

a. i.

G. ENGBERG