

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.

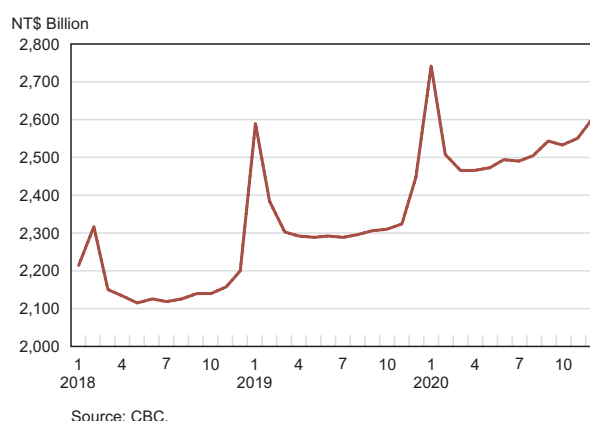
Furthermore, to mitigate the impact of the coronavirus pandemic, the Bank was instructed to design and print the Triple Stimulus Vouchers as part of government efforts to stimulate and revive the economy. Meanwhile, the Bank continued to promote public awareness of counterfeit deterrence and encourage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

Currency Issuance Increased to Meet Currency Demand

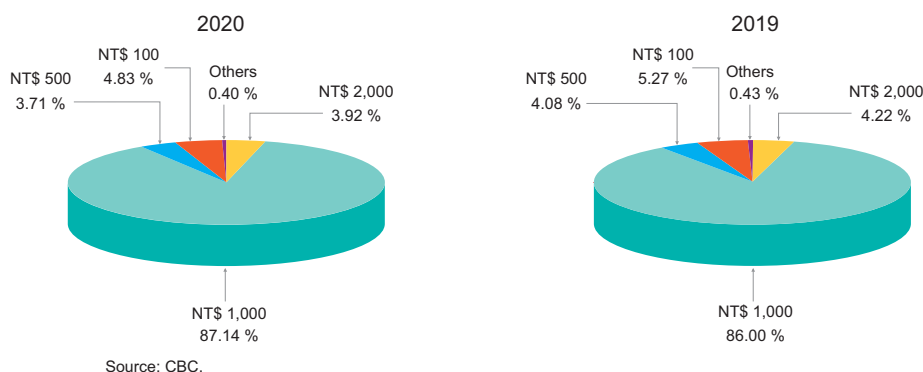
In 2020, the Bank provided an adequate amount of currency in response to currency demand. The currency issued peaked at NT\$2,793.2 billion on January 22, the last business day before the Lunar New Year holidays, reflecting a temporary seasonal surge in cash demand. At the year end, the outstanding amount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

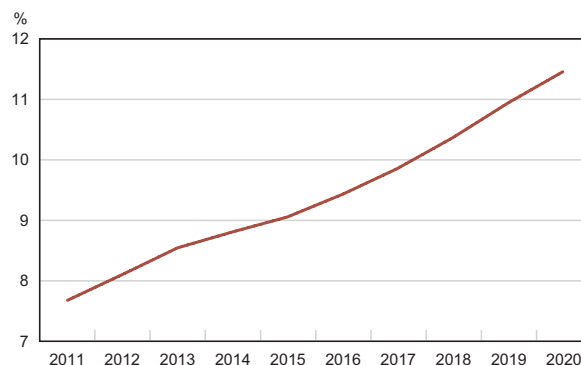


of 2020 was similar to the end of 2019. The majority of circulating banknotes went for the NT\$1,000 note with a share of 87.14%, followed by the NT\$100 and NT\$2,000 notes with shares of 4.83% and 3.92%, respectively.

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.

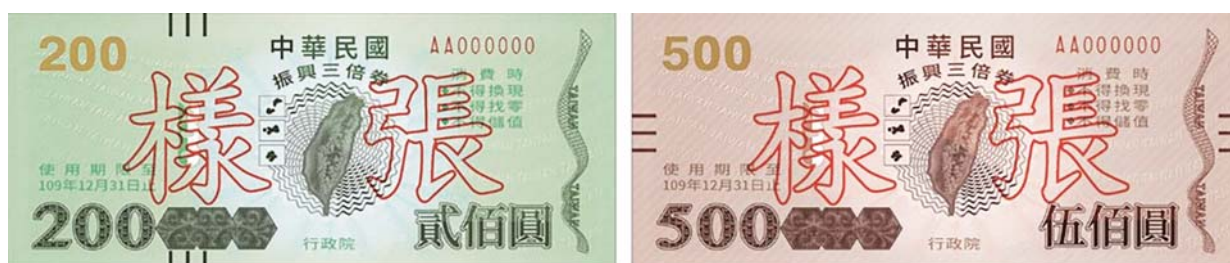


Source: CBC.

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.