

## HOUSEHOLD LOANS, OCTOBER 2020

The outstanding balance of household loans<sup>1</sup> in all financial sectors rose KRW13.2 trillion from the previous month in October 2020 (*up 7.1% year-on-year*). The household loan balance increased KRW10.6 trillion in the banking sector and KRW2.5 trillion in the non-banking sector.

All financial sectors (y-o-y): +6.1% (Oct 2018) → +4.2% (Oct 2019) → +7.1% (Oct 2020)

By type, mortgage loans increased KRW7.2 trillion in October, rising KRW0.1 trillion from the previous month (*up KRW3.2 trillion y-o-y*). In the banking sector, mortgage loans expanded KRW6.8 trillion while jeonse<sup>2</sup> loans grew at a slower rate (*up KRW3.0 trillion m-o-m*). Mortgage lending by non-banks saw an increase of KRW0.4 trillion from the previous month. Other types of loans went up KRW6.0 trillion as credit-based lending by both banks and non-banks rose KRW3.8 trillion and KRW2.1 trillion, respectively, due to seasonal factors.

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

(In trillion won)

	2018			2019			2020		
	Jan-Oct	Sep	Oct	Jan-Oct	Sep	Oct	Jan-Oct	Sep	Oct
Banks	+48.4	+5.1	+7.7	+46.6	+4.8	+7.2	+80.4	+9.7	+10.6
Non-banks	+12.1	-0.7	+2.7	-4.9	-1.6	+1.1	+4.0	+1.3	+2.5
Mutual finance	+1.2	-0.3	+0.8	-7.5	-0.9	-0.2	-3.4	+0.3	+0.7
Credit union	-2.37	-0.19	-0.06	-1.33	-0.19	-0.16	-1.94	-0.01	-0.16
Nonghyup	+4.77	+0.10	+0.81	-0.39	-0.28	-0.05	+1.85	+0.38	+0.65
Suhyup	-0.28	-0.00	+0.05	+0.14	-0.04	+0.05	+0.01	+0.07	+0.06
NFCF <sup>4</sup>	+0.51	+0.04	+0.05	+0.40	+0.03	+0.04	+0.19	+0.03	+0.04
KFCC <sup>5</sup>	-1.42	-0.24	-0.03	-6.37	-0.46	-0.10	-3.54	-0.21	+0.07
Insurance	+4.3	+0.3	+0.9	-1.1	-0.3	+0.4	+0.7	+0.3	+0.4
Savings banks	+1.8	+0.0	+0.3	+2.2	+0.1	+0.4	+4.2	+0.6	+0.7
Credit finance companies	+4.8	-0.8	+0.7	+1.6	-0.4	+0.5	+2.5	+0.2	+0.8
Total	+60.5	+4.4	+10.4	+41.7	+3.2	+8.3	+84.4	+11.0	+13.2

The financial authorities will closely monitor trends as the volume of household loans generally tends to expand in the fourth quarter. While considering the need to minimize downside effects to lower income households and small-scale businesses, the government will prepare plans to more effectively manage household debt.

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For press inquiry, please contact Foreign Media Relations Team at fsc\_media@korea.kr.

<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