

HOUSEHOLD LOANS, JANUARY 2023

In January 2023, the outstanding balance of household loans¹ across all financial sectors declined KRW8.0 trillion (*m-o-m*) and the growth rate also dropped at a faster pace (*down 1.0 percent, y-o-y*), showing a strong trend of decline. Financial authorities will ensure stable management of household debt and continue to seamlessly implement the normalization of relevant loan regulations to help non-speculative homebuyers.

(OVERALL) Household loans across all financial sectors dropped KRW8.0 trillion in January 2023. The year-on-year growth rate (*down 1.0 percent*) declined at a faster pace compared to the previous month (*down 0.5 percent*), showing a continuous trend of slowing down.

(BY TYPE) Mortgage loans went down month-on-month for the first time since relevant statistics became available in 2015, and the rate of decline for other types of loans has also increased.

- **(MORTGAGE LOANS)** Mortgage loans fell KRW0.6 trillion in January, led by jeonse loans (*down KRW1.8 trillion*) and home-backed mortgage loans from nonbank sectors (*down KRW0.6 trillion*) such as mutual finance.²
- **(OTHER TYPES OF LOANS)** Other types of loans fell KRW7.4 trillion, as the rate of the decline increased compared to the previous month (*down KRW5.2 trillion*), led by credit loans.³

(BY SECTOR) Household loans edged down in both the banking and nonbanking sectors.

- **(BANKING SECTOR)** Household loans in the banking sector declined KRW4.6 trillion in January. Regarding mortgage loans, banks saw a growth in government-sponsored mortgage lending (*up KRW1.7 trillion*) and group lending for new apartment subscription (*up KRW0.3 trillion*), but a drop in jeonse loans (*down KRW1.8 trillion*).⁴ Other types of loans from banks dropped KRW4.6 trillion, declining at a faster pace from a month ago (*down KRW2.9 trillion*) led by credit loans (*down KRW3.8 trillion*).⁵
- **(NONBANKING SECTOR)** In January, nonbanks saw a drop of KRW3.4 trillion in household loans with a slight rise in savings banks (*up KRW0.1 trillion*) but declines in mutual finance (*down KRW3.0 trillion*) and specialized credit finance business companies (*down KRW0.4 trillion*).

¹ Preliminary

² Growth in mortgage loans (in trillion KRW): +2.7(Aug), +1.9(Sep), +2.0(Oct), +0.5(Nov), +1.8(Dec), -0.6(Jan 2023)

³ Growth in other types of loans (in trillion KRW): -1.8(Aug), -3.1(Sep), -2.2(Oct), -3.6(Nov), -5.2(Dec), -7.4(Jan 2023)

⁴ Growth amount (in trillion KRW): Government-sponsored mortgage lending (+1.7), group lending for new apartment subscription (+0.3), jeonse loans (-1.8), general individual loans (-0.2)

⁵ Growth amount (in trillion KRW) of mortgage loans at banks: +1.6(Aug), +0.9(Sep), +1.3(Oct), +1.0(Nov), +3.1(Dec), +0.0(Jan 2023)

Growth amount (in trillion KRW) of other types of loans at banks: -1.3(Aug), -2.1(Sep), -1.9(Oct), -2.1(Nov), -2.9(Dec), -4.6(Jan 2023)

<Trends in Outstanding Balance of Household Loans>

(In trillion KRW)	2021			2022			2023	
	Jan-Dec	Dec 2020	Jan	Jan-Dec	Dec 2021	Jan	Dec 2022	Jan
Banks	+71.6	+6.7	+7.6	-2.8	-0.2	-0.5	+0.2	-4.6
Nonbanks	+35.9	+2.1	+2.8	-5.9	+0.4	-0.2	-3.6	-3.4
Mutual finance	+19.5	+1.0	+0.5	-10.6	+1.0	-1.1	-2.0	-3.0
Credit unions	+1.9	+0.2	+0.0	+0.1	+0.1	+0.1	-0.1	-0.4
Agricultural cooperatives	+11.3	+1.1	+0.6	-11.1	-0.6	-0.9	-1.7	-1.9
Fisheries cooperatives	+0.9	-0.0	+0.0	-0.5	-0.1	-0.1	-0.0	-0.0
Forestry cooperatives	+0.5	+0.0	+0.0	-0.1	-0.0	-0.0	-0.0	-0.0
Community credit cooperatives	+5.0	-0.2	-0.2	+1.2	+1.5	-0.1	-0.2	-0.7
Insurance	+5.4	+0.2	+0.7	+3.7	+0.1	+0.3	+0.5	+0.0
Savings banks	+6.3	+0.4	+0.7	+2.3	+0.0	+0.1	-0.5	+0.1
Specialized credit finance business companies	+4.7	+0.5	+0.9	-1.3	-0.6	+0.5	-1.6	-0.4
Total	+107.5	+8.8	+10.4	-8.7	+0.2	-0.7	-3.4	-8.0

(REVIEW) Household loans across all financial sectors declined KRW8.0 trillion (*m-o-m*) in January 2023, showing a continuing trend of slowing down as the month-on-month growth rate also fell at a faster pace. Mortgage loans (*down KRW0.6 trillion*) edged down for the first time since relevant statistics began to be collected in 2015, despite a growth in government-sponsored mortgage lending, as jeonse loans from banks and mortgage loans from nonbanks declined. Other types of loans (*down KRW7.4 trillion*) such as credit loans fell at a faster pace compared to the previous month due to the impact of rising interest rates for loans. Financial authorities will ensure stable management of household debt and continue to seamlessly implement the normalization of relevant loan regulations to support non-speculative homebuyers.

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