

## HOUSEHOLD LOANS, MARCH 2023

In March 2023, the outstanding balance of household loans<sup>1</sup> across all financial sectors declined KRW5.0 trillion, showing a continuing trend of decline. Financial authorities will work to ensure a stable management of household debt and keep close tabs on potential risks that may be caused by high interest rates.

**(OVERALL)** Household loans across all financial sectors fell KRW5.0 trillion in March 2023. The year-on-year change rate (*down 1.4 percent*) accelerated somewhat compared to a month ago (*down 1.3 percent*), showing a continuing trend of decline since the second half of last year.

**(BY TYPE)** Mortgage loans edged up from a decline in the previous month and other types of loans fell at a faster pace.

- **(MORTGAGE LOANS)** Mortgage loans rose KRW1.0 trillion with a grow in the banking sector (*up KRW2.3 trillion*) and a decline in the nonbanking sector (*down KRW1.3 trillion*).

- **(OTHER TYPES OF LOANS)** Other types of loans fell KRW6.0 trillion, declining at a faster pace compared to the previous month (*down KRW4.7 trillion*), led by credit loans (*down KRW3.2 trillion*).

<Trends in Outstanding Balance of Household Loans by Type>

(In trillion KRW)	Oct. 2022	Nov	Dec	Jan 2023	Feb	Mar <sup>2</sup>
Mortgage loans	+2.0	+0.5	+1.8	-0.6	-0.6	+1.0
Other types of loans	-2.2	-3.6	-5.2	-7.1	-4.7	-6.0

**(BY SECTOR)** Household loans edged down in both the banking and nonbanking sectors.

- **(BANKING SECTOR)** Household loans in the banking sector fell KRW0.7 trillion in March, declining at a slower pace compared to a month ago (*down KRW2.7 trillion*). Mortgage loans from banks grew KRW2.3 trillion as the volume of policy mortgage loans increased (*up KRW7.4 trillion*), but jeonse loans (*down KRW2.3 trillion*), group lending for new apartment subscription (*down KRW0.9 trillion*) and general individual mortgage loans (*down KRW1.9 trillion*) all declined. Other types of loans in the banking sector fell KRW2.9 trillion as credit loans went down KRW2.3 trillion.

- **(NONBANKING SECTOR)** Nonbanks saw a drop of KRW4.4 trillion in household loans with a slight increase in insurance companies (*up KRW0.4 trillion*) and declines in mutual finance companies (*down KRW4.0 trillion*), specialized credit finance companies (*down KRW0.4 trillion*) and savings banks (*down KRW0.4 trillion*).

<sup>1</sup> Preliminary

<sup>2</sup> Preliminary

<Trends in Outstanding Balance of Household Loans by Sector>

(In trillion KRW)	2021			2022			2023		
	Jan-Dec	Feb	Mar	Jan-Dec	Feb	Mar	Jan-Mar <sup>P</sup>	Feb	Mar <sup>P</sup>
Banks	+71.6	+6.7	+6.5	-2.8	-0.2	-1.0	-8.0	-2.7	-0.7
Nonbanks	+35.9	+3.0	+3.0	-6.0	-0.1	-2.5	-10.5	-2.6	-4.4
Mutual finance	+19.5	+1.1	+1.6	-10.6	-0.6	-1.8	-20.2	-2.6	-4.0
Credit unions	+1.9	-0.0	-0.1	+0.1	-0.1	+0.1	-1.1	-0.2	-0.6
Agricultural cooperatives	+11.3	-1.0	+1.4	-11.1	-0.5	-1.4	-17.0	-1.7	-2.3
Fisheries cooperatives	+0.9	-0.1	+0.1	-0.5	-0.0	-0.1	-0.8	-0.1	-0.2
Forestry cooperatives	+0.5	+0.0	+0.1	-0.1	+0.0	-0.0	-0.3	-0.0	-0.1
Community credit cooperatives	+5.0	+0.0	+0.1	+1.2	-0.0	-0.4	-1.0	-0.5	-0.9
Insurance	+5.4	+0.6	+0.4	+3.6	+0.3	-0.3	+0.6	+0.4	+0.4
Savings banks	+6.3	+0.5	+0.6	+2.3	+0.2	+0.1	-0.3	+0.0	-0.4
Specialized credit finance business companies	+4.7	+0.7	+0.4	-1.3	+0.0	-0.5	-1.2	-0.4	-0.4
Total	+107.5	+9.7	+9.5	-8.8	-0.3	-3.6	-18.4	-5.3	-5.0

Financial authorities will work to ensure a stable management of household debt and keep close tabs on potential risks that may be caused by high interest rates.

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