

Reference rate and penalty interest rates for 1 January – 30 June 2017

Press release 27 December 2016 1:00 PM

In accordance with the Interest Rates Act (340/2002), the reference rate for the period 1 January – 30 June 2017 is 0.0%. The penalty interest rate for the same period is thus 7.0% pa (under section 4 of the Act, the reference rate plus seven percentage points).

The penalty interest rate applicable to commercial contracts is 8.0% pa (under section 4a of the Act, the reference rate plus eight percentage points). The higher penalty interest rate referred to in section 4a of the Act is applied to payments made by enterprises to other enterprises or by authorities to enterprises.

Under the Interest Rates Act, the reference rate used in defining the penalty rate is the interest rate that was applied by the European Central Bank to the last main refinancing operation prior to the first calendar day of the half-year in question and rounded up to the nearest one-half percentage point. Such reference rate is effective for the following six-month period.

For further information, please contact Bank of Finland Communications, tel. +358 10 195 701.

Monetary policy will continue to support price stability and growth

Press release 13 December 2016 11:00 AM

The global economic recovery has continued. The economic outlook nevertheless contains uncertainties from potential changes in the international political arena. *'Protectionist views have been raised at the same time as there is a great need for international cooperation to resolve climate, refugee and economic challenges,'* said Bank of Finland Governor Erkki Liikanen today at the release of the latest issue of the Bank of Finland Bulletin.

The economic expansion in the euro area is expected to proceed at a moderate but firming pace. The risks surrounding the euro area growth outlook remain tilted to the downside, and inflationary pressures continue to be subdued. The ECB Governing Council decided in December 2016 to continue the expanded asset purchase programme (EAPP) until the end of 2017, or beyond if necessary, until the pace of inflation is sustainably restored in line with the price stability objective. Purchases to the value of EUR 80 billion per month will continue until March 2017. Thereafter they will continue at a monthly pace of EUR 60 billion. *'The very substantial amount of monetary support is preserved in the euro area. Favourable financing conditions are important for price stability and economic recovery,'* Governor Liikanen continued.

ECB monetary policy has also supported growth in Finland. Economic growth in the euro area improves Finnish companies' opportunities to increase exports to other euro area countries. In addition, financing costs have decreased in Finland owing to an efficient transmission of monetary policy, and interest rates on household and corporate loans are low. This has served to bolster consumption and investment.

The Finnish economy is recovering. Growth has been largely dependent on households' consumption and housing investments but is forecast to gradually become more broadly based. Exports will gradually recover as growth continues in Finland's export markets and Finland's own cost-competitiveness improves.

It is important to strengthen the underpinnings of growth by continuing structural reforms and securing a favourable operating environment for business. Labour productivity growth is often faster in young companies than in more established ones. On the other hand, the most important source of productivity growth across the economy as a whole is a gradual renewal in established companies. Meanwhile, a substantial proportion of new jobs are emerging among new and rapidly growing companies.

Companies that will grow rapidly are hard to identify in advance, and rapid growth that has already occurred cannot necessarily anticipate a continuation of the same trend. It is the role of economic policy to create equal opportunities for different types of companies. *'When the economy is able to renew itself by improving productivity and generating jobs, this will boost economic growth and the outlook for the public finances. It will also reduce the risk of increased marginalisation and lack of opportunities,'* Governor Liikanen underlined.

- [Euro & talous publication website](#)
- [Slides](#) (PDF)

Forecast for the Finnish economy will be published in English later in December or in early January at www.bofbulletin.fi.

Finland has left recession behind

Press release 13 December 2016 11:00 AM

The Finnish economy has returned to growth, driven by private consumption and investment. Growth will, however, remain slow relative to previous cyclical upswings and the rest of the euro area as structural problems in the economy and population ageing dampen recovery. The Bank of Finland forecast foresees GDP growing by 1.3% in 2017 and 1.2% in 2018 and 2019. The risks to the forecast are tilted to the downside and relate to increased uncertainty about developments in the global economy.

Private consumption will still be the main driver of growth. An improving employment situation and low inflation will bolster real disposable household income. Meanwhile, the slowing rise in average earnings in consequence of the Competitiveness Pact will be offset by lower labour taxation. Exports will recover amid better competitiveness and higher external demand. Growth in domestic demand and the deteriorating terms of trade will, however, keep the current account in deficit. The accommodative stance of monetary policy is supporting growth in both Finland and the rest of the euro area. The euro area has become an increasingly important destination for Finnish exports.

Recovery in demand will increase the need for investment. Growth in private investment has picked up in Finland, particularly following a rebound in construction. Even so, growth in the private capital stock will still be subdued in 2017–2019, and corporate fixed investment relative to GDP will remain lower than usual. Due to an investment slump of several years, investment is still nearly 6% lower than in 2011.

The situation on the Finnish labour market has continued to improve. Employment growth will be underpinned by higher labour demand against the backdrop of the Competitiveness Pact and by the fact that economic growth predominantly rests on labour-intensive service sectors and construction. On the other hand, mismatch problems on the labour market, the large number of long-term unemployed and marginalisation among young adults will hamper the recovery of the economy.

Inflation has been higher in Finland than in the euro area on average. Inflation in the immediate years ahead will, however, remain low on account of moderate cost developments. According to the forecast, inflation in Finland will increase to just under 1% in 2017–2018 as the effect of falling crude oil prices recedes. The Competitiveness Pact will contribute to the sluggishness of price developments, as the muted trend in labour costs will be reflected in end-product prices.

The move out of recession, coupled with savings in public expenditure, will strengthen the general government fiscal position. At the same time, however, growth in pension expenditure will remain rapid. The ratio of general government debt to GDP will reach as much as 70% in 2018. Although halting the rise of the debt ratio appears feasible over the medium term, the long-term sustainability problem of the public finances will remain unresolved.

For further information, please contact Juha Kilponen, Head of Forecasting, tel. +358 10 831 3441.

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- [Slides](#) (PDF)

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Art and music meet at the Bank of Finland's independence centennial celebrations

Press release 8 December 2016 9:00 AM

The Bank of Finland will celebrate Finland's century of independence in 2017 by opening its doors to the public. Guests will be able to enjoy 100 years of Finnish art and music on 27–30 January 2017 in the Bank of Finland's main building (Snellmaninaukio, Helsinki). In connection with this event, the Bank will publish "National Treasures – Art and tales from 100-year-old Finland". The service will present treasures from the Bank of Finland's art collection and the Bank's historic main building.

On display at the centennial event will be familiar classics such as Juha Rissanen's stained glass windows and Akseli Gallen-Kallela's Aino triptych. For the first time, the artists' works will be set to the music of Jean Sibelius, contemporary to the art works themselves. The art of the Golden Age and the era's music have been integrated to create a musical poem designed by pianist-artist Erkki Korhonen. The musical performances will be interpreted by gifted young pianists Maria Hämäläinen, Anton Mejias and Ossi Tanner. There will be three performances each day. On Sunday 29 January, the artist Heikki Sarmanto will perform piano solos from his own broad range of compositions as well as the premier performance of his work "Kruunuhaka"

Amongst the Bank's most recent art acquisitions there will be works by Kari Cavén, Jukka Mäkelä, Marjatta Tapiola and Hannu Väisänen on display, as well as other works selected from the Bank of Finland's approximately 1,200-piece collection. All together the centennial exhibition will contain more than 100 works. The exhibition is curated by art expert Markku Valkonen and members of the Bank's art society will act as guides.

In connection with this event the Bank will also arrange presentations on subjects that include Finland's monetary policy over the first 100 years of its independence; payment systems in the future as well as the challenges facing the euro area monetary policy.

Opening hours of the centennial event are the following:

- Friday 27.1.2017 14:00 – 20:00
- Saturday 28.1.2017 11:00 – 17:00
- Sunday 29.1.2017 11:00 – 17:00
- Monday 30.1.2017 14:00 – 20:00

Last admittances one hour before closing time.

The Bank of Finland's Museum (Snellmaninkatu 2) will also be opening its newest seasonal exhibition "What will Finland live on in 2067?", on Tuesday 24 January 2017. The exhibition is a bold look into the future. The students of the Helsinki Upper Secondary School of Visual Arts and the Vaskivuori Upper Secondary School will bring us their vision of the world in 50 years' time.

For further information, contact:

Chairman of the Bank's Art Society, Jukka Valle, tel. +358 10 831 2617, jukka.valle@bof.fi
Communications Officer Eeva Kristiina Lahtinen, tel. +358 10 831 2908, eevakristiina.lahtinen@bof.fi
Communications Officer Eira Heinämies, tel. +358 10 831 2469, eira.heinamies@bof.fi

European Systemic Risk Board issues a warning to Finland on household indebtedness

Press release 28 November 2016 6:00 PM

The European Systemic Risk Board (ESRB) has published a warning concerning the medium-term vulnerabilities of the residential real estate markets in Finland. The warning draws particular attention to the already high and increasing level of household indebtedness, the related risks, and the consequences that the materialisation of these risks would have for the stability of the Finnish financial system and the real economy.

The ESRB is responsible for macroprudential oversight of the EU's financial system. In pursuit of its mandate, the Board issues warnings and – if a mere warning is deemed insufficient – also recommendations for measures to mitigate risks and vulnerabilities. A warning on residential real estate vulnerabilities has now been issued to a total of eight EU Member States.

In its warning, the ESRB notes that Finland has implemented measures aimed at reducing vulnerabilities on the housing loan markets. The Board deems these measures appropriate, but not necessarily sufficient. It draws attention to the fact that Finnish authorities do not have the legal powers to set limits on loan-to-income, debt-to-income or debt service-to-income ratios.

According to the Bank of Finland's latest stability review, the increase in household debt poses a threat to financial stability. *'It is important to address the shortcomings presented in the warning of the European Systemic Risk Board. However, the stability of the Finnish financial system is not exposed to immediate threats,'* notes Pentti Hakkarainen, Deputy Governor of the Bank of Finland.

The concerns voiced by the ESRB about household indebtedness and other structural vulnerabilities on the Finnish residential real estate markets have frequently been brought to the fore in the Bank of Finland's recent stability assessments.¹ In addition, the Bank of Finland has underscored the need to expand the macroprudential toolkit.

Further information: Pentti Hakkarainen, Deputy Governor, tel. 010 831 2002; Katja Taipalus, Head of Department, tel. 010 831 2345

- [European Systemic Risk Board's warning](#)
- [Bank of Finland's stability article](#) (in Finnish)

¹ Bank of Finland Bulletin [2/2016](#), [5/2015](#), [2/2015](#).

Parliamentary Supervisory Council appoints Marja Nykänen and Olli Rehn to Bank of Finland Board

Press release 14 October 2016 10:00 AM

The Parliamentary Supervisory Council has appointed Marja Nykänen, LL.M (trained on the bench), Deputy Director General of the Financial Supervisory Authority, and Olli Rehn, D.Phil., Minister of Economic Affairs and Member of Parliament, as members of the Board of the Bank of Finland. Both appointments are for five-year terms and commence on 1 February 2017.

In addition to the statutory eligibility criteria, the Parliamentary Supervisory Council emphasised expertise in financial markets and banking operations for one post, and expertise in economic and monetary policy for the other. The Board will decide later on the division of responsibilities.

A total of 19 persons applied for the posts. Seven persons applied for both posts, four applied for the post involving economic and monetary policy expertise and eight for the post involving expertise in financial markets and banking operations.

The Council was unanimous in its decisions.

For further information, please contact Matti Vanhanen, Chairman of the Parliamentary Supervisory Council, tel. +358 400 317 511.

The Governor of the Bank of Finland to attend IMF and World Bank Annual Meetings 2016

Press release 6 October 2016 1:00 PM

The Governor of the Bank of Finland, Erkki Liikanen, will participate in the Annual Meetings of the International Monetary Fund (IMF) and the World Bank in Washington D. C., 7-9 October 2016. Governor Liikanen represents Finland on the Fund's Board of Governors.

The International Monetary and Financial Committee as well as the Development Committee, which is a joint forum of the IMF and the World Bank, will also convene in connection with the Annual Meetings.

Deputy Governor Pentti Hakkarainen and Mika Pösö, Head of General Secretariat, will also participate in the Annual Meetings.

For further information, please contact Olli-Pekka Lehmussaari, Chief Adviser, tel. +358 10 831 2252.

The IMF's concluding statement on the Finnish economy

Press release 3 October 2016 9:30 AM

The International Monetary Fund's (IMF) delegation currently visiting Finland has submitted its concluding statement on the Finnish economy and the stability of the financial sector to the authorities.

The statement is based on discussions held by IMF representatives with Finnish authorities as well as representatives of social partners, private financial institutions, research institutes and other relevant parties.

The concluding statement can be accessed in full on the IMF's and Bank of Finland's websites (www.imf.org) and (www.suomenpankki.fi), respectively.

[Concluding Statement \(PDF\)](#)

[Summary \(PDF\)](#)

Global growth remains sluggish

Press release 29 September 2016 11:05 AM

Growth prospects for the advanced economies have remained subdued. Growth is being hampered by the slow improvement in productivity, reflecting possible delays in the introduction of new technologies and their slower diffusion, as well as the fading dynamics of the operating environment for non-financial corporations. Long-term interest rates have also remained at record low levels in key economic regions.

The outcome of the EU referendum in the United Kingdom added to uncertainty on the financial markets in summer 2016, but the implications for market prices remained short-lived, except for exchange rates. However, new factors that are hard to model have taken centre stage in economic discourse. Issues relating to immigration and free trade are on the global agenda.

The Bank of Finland's new forecast for the global economy foresees ongoing global growth of a full 3% in 2017–2018, i.e. only slightly faster than in 2016. This will be supported by continued strong growth in the United States and China. Even so, the risks to the forecast are predominantly on the downside. A possible upside growth shock could come from improved productivity in the United States.

The inflation outlook remains subdued in the main economic regions. The current year will still be weighed by the decline in the price of oil that has already taken place. After this, improvements in economic prospects and the ongoing accommodative stance of monetary policy will gradually begin to boost inflation. However, longer-term inflation expectations remain muted, which is a worrying trend. According to market expectations, major central banks will keep their respective monetary policies accommodative, although interest rates in the United States are expected to rise slightly.

US growth is envisaged to accelerate to a good 2% following this year's slower interlude. On top of private consumption, fixed investment will also begin to bolster growth. In China, economic growth will continue to slow in an orderly manner as the structure of the economy shifts from investment to private consumption.

Brexit will dampen growth in Europe. The aggregate EU22 economy will grow by 1.3% in 2017 and 1.6% in 2018. The growth forecast for the United Kingdom has been subject to the strongest downward revisions, but the effects will also be visible elsewhere in Europe, particularly via receding exports and lower investment in export industries.

Euro area internal economic fundamentals will provide ongoing support to growth. The accommodative stance of monetary policy will continue, the private sector's debt-servicing burden will diminish, fiscal tightening will abate and the employment situation will improve. In this respect, the favourable trend that began in the euro area in 2013 is projected to continue in the immediate years ahead. Several hard-to-quantify risks nevertheless depress the outlook.

For further information, please contact: Samu Kurri, Head of Division, tel. +358 10 831 2288.

- [Euro & talous publication website](#)
- [Slides](#) (PDF)

The package of articles on monetary policy and the international economic forecast will be published in English in October at www.bofbulletin.fi.

ECB's monetary policy measures signal strong commitment to price stability

Press release 29 September 2016 11:00 AM

The euro area economy is expected to grow at a moderate pace in the immediate years ahead. This view is supported by recent Eurosystem staff macroeconomic projections, including the Bank of Finland's forecast for the international economy. The risks to the economic outlook are tilted on the downside and relate mainly to the external environment.

Inflation has remained close to zero for some three years already, but is expected to pick up gradually, supported by monetary policy. The ECB has eased its monetary policy significantly to maintain price stability. The key measures in the pursuit of the price stability objective are the lowering of key interest rates, the expanded asset purchase programme and forward guidance. *'The Governing Council of the ECB is committed to continuing the measures as long as it deems it necessary from the perspective of price stability. A strong commitment to the maintenance of price stability increases the effectiveness of monetary policy and keeps inflation expectations anchored,'* said Erkki Liikanen, Governor of the Bank of Finland, at today's press conference.

'The Governing Council of the ECB monitors and analyses economic developments very closely, based on the most recent incoming data and forecasts, and assesses the impact of its monetary policy measures,' said Governor Liikanen. It takes time for extensive monetary policy measures to feed through to the real economy.

Monetary policy has played a role in the recovery of the euro area economy. On its own, however, monetary policy cannot generate long-term economic growth. The implementation of structural reforms needs to be stepped up in all euro area countries to boost growth in potential output.

Slower growth in the working-age population and in productivity are dampening the potential for growth globally. Due to the propensity to save of those approaching retirement, the ageing population in the advanced economies, and because the savings ratio is also high in Asian countries, there is strong demand for safe investment instruments. This has contributed to a broad-based decline in real interest rates. *'All economic policy decision-makers must seek to ensure that slow growth and low inflation do not become long-term,'* Governor Liikanen emphasised.

- [Euro & talous publication website](#)
- [Slides](#) (PDF)

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A total of 19 applications submitted for vacant posts on Bank of Finland Board

Press release 5 September 2016 3:15 PM

A total of 19 applications were submitted by the deadline (5 September 2016, 12.00 noon) for the two vacant posts on the Board of the Bank of Finland.

1. Kämäri, Pasi, MSc (Econ.) / Managing Director, Savings Banks' Union Coop
2. Laukkanen, Kari, MSc (Econ.) / Country Officer, Citibank Europe plc., Finland Branch
3. Lepomäki, Jukka, MSc (Econ.)
4. Luukkonen, Miikka, MSc (Econ.) / Head of Business Sales, Nordnet Bank AB, Finnish Branch
5. Nykänen, Marja, LL.M (trained on the bench) / Deputy Director General, Head of Department, Financial Supervisory Authority
6. Peltonen, Tuomas, PhD / Deputy Head of the Secretariat, European Systemic Risk Board
7. Pikkarainen, Pentti, PhD / Director General, Ministry of Finance
8. Puhakka, Mikko, PhD / Professor, University of Oulu
9. Rehn, Olli, DPhil / Member of Parliament, Minister of Economic Affairs
10. Siimes, Suvi-Anne, Licentiate (Pol.Sc.) / Managing Director, Finnish Pension Alliance TELA
11. Sipilä, Kari T., MSc (Technology) / Head of Division, Bank of Finland
12. Sovala, Markus, PhD (Pol.Sc.) / Head of Department, Ministry of Finance
13. Uusitalo, Roope, PhD / Professor, University of Jyväskylä
14. Virolainen, Kimmo, DSc (Econ.) / Alternate Executive Director, International Monetary Fund (IMF)
15. Välimäki, Tuomas, DSc (Econ.) / Head of Department, Bank of Finland

Applications were also received from 4 persons not wishing to have their names disclosed.

Further information for the media: Matti Vanhanen, Chairman of the Parliamentary Supervisory Council, tel. +358 400 317 511, or Anton Mäkelä, Secretary to the Council, tel. +358 500 201 213.

Bank of Finland Museum lectures for the general public in autumn 2016

Press release 1 September 2016 11:30 AM

The Bank of Finland Museum lectures for the general public continue in autumn 2016. In addition to the traditional Studia Monetaria lectures, the new issues of the Bank's journal Euro & talous will be presented at separate events. The Museum will also host a series of history seminars on the Bank of Finland and other events on topical matters.

The themes of the Studia Monetaria lecture series deal with the operational sectors and history of the Bank of Finland and Financial Supervisory Authority (FIN-FSA). The lectures are given by leading experts in their fields, mainly from the Bank of Finland and the FIN-FSA. The lectures are intended for the general public, and participation does not require any particular background knowledge.

All events are open to everyone and are free of charge. They are generally held on Tuesdays at 5 pm on the premises of the Bank of Finland Museum at Snellmaninkatu 2, Helsinki.

6 September at 5 pm

Economic policy discussion

Income inequalities and economic growth

Professor Heikki Hiilamo, professor Matti Tuomala and Markus Haavio, DSocSc, interviewed by Antti Suvanto, DSocSc

20 September at 5 pm

Studia Monetaria lecture

Bail-in for a bank in distress

Jarmo Parkkonen, Head of Department, and Sami Pyykönen, Head of Division, Financial Supervisory Authority

29 September at 5 pm

Monetary policy and the outlook for the global economy

Samu Kurri, Head of International and Monetary Economy Policy Division, Bank of Finland

11 October at 5 pm

Studia Monetaria lecture (please note that presentations will be held in English)

What next after Brexit?

Economist Eeva Kerola and Market Analyst Aleksi Paavola of the Bank of Finland, and Andrew Wells, Head of Political and Press Team, British Embassy

18 October at 5 pm

Studia Monetaria lecture

How will FinTech revolutionise the financial sector?

Ville Kajala, Senior Policy Advisor, and Terhi Wathén, Risk Specialist, Financial Supervisory Authority

19 October at 5 pm (please note that this is a Wednesday)

Economic policy discussion

Is a dysfunctional housing market slowing economic growth?

Osmo Soininvaara, LicSocSc, Essi Eerola, Research Leader, and Petri Mäki-Fränti, DSc (Econ.), interviewed by Antti Suvanto, DSocSc

1 November at 5 pm

History seminar

Sirkka Hämäläinen, a central banker in Finland and Europe
Governor Erkki Liikanen interviews members of a panel

8 November at 5 pm**Studia Monetaria lecture****How are Europe's banks doing?**

Pentti Hakkarainen, Deputy Governor of the Bank of Finland

22 November at 5 pm**History seminar**

Harri Holkeri, central banker and prime minister

Member of Parliament Ilkka Kanerva, and Juha Tarkka, Adviser to the Board, interviewed by Governor Erkki Liikanen

13 December at 5 pm**Forecast for the Finnish economy**

Juha Kilponen, Head of Forecasting Division, Bank of Finland

For further information, please contact Jaakko Koskentola, Curator of the Bank of Finland Museum, tel. +358 10 831 2981

Two posts opening on the Board of the Bank of Finland

Press release 16 August 2016 6:00 PM

Positions for two Members of the Board of the Bank of Finland are due to become vacant from 1 February 2017. At its meeting today, the Parliamentary Supervisory Council decided to initiate an application procedure to fill the vacancies. Members of the Board serve a five-year term.

One of the vacancies will be filled as of 1 February 2017, and the date for filling the second vacancy will be agreed on with the person to be appointed.

The eligibility criteria for a Member of the Board are a higher academic degree appropriate for the position, conversance with the monetary economy or financial operations, and proven management skills and management experience.

The announcement concerning the application procedure for the positions of Member of the Board of the Bank of Finland will be published on the [Bank of Finland's website](#) today, Tuesday, 16 August 2016.

Persons interested in applying for the posts are requested to submit their application, addressed to the Parliamentary Supervisory Council and with their CV attached, electronically via the website https://spjohtokunta.rekryointi.com/paikat/index.php?jid=2&key=&o=A_RJ&rspvt=tb62o4fw1dwk8kcc4kgoko8sg by 12 noon on Monday, 5 September 2016, at the latest.

For further information, please contact Matti Vanhanen, Chairman of the Parliamentary Supervisory Council, tel. +358 400 317 511.

A total of 703 euro counterfeits found in Finland in first part of 2016

Press release 22 July 2016 11:00 AM

In the first half of 2016, a total of 703 counterfeit euro banknotes were detected among banknotes in circulation in Finland. The number of counterfeits increased slightly in Finland, compared with the same period in the previous year. In 2015, a total of 1,085 counterfeits were detected: 521 in the first half of the year and 564 in the second half.

Compared with the situation in other euro area countries, the numbers of counterfeit euro banknotes in Finland are still modest.

'Although the number of counterfeits has increased during the spring, the likelihood of receiving a counterfeit euro banknote is still very low,' notes Jussi Kangas, Adviser from the Bank of Finland. *'It is, however, advisable to pay attention to the security features of the banknotes when handling them.'*

The new EUR 5, EUR 10 and EUR 20 banknotes are already being used, and the new EUR 50 note will be the next to enter into circulation on 4 April 2017. The new security features make the counterfeiting of the note more difficult than before.

Period	1/2014	2/2014	1/2015	2/2015	1/2016
Number of counterfeits	188	314	521	564	703

Of the different denominations of banknotes, the EUR 50 was the most frequently discovered counterfeit banknote in Finland (262 counterfeits) in the first half of 2016, followed by EUR 20 (188 counterfeits) and EUR 10 (187 counterfeits).

A number of security features have been incorporated into euro banknotes for recognising genuine banknotes. Banknote authenticity can be checked using the simple FEEL-LOOK-TILT test described in Eurosystem publications. In case of doubt, a suspected banknote should be compared directly with one that is known to be genuine. Instructions and guides for checking banknote authenticity can be found on the Bank of Finland [website](#).

In a press release issued today (www.ecb.europa.eu) the European Central Bank provides an overview of the counterfeit situation regarding euro banknotes.

For further information on the situation in Finland, please contact:

Jussi Kangas, Adviser, Bank of Finland, tel. +358 10 831 3432

Reference rate and penalty interest rates for 1 July – 31 December 2016

Press release 28 June 2016 12:30 PM

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For further information, please contact Bank of Finland Communications, tel. +358 10 195 701.

The Finnish economy is returning to growth, driven by domestic demand

Press release 9 June 2016 11:00 AM

The Finnish economy is returning to growth, in the wake of the other euro area countries. The Finnish economy is still lagging behind activity in the rest of the euro area, as population ageing and the lack of diversity in the production structure of the economy dampen the prospects for growth. Continued debt accumulation and the sluggishness of industrial activity give cause for concern in terms of the sustainability of growth.

According to the Bank of Finland forecast, GDP will grow by 1.1% in 2016. Economic growth will be bolstered by domestic demand as exports remain sluggish. GDP will continue to grow by 1.1% in 2017 and by 1.0% in 2018. Investment will pick up, particularly in construction, but also in other sectors of output. In contrast, inflation will remain slow in Finland for an extended period of time.

Growth in Finland's export markets in 2016–2018 will be slower than foreseen earlier and exports will improve only moderately. In recent years, exports to Russia, in particular, have contracted strongly. By contrast, exports to the euro area have grown substantially since 2013.

Finnish export prices in the immediate years ahead are envisaged to rise more slowly than those of competitor countries, and growth in unit labour costs will also remain slightly slower than in other euro area countries. However, marginal improvements in competitiveness will not suffice to pull the market shares of Finnish foreign trade onto a growth path. If the competitiveness accord is concluded, this will facilitate the closing of the competitiveness gap relative to Finland's trading partners. Growth in nominal earnings will be subdued, around 1% annually during the forecast period.

The low level of interest rates and subdued developments in prices will support household purchasing power and, via consumption, economic growth, too. The flip side to this is that household debt will continue to grow.

The labour market has already witnessed a turn for the better. Contrary to earlier cyclical turning points, growth will be supported by labour-intensive service sectors and construction rather than exports and industry. As in other euro area countries, employment developments in Finland can be expected to be slightly better relative to the growth rate of the economy than we have been used to seeing in the past. By contrast, productivity growth will remain sluggish and the unemployment will decline only slowly.

For further information, please contact Juha Kilponen, Head of Forecasting, tel. +358 10 831 3441.

- [Euro & talous publication website](#)
- [Slides](#) (PDF)

Forecast for the Finnish economy will be published in English by the end of June at www.bofbulletin.fi.

Monetary policy supports Finnish recovery

Press release 9 June 2016 10:55 AM

The euro area economy has continued its broad-based albeit modest recovery. Moreover, unemployment has begun to gradually recede from its high-water mark. Despite these generally favourable developments, inflation has continued to be much slower than the target. Therefore, the ECB Governing Council decided in March 2016 to lower the key interest rates and both increase and broaden the scope of securities purchases. *‘Monetary policy measures are expected to feed through into the euro area economy gradually. The measures taken will help secure a return of inflation rates towards the target, while also supporting economic growth. Recovery is expected to gather pace when the monetary policy measures still to be implemented are put into effect,’* said Bank of Finland Governor Erkki Liikanen today at the publication of the new edition of the Bank’s journal Euro & talous.

The broadly based nature of growth in the euro area has increased Finnish exports to other euro area countries. As well as supporting Finnish exports, the ECB’s accommodative monetary policy also supports domestic demand in Finland. The interest payable by households and non-financial corporations on new bank loans has continued to decline, encouraging both consumption and investment.

‘The Finnish economy is returning to growth, and investments, too, have finally begun to grow. With exports overall remaining sluggish, it is uncertain how strongly and for how long domestic demand based on growing debt can support economic growth,’ pointed out Governor Liikanen. *‘Bringing the recovery onto a sustainable footing will require Finland to both continue implementing growth-enhancing structural reforms and to restore cost-competitiveness, in which regard, agreement on the competitiveness accord is a vital step,’* Governor Liikanen continued.

Over the longer term, Finland can look forward to a much slower pace of growth than in recent decades. *‘Structural reforms, innovations and an improved operating environment for companies could improve the longer-term outlook. This would also help boost employment and support the public finances’*, Governor Liikanen stressed.

The growth in private demand that has bolstered the economy is related to the continued accumulation of household debt. Rising debt ratios in a situation where the longer-term prospects for economic growth are weak justifiably give cause for concern. In managing the risks related to household debt, there is also a key role for macroprudential policy, which is used to steer the capital requirements on the banks and practices pertaining to mortgage lending. It is important to ensure that the macroprudential policy toolbox in Finland is sufficient and on a comparable level to other countries in Europe. The application of macroprudential instruments is decided on a quarterly basis by the Board of the Financial Supervisory Authority.

- [Euro & talous publication website](#)
- [Slides](#) (PDF)

Forecast for the Finnish economy will be published in English by the end of June at www.bofbulletin.fi.

Nordic links and household debt create risks for financial system

Press release 19 May 2016 11:00 AM

The Finnish financial system has remained stable despite the weakness of the economy. Risks related to lending, debt accumulation and asset price developments are not directly threatening. *'The stability of the financial system is not facing imminent threats. Even so, stability needs to be fostered. Interconnectedness and concentration make the financial sector vulnerable. The weak cyclical situation also needs to be monitored,'* pointed out Bank of Finland Deputy Governor Pentti Hakkarainen today at the press briefing for the publication of the new issue of the journal Euro & talous.

The already high level of household debt relative to disposable income has continued to rise. The pace of indebtedness has, however, slowed, and relative housing prices have declined close to their long-term averages.

Financial system participants have strengthened their capital positions, thereby improving their ability to lend and absorb losses. However, the low level of interest rates and the weak economic situation, should it prove prolonged, will put a strain on the profitability of banks and insurance companies.

In Finland, a few large market participants hold significant market shares in banking and in non-life and earnings-related pension insurance sectors. The financial markets in Finland are, in fact, more concentrated than elsewhere in the euro area. *'It is necessary to ensure that there is a sufficient degree of competition in banking, insurance and pension insurance. The competitive situation will be changing with the entry into the banking sector, in particular, of new market participants making use of the opportunities offered by digitalisation,'* said Deputy Governor Hakkarainen.

The size of the banking sector relative to the economy is considerable. Dependence on market-based funding exposes banks to disruptions on international financial markets. Banks in Finland are also closely interlinked with other Nordic countries, where financial and housing market problems would rapidly spill over to Finland. *'Close monitoring, including of the other Nordic countries, is required to preserve the stability of the financial markets,'* stated Deputy Governor Hakkarainen.

Macroprudential policy, on which the Board of the Financial Supervisory Authority decides, serves to strengthen the stability of the Finnish financial system. The tools applicable in this new sphere of economic policy include countercyclical capital buffer requirements and the loan-to-value cap. However, in international comparison, there are still shortcomings in the macroprudential instruments available in Finland. *'The financial markets are seamlessly integrated. It is important for the Finnish macroprudential toolkit to be comparable with those of other Nordic countries and the Baltic States,'* emphasised Deputy Governor Hakkarainen. Macroprudential measures must be timed with due consideration to the weak cyclical environment.

- [Euro & talous publication website](#)
- [Slides](#) (PDF)

Financial Stability Report will be published in English on 31 May 2016 at www.bofbulletin.fi.

New exhibition at the Bank of Finland Museum: The Depression of the 1930s

Press release 10 May 2016 11:00 AM

“The dictatorship of an empty purse is absolute, we just need to try and make it balanced and fair.” These words were uttered by Risto Ryti, the Governor of Bank of Finland, in 1932.

The Great Depression was an economic crisis that began in the United States and peaked in the 1930s. It undermined society and the economies in Finland and the rest of Europe. Banking crises, deflation and bankruptcies became commonplace everywhere. In terms of monetary policy, the Depression led to the abolition of the gold standard and to tightening of bank regulation. Other consequences included the introduction of counter-cyclical economic policies and government-led social policies in several countries. Experiences from the Great Depression have also had a crucial bearing on the attempts to mitigate the financial crisis using monetary policy, in recent years. In the Bank of Finland’s seasonal exhibition, the Depression period is presented with the help of texts, pictures, charts and music. The Great Depression in Finland, Sweden and the United States is also compared with both the economic crisis of the early 1990s and the one that broke out in 2008, using statistical graphs.

The exhibition will be open from 10 May to 23 December 2016.

The Bank of Finland Museum is located in the Kruununuhaka district in Helsinki, street address: Snellmaninkatu 2. Admission is free.

Further information: Jaakko Koskentola, Curator of the Bank of Finland Museum, tel. +358 10 831 2981.

Bank of Finland Governor to attend IMF Spring Meeting

Press release 14 April 2016 11:00 AM

Erkki Liikanen, Governor of the Bank of Finland, is due to participate in the International Monetary Fund's Spring Meeting in Washington DC, on 15–16 April 2016. Mr Liikanen represents Finland on the Fund's Board of Governors.

During the course of the weekend, both the IMF's International Monetary and Financial Committee (IMFC) and the joint World Bank-IMF Development Committee will convene for meetings.

The Bank of Finland will also be represented by Deputy Governor Pentti Hakkarainen; Head of the General Secretariat, Mika Pösö; and Economist Kristiina Karjanlahti.

For further information, please contact Principal Advisor Olli-Pekka Lehmussaari, tel. +358 10 831 2252.

Etelä-Tapiolan lukio won the Generation Euro Student's Award and will travel to Frankfurt

Press release 7 April 2016 1:00 PM

The team from the Etelä-Tapiolan lukio won the Finnish finals for the Generation Euro Students' Award. The other finalists in the tight competition were Matliden gymnasium and Tampereen lyseon lukio. The finals took place at the Bank of Finland Museum on 7 April 2016. The award-winning team was selected by a jury composed of Bank of Finland experts and chaired by Seppo Honkapohja, Member of the Board of the Bank of Finland.

The winning team and its teacher have been awarded a trip to the European Central Bank in Frankfurt. The two other teams that qualified for the finals were awarded book gift vouchers. Those participating in the award-winning team were Oskari Honkasaari, Henri Kaarakainen, Maija Löyskä and Alvari Oila. The team was tutored by its teacher member Mikko Puustinen.

“The competition for the Generation Euro Students' Award tests students' knowledge of monetary policy. The task is particularly demanding right now, when the inflation outlook is subdued and the policy interest rates are around zero. The expanded asset purchase programme and the forward guidance are examples of new aspects and terms inherent in the present monetary policy. The students participating in the finals are united by one thing: all are prepared to make a bigger effort than the minimum to take them through exams. Curiosity and inquisitiveness are the keys to learning”, said Seppo Honkapohja.

The competition for the Generation Euro Students' Award in many ways resembles the day-to-day work of a central bank economist, as it involves comprehensive monitoring and analysis of economic and monetary developments, challenging one's own views and those of colleagues, and presenting views to others.

The Generation Euro Students' Award is a team competition about monetary policy, open to students in the 16–19 age group and organised in 11 euro area countries. In competitions, arranged across Europe, four-strong teams are tasked with submitting a proposal for an interest-rate decision of the Governing Council of the ECB and other possible monetary policy actions. The Bank of Finland organises the competition in Finland.

The Generation Euro Students' Award constitutes part of the Bank of Finland's activities, aimed at promoting young people's economic competence. The competition provides young people with an opportunity for learning to identify the impact of monetary policy on the euro area economy and central banking in general.

The first round of the competition consisted of a quiz organised via the Internet, in which 28 teams participated. The second round took the form of an analysis. The three best teams qualified for the finals.

For further information, please contact:

Richard Brander, Senior Communications Officer, tel. +358 10 831 2206.

Climate change also linked to financial stability

Press release 22 March 2016 1:00 PM

The climate agreement reached at the Paris conference held at the end of 2015 showed that climate change is widely recognised as a global problem and that there was a readiness to take even powerful action to combat such change. The Paris climate agreement is also of significance for longer-term economic activity.

Climate change has traditionally been seen as a primarily ecological and human question and, from an economic perspective, as an impediment to economic growth. However, recent discussions have disclosed that one of the prerequisites for growth of the real economy, a stable financial system, may also be susceptible to climate change.

Climate change influences financial stability particularly via direct damage from extreme weather conditions. Extreme weather events raise costs for insurance companies, reduce investment valuations and lower the value of collateral posted for bank loans. Meanwhile, companies whose business is based on technologies generating emissions may need to adapt their operations in response to emission limits. Restricting the use of fossil fuels, which has proved indispensable, also affects valuations of investment assets related to such fuels and can cause imbalances in the world economy.

'The primary task of central banks is to ensure price stability. This is essentially associated with the monitoring of all such phenomena as can exert an influence on longer-term economic growth and, by extension, on inflation. One of these phenomena is climate change,' said Erkki Liikanen, Governor of the Bank of Finland. Maintenance of financial stability is important not only as such but also for the proper transmission of monetary policy. *'It is important to ensure that the financial markets and their participants, as well as the supervisory authorities, are aware of the effects of climate change on financial stability,'* Governor Liikanen continued.

The costs of climate change for the global economy are significant. Properly aimed climate policies can lower such costs and simultaneously reduce the adverse effects of climate change on the globe. *'Safeguarding financial stability is one important additional justification for the need to get climate change and the risks caused by it under control,'* emphasised Governor Erkki Liikanen. Preparation for the risks is essential, but an effective and consistent, predictable climate policy is the best guarantee for minimising the detrimental impact of climate change on financial stability.

Difficulties in emerging economies weigh on global growth

Press release 21 March 2016 11:10 AM

Global growth in 2015 was the slowest since the financial crisis year 2009. The deceleration was due to difficulties in the emerging economies, with for example the Russian and Brazilian economies slipping into deep recession. Of the BRICS countries, which were the growth miracles at the beginning of the new millennium, only India's prospects have not deteriorated.

The weak performance of the emerging economies is, in part, accounted for by the substantial fall in the price of oil. Slower global growth and a more efficient overall use of energy have reduced demand for oil. Meanwhile, supplies of oil have remained abundant, as declining investment does not affect production immediately. Financial market uncertainties have also had an impact on the fluctuations of world market prices for oil.

The growth outlook for the global economy is not signalling any strong improvement in the immediate years ahead. The Bank of Finland forecast foresees global growth in 2016 remaining at 2.8%, from which it will accelerate to 3.2% in 2017–2018. The pick-up in growth reflects recovery in the emerging economies suffering from the recession.

The forecasts for the United States and the EU22 are more moderate than previously, but the growth projected is still above their estimated potential growth rates. The US economy is expected to grow by a good 2% in the immediate years ahead. The driving force of growth will be private consumption, bolstered by good employment dynamics. The prospects are clouded by weak international trade, the earlier appreciation of the dollar and ongoing modest increases in nonresidential investment. In the EU22, the low price of oil and monetary policy are underpinning growth. The internal fundamentals of the economy have not changed and are supportive of growth. Near-term growth will depend more on domestic demand than previously.

In China, growth continued to slow down in 2015. Despite negative market reactions, there have been no major changes in the long-term outlook for economic activity. Moderate slackening of growth will continue and structural changes in the economy will move ahead. The growth forecast for 2016–2017 remains unchanged at 6%, from which growth will edge down to 5% in 2018.

World trade growth has already been weak for nearly 10 years. In the short term, this has been due to the fading of intra-EU trade, the slowdown of growth in China, the sluggishness of investment in the advanced economies and the low level of commodity prices. With the share of industrial products in world trade contracting and the fastest phase of integration of China as well as of Central and Eastern Europe now over, world trade will no longer increase, relative to global growth, with the same vigour as seen earlier.

For further information, please contact Samu Kurri, Head of Division, tel. +358 10 831 2288.

[Euro & talous publication website](#)

[Slides](#) (PDF)

The package of articles on monetary policy and the international economic forecast will be published in English in early April at www.bofbulletin.fi.

Governor Liikanen: The monetary policy measures and forward guidance together constitute a comprehensive response

Press release 21 March 2016 11:05 AM

The slowdown in the growth rates of global trade and the emerging economies, as well as the increase in financial market uncertainty early in the year have weakened the outlook for the euro area economy. Growth in global trade is dampened particularly by weaker growth in the emerging economies, including China. In the euro area, growth continues to rest on domestic demand.

In 2015, the average annual inflation rate for the euro area was 0%, the lowest outcome since the start of Monetary Union. The slow pace of inflation has mainly reflected the low price of oil. In February 2016, inflation was -0.2%. The slowdown in inflation has been broadly based.

In view of the weakened economic and inflation outlook, the Governing Council of the ECB decided in March 2016 on several measures in pursuit of its price stability objective. These measures included lowering all key interest rates, extending the asset purchase programme to cover debt securities issued by the corporate sector, and expanding the volume of monthly asset purchases. In addition, with the aim of further incentivising bank lending to the real economy, banks can obtain very long-term loans in targeted longer-term refinancing operations.

“The monetary policy measures and forward guidance together constitute a comprehensive response. The new measures will accelerate the return of inflation to levels below but close to 2%, and support the recovery of the euro area economy,” said Erkki Liikanen, Governor of the Bank of Finland, at today’s press conference. The package is aimed at further easing financing conditions in the euro area and stimulating new credit provision. *“Taking into account the current inflation outlook, our policy rates are expected to remain at present or lower levels for an extended period of time, and well past the horizon of the asset purchases. If the outlook or financing conditions deteriorate, the ECB still has capacity to boost inflation and growth,”* Governor Liikanen emphasized.

“The new longer-term refinancing operations offered to banks will improve their capacity to lend to the real economy. In the euro area, monetary policy feeds through to the real economy mainly via the banks. It is crucial for economic recovery that the banking sector is in good shape,” Governor Liikanen stressed.

The accommodative monetary policy is gradually increasing demand in euro area countries, which will also help Finland. The low interest rate level is reflected in low rates on corporate loans and housing loans. As these loans mainly bear a variable rate and the banking system is in good shape, the transmission of monetary policy is particularly effective in Finland. *“Turning the Finnish economy onto solid growth requires improved cost competitiveness and structural reforms. When this creates a need to expand production, accommodative monetary policy improves financial conditions and supports firms’ decisions to invest and create jobs,”* said Governor Liikanen.

[Euro & talous publication website](#)

[Slides](#) (PDF, in English); [Slides](#) (PDF, in Finnish)

The package of articles on monetary policy and the international economic forecast will be published in English in early April at www.bofbulletin.fi.

Bank of Finland to transfer EUR 98 million to the State

Press release 21 March 2016 11:00 AM

The Parliamentary Supervisory Council has confirmed the Bank of Finland's financial statements for 2015. Upon a proposal of the Board of the Bank, the Parliamentary Supervisory Council decided on the transfer of EUR 98 million to the State. Last year, the Bank transferred EUR 137.5 million to the State. *"In 2015 the ECB Governing Council reinforced its accommodative monetary policy by extending its securities purchases to government bonds and linking the purchases to forward guidance. Purchases will be continued until inflation is sustainably on a path to the objective of price stability. Key interest rates will remain very low for an extended period of time. The low interest rates have an effect on the central bank's financial results"*, stated Bank of Finland Governor Erkki Liikanen.

The Bank of Finland's profit after provisions totalled EUR 146 million (2014: EUR 150 million). The Bank increased its general provision and provision against real value loss by EUR 100 million (2014: EUR 175 million). These provisions ensure the Bank's ability to carry out its tasks under all circumstances and serve as a buffer against exchange rate, interest rate and credit risks. Total provisions against risks amounted to EUR 3.7 billion (2014: EUR 3.5 billion). *"Adequate risk buffers reinforce the Bank of Finland's capacity to carry out its central banking tasks even in changing financial market conditions. At the same time, they enable the bank to maintain its policy of steady profit distribution even in the future"*, stressed Deputy Governor Pentti Hakkarainen. In total, EUR 2.6 billion has been transferred to the state from the start of 2000.

The Bank of Finland's income primarily consists of interest income on banknotes and monetary policy items as well as investment income on foreign reserves and other financial assets of the Bank. In 2015, the net interest income amounted to EUR 310 million (2014: EUR 317 million). Interest income declined due to the low level of interest rates and the maturing of securities purchased under the securities market programme (SMP). The expanded asset purchase programme (EAPP) launched in 2015 was implemented as planned and the purchases increased the Bank's balance sheet by about EUR 9.2 billion. The purchase programme increased the excess liquidity in the euro area banking system, which in 2015 also was reflected in an increase in deposits made by commercial banks with the Bank of Finland.

The Bank of Finland's operating expenses and provisions are covered by its income. Operating expenses net of banknote procurements and extraordinary repayment of pension fund contributions amounted to EUR 88 million (2014: EUR 89 million). Operating expenses and other income also include the Financial Supervisory Authority's (FIN-FSA) expenses and supervision fee income. Staff costs included in the operating expenses totalled EUR 49.4 million, of which the Bank's share was EUR 32.8 million (2014: EUR 33.6 million) and FIN-FSA's share EUR 16.6 million (2014: EUR 16.8 million).

According to the Act on the Bank of Finland, half of the Bank's profit is to be transferred to the reserve fund and the remaining profit made available for use in accordance with the needs of the State. However, the law allows for an exceptional profit distribution if justified by the Bank's financial condition or the size of the reserve fund.

In its profit distribution proposal, the Bank of Finland Board assessed that the Bank's capital adequacy is sufficient to cover the risks related to undertaking its statutory tasks. As in the previous year, and on the basis of these considerations, a share of the profit for 2015 exceeding the statutory 50% will be made available to the State.

The Bank of Finland's financial statements and related notes have been published today on 21 March 2016 as part of the [Bank's Annual Report](#).

For further information, please contact Pentti Hakkarainen, Deputy Governor of the Bank of Finland, tel. +358 10 831 2002.

Bank of Finland Museum lectures for the general public in spring 2016

Press release 26 January 2016 11:00 AM

The Bank of Finland Museum lectures for the general public continue in spring 2016. In addition to the Studia Monetaria lectures and Talouskirja Nyt discussion series, the new issues of the Bank's journal Euro & Talous will be presented at separate events. The Museum will also host a series of history seminars on the Bank of Finland and its governors and other events on topical matters.

The themes of the Studia Monetaria lecture series deal with the operational sectors and history of the Bank of Finland and the Financial Supervisory Authority (FIN-FSA). The lectures are given by leading experts in their fields. As a rule, the speakers are from the Bank or FIN-FSA. The lectures are intended for the general public, and participation does not require any particular background knowledge.

The Bank of Finland's Talouskirja Nyt discussion series unlocks the ideas of economics through the related literature. The discussion sessions present books published recently in Finland on a variety of economic topics. In each session, the author or editor of a book discusses it with a specialist from the Bank of Finland. The audience also has an opportunity to participate in the discussion.

All events are open to all and are free of charge. They are held on the premises of the Bank of Finland Museum at Snellmaninkatu 2, Helsinki. The starting time of each event will be announced separately.

27 January, Economic discussion – science or politics?

Professor Markus Jääntti, Jukka Pekkarinen, former Director General at the Ministry of Finance, as well as Lauri Kajanoja and Antti Suvanto, Advisers to the Bank of Finland Board

16 February, History seminar

Rolf Kullberg as Governor of the Bank of Finland

Governor Erkki Liikanen interviews Johnny Åkerholm, Lic.Pol.Sc. and Juha Tarkka, Adviser to the Bank of Finland Board

23–28 February, Winter holiday campaign for families

Daily at 11:30 a.m. Juice buffet

15 March, Studia Monetaria lectures

Why does the central bank purchase government bonds?

One year of bond purchases

Elisa Newby, Head of Market Operations Division, Bank of Finland

22 March, Presentation of Euro & Talous 1/2016

Samu Kurri, Head of International and Monetary Economy Division, will discuss monetary policy and the outlook for the international economy.

19 April, Studia Monetaria lectures

What can and should banks ask from their customers?

Customer due diligence and banks' obligation to request information

Legal Advisers Maarit Pihkala and Sanna Atrila, Financial Supervisory Authority

26 April, Talouskirja Nyt discussion series

‘Nokia och Finland. Rapport från de galna åren’ (‘Nokia and Finland. Report from the crazy years’)
Antti Suvanto, Adviser to the Bank of Finland Board, interviews the author Carl-Gustav Lindén and
Communications Consultant Merina Salminen.

10 May, Studia Monetaria lectures
The depression of the 1930s and the lessons learnt
Professor Sakari Heikkinen, University of Helsinki

9 June, Presentation of Euro & Talous 2/2016
Juha Kilponen, Head of Forecasting will present the Bank of Finland forecast for the Finnish economy.

For further information, please contact Jaakko Koskentola, Curator of the Bank of Finland Museum, tel.
+358 10 19 5702.

Increase in counterfeit banknotes found in Finland in 2015

Press release 22 January 2016 10:00 AM

In 2015, a total of 1,085 counterfeits were detected among euro banknotes in circulation in Finland.

'The number of counterfeits increased in 2015, compared with the previous four-year trend. However, in examining counterfeit banknotes removed from circulation in Finland since the adoption of the euro, this number can be regarded as reflecting normal annual variation. The threshold of 1,000 counterfeits was last breached in 2010', says Miika Syrjänen, Head of Division, from the Bank of Finland.

Compared with other euro area countries, the numbers of counterfeit euro banknotes in Finland are still modest, due partly to the good condition of the banknotes. In November 2015, the new EUR 20 banknote entered into circulation. New security features render the counterfeiting of the note more difficult than before.

Year	2010	2011	2012	2013	2014	2015
Number of counterfeits	1,052	827	620	427	502	1,085

Of the different denominations of banknotes, the EUR 20 was the most frequently discovered counterfeit banknote in Finland (538 counterfeits) in 2015, followed by EUR 50 (339 counterfeits) and EUR 100 (66 counterfeits).

A number of security features have been incorporated into euro banknotes for recognising genuine banknotes. Banknote authenticity can be checked using the simple and well-known FEEL-LOOK-TILT test. In case of doubt, a suspected banknote should be compared directly with one that is known to be genuine. Instructions and guides for checking banknote authenticity can be found on the Bank of Finland website (<http://globalassets/globalassets/www.suomenpankki.fi>).

[In a press release issued today \(http://globalassets/globalassets/www.ecb.europa.eu\)](http://globalassets/globalassets/www.ecb.europa.eu) the European Central Bank provides an overview of the counterfeit situation regarding euro banknotes.

For further information on the situation in Finland, please contact: Miika Syrjänen, Head of Division, Bank of Finland, tel. +358 10 831 3414, Jukka Martikainen, Forensic Examiner, National Bureau of Investigation, tel. + 358 295 48 6598.