



DeLaRue

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## Going Beyond

De La Rue Newsletter. May 15<sup>th</sup> 2020

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# Introduction

In February and March we celebrated De La Rue design and manufacturing expertise as the Bank of England, Bank of Scotland, Royal Bank of Scotland and Clydesdale Bank all issued £20 banknotes on De La Rue's SAFEGUARD® substrate into circulation. The Bank of England £20 is a testament to the expertise of our manufacturing team as it circulates on two polymer substrates and is a rare example of a technically complex banknote that is printed simultaneously on two polymer substrates in the same printworks to give identical finished banknotes.

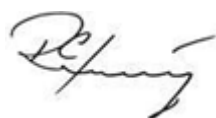
In March we also celebrated our Ignite® and Kinetic StarChrome® threads being in the Bangladesh 100 and 200 Taka commemorative notes. The 100 Taka was the first note to be issued with De La Rue's new Ignite® thread (with more examples to follow later in the year) and the first example of a state printing works successfully printing this thread.

This past month has been quieter for new banknote launches but the IACA Excellence in Currency Awards Finalists were announced in April, with De La Rue having reached the finals for our Carbon Neutral Banknote Service and our Advanced DLR Analytics™ cash cycle analytics service.

More importantly we continue to serve our customers through this challenging time, going beyond "business as usual" to meet the ongoing needs of the market, embracing new digital approaches and working from home, the office or the factory as required.

We recognise that it is a difficult time for everyone and we are conscious that we are not travelling as much as we would normally do. We have therefore started this newsletter to share our updates and help stay in touch throughout the COVID-19 pandemic. Thank-you for your continued support.

Please don't hesitate to contact us if there is anything you'd like to discuss.



Ruth Euling  
Managing Director, De La Rue Currency Division



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## New Commemorative Notes Issued

On 17<sup>th</sup> March 2020 people in Bangladesh celebrated the birthday of Bangabandhu Sheikh Mujibur Rahman, who is often known as the Father of the Nation. To mark the occasion the Bangladesh Bank issued celebratory commemorative notes of the 100 Taka and 200 Taka denominations, which contained De La Rue's Ignite® and Kinetic StarChrome® threads respectively.



Figure 1. Launching the commemorative Bangladesh Banknotes: Abdur. Rouf. Talukder - Finance. Secretary., A. H. M. Mustafa Kamal - Finance Minister , Prime Minister Sheikh Hasina, Syed Golam Shahajarul Alam Joint Director Bangladesh Bank, Sk Azizul Haque - Managing Director SPCBL , S. M. Moniruzzaman - Deputy Governor Bangladesh Bank ,Nazim Uddin – Designer SPCBL, Fazle Kabir – Governor Bangladesh Bank ,Sumsun Naher Nupur – Deputy Director Bangladesh Bank

The 200 Taka commemorative note used De La Rue's Kinetic StarChrome® thread, which consists of two highly secure technologies (colourshift and holographics) combined into a design that is completely bespoke for each banknote denomination. The thread design included the logo of the Bangladesh Bank (Figure 2), making it unique for Bangladesh.

De La Rue's Ignite® thread was selected for the 100 Taka commemorative note; Ignite® uses state-of-the-art combinational technology for an impactful colour change (e.g. blue to green as shown in Figure 3), enhanced with movement/pulsing effects when tilted. The effects are visible from a wide range of viewing

angles and tolerant to many lighting conditions, making the thread easy to authenticate. Like Kinetic StarChrome®, Ignite® threads can be customized, in this instance incorporating the logo of the Bangladesh Bank. Like Kinetic StarChrome®, the combination of two highly secure technologies makes this thread especially difficult to counterfeit.

Congratulations to the Bangladesh Bank and Security Printing Corporation (Bangladesh) Ltd on the successful manufacture and launch of these beautiful commemorative notes. It was a privilege to design and provide the threads for these commemorative notes.



Figure 2. The 200 Taka commemorative note, featuring Kinetic StarChrome® thread



Figure 3. The 100 Taka commemorative note, featuring a green to blue colourshifting Ignite® thread.

## The IACA Excellence in Currency Awards

The International Association of Currency Affairs (IACA) has announced the finalists for its Excellence in Currency 2020 Technical Awards, with De La Rue featuring as a finalist in two of the three categories.

De La Rue's Carbon Neutral Banknote Service is in the Best New Environmental Sustainability Project category and offers a way for central banks to offset the carbon impact of their banknotes via an internationally recognised environmental impact assessment across the main stages of the life of a banknote. In 2019 De La Rue partnered with the Central Bank of Samoa to issue the world's first carbon neutral banknote for the first-ever 'green' Pacific Games.



Figure 4. The Samoa 10 Tala, the first carbon neutral banknote in the world

Advanced DLR Analytics™ is the next generation of cash cycle analytics. With advanced forecasting tools and greater visibility of aggregated and anonymous data it is simpler than ever for central banks to understand their cash cycle in the context of regional and global trends and norms. During the COVID-19 pandemic the multi-award winning DLR Analytics™ team will be issuing regular insights on what is happening to cash in circulation and issuance rates to all central banks who are

willing to provide their monthly cash in circulation and new issues data. All data provided will be treated as strictly confidential and will form part of an aggregated and anonymised data set that enables all contributors to see the regional and global trends.

The winners of the IACA Excellence in Currency Awards will be announced at the Banknote Conference in November 2020.



Figure 5. The IACA Excellence in Currency Award Finalist Seal

## COVID-19 and Banknotes

De La Rue's May version of its COVID-19 and Banknote Report is available and has compiled the latest news, reports and scientific data relating to COVID-19. Institutes with expertise in the spread of infectious diseases, including the World Health Organisation, Robert Koch Institute in Germany, the Roslin Institute at the University of Edinburgh and Stanford University have suggested that the risk of contracting COVID-19 from banknotes is relatively low, comparable (and some claiming lower) than from touching other physical objects (including

mobile phones and point of sale terminals) and much lower than face-to-face contact. The main mechanism via which COVID-19 spreads is via respiratory droplets generated when people sneeze or cough. Several central banks have repeated this general messaging, including the Bank of England, the Bundesbank, The European Central Bank, the South African Reserve Bank, the Reserve Bank of New Zealand, the Bank of Canada, the Sveriges Riksbank, the Central Bank of Luxembourg, the Austrian National Bank, the People's Bank of

China, the Bank of Mexico and the Bank of International Settlements.

Industry publications and media coverage has generated a large amount of content on all aspects of banknotes and COVID-19.

Much has been made about the initial misquote from the World Health Organisation that banknotes were spreading COVID-19 (subsequently corrected) and whether this will lead to the death of cash. This month some of the anti-cash articles in the media are now starting to be balanced with other articles accusing certain fintech and digital companies of propagating false information in order to profit from the COVID-19 pandemic.

And whilst LINK ATM transactions in the UK halved as many businesses and restaurants went into lockdown, other countries, such as the US, Canada and the Euro zone have seen a surge in the demand for cash (see for instance, Figure 6). As lockdown restrictions

relax in certain countries ATM withdrawals are increasing again.

Central bank advice has ranged from treating banknotes in a similar way to all other physical objects to encouraging payments that minimize face to face contact where possible. Cash is the most widely used mechanism of payment in the world (and the only one for billions of people) and most central banks have taken a dual approach of ensuring there is appropriate access to cash and that barriers to all payment mechanisms are minimized.

Meanwhile essential activities go on. Businesses, markets and retail establishments continue to improve their social distancing measures, minimizing risks where the physical exchange of goods and payment are necessary. Initiatives, such as mobile ATMs and cash deliveries to vulnerable members of society, are becoming more common. COVID-19 continues to drive new approaches and innovation in the payments landscape and the cash cycle.

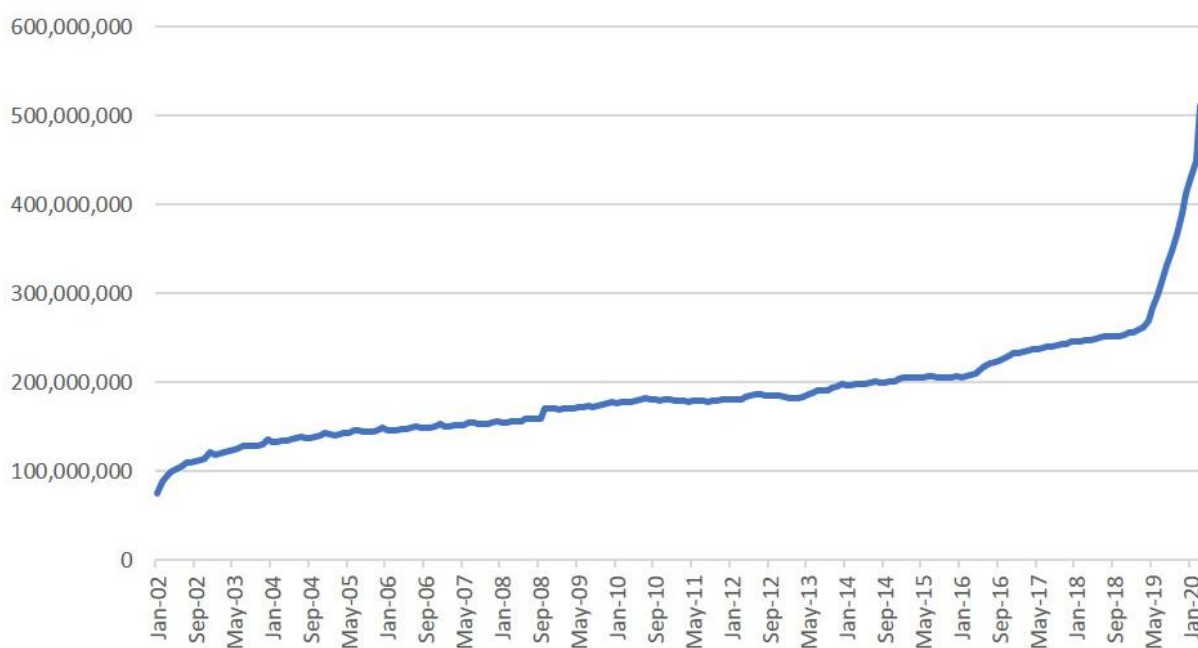


Figure 6. ECB data showing the Increase in Circulation Volume for the 200 Euro through to March 2020

## What's Happening to Banknote Demand?

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De La Rue is going beyond its usual DLR Analytics™ support. This month it will collate, analyze, anonymise and share back share a report about what is happening to banknote demand during COVID-19, based on regional and global aggregated and anonymized data trends.

To be eligible for the May 2020 version of the report, central banks simply need to provide their circulation volume and new issuance volume for each denomination by month for the past 12 months, up to the end of April 2020. DLR Analytics™ users who are regularly updating their data will automatically be eligible for this report. Data will be treated as strictly confidential and the end report will only show aggregated and anonymized data, or data already in the public domain.

Please contact [dlanalytics@delarue.com](mailto:dlanalytics@delarue.com) to register your interest in receiving this report.

## Keeping Global Currency and Supply Chains Going

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The disruption of COVID-19 is unprecedented and the challenge for businesses in navigating the impact in both the short and long-term enormous. Compared to other sectors De La Rue has been fortunate in being relatively unaffected. At the time of writing our sites are operational, thanks to the support of our staff and HSE professionals who have made that possible. R&D trials continue as normal and we are meeting the needs of our customers.

De La Rue has followed government guidance and our own rigorous health and safety procedures to ensure the welfare of employees, customers and suppliers as an absolute priority. With years of experience and some of the highest security accreditation in the industry, we have successfully managed to maintain operations at all UK and international facilities, including continuing to supply sterling to the Bank of England.

We have robust business continuity plans in place and contingencies should there be any

disruption to the supply chain. We've completed scenario planning which shows De La Rue has a good level of resilience to cope with the impact of COVID-19; our global footprint (with manufacturing sites in Kenya, Sri Lanka, Malta and the UK) is an advantage because it provides multiple contingencies.

As the long-term impacts of COVID-19 become clearer, we are ready to adapt to meet the challenges that come our way, and are working hard to plan for disruptions in supply chain, shifts in international trade policy, changes to international travel and border control and customer demands. We have already adapted our ways of working to keep our staff safe and to allow for their personal situations. We are also doing many things digitally that were previously done face-to-face; COVID-19 has driven innovation and led to new ways of working. As well as preparing for the future we are looking at how De La Rue can go beyond to offer solutions for the post-COVID world.



## Product and Service Spotlight: Safeguard® Illuminate

Windows are fundamental to the security of Safeguard® banknotes and De La Rue continues to go beyond standard design rules to innovate in this area, creating more secure windows that have greater impact. The Mauritius 2000 Rs banknote (Figure 7) was the first example of a polymer window that used a new design technique, Illuminate, to inject vivid colour and unique texture into the window.

Illuminate uses a combination of inks, including matte and iridescent inks; this example combined coloured gravure and white print marks to generate a striking window, framed by a vibrant sugar cane. This type of innovation is possible because De La Rue produces the

Safeguard® polymer substrate as well as manufacturing banknotes in the UK, Malta, Sri Lanka and Kenya. Banknote and substrate designers work as a team, bringing together global manufacturing expertise, to ensure exceptional integration of the substrate into the final banknote.

Illuminate offers unlimited possibilities in window design, through the creation of vibrant, standout artwork which drives strong end user recognition and public authentication. With Illuminate designs can be bolder and more striking than the muted colours of earlier generations of polymer banknotes.



Figure 7. Safeguard® Illuminate in the Window of the Mauritius 2000 Rs Banknote

## Expert Support at De La Rue: Anti-Counterfeiting

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Kerre Corbin and Duncan Reid form the anti-counterfeit team at De La Rue, with nearly 50 years of combined experience examining counterfeit banknotes, analyzing counterfeit trends and providing anti-counterfeit training to central banks around the world. They serve as expert witnesses in the UK courts, Duncan has a science and engineering background and Kerre previously spent 12 years working as a Counterfeit Specialist with the United States Secret Service.

Their analysis and expertise feeds into the development of new security features and the design of new banknotes. They conduct adversarial analysis to understand how a counterfeiter could go about simulating a banknote and use this analysis to ensure that new banknotes and security features produced by De La Rue are highly secure. Many different factors are considered, and new security

features are not launched without the approval of the anti-counterfeit team.

Globally the threat from counterfeit banknotes is low and banknotes continue to be a highly secure way to pay for things and store value. This is because of a strategic effort to stay ahead of the counterfeiters. De La Rue continues to invest in the latest technologies and relentlessly examines counterfeiting trends to ensure that what we do is world leading in terms of banknote security.

The anti-counterfeiting team are available to support central banks with training, adversarial analysis, counterfeit resilience assessments, counterfeit banknote analysis, public education and new banknote “know your money” training for bank employees and law enforcement personnel.

## Supporting Our Local and Global Communities

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All De La Rue sites around the world support projects in their local communities via fundraising events and activities, volunteering and collections. In our head office in Basingstoke, UK, we do this via De La Rue for Good, our employee fundraising team which supports a different local charity each year.



Figure 8. Paula Ridge, before and after

This year the team have been fundraising for Simon Says, a charity that supports children and young people through bereavement.

Paula Ridge, our Group Head of Information Security and Assurance has just raised over £2000 by bravely shaving her head for this worthy cause (Figure 8).

On Tuesday 12th May De La Rue Lanka was pleased to present a non-invasive BiPAP ventilator to help in the fight against COVID-19 to the Director General of Health at the Health Ministry in Colombo. De La Rue Lanka purchased the ventilator to assist the Government in its preparations for dealing with the COVID-19 crisis. The ventilator was presented by De La Rue Lanka Finance and Quality Manager.

De La Rue Lanka was set up over thirty years ago and employs around 300 people, producing banknotes for Sri Lanka and more than ten other countries around the world per year. The Government of Sri Lanka has a 40% share in the venture and benefits from having a local supplier for banknotes.



Figure 9. Presenting the ventilator to the Director General of Health at the Health Ministry in Colombo

De La Rue Lanka contributes around 2 billion Rupees a year to the local economy and De La Rue has continued to invest in the plant over the years, giving increased dividends and enhanced benefits to the Government.

## Going Beyond May...Next Newsletter

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- New innovative ways of working at De La Rue
- Product and Service Spotlight: Ignite®
- Expert support at De La Rue: Creative Design
- What's happening to banknote demand? An example to show what you're missing out on if you're not contributing to the pooled data to get the complete report
- Going beyond COVID-19: Expectations and needs in a post-COVID-19 world
- And more...



### **About De La Rue**

De La Rue provides governments and commercial organisations with products and services that underpin the integrity of trade, personal identity and the movement of goods. Our market-leading Currency Division provides fully finished banknotes, secure polymer substrate and banknote security features to half of all central banks and currency issuing authorities around the world.

De La Rue is the largest commercial printer of banknotes, producing up to 7 billion banknotes per year for half the issuing authorities in the world and designing a third of all banknotes in circulation. Our printing sites are in Sri Lanka, Kenya, Malta and, in the UK, Debden (which was the Bank of England printworks) and Gateshead. In Sri Lanka and Kenya the operations are joint ventures with the governments in those countries, contributing to the local economies and providing the benefits of local banknote supply.

Our global manufacturing footprint provides flexibility, contingency and decades of expertise associated with how to print a diverse range of banknotes globally. This combines with exceptional and seamless product design and delivery to ensure central banks have world-leading banknotes to be proud of.