

HOUSEHOLD LOANS, MARCH 2024

- In March 2024, household loans dropped KRW4.9 trillion across all financial sectors.
- Authorities will continue to closely monitor trends in household debt growth and ensure stable management with a long-term perspective.

In March 2024, the outstanding balance of household loans across all financial sectors fell KRW4.9 trillion (preliminary), declining at a faster pace compared to the previous month (*down KRW1.9 trillion*).

* Change (in trillion KRW, y-o-y): +6.2 (Oct 2023), +2.6 (Nov), +0.1 (Dec), +0.9 (Jan 2024), -1.9 (Feb), -4.9 (Mar)^P

(BY TYPE) Home mortgage loans increased KRW0.05 trillion, growing at a much slower pace compared to the previous month (*up KRW3.7 trillion*), due to a substantial drop in the banking sector (*up KRW4.7 trillion → up KRW0.5 trillion*). Other types of loans declined KRW4.9 trillion, with drops seen in both the banking (*down KRW2.8 trillion → down KRW2.1 trillion*) and nonbanking (*down KRW2.7 trillion → down KRW2.8 trillion*) sectors.

<Trends in Outstanding Balance of Household Loans by Type>

(In trillion KRW)	Sep 2023	Oct	Nov	Dec	Jan 2024	Feb	Mar
Mortgage loans	+5.7	+5.2	+5.6	+5.0	+4.1	+3.7	+0.05
Other types of loans	-3.3	+1.0	-3.0	-4.9	-3.2	-5.5	-4.9
Total	+2.4	+6.2	+2.6	+0.1	+0.9	-1.9	-4.9

(BY SECTOR) Household loans turned lower in the banking sector, while the pace of decline moderated in the nonbanking sector. In March, banks saw a decline of KRW1.6 trillion in household loans, which shifted down from the growth of KRW1.9 trillion a month ago, with the implementation of the stressed debt service ratio (DSR) rules. Other types of loans from banks also continued to decline (*down KRW2.8 trillion → down KRW2.1 trillion*), led by credit loans.

In the nonbanking sector, household loans fell KRW3.3 trillion. Mutual finance businesses (*down KRW2.4 trillion*) and insurance companies (*down KRW0.2 trillion*) saw slower paces of decline from a month ago, while specialized credit finance companies (*down KRW0.4 trillion*) and savings banks (*down KRW0.3 trillion*) saw faster paces of decline.

(ASSESSMENT) The continued decline in household loans appears to be caused by the prolonged high interest rates and delayed recovery in housing market transactions. The financial authorities will continue to closely monitor situations regarding the housing market and interest rates to make sure that household debt growth is stably managed with a long-term perspective.

<Trends in Outstanding Balance of Household Loans by Sector>

(In trillion KRW)	2022	2023				2024			
	Jan-Dec	Jan-Dec	Oct	Nov	Dec	Jan-Mar ^P	Jan	Feb	Mar ^P
Banks	-2.8	+37.1	+6.7	+5.4	+3.1	+3.7	+3.4	+1.9	-1.6
Nonbanks	-6.0	-27.0	-0.6	-2.8	-3.0	-9.5	-2.5	-3.8	-3.3
Mutual finance	-10.6	-27.6	-1.6	-2.7	-1.5	-7.8	-2.5	-2.9	-2.4
Credit unions	+0.1	-4.4	-0.4	-0.4	-0.3	-1.5	-0.4	-0.5	-0.5
Agricultural cooperatives	-11.1	-15.7	-0.8	-1.7	-0.9	-4.0	-1.4	-1.5	-1.1
Fisheries cooperatives	-0.5	-0.8	-0.02	+0.00	+0.05	-0.02	+0.01	-0.01	-0.02
Forestry cooperatives	-0.1	-0.4	-0.01	-0.02	-0.02	-0.11	-0.04	-0.04	-0.03
Community credit cooperatives	+1.2	-6.3	-0.4	-0.6	-0.4	-2.1	-0.6	-0.8	-0.7
Insurance	+3.6	+2.8	+0.3	+0.05	-0.1	-1.3	-0.5	-0.6	-0.2
Savings banks	+2.3	-1.3	+0.1	-0.1	-0.9	-0.4	+0.1	-0.1	-0.3
Specialized credit finance companies	-1.3	-0.9	+0.7	-0.02	-0.5	-0.1	+0.4	-0.1	-0.4
Total	-8.8	+10.1	+6.2	+2.6	+0.1	-5.8	+0.9	-1.9	-4.9

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