

Central Bank Operations



III. Central Bank Operations

1. Overview

For the year 2020, the coronavirus pandemic caused the global economy to deteriorate drastically. To mitigate pandemic-induced impacts on domestic economic activity and the labor market and to safeguard against the adverse implications of massive cross-border capital flows for financial stability, the Bank reduced the policy rates by 25 basis points in March.

In addition, to help SMEs to get through financial distress, the Bank rolled out a special accommodation facility to support bank credit to SMEs, effective from April 2020. This special facility aimed to help alleviate financial burdens on SMEs, sustain businesses, retain jobs, and protect paychecks.

In the meantime, in order to promote financial stability and sound banking operations and to preclude an inordinately high flow of bank credit into the real estate sector, the Bank reinforced previous efforts of targeted prudential measures on real estate lending by enacting the amended (and renamed) *Regulations Governing the Extension of Mortgage Loans by Financial Institutions*, which took effect on December 8, 2020. This action served as a part of the policy efforts to promote "efficient allocation and proper use of credit resources" under the government's "Program to Foster a Sound Real Estate Market."

In response to economic and financial conditions, the Bank continued to conduct open market operations by issuing CDs to manage market liquidity, maintain reserve money at appropriate levels, and sustain steady growth in monetary aggregates. For the year as a whole, reserve money and the monetary aggregate M2 posted year-on-year growth of 8.59% and 5.84%, respectively. Both readings were higher than the GDP growth rate of 3.11% over the same period, indicating sufficient market liquidity to support economic activity.

In the foreign exchange (FX) market, developments such as the spread of the coronavirus pandemic, the spillover effects of continued monetary easing by major central banks, and the significant repatriation of offshore funds by Taiwanese firms resulted in greater volatility in the NT dollar exchange rate. The Bank, in line with its statutory mandates, stepped in as warranted to sustain dynamic stability of the NT dollar and conducted symmetrical smoothing operations, with a net buying of US\$39.1 billion for the year. In 2020, compared with other major currencies (including the Singapore dollar, the euro, and the Korean won), the NT dollar experienced lower volatility in its exchange rate vis-à-vis the US dollar. Moreover, in addition to approving more bank branches as authorized FX banks, the Bank reviewed the laws and regulations governing FX business as seen fit so as to facilitate authorized FX banks' competitiveness and service quality.

In order to ensure business continuity of the payment and settlement systems and maintain sound operation of domestic financial infrastructure amid the COVID-19 pandemic, the Bank urged financial institutions to take precautionary measures in case of pandemic-related contingencies. Furthermore, the Bank required the Financial Information Service Co., Ltd. to assist financial institutions in reinforcing mobile payment infrastructure.

Meanwhile, in response to the evolving trend of digital payment innovations, the Bank's task force on central bank digital currencies (CBDCs) continued its efforts and completed technical research on the feasibility of a wholesale CBDC in June 2020. Later, the Bank moved on to the second phase with a proof-of-concept study on a general purpose CBDC in September that would run for two years with a rolling review depending on the progress and international trends.

To assist domestically-oriented service industries to weather the pandemic and encourage consumption, the government rolled out the Triple Stimulus Voucher program, effective from July 15, 2020. The Central Engraving and Printing Plant, a subsidiary of the Bank, was instructed by the government to design the vouchers in mid-May and later completed the production of 22 million sets of paper vouchers in late July. Through this program, the Bank made a concerted effort in helping stimulate domestic consumption.

2. Monetary Management

Lowering Policy Rates to Bolster Economic Growth

For the year 2020, the spread of the COVID-19 pandemic plunged the global economy into a severe contraction. To mitigate pandemic-induced impacts on the domestic economy and on employment, and to preempt the adverse implications of massive cross-border capital flows for financial stability, the Bank announced a policy rate cut in March. The discount rate, the rate on refinancing of secured loans, and the rate on temporary accommodations were reduced by 0.25 percentage points to 1.125%, 1.5%, and 3.375%, respectively, effective March 20, 2020.

Conducting Open Market Operations to Ensure Stable Growth of Monetary Aggregates

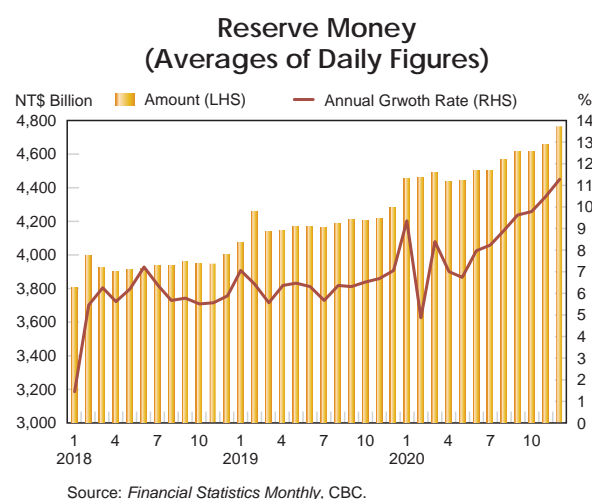
In 2020, the Bank managed market liquidity through open market operations by issuing CDs in response to domestic economic and financial conditions, which helped maintain reserve money, monetary aggregates, and the overnight call loan rate at appropriate levels.

(1) Managing Market Liquidity

The Bank continued to conduct open market operations by issuing CDs. At the end of the year, the total outstanding amount of CDs issued by the Bank was NT\$9,168 billion.

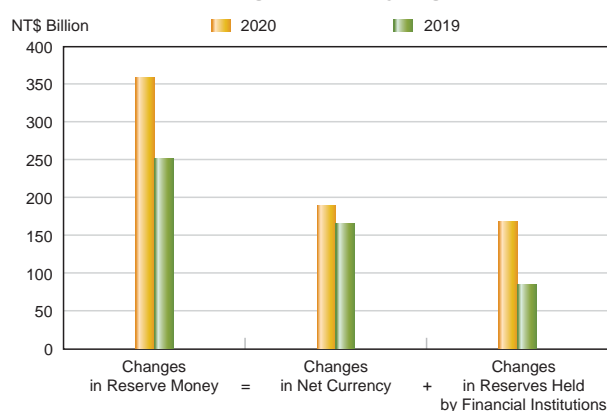
(2) Higher Growth in Reserve Money

Reserve money grew at a faster pace of 8.59% for the year 2020, 2.17 percentage points higher than the previous year's figure. In terms of the monthly movements of reserve money, the annual growth rates of reserve money for January and February are often more volatile as the exact timing of the Lunar New Year holidays shifts on the Gregorian calendar each year. In 2020, reserve money posted an annual growth rate of 7.08% during this period. Afterwards, the annual growth rate hit a yearly low of 6.75% in May, mainly because of net foreign capital outflows. Demand for funds increased with a domestic economic recovery from June onwards, and banks' demand for reserves rose with net foreign capital inflows from October. The annual growth rates of reserve money continued to rise in subsequent months and reached a yearly high of 11.34% in December.



On the demand side, reserve money, measured on a daily average basis, increased by NT\$360 billion over the previous year. Of the components, net currency increased by NT\$190 billion and the annual growth rate rose to 9.17% from 8.77% the previous year; reserves held by financial institutions expanded by NT\$170 billion, with the annual growth rate trending up to 8.02% from 4.02% the previous year. Currency held by the non-bank public grew moderately because the Bank's policy rate cut in March led the interest rates paid on bank deposits lower, enhancing the willingness to hold currency in hand. Meanwhile, the overall growth rate of banks' reserves increased compared to the previous year as higher growth in transaction deposits raised banks' demand for reserves.

**Changes in Reserve Money
(Averages of Daily Figures)**



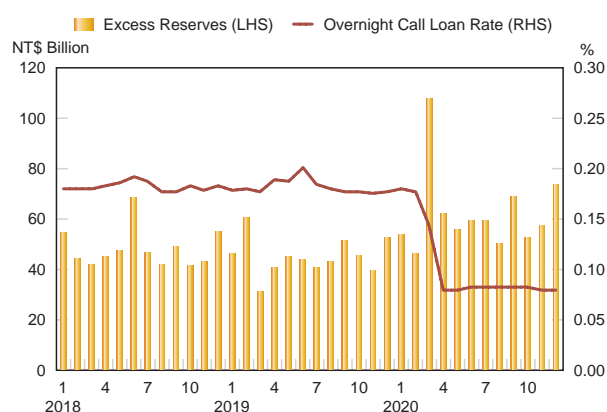
Source: *Financial Statistics Monthly*, CBC.

From the supply side perspective, reserve money increased by NT\$538 billion at the end of the year. According to the balance sheet of the Bank, which revealed the sources of changes in reserve money, the increase was mostly attributable to the growth in foreign assets held by the Bank and expanded claims on financial institutions, whereas the decrease was due to the Bank's issuance of CDs.

(3) Overnight Call Loan Rate Broadly Stable

In 2020, the Bank continued to conduct open market operations to maintain excess reserves and the overnight call loan rate at appropriate levels in the midst of the COVID-19 pandemic. In response to the pandemic, the Bank adjusted the issuance frequency of 7-day, 91-day, and 182-day NCDs and ceased to issue 14-day NCDs from April onwards to strengthen the effect of the NCD rates on the market rates. The annual average excess reserves of financial institutions reached NT\$63 billion, higher than the NT\$45 billion of the previous year. The annual average overnight call loan rate was at 0.180% before the policy rate cut in March, after which the overnight call loan rate stayed broadly stable

**Excess Reserves and
Overnight Call Loan Rate**



Source: *Financial Statistics Monthly*, CBC.

at around 0.080%.

(4) Conducting Regular Small-Scale Repo Operations

To improve operational readiness and ensure resilience of the open market operations, the Bank started conducting small-scale test repo operations with the counterparties from April onwards.

(5) Continuous Growth in Monetary Aggregates

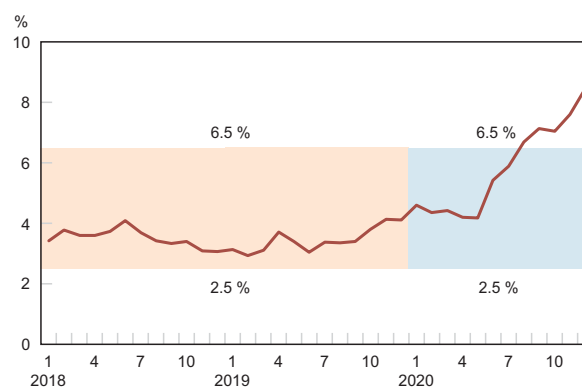
The M2 growth reference range for 2020 was set at 2.5% to 6.5%. For the year as a whole, M2 registered an annual growth rate of 5.84%, up by 2.38 percentage points from the previous year.

With regard to the monthly movements in 2020, net foreign capital inflows brought the M2 growth rate up to 4.60% in January. Later, it slipped to 4.35% in February owing to net foreign capital outflows. In March, despite an increase in net foreign capital outflows, faster growth in bank loans and investments brought the M2 growth rate up to 4.42%. Afterwards, continuous net foreign capital outflows dragged M2 growth down to its yearly low of 4.18% in May.

From June onwards, despite slower growth in foreign currency deposits sending the M2 growth rate down in October, net foreign capital inflows and stronger expansion in bank loans and investments led the M2 growth rate to display a steady uptrend and reached a yearly high of 8.45% in December.

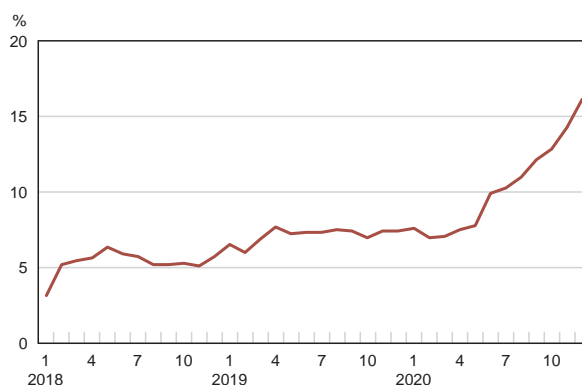
The annual growth rate of the monetary aggregate M1B, measured on a daily average basis, went up by 3.19 percentage points to 10.34% in 2020. The rise in M1B growth was primarily due to greater demand for funds amid a steady recovery in the domestic economy in the second half of the year, and an increase in transaction deposits accompanied by a booming stock market.

Annual Growth Rate of M2



Source: Financial Statistics Monthly, CBC.

Annual Growth Rate of M1B



Source: Financial Statistics Monthly, CBC.

As for the monthly movements, the annual growth rate of M1B registered 7.61% in January, and then was dragged down to the yearly low of 7.00% in February owing to a higher base effect with the Lunar New Year holidays falling in February 2019 and net foreign capital outflows. Driven by mild growth in bank loans and investments, the M1B growth rate slightly rose to 7.02% in March. Afterwards, with lower interest rates on time deposits leading to a buoyant stock market and an increase in transaction deposits, the M1B growth rate trended up steadily and reached an all-year high of 16.17% in December.

Launching a Special Accommodation Facility to Support Bank Credit to SMEs

In view of the economic impacts of the pandemic, the government introduced relief loan programs both for enterprises and for workers. The Bank also launched a special accommodation facility in March in order to enhance funding access for the SMEs. At the end of 2020, banks had received 195,075 applications with the amount totaling NT\$248.8 billion. As a result, the annual growth rate of SME loans extended by domestic banks rose considerably to 13.26% at the end of December.

Amending Targeted Macroprudential Measures Governing Real Estate Loans

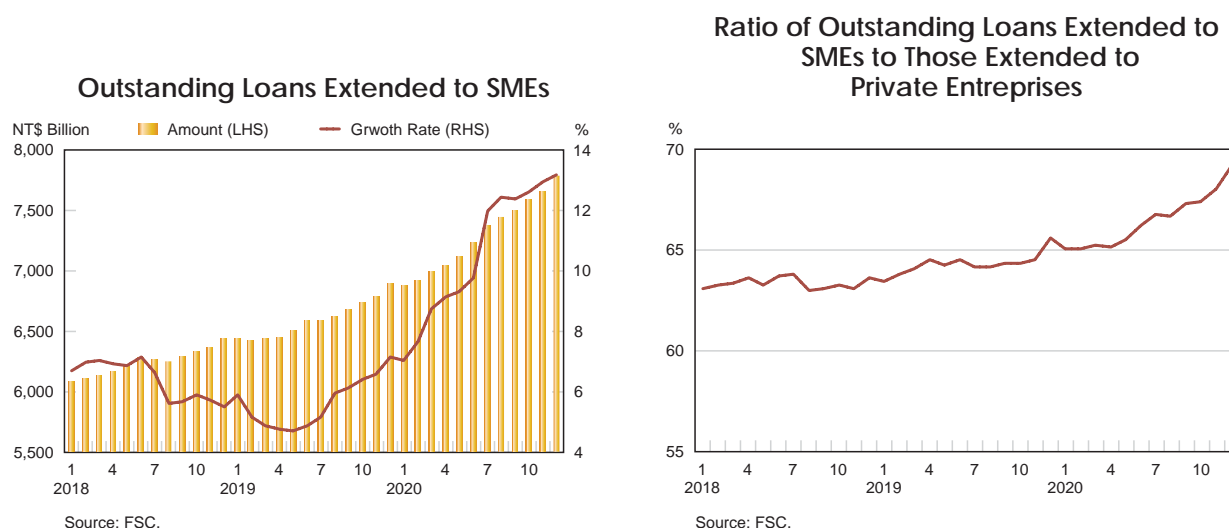
For the year 2020, to promote financial stability and sound banking operations by precluding an excessive flow of bank credit into the real estate market, the Bank adopted the following macroprudential policies:

- (1) In November, the Bank used moral suasion at meetings with major mortgage lenders and carried out on-site inspections. Meanwhile, the Bank issued official letters to financial institutions, requiring them to enhance risk management of housing loans and cautioning them against channeling excessive credit into the real estate sector.
- (2) The Bank made several amendments to the *Regulations Governing the Extension of Mortgage Loans by Financial Institutions*, effective December 8, 2020. In addition to keeping the loan-to-value (LTV) ratio capped at 60% on high-value housing loans, the Bank introduced additional LTV ratio caps on housing loans taken out by corporate entities, on the third (or more) housing loans by natural persons, on land loans, and on loans for unsold newly-built homes.
- (3) The Bank held meetings twice with major mortgage lenders in December, advising them to exercise caution in granting loans against land in industrial areas and to continuously practice self-discipline so as to prevent credit resources from being used for land hoarding or speculation in these areas.

Facilitating SME Funding

To sufficiently meet the funding needs of SMEs, the FSC continued to encourage lending by domestic banks to SMEs, while the Bank also urged commercial banks to increase lending to SMEs.

At the end of 2020, the outstanding loans extended to SMEs by domestic banks amounted to NT\$7,812 billion, increasing by NT\$915 billion from the end of the previous year and far exceeding the annual target of increased lending of NT\$300 billion set by the competent authorities. Outstanding SME loans recorded an annual growth rate of 13.26% at the end of 2020, higher than the 7.14% at the end of 2019. Furthermore, the ratio of SME loans to loans extended to all private enterprises rose slightly from 65.61% at the previous year end to 69.08% at the end of 2020.



Accepting Redeposits from Financial Institutions

Accepting redeposits from Chunghwa Post, the Agricultural Bank of Taiwan, and commercial banks is another instrument for the Bank to influence banks' reserve positions in order to promote financial stability. At the end of 2020, the outstanding redeposits of Chunghwa Post stayed broadly unchanged at NT\$1,624 billion, while the outstanding redeposits of the Agricultural Bank of Taiwan and of commercial banks were NT\$165 billion and NT\$354 billion, respectively.

Box

The Bank's Special Accommodation Facility to Help SMEs Affected by the Pandemic

As the COVID-19 outbreak quickly spread worldwide in the first few months of 2020 and battered the global economy, some industry sectors in Taiwan also took a hit from the impact. Given the importance of SMEs, which made up 98% of enterprises nationwide and 80% of the employed population,¹ their financial distress could have had adverse implications for the domestic economy and the labor market.

In order to help them stay afloat, the Bank implemented the Special Accommodation Facility to Support Bank Credit to SMEs ("the Facility"), effective April 1, 2020. The Facility would provide banks with additional funds so that they may, via secured loans backed by the government's Small and Medium Enterprise Credit Guarantee Fund of Taiwan (Taiwan SMEG), support the credit needs of the SMEs.

I. Introduction to the Facility

1. The legal foundation

- (1) Pursuant to Article 19 of *The Central Bank of the Republic of China (Taiwan) Act*, the Bank may provide accommodations to banks. Accordingly, the *Directions for the Central Bank of the Republic of China (Taiwan) Accommodations to Banks* (hereinafter the *Directions*) were promulgated.
- (2) With the aim of mitigating the pandemic-induced impacts on the macro-economy, the Bank considered it an imperative to help the SMEs through the difficulties by facilitating their access to funds under more preferential terms. Therefore, the *Directions* were also amended as follows, effective April 1:
 - A. Regarding Direction 14: The scope of the Bank's refinancing of secured loans for banks is expanded;
 - B. Regarding Direction 15: A set of operating rules are formulated in regard to banks' applications for the Bank's refinancing of secured loans;
 - C. Regarding Direction 17: The Facility's interest rate may be marked down from the Bank's interest rate on secured loan refinancing.

2. Key points of the Facility

The Bank's Facility provides banks with low-interest accommodations charged at 0.1% to help them offer SMEs loans under preferential terms. Then, based on the classes of collateral

¹ Small and Medium Enterprise Administration, Ministry of Economic Affairs, R.O.C. (2019), *White Paper on Small and Medium Enterprises in Taiwan, 2019*.

and types of applicants, the Facility offers three programs of different credit lines and durations for loans extended by financial institutions to applicable businesses.

The Bank's Special Accommodation Facility to Support Bank Credit to SMEs

Interest rate	The Bank's rate on refinancing of secured loans (1.5%) minus 1.4 percentage points; currently at 0.1%
Total amount	NT\$300 billion
Expiry date (with duration up to 360 days)	For applications prior to Aug. 9, 2020: until Mar. 27, 2021
	For applications between Aug. 10, 2020 and January 4, 2021: until June 30, 2021
	For applications after January 5, 2021: until Dec. 30, 2021

Source: Department of Banking, CBC.

SME Relief Lending under the Bank's Special Accommodation Facility

Loan type	Secured loans to the SMEs affected by the COVID-19 pandemic as assessed by banks receiving applications			
Loan purpose	To support business operations of the SMEs affected by the pandemic			
Eligible borrowers and loan terms	Program	A	B	C
	Borrower	SME*	SME*	Small-scale business entity**
	Guarantee/ Collateral	At least 90% guarantees covered by Taiwan SMEG	Other collateral (including at least 80% guarantees covered by Taiwan SMEG)	100% guarantees covered by Taiwan SMEG
	Amount	Up to NT\$4 million	Up to NT\$16 million	Up to NT\$0.5 million
	Interest rate	Capped at 1%	Capped at 1.5%	Capped at 1%
	Application time frame	2020.4.1-2021.6.30	2020.4.1-2021.6.30	2020.4.20-2021.6.30
	*SME: A domestic business entity with proper company registration, business registration, limited partnership registration, or taxation registration, and whose paid-in capital is no more than NT\$100 million or which hires fewer than 200 regular employees may apply for loans under Program A or B. **Small-scale business entity: A business entity with proper taxation registration and whose monthly sales amount (in any month since from January 2020) does not reach the threshold for using uniform invoices may apply for loans under Program A, B or C.			
Others	SMEs which take out loans under this Facility could also apply for other credit support measures implemented by the government.			

Source: Department of Banking, CBC.

II. Implementation of the Facility

1. Number and loan amount of applications

Between April 1, 2020 and December 31, 2020, banks have received more than 190 thousand applications, with 97.5% of them approved, and the total amount of applications exceeded

NT\$240 billion, with 95.8% of them granted, representing an effective effort to help the affected SMEs obtain the needed working capital.

Implementation of the Special Accommodation Facility (As of Dec. 31, 2020)

		Program A	Program B	Program C	Total
Applications	Number of cases	42,592	29,745	122,738	195,075
	Amount (NT\$ billion)	75.1	115.1	58.6	248.8
Cases approved	Number of cases	41,493	28,887	119,883	190,263
	Amount (NT\$ billion)	72.3	109.3	56.7	238.3

Source: Department of Banking, CBC.

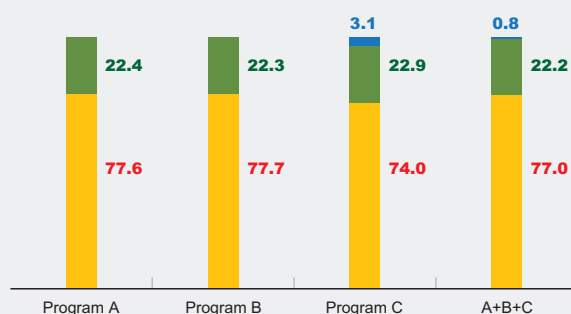
2. Implementation by type of financial institution

Among the applications, 77% of the amount went to government-owned banks² and 22.2% to private banks, while community financial institutions, extending such loans only via program C, made up a relatively small share of 0.8%.

Facility Implementation by type of financial institution (as of 2020/12/31)

Amount of loan applications

■ government-owned banks
 ■ private banks
 ■ community fin. institutions
 Unit: %

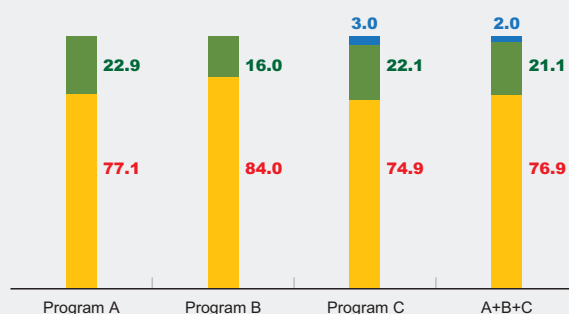


Note: The respective shares represent the amount of applications received by that type of financial institutions as a percentage of the total amount of applications to all financial institutions.

Source: Department of Banking, CBC.

Number of applications

■ government-owned banks
 ■ private banks
 ■ community fin. institutions
 Unit: %



Note: The respective shares represent the number of applications received by that type of financial institutions as a percentage of the total number of applications to all financial institutions.

Source: Department of Banking, CBC.

² Referring to domestic banks with full or partial government ownership.

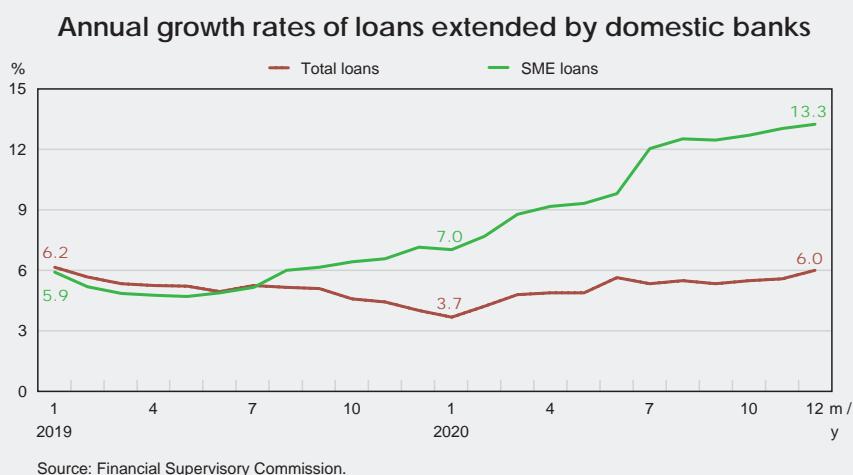
III. The Bank conducts a rolling review of the Facility as warranted by pandemic developments and corporate needs

When carrying out the Facility, the Bank has kept a close watch on the pandemic and the funding needs of SMEs. With a rolling review, the Bank made the following adjustments to the Facility: the amount of the Facility's accommodations was expanded from a total of NT\$200 billion to NT\$300 billion; the deadline for SMEs to apply for credit support was extended from Dec. 31, 2020 to June 30, 2021, and such loans that lenders approved on or after January 5, 2021 would continue to enjoy the facility's preferential interest rates until December 31, 2021. A longer duration for SMEs in need of assistance to enjoy the Facility's preferential interest rates would help lower the funding cost and support them in overcoming financial difficulties.

IV. Effective implementation of the Facility has helped ease the pandemic's economic impact and stabilize the financial system

1. SME lending rose markedly

As of the end of December 2020, domestic banks' lending to SMEs increased by 13.3% year on year, higher than the 6.0% annual increase of total lending. The Bank continued urging banks to reinforce their SME support under the Facility, thus effectively reducing the pandemic's impact on employment and the economy.



2. SMEG guarantee supported banks' role as financial intermediaries and buttressed asset quality

Loans extended by banks under the Facility are backed by the government's Taiwan SMEG. This not only boosts banks' confidence and interest in lending to SMEs but also could mitigate credit risk to banks. As of the end of December 2020, the non-performing ratio of SME loans extended by domestic banks stood at 0.34%, lower than the average ratio of 0.41% of the previous year.

3. By incorporating community financial institutions, the Facility is able to increase its reach and help more businesses

Some small businesses mostly go to credit cooperatives or credit departments of farmers' and fishermen's associations for banking services. By incorporating these community financial institutions, the Facility could also provide working capital assistance to this swath of business entities affected by the pandemic, helping 3,818 of them via this channel and a total of more than 190 thousand small-scale business entities through Program C, as of December 31, 2020.

3. Foreign Exchange Management

Taiwan is a small open economy which adopts a managed float exchange rate regime. Under the regime, the NT dollar exchange rate is in principle determined by market forces. In the event of excessive exchange rate volatility, the Bank would conduct "leaning against the wind" operations to stave off adverse implications for economic and financial stability. The Bank continues employing a flexible exchange rate policy and maintaining the dynamic stability of the NT dollar exchange rate. The Bank is also committed to facilitating the order and development of the foreign exchange market.

Promoting the Sound Development of the Foreign Exchange Market

Owing to the global coronavirus pandemic in 2020, major central banks conducted expansionary monetary policies, creating huge spillover effects. Coupled with repatriation of offshore funds by overseas Taiwanese firms, there were huge fluctuations of the NT dollar exchange rate vis-à-vis the US dollar. The Bank therefore stepped into the foreign exchange market through two-way interventions to maintain dynamic stability of the NT dollar exchange rate. For the year as a whole, net purchases of foreign exchange by the Bank amounted to US\$39.1 billion. The NT dollar exchange rate against the US dollar remained more stable than the Singapore dollar, the euro, the Japanese yen, and the Korean won.

In 2020, the Bank continued to implement the Real-Time Reporting System for Large-Amount Foreign Exchange Transactions to maintain an orderly market. Moreover, reinforced examination efforts were made to ensure that forward transactions were based only on actual transactions. The Bank also urged authorized banks to enhance their exchange rate risk management in order to reduce market exposure of individual banks and to contain systemic risk. The Bank continued to strengthen targeted examination on foreign exchange business to help ensure a sound foreign exchange market.

Foreign Currency Call Loan and Swap Market Management

In order to provide the financial system with sufficient foreign currency liquidity to meet funding needs, including those for corporations to venture into overseas markets, the Bank appropriated seed capital for the Taipei Foreign Currency Call Loan Market, including US\$20 billion, €1 billion and ¥80 billion.

Furthermore, through foreign currency call loans and swaps conducted by authorized foreign exchange banks, the Bank continued to support corporations and insurance companies by meeting the needs for foreign currency liquidity and exchange rate hedging.

Foreign Exchange Reserve Management and Foreign Currency Liquidity of the Bank

The Bank manages its foreign exchange reserves based on the considerations of liquidity, safety, and profitability. The Bank keeps watch on the global economic and financial situation and adjusts foreign exchange reserves as warranted. Currently, US dollar assets make up a larger share in Taiwan's foreign exchange reserves than the COFER (Currency Composition of Official Foreign exchange Reserves) average published by the IMF. As of the end of 2020, Taiwan's total foreign exchange reserves stood at US\$529.9 billion with an increase of US\$51.8 billion or 10.8% compared to the end of 2019, mainly attributable to returns from foreign exchange reserve investments. Combining the reserves held in gold valued at US\$5.4 billion, the Bank's reserves assets totaled US\$535.3 billion at the end of the year.

While foreign exchange reserves are the Bank's foreign currency claims on nonresidents, such claims on residents consist of US dollars held under swap agreements, foreign currency deposits with and loans to domestic banks, which amounted to US\$94.5 billion, US\$41.3 billion, and US\$7.5 billion, respectively, at the end of 2020.

In terms of foreign currency liquidity, the total amount, including foreign currency claims and gold, reached US\$685.7 billion at the end of 2020.

Capital Flow Management

In line with its efforts to promote financial liberalization and internationalization, the Bank's foreign exchange management mainly relies on the market mechanism and capital can, in principle, flow freely in and out of Taiwan. As of 2020, financial capital flows not involving NT dollar conversion have been able to flow freely. Additionally, there are no restrictions on financial flows involving NT dollar conversion for goods and service trade, nor for direct and securities investments approved by the competent authorities.

Regulation only exists for short-term remittances. Annual remittances for an individual resident within US\$5 million and for a juridical person within US\$50 million can be settled by banks directly, while annual remittances above the aforementioned amounts require the approval of the Bank. Each transaction for a nonresident within US\$0.1 million can be settled by banks directly, whereas any transaction amount above that threshold requires the approval of the Bank. Measures with regard to the management of capital flows in 2020 included:

(1) Promoting the Internationalization of Taiwan's Capital Market

In 2020, cases of fund-raising by domestic and foreign institutions through bond issuance, approved by or filed for record to the Bank, are shown in the following table.

Fund-Raising by Domestic and Foreign Institutions in 2020

Institution	Method	Number	Amount
Foreign companies	IPO on TWSE & TPEx and registration on the Emerging Stock Board	17	NTD 25.63 billion
	NTD convertible bonds	17	NTD 8.85 billion
	Foreign currency-denominated bonds	48 11 5	USD 55.7 billion RMB 17.11 billion ZAR 4.09 billion
	NTD-denominated bonds	1	NTD 15 billion
	Overseas convertible bonds	1	USD 0.5 billion
Domestic companies (and domestic branches)	Overseas convertible bonds	4	USD 1.16 billion

Note: TWSE stands for the Taiwan Stock Exchange; TPEx stands for the Taipei Exchange.
Source: Department of Foreign Exchange, CBC.

(2) Approving Residents' Investments in Foreign Securities

CBC-Approved Residents' investments in Foreign Securities in 2020

Institution	Method/Instrument	Amount
Securities investment trust companies (SITEs)	86 domestic SITE funds (including 56 NTD-foreign multiple currency SITE funds)	NTD 1,714.3 billion (including multiple currency funds 1,185.5 billion)
	3 SITE private funds	NTD 4.2 billion
	5 domestic futures trust funds for unspecified persons	NTD 100 billion
Life insurance companies	Non-discretionary money trusts managed by financial institutions	USD 0.65 billion
	Investment for their own accounts	USD 0.52 billion
Five major government pension funds and employment insurance funds	Investment for their own accounts	USD 3.74 billion

Source: Department of Foreign Exchange, CBC.

Management of Foreign Exchange Business of Financial Institutions

(1) Authorized foreign exchange banks

Pursuant to *The Central Bank of the Republic of China (Taiwan) Act* and the *Foreign Exchange Regulation Act*, the Bank reviews, authorizes and supervises banks to conduct foreign exchange

business accordingly. In 2020, the Bank continued to approve bank branches as authorized foreign exchange banks and loosened restrictions on foreign exchange derivative product business in order to facilitate authorized foreign exchange banks' competitiveness and service quality. Major developments in 2020 were as follows.

At the end of 2020, there were 3,465 authorized foreign exchange banks in total, which included 37 head offices and 3,390 branches of domestic banks, 35 branches of foreign banks, 3 branches of Mainland Chinese banks, as well as 4,651 authorized money exchangers, post offices, and financial institutions authorized to engage in basic foreign exchange business.

The Bank announced on December 28, 2020, that it would amend the *Regulations Governing Foreign Exchange Business of Banking Enterprises* to simplify procedures and qualifications for commercial banks to apply to become authorized foreign exchange banks. Restrictions were relaxed for authorized banks to issue foreign currency bank debentures linked to derivatives or structured notes.

(2) Insurance Companies

As of the end of 2020, the numbers of insurance companies allowed to engage in traditional and in investment-linked foreign currency insurance business were both 21. The foreign currency premium revenue increased by US\$2.47 billion, or 7.7%, from the previous year to US\$34.41 billion in 2020.

(3) Securities Firms

In 2020, approved cases for securities firms to conduct foreign exchange business were as follows.

Approved Cases for Securities Firms to Conduct Foreign Exchange Business in 2020

Foreign Exchange Business	Number
Agents for foreign bond trading	1
Proprietary foreign securities trading neither belonging to investment with their own funds nor for hedging needs	1
Foreign currency spot exchange transactions	1
Accepting orders to trade foreign securities	1
Structured notes linked to foreign financial products	1
Issuance of exchange trade notes tracking underlying foreign indices	1

Source: Department of Foreign Exchange, CBC.

(4) Investment Trust/Consulting Firms, and Futures Firms

The approved cases granted by the Bank for investment trust and investment consulting firms and futures firms to conduct foreign exchange business as of 2020 are shown in the following table.

Approved Cases for Investment Trust/Consulting Firms and Futures Firms to Conduct Foreign Exchange Business in 2020

Institution	Foreign Exchange Business	Number
Investment trust and investment consulting firms	Serving as mandated institutions of private offshore funds	4
	Foreign currency discretionary investments in foreign securities	4
Futures and leveraged dealers	Foreign exchange margin trading	1
	Business engaged in gold or crude oil contracts for difference trading	3

Source: Department of Foreign Exchange, CBC.

Foreign Currency Clearing Platform

Taiwan's foreign currency clearing platform was consigned by the Bank and established by the Financial Information Service Co. The platform offers services for domestic and cross-border (including cross-strait) remittances of the renminbi and the Japanese yen, and domestic remittances of the US dollar, the euro, and the Australian dollar. The platform adopts a payment-versus-payment (PVP) mechanism among banks, a liquidity-saving mechanism for foreign currency remittances, and a delivery-versus-payment (DVP) mechanism for foreign currency bonds and bills. It has continued to function smoothly since its inauguration in 2013.

Domestic Development of Foreign Currency Settlement Business in 2020

Currency	Domestic Participating Units	Settlements in 2020	
		Transactions	Amount
US dollar	69	1,185,559	USD2,002.3 billion
Renminbi	61	300,719	RMB 504.2 billion
Yen	39	29,922	JPY 997 billion
Euro	39	18,225	EUR 4.8 billion
Australian dollar	29	21,439	AUD 1.2 billion

Source: Department of Foreign Exchange, CBC.

Offshore Banking

In line with the measures and policies adopted by the Financial Supervisory Commission, the Bank allowed OBUs to accept domestic juridical persons' opening of foreign currency credit accounts for international fund transfer. The Bank also relaxed regulations on OBUs and offshore securities units (OSUs), allowing them to provide more diversified financial services and products to high-net-wealth customers so as to further promote the quality of wealth management services.

(1) OBUs

At the end of 2020, the number of OBUs came to 59, and total OBU assets increased by US\$17.6 billion, or 7.9%, over the previous year to US\$239.46 billion. The net income after tax of all OBUs amounted to US\$3.53 billion, increasing by US\$0.32 billion, or 9.9%, from a year before.

(2) OSUs

At the end of 2020, the number of OSUs stood at 19, and total OSU assets reached US\$5.81 billion, a decrease of US\$0.36 billion or 5.8%. Nevertheless, the net income after tax of the business increased by US\$33.7 million, or 22.5%, to US\$183.9 million for 2020.

(3) Offshore Insurance Units (OIUs)

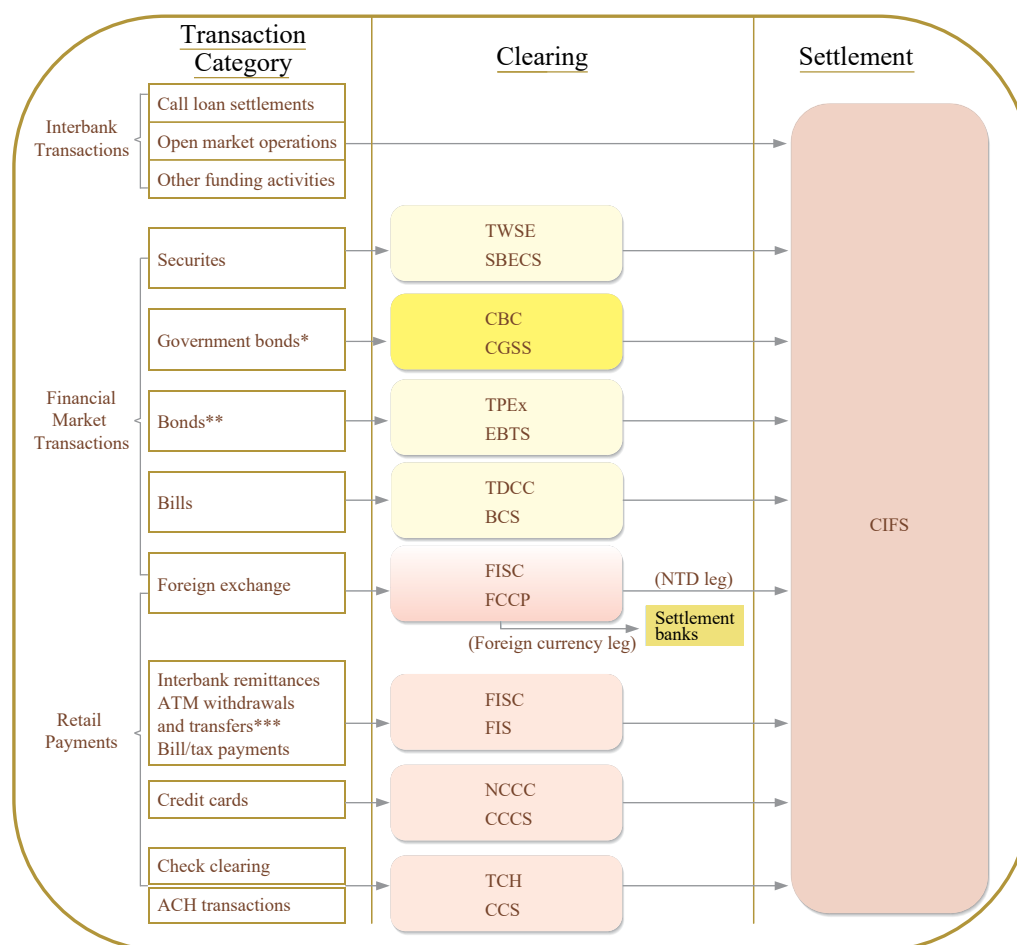
As of the end of 2020, the number of OIUs was 20, with a total amount of assets of US\$0.99 billion, which was US\$47 million or 5.0% more than the previous year end. The net income after tax of all OIUs was US\$2.4 million, an increase by US\$2.60 million from 2019.

4. Payment and Settlement Systems

The Bank plays a crucial role in the functioning of Taiwan's payment and settlement systems, and operates the CBC Interbank Funds Transfer System (CIFS) and the Central Government Securities Settlement System (CGSS).

The CIFS serves as the hub of Taiwan's payment and settlement systems, linking the interbank clearing systems operated by the Financial Information Service Co., Ltd. (FISC), the Taiwan Clearing House (TCH), the National Credit Card Center of R.O.C. (NCCC), the Taiwan Depository and Clearing Corporation (TDCC), the TPEX, and the TWSE, as well as the CGSS, together to construct a comprehensive system.

CIFS Settlement Services



Notes: * Including DVP settlements for interbank transactions of central government bonds and treasury bills.

** Including netting settlements for outright trades of government bonds, corporate bonds, and bank debentures.

*** Including those through online and mobile banking.

Source: CBC.

In addition, the Bank monitors major payment systems based on the *Principles for Financial Market Infrastructures* released by the Bank for International Settlements (BIS) to ensure sound operation of these systems and to promote stability of the financial system.

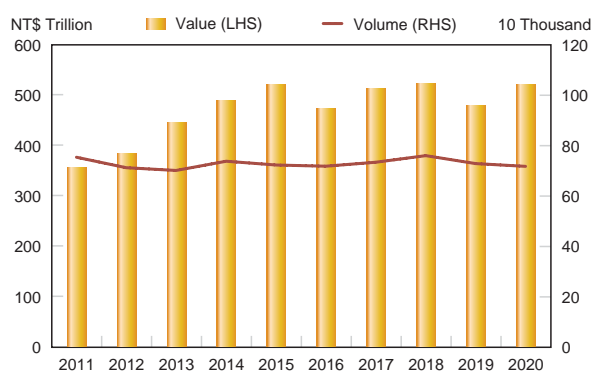
Operation of Payment and Settlement Systems

(1) Funds Transfers via the CIFS

As a large-value electronic funds transfer system, the CIFS not only deals with interbank funding, open market operations, and funds settlements in financial markets, but also provides interbank final settlement services for each clearing institution.

At the end of 2020, there were 82 participants of the CIFS, including 67 banks, eight bills finance companies, Chunghwa Post, and six clearing institutions, namely the FISC, the TCH, the TDCC, the TWSE, the TPEx, and the NCCC. In the year 2020, the number of transactions via the CIFS was 724,189, and the amount of funds transferred totaled NT\$505 trillion. Meanwhile, the daily average number of transactions via the CIFS was 2,897, decreasing by 2.26% over the previous year, whereas the daily average amount of funds transferred was NT\$2,019 billion, increasing by 3.36% from a year before⁸.

Transaction Value and Volume of the CIFS

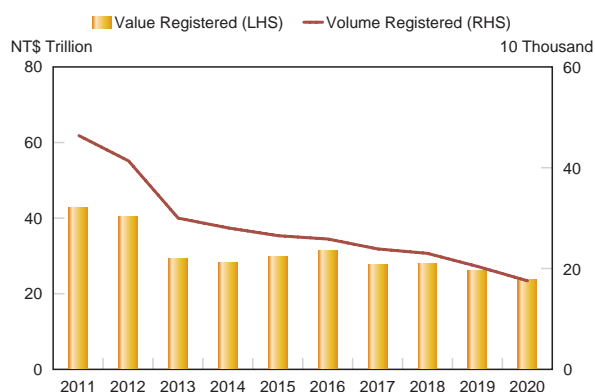


Source: Department of Banking, CBC.

(2) Transactions via the CGSS

Established in September 1997, the CGSS is a system for issuance, transfer, redemption, and interest payment of book-entry central government securities. Since its inception, central government bonds have been issued in book-entry form. In October 2001, treasury bills were included in this system and have been issued in book-entry form ever since.

Transaction Value and Volume of the CGSS



Source: Department of Treasury, CBC.

⁸ The average transaction volume decreased primarily owing to declines in call loan market transactions and securities market transactions. On the other hand, the average transaction value increased largely because of rises in interbank funds transfers and transactions in certificates of deposit.

Since April 2008, when the CGSS linked up with the CIFS, fund settlements, principal redemptions, and interest payments have been handled through the CIFS using a DVP mode. The DVP mode, promoted by the BIS, is an arrangement in a securities settlement system to ensure that securities delivery occurs at the same time as the funds transfer, effectively eliminating potential principal risk during the transaction process.

As of the end of 2020, there were 18 clearing banks with 1,676 branches that handled the registration of central government securities transfers. In 2020, this system processed 174,757 transfers with a total amount of NT\$23.7 trillion.

Oversight of Payment and Settlement Systems

To ensure sound operation of domestic payment and settlement systems and maintain their safety and efficiency, the Bank conducted the following oversight activities in 2020:

(1) Monitoring the Operation of the Large-Value Payment Systems

In 2020, the Bank continued to monitor the operation of the large-value payment systems. During the year, 16 applications for CIFS operation time extensions were filed by participating institutions because of system malfunctions or other contingencies. The Bank required these institutions to submit improvement reports.

(2) Requiring Payment Institutions to Submit Information on Electronic Payment Business

Payment system operators and electronic payment service providers were required by the Bank to submit information about their operations and activities with regard to electronic payments on a regular basis. Furthermore, the Bank kept close watch on the development of financial technology (fintech) and innovations in the payment industry.

(3) Supervising Contingency Drills Performed by Clearing Institutions

During 2020, the Bank supervised clearing institutions conducting testing of business continuity plans and remote backup operations in case of emergency. In November 2020, the Bank, in collaboration with participants of the CIFS, performed system-wide testing of the operating procedures in response to disruptions to system network connectivity.

(4) Performing Backup Drills with Clearing Banks

Since 2019, the Bank has supervised all clearing banks performing backup drills in the event of malfunction or line interruption of a CGSS participant's mainframe system annually. In December 2020, this drill was conducted successfully with 18 clearing banks.

(5) Organizing Conferences to Enhance Payment System Operation

The Bank invited the FSC and clearing institutions to jointly hold two conferences on “Promoting Sound Operation of the Payment Systems.” The conferences were convened separately by type of clearing institution. The May conference held for securities clearing institutions including the TDCC, the TPEx, and the TWSE was suspended because of the COVID-19 pandemic and replaced with report submission by the aforesaid institutions. The other meeting was held as scheduled in November and attended by payment clearing institutions including the FISC, the TCH, and the NCCC. The Bank urged clearing institutions to enhance business continuity planning, backup drills, and contingency reporting in response to the pandemic.

(6) Strengthening Liquidity Management of Internet-Only Banks

With the launch of internet-only banking, the Bank asked the FISC to help ensure the smooth operation of interbank settlements by urging internet-only banks to maintain sufficient funds in the Interbank Funds Transfer Guarantee Special Account⁹ opened with the Bank and by monitoring in real time the liquidity conditions in the Special Account.

Establishing Precautionary Measures for the Pandemic to Ensure Continuity of Payment and Settlement Services

To cope with the impacts of the COVID-19 pandemic, the Bank promulgated guidance for participating institutions of the CIFS and of the online network system for the Bank's open market operations in March 2020. The guidance included deploying key operational staff to work at a second (or more) office and strengthening remote backup systems and operational measures. Meanwhile, the Bank stipulated precautions for the CGSS operations, which were provided as guidance to ensure that all CGSS participants maintain business continuity by means of off-site working and other measures. As a whole, the domestic payment and settlement systems operated smoothly throughout the year without being disrupted by the pandemic.

Assisting in Providing Sound Mobile Payment Infrastructure for Financial Institutions

To foster the development of the digital economy, the Bank required the FISC to reinforce mobile payment infrastructure and advance information security to be in line with international standards and rules. To enhance user experience in mobile payments, the FISC collaborated with banks to introduce a new funds transfer service in September 2020, allowing users to transfer funds based on a payee's registered mobile phone number instead of a bank account number. As of the end of 2020, 13 banks had launched the service, and other banks may follow suit subsequently.

⁹ Authorized financial institutions may jointly open an Interbank Funds Transfer Guarantee Special Account with the Bank. The funds in the Special Account serve as guarantee for clearing individual interbank payments.

Initiating Research on a Retail CBDC

To explore the practicability of using distributed ledger technology (DLT) for the issuance of a CBDC, the Bank's CBDC research team cooperated with academia and completed a technical research report on the feasibility of a wholesale CBDC in June 2020. The results showed that DLT does not offer a better option than current centralized systems in terms of privacy protection, security, and performance of transaction processing. The Bank then moved on to the second phase with a proof-of-concept study on a general purpose CBDC in September that would run for two years with a rolling review depending on the progress and international trends.

5. Currency Issuance

For the year 2020, the Bank conducted currency issuance with a focus on maintaining an adequate supply of currency to meet public demand, which is dependent on domestic economic conditions, seasonal factors, and the development of noncash payment instruments. The Bank also issued commemorative coin sets to mark national events.

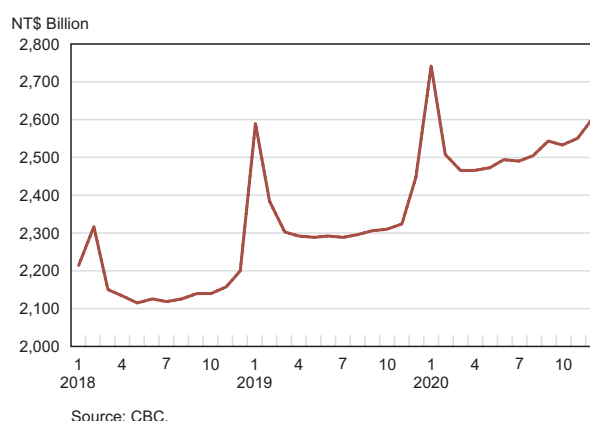
Furthermore, to mitigate the impact of the coronavirus pandemic, the Bank was instructed to design and print the Triple Stimulus Vouchers as part of government efforts to stimulate and revive the economy. Meanwhile, the Bank continued to promote public awareness of counterfeit deterrence and encourage the use of circulating currency through various channels.

Currency Issuance Increased to Meet Currency Demand

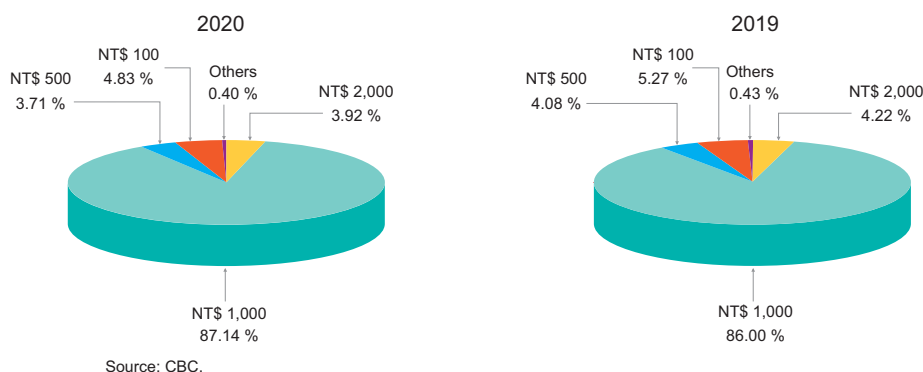
In 2020, the Bank provided an adequate amount of currency in response to currency demand. The currency issued peaked at NT\$2,793.2 billion on January 22, the last business day before the Lunar New Year holidays, reflecting a temporary seasonal surge in cash demand. At the year end, the outstanding amount of currency issued was NT\$2,604.5 billion, rising by NT\$157.2 billion or 6.42% over the previous year end.

By denomination, the composition of NT dollar banknotes in circulation at the end

Currency Issued



**Composition of NT Dollar Banknotes Issued
(Year-End Figures)**

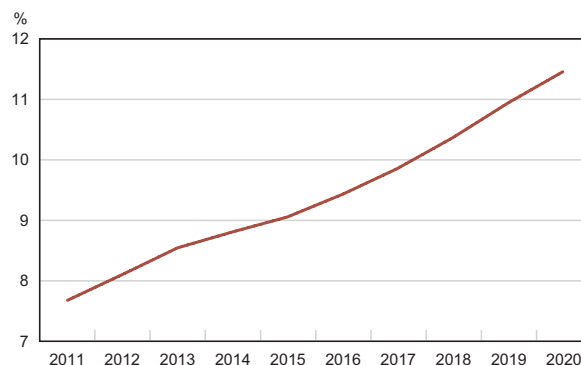


of 2020 was similar to the end of 2019. The majority of circulating banknotes went for the NT\$1,000 note with a share of 87.14%, followed by the NT\$100 and NT\$2,000 notes with shares of 4.83% and 3.92%, respectively.

Currency in Circulation to GDP Rose Steadily

As domestic interest rates stayed at relatively low levels and cash was still frequently used for small-value transactions, the public's demand for currency remained high. The ratio of currency in circulation to GDP has continued to rise steadily since 2011 and reached 11.45% in 2020, 0.49 percentage points higher than the 10.96% of the previous year.

The Ratio of Currency Held by the Public to GDP



Sources: 1. CBC.
2. DGBAS, Executive Yuan.

Three Commemorative Coin Sets Were Issued

The Bank may also issue gold and silver coins and commemorative notes and coins from time to time, such as for important ceremonies, national holidays, major international events or other significant national events. During 2020, the Bank issued a casting set of coins for the Chinese Zodiac Year of the Rat, the commemorative gold and silver coins for the inauguration of the Fifteenth President and Vice President of the Republic of China (Taiwan), and the ninth coin set of the National Parks of Taiwan series – South Penghu Marine National Park.

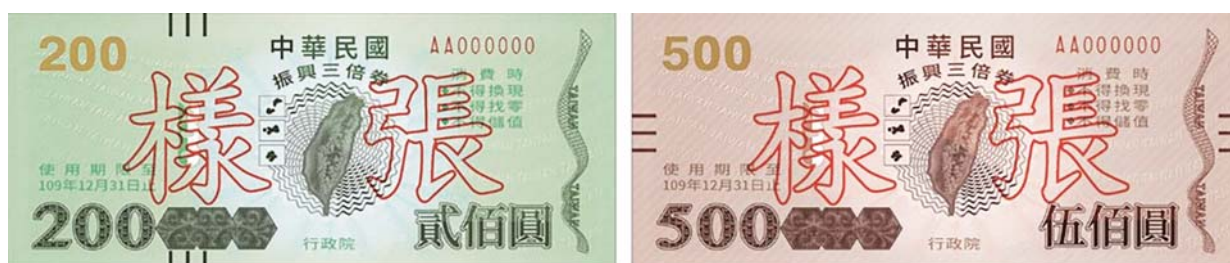


Source: CBC.

The Bank was Instructed to Print Triple Stimulus Vouchers to Assist Reviving Consumption

During 2020, in order to assist domestically-oriented service industries to weather the COVID-19 pandemic and encourage consumption, the government rolled out the Triple Stimulus Voucher program,¹⁰ effective from July 15. The Central Engraving and Printing Plant, a subsidiary of the Bank, was instructed by the government to design the vouchers with anti-counterfeiting techniques in mid-May, and later completed the production of 22 million sets of paper vouchers (each set containing four NT\$500 vouchers and five NT\$200 vouchers) on July 26.

Proof Copies of Triple Stimulus Vouchers



Source: CBC.

The Bank Continued to Encourage the Use of Circulating Currency and Raise Public Awareness of Counterfeit Money

In order to deter and prevent counterfeiting, reduce currency issuing costs, and protect the environment by maximizing existing resources, the Bank launched several advertising campaigns during the year to enhance public understanding on the security features of NT dollar notes and coins and to promote the use of circulating currency.

Meanwhile, the Bank strove to improve the cleanliness of currency by inspecting returned banknotes and destroying damaged ones. Efforts to urge the public to help maintain the cleanliness of circulating notes and coins continued in 2020.

Educational materials for these campaigns were provided through multiple channels. For example, relevant videos were broadcasted on media such as the Bank's website, the Virtual Money Museum, YouTube, and the Bank's official mobile app. Information was also posted on the Bank's Facebook fan page and displayed on public transportation. Leaflets were distributed to the public and relevant institutions.

¹⁰ Under the voucher program, consumers could purchase NT\$3,000 worth of vouchers for the price of NT\$1,000, with the government making up the NT\$2,000 difference. The vouchers were available to all 23 million Taiwanese nationals and approximately 150 thousand foreign spouses with residency permits in both physical and digital forms. Consumers could use the stimulus vouchers for dining, travel, leisure, or shopping expenses from July 15 through the end of 2020.

The Virtual Money Museum Website Was Upgraded

The Bank's Virtual Money Museum has been running smoothly since it came on line in June 2013. In response to increased use of mobile technologies and the needs of various platforms and devices, the Bank revamped the Virtual Money Museum website with "responsive web design" technique, and the updated version was launched in August 2020. This technique helped optimize the layout of the Virtual Money Museum and users' viewing experience across devices, from mobile phones to computers.

6. Fiscal Agency Functions

The Bank, as the fiscal agent of the government, provides services for the national treasury, including handling the treasury deposit account (TDA), managing central government agency deposit accounts, and undertaking the issuance, transfer and registration, redemption, and interest payment of central government bonds and treasury bills.

Managing the Treasury Deposit Account

The Bank manages the TDA on behalf of the Ministry of Finance, processing receipts and disbursements of the central government. In order to offer convenient services for government agencies and the general public, the Bank delegates the handling of treasury business to 14 financial institutions and their 367 branches, including three overseas branches located in New York, Los Angeles, and Paris. In addition, there are another 4,740 national tax collection agencies set in financial institutions. In 2020, the Bank received a total of NT\$3,933.2 billion in treasury deposits, increasing by NT\$398.7 billion or 11.28% from 2019. Payments made on behalf of the national treasury were NT\$3,937.8 billion, an increase of NT\$441.7 billion or 12.63% over the previous year. At the end of 2020, the TDA balance was NT\$53.4 billion, a decline of NT\$4.6 billion or 7.93% from the end of 2019.

Handling Central Government Agency Deposits

Central government agencies are required to make their deposits with the Bank or other delegated banks. At the end of 2020, the balance of central government agencies' deposits with the Bank amounted to NT\$183.4 billion, increasing by NT\$2.0 billion or 1.10% over the previous year. Deposits with other delegated banks were NT\$618.6 billion at the end of 2020, an increase of NT\$32.7 billion or 5.58%.

Increasing a Service Option to Deposit Bid Bonds into the TDA Online

To facilitate tenderers' depositing of bid bonds for central government procurement projects, the Bank, in cooperation with the Public Construction Commission of the Executive Yuan, the Ministry of Finance, and the Bank of Taiwan, established a mechanism to allow tenderers to deposit bid bonds into the TDA online. In this mechanism, the Bank's TDA was added to the options of receiving accounts for the online bid bonds payment service on the Government e-Procurement System. Central government agencies could make use of this mechanism as a convenient payment channel for tenderers when collecting bid bonds through designated accounts of which disbursements are made centrally from the TDA.

Managing Central Government Bonds

As a fiscal agent, the Bank provides services related to the issuance, transfer and registration, redemption, and interest payment of central government bonds. The Bank also conducts the auctions of central government bonds. There are 57 domestic dealers qualified to directly participate in the auctions, including 23 banks, 19 securities companies, eight bills finance companies, six insurance companies, and Chunghwa Post.

In 2020, the Bank conducted 18 issues of central government bonds in book-entry form worth NT\$535.0 billion. Of this amount, 10-year bonds accounted for the lion's share of 32.71%, with NT\$175.0 billion, followed by 5-year bonds, representing 27.10% with an amount of NT\$145.0 billion.

In addition, the Bank paid NT\$493.8 billion in principal and NT\$97.6 billion in interest for central government bonds. At the end of 2020, the outstanding amount of central government bonds was NT\$5,524.5 billion, an increase of NT\$41.2 billion or 0.75% from the end of 2019.

Managing Treasury Bills

The Bank also handles the auctions of treasury bills. Currently, direct bidders include banks, insurance companies, securities companies, bills finance companies, and Chunghwa Post.

In 2020, the Bank conducted 11 issues of book-entry treasury bills with a total amount of NT\$336.6 billion. The majority of the issuance went for 91-day bills with NT\$150.0 billion, or a share of 44.56%. At the end of 2020, the outstanding amount of treasury bills was NT\$125.0 billion, increasing by NT\$60.0 billion or 92.31% from the previous year end.

7. Financial Inspection

Pursuant to the objectives and duties stipulated in *The Central Bank of the Republic of China (Taiwan) Act*, the Bank conducts targeted examinations to ensure that monetary, credit, and foreign exchange policies are implemented effectively. The Bank has also established a report auditing system and a financial stability assessment framework to systematically monitor and assess possible sources of potential risks. The Bank then adopts appropriate policies in a timely manner to achieve the operational goal of financial stability. The following are the main tasks conducted in 2020.

On-Site Examination

Targeted examinations in 2020 were conducted on high-priced housing loans, disclosure of information on housing loans and interest rate bulletins, auditing liquidity of financial institutions, foreign exchange trading, foreign exchange remittances, financial institutions' counterfeit money processing (either in terms of the NT dollar or foreign currency), and foreign currency exchange counters' business.

Follow-up on Examination Findings

To ensure the effectiveness of the Bank's policies, the Bank continued to track whether the financial institutions under inspection had improved their operations, based on the findings from the Bank's targeted examinations as well as the results of the Financial Supervisory Commission's financial examinations related to the Bank's operations or regulations. A particular focus was on violations of the *Regulations Governing High-Priced Housing Loans Extended by Financial Institutions*, punishable by the Bank or the Financial Supervisory Commission.

Strengthening Off-Site Monitoring

In view of changes in financial conditions and amendments to financial regulations, the Bank constantly reviews and revises all relevant reporting forms and contents of statistical data submitted by financial institutions. Developments related to off-site monitoring in 2020 included the following:

- (1) To reflect the changes in business scopes and risks of the bills finance industry and the credit departments of farmers' and fishermen's associations, the analytical items and principles of the report auditing system CARSEL were reviewed and modified.
- (2) In accordance with the *Regulations Governing the Capital Adequacy and Capital Category of Banks*, as well as other applicable laws, relevant reports and their analytical categories of financial institutions were modified.

- (3) In accordance with the revised *Reporting Guidelines for the BIS International Banking Statistics*, and considering the operation practices of our country's banking sector, the Bank amended the guide for completing and submitting the *Country Exposure Report* by domestic banks and local branches or subsidiaries of foreign/Mainland Chinese banks, as well as the relevant declaration forms.

Improving Information Transparency of Financial Institution Operations

The Bank regularly compiles and publishes financial institution statistics, such as *Condition and Performance of Domestic Banks (Quarterly)*, *Business Overview of Financial Institutions (Yearly)* and *Major Business Statistics of Financial Institutions*. All related information is disclosed on the Bank's website to strengthen information transparency of financial institutions' operations and to reinforce self-discipline of the market.

Financial Stability Assessment

The Bank regularly conducts analysis on commercial banks' business operations and their risk exposure so as to understand potential impacts on stability of the overall financial system. It also compiles financial soundness indicators and publishes the *Financial Stability Report* to keep the public updated on the state of the domestic financial system and sources of potential risks and to aid cross-border communication and information sharing.

In accordance with the IMF *2019 Financial Soundness Indicators Compilation Guide*, the Bank amended its Financial Soundness Indicators (FSIs), effective from the first quarter of 2020. The new FSIs increased the number of items from 42 to 58 and covered six categories, including domestic banks, life insurance companies, bills finance companies, the real estate market, the corporate sector, and the household sector.

To enhance analytical effectiveness regarding financial stability, the Bank continued to improve the graphical user interface of credit and market risk models, estimated domestic banks' unexpected losses from credit risks, and undertook a visualized analysis. In addition, the Bank inquired into several important financial issues, including the current situations and challenges concerning the development of sustainable finance.

International Cooperation in Financial Supervision

In 2020, the Bank continued to actively engage in international cooperation related to financial supervision, such as attending the 11th SEACEN Meeting of Deputy Governors in Charge of Financial Stability and Banking Supervision, the 22nd SEACEN-FSI Conference of the Directors of Supervision of Asia-Pacific Economies, and the 33rd Meeting of Directors of Supervision of SEACEN Members (all held in virtual format). The Bank also received the director and senior officers from the German Federal Financial Supervisory Authority (BaFin) in February 2020.

8. Participation in International Activities

The Bank continued its efforts in contributing to international activities during 2020. As a member, the Bank hosts conferences, provides training courses, and attends numerous forums, including the annual meetings organized by the Asian Development Bank (ADB), the Central American Bank for Economic Integration (CABEI), and the South East Asian Central Banks (SEACEN) group. Furthermore, the Bank strengthens its ties with other central banks and related institutions to exchange views and share policy experience on current financial and economic issues.

In 2020, the Bank attended the 56th annual conference of governors held virtually by SEACEN on December 1. At this conference, the Bank shared views with other member banks on a number of issues, including the traumatic effects of the COVID-19 pandemic on the global economy, the policy responses on macroeconomic, fiscal, financial, and structural fronts to mitigate the pandemic's impact, and the accelerated development of digital currency amid the pandemic.

Moreover, the Bank attended the 11th SEACEN Online High-Level Seminar and Meeting of Deputy Governors of Financial Stability and Supervision during October 27 to 28.

In the meantime, the Bank participated in the meetings held virtually by other international organizations, such as the CABEI's Ordinary Meeting of the Board of Governors on September 3, and the ADB's third Asian Development Fund 13 Replenishment Meeting on September 16.