

HOUSEHOLD LOANS, FEBRUARY 2024

- In February 2024, household loans dropped KRW1.8 trillion across all financial sectors, edging down for the first time since March 2023.
- Authorities will continue to stably manage the pace of household debt growth.

In February 2024, the outstanding balance of household loans across all financial sectors fell KRW1.8 trillion (preliminary), declining for the first time since March 2023.

* Change (in trillion KRW, y-o-y): +2.4 (Sep 2023), +6.2 (Oct), +2.6 (Nov), +0.1 (Dec), +0.9 (Jan 2024), -1.8 (Feb)^P

(BY TYPE) Home mortgage loans increased KRW3.7 trillion, edging up at a slightly slower pace compared with the previous month (*up KRW4.1 trillion*). Mortgage loans from banks went up KRW4.7 trillion, showing a similar pace of growth from the previous month (*up KRW4.9 trillion*). Mortgage loans from nonbanks fell at a faster rate (*from down KRW0.8 trillion a month before to down KRW1.0 trillion in February 2024*). Other types of loans declined KRW5.5 trillion with drops seen in the banking and nonbanking sectors.

<Trends in Outstanding Balance of Household Loans by Type>

(In trillion KRW)	Aug 2023	Sep	Oct	Nov	Dec	Jan 2024 ^P	Feb
Mortgage loans	+6.6	+5.7	+5.2	+5.6	+5.0	+4.1	+3.7
Other types of loans	-0.5	-3.3	+1.0	-3.0	-4.9	-3.2	-5.5
Total	+6.1	+2.4	+6.2	+2.6	+0.1	+0.9	-1.8

(BY SECTOR) Household loans grew in the banking sector at a slower pace while expanding at a faster pace in the nonbanking sector. Banks saw an increase of KRW2.0 trillion in household loans in February, a drop from an increase of KRW3.4 trillion in the previous month. Mortgage loans from banks fell somewhat from the previous month due to significant declines in policy mortgage loans and group lending for new apartment subscriptions. Other types of loans fell at a faster pace (*from down KRW1.5 trillion to down KRW2.7 trillion*) led by credit loans.

In the nonbanking sector, household loans declined KRW3.8 trillion, falling at a faster pace compared with the previous month (*down KRW2.5 trillion*). Mutual finance businesses (*down KRW3.0 trillion*) and insurance companies (*down KRW0.6 trillion*) saw continuing declines in household loans, and savings banks (*down KRW0.1 trillion*) and specialized credit finance companies (*down KRW0.1 trillion*) also saw household loans drop from a month before.

(ASSESSMENT) Although the outstanding balance of household loans across all financial sectors declined in February for the first time since March 2023, there is growing demand for refinancing loans and the volume of banks' mortgage lending is trending upward.

Therefore, authorities will continue to closely monitor situations regarding the property market and interest rates and work to ensure that the pace of growth of household loans is managed at a stable level.

<Trends in Outstanding Balance of Household Loans by Sector>

(In trillion KRW)	2022			2023			2024		
	Jan-Dec	Jan	Feb	Jan-Dec	Jan	Feb	Jan-Dec	Jan	Feb ^P
Banks	-2.8	-0.5	-0.2	+37.1	-4.6	-2.7	+5.4	+3.4	+2.0
Nonbanks	-6.0	-0.2	-0.1	-27.0	-3.5	-1.0	-6.2	-2.5	-3.8
Mutual finance	-10.6	-1.1	-0.6	-27.6	-3.0	-1.2	-5.5	-2.5	-3.0
Credit unions	+0.1	+0.1	-0.1	-4.4	-0.3	-0.3	-1.0	-0.4	-0.6
Agricultural cooperatives	-11.1	-0.9	-0.5	-15.7	-1.9	-0.3	-2.9	-1.4	-1.5
Fisheries cooperatives	-0.5	-0.1	-0.02	-0.8	-0.05	-0.1	-0.002	+0.01	-0.01
Forestry cooperatives	-0.1	-0.003	+0.0003	-0.4	-0.03	-0.04	-0.08	-0.04	-0.04
Community credit cooperatives	+1.2	-0.1	-0.03	-6.3	-0.7	-0.5	-1.5	-0.6	-0.8
Insurance	+3.6	+0.3	+0.3	+2.8	-0.2	+0.6	-1.1	-0.5	-0.6
Savings banks	+2.3	+0.1	+0.2	-1.3	+0.1	+0.01	-0.1	+0.1	-0.1
Specialized credit finance business companies	-1.3	+0.5	+0.02	-0.9	-0.4	-0.4	+0.4	+0.4	-0.1
Total	-8.8	-0.7	-0.3	+10.1	-8.1	-3.7	-0.9	+0.9	-1.8

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