Financial Services Commission

Press Release
June 10, 2020

HOUSEHOLD LOANS, MAY 2020

The outstanding balance of household loans[1] in all financial sectors rose KRW3.6 trillion from the previous month in May 2020 *(up 5.2% year-on-year)*. The household loan balance increased KRW5.0 trillion in the banking sector but dropped KRW1.4 trillion in the non-banking sector.

All financial sectors (y-o-y): +7.0% (May 2018) → +4.7% (May 2019) → +5.2% (May 2020)

By type, mortgage loans increased KRW3.7 trillion in May *(up KRW1.9 trillion year-on-year)*. Regular mortgage loans, jeonse[2] loans and group lending expanded KRW3.9 trillion in the banking sector, while non-banks saw a drop of KRW200 billion. Other types of loans fell KRW30 billion *(down KRW4.0 trillion year-on-year)* due to a drop in credit card loans and policy loans.

<Trends in outstanding balance of household loans[3]>   (In trillion won)

		2018			2019			2020		
		Jan-May	Apr	May	Jan-May	Apr	May	Jan-May	Apr	May
Banks		+19.9	+5.1	+5.3	+16.0	+4.5	+5.0	+32.5	+4.9	+5.0
Non-banks		+7.4	+2.1	+1.4	-3.2	+0.6	+0.9	-5.0	-1.9	-1.4
	Mutual finance	+1.0	+0.8	+0.4	-4.3	-0.0	-0.2	-5.2	-0.7	-0.7
		Credit union	-1.39	-0.20	-0.28	-0.67	-0.01	-0.07	-1.53	-0.25	-0.35
		Nonghyup	+2.22	+0.90	+0.71	+0.34	+0.40	+0.29	-1.10	-0.04	+0.13
		Suhyup	-0.28	-0.08	-0.05	+0.07	+0.04	+0.01	-0.22	-0.05	-0.01
		NFCF[4]	+0.26	+0.07	+0.06	+0.25	+0.06	+0.06	+0.08	+0.00	+0.00
		KFCC[5]	+0.18	+0.07	-0.05	-4.25	-0.52	-0.53	-2.40	-0.40	-0.52
	Insurance	+1.9	+0.4	+0.4	-0.7	-0.1	+0.2	-1.2	-0.8	-0.5
	Savings banks	+0.8	+0.3	+0.1	+1.0	+0.4	+0.3	+1.5	+0.5	+0.2
	Credit finance companies	+3.7	+0.7	+0.5	+0.8	+0.3	+0.6	-0.1	-0.9	-0.4
Total		+27.4	+7.3	+6.8	+12.9	+5.1	+5.9	+27.5	+3.0	+3.6

The government will continue to closely monitor trends in household loans amid the COVID-19 pandemic.

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For any inquiry, please contact Foreign Press & Relations Team at fsc_media@korea.kr.

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[1] Preliminary
[2] A lump sum deposit without monthly payments for rent
[3] Advance estimates from the Financial Supervisory Service
[4] National Forestry Cooperative Federation
[5] Korean Federation of Community Credit Cooperatives