

HOUSEHOLD LOANS, DECEMBER 2021

The outstanding balance of household loans in all financial sectors rose KRW0.2 trillion¹ from the previous month at the end of December 2021, showing a significant decline in the growth rate. The household loan balance dropped KRW0.2 trillion in the banking sector while rising KRW0.4 trillion in the non-banking sector. The growth rate across all financial sectors in 2021 was 7.1 percent, a slowdown from 8.0 percent in the previous year.

Household Loans (in trillion won): 8.6 (Aug 2021) → 7.8 (Sep) → 6.1 (Oct) → 5.9 (Nov) → 0.2 (Dec)

By type, mortgage loans rose KRW2.6 trillion in December, declining from KRW3.9 trillion in the previous month due to a slowdown in housing transactions. Other types of loans including credit loans fell KRW2.4 trillion with the end of the year effect.

<Trends in outstanding balance of household loans²>

(In trillion won)

	2019			2020			2021		
	Jan-Dec	Nov	Dec	Jan-Dec	Nov	Dec	Jan-Dec	Nov	Dec
Banks	+60.8	+7.0	+7.2	+100.7	+13.6	+6.7	+71.6	+2.9	-0.2
Non-banks	-4.5	-0.2	+0.6	+11.5	+5.1	+2.1	+35.9	+3.0	+0.4
Mutual finance	-8.1	-0.9	+0.3	-0.1	+2.2	+1.0	+19.5	+2.2	+0.9
Credit union	-1.54	-0.25	+0.03	-1.45	+0.22	+0.16	+1.87	+0.94	+0.01
Nonghyup	-0.30	-0.29	+0.38	+4.24	+1.31	+1.08	+11.31	-0.14	-0.55
Suhypup	+0.05	-0.07	-0.02	+0.08	+0.08	-0.01	+0.90	-0.04	-0.06
NFCF ³	+0.46	+0.03	+0.04	+0.28	+0.05	+0.04	+0.45	-0.01	-0.00
KFCC ⁴	-6.80	-0.29	-0.13	-3.24	+0.53	-0.23	+4.95	+1.46	+1.52
Insurance	-0.8	+0.0	+0.3	+1.7	+0.8	+0.2	+5.4	+0.5	+0.1
Savings Banks	+2.4	+0.2	+0.0	+5.5	+0.9	+0.4	+6.3	+0.2	+0.0
Credit finance companies	+2.0	+0.4	+0.0	+4.4	+1.2	+0.5	+4.7	+0.1	-0.6
Total	+56.2	+6.7	+7.8	+112.3	+18.7	+8.8	+107.5	+5.9	+0.2

The accelerated growth rate in household loans over the past two years amid the pandemic appears to have entered a stable path with the overall growth rate standing at 7.1 percent in 2021. The financial authorities will continue to work on various measures to contain the household debt growth to ensure effective risk management while allowing a continuation of credit extension to the financially vulnerable groups.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.

¹ Preliminary

² Advance estimates from the Financial Supervisory Service

³ National Forestry Cooperative Federation

⁴ Korean Federation of Community Credit Cooperatives