

HOUSEHOLD LOANS, MARCH 2020

The outstanding balance of household loans¹ in all financial sectors rose KRW9.1 trillion (*up 5.6% year-on-year*) at the end of March 2020. The household loan balance increased KRW9.6 trillion in the banking sector (*up 9.2% year-on-year*) while declining KRW500 billion in the non-banking sector (*down 0.4% year-on-year*).

All financial sectors (y-o-y): +7.4% (Mar 2018) → +4.9% (Mar 2019) → +5.6% (Mar 2020)

Banks (y-o-y): +8.7% (Mar 2018) → +7.4% (Mar 2019) → +9.2% (Mar 2020)

Non-banks (y-o-y): +5.4% (Mar 2018) → +1.2% (Mar 2019) → -0.4% (Mar 2020)

By types, mortgage loans increased KRW5.2 trillion in March (*up 5.5% year-on-year*). Regular mortgage loans, jeonse² loans and group lending expanded KRW6.3 trillion in the banking sector, while non-banks saw a drop of KRW1 trillion due to the availability of refinancing products with lower interest mortgage loans. Other types of loans rose KRW3.9 trillion (*up 5.6% year-on-year*) due to a rise in credit lending.

<Trends in outstanding balance of household loans³>

(In trillion won)

	2018			2019			2020		
	Jan-Mar	Feb	Mar	Jan-Mar	Feb	Mar	Jan-Mar	Feb	Mar
Banks	+9.5	+2.5	+4.3	+6.5	+2.5	+2.9	+22.6	+9.3	+9.6
Non-banks	+3.8	+0.8	+0.7	-4.6	-1.2	-2.0	-2.0	+0.0	-0.5
Mutual finance	-0.2	-0.5	-0.0	-4.0	-1.3	-1.0	-3.8	-1.1	-0.8
Credit union	-0.91	-0.31	-0.35	-0.59	-0.17	-0.12	-1.04	-0.25	-0.51
Nonghyup	+0.61	-0.15	+0.34	-0.35	-0.14	+0.02	-1.19	-0.30	+0.20
Suhyup	-0.15	-0.07	-0.06	+0.03	+0.04	-0.02	-0.17	-0.06	-0.02
NFCF ⁴	+0.13	+0.03	+0.05	+0.13	+0.04	+0.04	+0.07	+0.02	+0.04
KFCC ⁵	+0.15	+0.02	-0.04	-3.20	-1.03	-0.94	-1.48	-0.50	-0.52
Insurance	+1.1	+0.6	+0.1	-0.7	-0.1	-0.3	+0.1	+0.3	+0.3
Savings banks	+0.4	+0.1	+0.1	+0.3	+0.2	-0.3	+0.8	+0.3	+0.1
Credit finance companies	+2.5	+0.5	+0.6	-0.2	-0.1	-0.4	+1.0	+0.6	-0.1
Total	+13.3	+3.3	+5.0	+1.9	+1.3	+0.9	+20.7	+9.3	+9.1

The government will closely monitor trends in household loans as the outstanding balance of household loans by financial institutions is expected to increase in April due to a rising demand for loans amid the COVID-19 pandemic.

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