

HOUSEHOLD LOANS, APRIL 2020

The outstanding balance of household loans¹ in all financial sectors rose KRW2.8 trillion (*up 5.4% year-on-year*) at the end of April 2020. The household loan balance increased KRW4.9 trillion in the banking sector (*up 9.2% year-on-year*) while declining KRW2.1 trillion in the non-banking sector (*down 0.8% year-on-year*).

All financial sectors (y-o-y): +7.3% (Apr 2018) → +4.8% (Apr 2019) → +5.4% (Apr 2020)
 Banks (y-o-y): +8.8% (Apr 2018) → +7.3% (Apr 2019) → +9.2% (Apr 2020)
 Non-banks (y-o-y): +5.3% (Apr 2018) → +0.9% (Apr 2019) → -0.8% (Apr 2020)

By types, mortgage loans increased KRW4.7 trillion in April (*up 5.8% year-on-year*). Regular mortgage loans, jeonse² loans and group lending expanded KRW4.9 trillion in the banking sector, while non-banks saw a drop of KRW200 billion due to the availability of refinancing products with lower interest mortgage loans. Other types of loans declined KRW2.0 trillion (*up 4.8% year-on-year*) due to a drop in credit lending.

<Trends in outstanding balance of household loans³>

(In trillion won)

	2018			2019			2020		
	Jan-Apr	Mar	Apr	Jan-Apr	Mar	Apr	Jan-Apr	Mar	Apr
Banks	+14.6	+4.3	+5.1	+11.0	+2.9	+4.5	+27.5	+9.6	+4.9
Non-banks	+6.0	+0.7	+2.1	-4.0	-2.0	+0.6	-3.9	-0.3	-2.1
Mutual finance	+0.6	-0.0	+0.8	-4.0	-1.0	-0.0	-4.5	-0.7	-0.8
Credit union	-1.11	-0.35	-0.20	-0.60	-0.12	-0.01	-1.30	-0.39	-0.37
Nonghyup	+1.50	+0.34	+0.90	+0.05	+0.02	+0.40	-1.23	+0.20	-0.04
Suhyup	-0.23	-0.06	-0.08	+0.06	-0.02	+0.04	-0.22	-0.02	-0.05
NFCF ⁴	+0.20	+0.05	+0.07	+0.19	+0.04	+0.06	+0.07	+0.04	+0.00
KFCC ⁵	+0.23	-0.04	+0.07	-3.71	-0.94	-0.52	-1.87	-0.52	-0.40
Insurance	+1.5	+0.1	+0.4	-0.9	-0.3	-0.1	-0.7	+0.3	-0.8
Savings banks	+0.7	+0.1	+0.3	+0.7	-0.3	+0.4	+1.3	+0.1	+0.5
Credit finance companies	+3.2	+0.6	+0.7	+0.2	-0.4	+0.3	+0.1	-0.0	-1.0
Total	+20.6	+5.0	+7.3	+7.0	+0.9	+5.1	+23.6	+9.3	+2.8

The government will closely monitor trends in household loans amid the ongoing 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