Financial Conditions
January 2021

Monetary Aggregates  For the month of January 2021, the monthly growth rates of the monetary aggregates M1B and M2 (measured on a daily average basis) were 3.03% and 1.26%, respectively, both higher than those of the previous month. The annual growth rates of M1B and M2 increased to 17.81% and 8.84%, respectively, mainly because of net foreign capital inflows and faster growth in bank loans and investments.

Loans and Investments of Financial Institutions  At the end of January, the monthly growth rate of total deposits in monetary financial institutions was 0.14%, lower than that at the end of the previous month; the annual growth rate decreased from 9.17% at the end of the previous month to 8.37%. The monthly growth rate of total outstanding loans and investments (measured on a cost basis) of monetary financial institutions was 1.04%, higher than that at the end of the previous month. Meanwhile, the annual growth rate increased from 6.79% at the end of the previous month to 6.86% mainly because of faster growth in bank claims on the private sector. If (1) loans and investments extended by life insurance companies and (2) non-accrual loans reclassified and bad loans written off by monetary financial institutions were all taken into account, the total outstanding loans and investments of financial institutions would show an annual growth rate of 6.61%, lower than the 6.66% registered at the end of the previous month.

Reserve Money  The daily average reserve money in January was NT$4,861.5 billion, an increase of NT$87.5 billion from the previous month. Of the components, currency in circulation increased by NT$139.0 billion because of stronger demand for funds before the Lunar New Year holidays, whereas reserves deposited with the Bank decreased by NT$51.5 billion. The annual growth rate of the daily average reserve money decreased by 2.32 percentage points from 11.34% of the previous month to 9.02%.

Reserve Conditions and Call Loan Rate  For the month of January, the daily average net excess reserves of financial institutions were NT$39.7 billion. The average overnight call loan rate decreased from 0.080% of the previous month to 0.079%.

Foreign Exchange Reserves  At the end of January, foreign exchange reserves amounted to US$541.48 billion, increasing by US$11.57 billion from the previous month.