

Tuomas Välimäki: Central banks and the future of money - trust, resilience and renewal

Opening remarks by Mr Tuomas Välimäki, Board Member of the Bank of Finland, at the policy panel of the 2026 Bank of Korea International Conference, Central Banks and the Future of Money, Seoul, 2 June 2026.

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First, I would like to thank the organisers for the honour of joining this panel and this wonderful conference here in Seoul.

In my remarks, I will focus on the future of money. Now, let me start from a Finnish perspective. Finland, though, is certainly not the only highly digital payment society represented here today. Korea, too, has one of the world's most advanced digital payment ecosystems. Our experiences may differ in structure, but not entirely in substance. In Finland, the future of money is not an abstract question. We are one of the most intensive users of digital payments in the euro area. In normal times, payment systems fade into the background. But when problems arise, their importance becomes immediately clear.

When we speak about the future of money, I would not begin with technology alone. I would begin with a more fundamental question: what makes money trusted?

The future of money is not about choosing between public money and private innovation. It is about ensuring that innovation remains anchored in public trust. The history of central banking is, in many ways, the history of that trust. The form of money has changed many times from metal and paper to deposits and digital records. But the basic requirements have remained stable: money must hold its value, be widely accepted and be backed by credible institutions. So the future of money is not primarily a technology question, but an institutional one.

From that perspective, I would highlight three priorities for the future of money: trust, resilience and renewal.

First, trust. Price stability and central bank money remain the foundations of trust. The most basic contribution central banks can make to the future of money is not a new technology. It is price stability. If money does not preserve its value, no payment innovation can compensate for that.

Recent years have reminded us that price stability cannot be taken for granted. Inflation shocks, energy disruptions and geopolitical tensions have made the environment more volatile. For the Eurosystem, this reinforces the need for monetary policy that is agile and firmly committed to price stability.

Trust in money is also about structure. Monetary systems rely on a two-tier model: central banks provide the ultimate settlement asset, while commercial banks and other regulated actors provide most payment services and credit. This combines public trust with private innovation and preserves the singleness of money.

Cash is used less widely. Payments are increasingly digital, mobile and platform-based. New private forms of digital money are developing, but central bank money remains essential.

Finland offers a useful illustration. People have largely switched to digital payments. Most in-store payments were made with cash 20 years ago. Now, the share of cash is closer to one out of ten transactions. At the same time, cash in circulation relative to GDP has increased by more than 50% in the euro area, growing faster than deposits.

This suggests an important point: declining cash use does not necessarily mean declining demand for central bank money. Its function is changing from a means of payment towards a store of trust, a fallback and a public anchor.

This is why the digital euro debate matters in Europe. It is not only about creating another payment instrument. It is about ensuring that public money remains available and useful in a digital economy, and that central bank money continues to anchor the monetary system. A digital euro, the euro area CBDC that we are designing, would complement private payment solutions, not replace them. Korea's discussion highlights related questions from another angle: how public money should function in an ecosystem shaped by digital platforms, tokenisation and private innovation. These are not identical debates, but they raise closely related questions about the future monetary anchor.

Second, resilience. Payments are critical infrastructure, not just convenience services.

For many years, payments were optimised mainly for efficiency, convenience and cost. The progress has been remarkable. But recent years have taught us that efficiency alone is not enough.

In a world of geopolitical uncertainty, cyber risk and technological dependency, payments must work in normal times and under stress. For Finland, a highly digitalised economy relying on undersea cables and largely on non-European payment solutions, this is a matter of societal resilience. Vulnerabilities differ across economies. In Europe, external dependency and strategic autonomy are prominent. In highly digital economies, including Korea, cyber resilience, operational continuity and technological concentration are equally central concerns.

At the Bank of Finland, we emphasise that payments are not merely a convenience service. They are critical national infrastructure. Households, firms and public authorities must be able to make and receive payments in all circumstances. That requires avoiding single points of failure, ensuring fallback arrangements and maintaining diversity in rails, providers and technologies. What looks inefficient in normal times may be valuable redundancy in a crisis.

This also gives practical meaning to European strategic autonomy. It does not mean isolation; it means credible European capabilities, international cooperation and sufficient alternatives when conditions deteriorate.

The future of money should not be built around a single solution. We need a layered ecosystem: central bank money, commercial bank money, instant payments, card

payments, cash and potentially digital central bank money - each contributing to trust and continuity.

We usually focus on payment systems only when they do not work. When they fail, we see that they are not just technical networks; they are part of the infrastructure of trust.

Third, renewal. Innovation must be enabled, but within a strong public framework. Renewal is necessary because the system surrounding money is changing. Central banks should not try to preserve the past unchanged.

Digital currencies, tokenised assets and deposits, smart contracts and new settlement architectures can shorten settlement times, improve transparency and make cross-border transactions more efficient. But innovation in money and finance is different: if money or core payment infrastructures fail, the consequences become systemic.

That is why principles must come first. Money must remain uniform: one euro should be one euro, regardless of issuer, platform or technology. Settlement must be final and robust, systems operationally resilient, privacy and integrity protected, and innovation supportive of inclusion.

AI illustrates the same point. It can improve analysis, supervision and risk management, but also amplify vulnerabilities if models are opaque or behaviour becomes more uniform. Central banks need to understand these technologies, use them responsibly and remember that innovation can improve the system, but cannot replace accountability and judgement.

Let me conclude.

The future of money will not be determined by technology alone. It will be shaped by technology, institutions and public trust.

From our perspective, the priorities are clear: maintain price stability, preserve central bank money as the anchor, ensure that payments work in all circumstances, and enable innovation within a strong public framework.

Money will, without doubt, become more digital. The real question is whether it remains safe, uniform and trusted. That is why central banks remain indispensable: technology can change the form of money, but we must safeguard the trust that makes money work.

Thank you.