

## HOUSEHOLD LOANS, AUGUST 2020

The outstanding balance of household loans<sup>1</sup> in all financial sectors rose KRW14.0 trillion from the previous month in August 2020 (*up 6.2% year-on-year*). The household loan balance increased KRW11.8 trillion in the banking sector and KRW2.2 trillion in the non-banking sector.

All financial sectors (y-o-y): +6.3% (Aug 2018) → +4.5% (Aug 2019) → +6.2% (Aug 2020)

By type, mortgage loans increased KRW6.3 trillion in August, rising KRW2.0 trillion from the previous month (*up KRW3.1 trillion y-o-y*). In the banking sector, jeonse<sup>2</sup> loans rose KRW3.4 trillion and mortgage loans expanded KRW1.9 trillion. Mortgage lending by non-banks saw a rise of KRW200 billion from the previous month. Other types of loans went up KRW7.7 trillion as credit-based lending by both banks and non-banks rose KRW5.7 trillion and KRW2.0 trillion, respectively.

### <Trends in outstanding balance of household loans<sup>3</sup>>

(In trillion won)

	2018			2019			2020		
	Jan-Aug	Jul	Aug	Jan-Aug	Jul	Aug	Jan-Aug	Jul	Aug
Banks	+35.6	+4.8	+5.9	+34.6	+5.8	+7.4	+60.1	+7.6	+11.8
Non-banks	+10.1	+0.9	+0.7	-4.4	-0.1	-0.9	-0.2	+1.8	+2.2
Mutual finance	+0.7	-0.5	-0.4	-6.4	-0.9	-1.2	-4.5	+0.1	+0.2
Credit union	-2.13	-0.24	-0.24	-0.98	-0.18	-0.13	-1.89	-0.11	-0.22
Nonghyup	+3.86	+0.46	+0.24	-0.06	-0.26	-0.51	+0.81	+0.45	+0.76
Suhyup	-0.33	-0.08	-0.01	+0.13	-0.00	-0.01	-0.12	+0.09	-0.07
NFCF <sup>4</sup>	+0.42	+0.06	+0.06	+0.33	+0.02	+0.03	+0.11	+0.02	+0.01
KFCC <sup>5</sup>	-1.15	-0.71	-0.46	-5.81	-0.50	-0.55	-3.40	-0.31	-0.31
Insurance	+3.1	+0.5	+0.4	-1.3	-0.2	-0.3	-0.1	+0.3	+0.8
Savings banks	+1.5	+0.3	+0.3	+1.7	+0.5	+0.3	+3.0	+0.7	+0.6
Credit finance companies	+4.9	+0.6	+0.4	+1.5	+0.5	+0.3	+1.4	+0.6	+0.7
Total	+45.8	+5.6	+6.6	+30.2	+5.7	+6.5	+59.9	+9.4	+14.0

The financial authorities are closely monitoring trends in household loans to see whether the recent spike is a temporary phenomenon or a more permanent trend. Based on the comprehensive assessment, the government will draw up measures to systematically manage household loans.

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<sup>1</sup> Preliminary

<sup>2</sup> A lump sum deposit without monthly payments for rent

<sup>3</sup> Advance estimates from the Financial Supervisory Service

<sup>4</sup> National Forestry Cooperative Federation

<sup>5</sup> Korean Federation of Community Credit Cooperatives