

HOUSEHOLD LOANS, APRIL 2024

- In April 2024, household loans increased KRW4.1 trillion across all financial sectors month-on-month but declined KRW1.8 trillion compared with the end of 2023.
- Authorities will continue to closely monitor trends in household debt growth and seek to control growth within the nominal GDP growth rate.

In April 2024, the outstanding balance of household loans across all financial sectors rose KRW4.1 trillion (preliminary) from the previous month. When compared with the end of 2023, the household loan balance dropped KRW1.8 trillion, which shows that the growth trend remains on a stable course.

* Change (in trillion KRW, m-o-m): +2.6 (Nov 2023), +0.1 (Dec), +0.9 (Jan 2024), -1.9 (Feb), -4.9 (Mar), +4.1 (Apr)^P

(BY TYPE) Home-backed mortgage loans increased KRW4.1 trillion as the banking sector saw a significant growth in mortgage loans (*up KRW0.5 trillion → up KRW4.5 trillion*). Other types of loans went up KRW0.03 trillion from a month ago (*down KRW5.0 trillion*) as the banking sector saw an increase of KRW0.6 trillion, while the nonbanking sector saw a slower pace of decline (*down KRW2.8 trillion → down KRW0.6 trillion*).

<Trends in Outstanding Balance of Household Loans by Type>

(In trillion KRW)	Oct 2023	Nov	Dec	Jan 2024	Feb	Mar	Apr ^P
Mortgage loans	+5.2	+5.6	+5.0	+4.1	+3.7	+0.02	+4.1
Other types of loans	+1.0	-3.0	-4.9	-3.2	-5.5	-5.0	+0.03
Total	+6.2	+2.6	+0.1	+0.9	-1.9	-4.9	+4.1

(BY SECTOR) Household loans edged back up in the banking sector while declining at a slower pace in the nonbanking sector. Banks saw a rise of KRW5.1 trillion in household loans compared with the previous month as relevant statistics on household loan data began to incorporate certain types of housing loans previously excluded from household loan statistics but classified instead as policy funds. Banks' issuance of new mortgage loans also expanded from a month ago (*up KRW2.0 trillion → up KRW3.6 trillion*). A series of initial public offerings scheduled in April-May also pushed up the volume of credit loans temporarily.

In the nonbanking sector, household loans fell KRW1.0 trillion. Although the pace of the decline slowed compared with the previous month (*down KRW3.3 trillion*), the overall trend since the second half of 2022 has steadily shown a slowing trend. Mutual finance businesses continued to see a decline (*down KRW2.1 trillion*) in household loans, while specialized credit finance companies (*up KRW0.6 trillion*), savings banks (*up KRW0.5 trillion*), and insurance companies (*up KRW0.01 trillion*) all saw growth led by increase in credit loans.

(ASSESSMENT) In April 2024, the growth in household loans was caused in part by temporary factors, such as the increase in credit loans in preparation for IPO subscription, but also in part by the addition of the previously excluded types of housing loans to household loan statistics as well as the actual growth of mortgage loans in the banking sector. Therefore, the authorities will continue to closely work with related ministries and maintain strong communication with the financial sector to ensure stable management of the trend of household loan growth. As it remains possible for household loan growth to expand more rapidly in the future, as there are expectations for interest rate cuts and housing market recovery, the financial authorities will remain vigilant and make utmost efforts to ensure the management of household debt growth within the nominal GDP growth rate.

<Trends in Outstanding Balance of Household Loans by Sector>

(In trillion KRW)	2022	2023				2024				
	Jan-Dec	Jan-Dec	Oct	Nov	Dec	Jan-Apr ^P	Jan	Feb	Mar	Apr ^P
Banks	-2.8	+37.1	+6.7	+5.4	+3.1	+8.8	+3.4	+1.9	-1.7	+5.1
Nonbanks	-6.0	-27.0	-0.6	-2.8	-3.0	-10.6	-2.5	-3.8	-3.3	-1.0
Mutual finance	-10.6	-27.6	-1.6	-2.7	-1.5	-9.8	-2.5	-2.9	-2.3	-2.1
Credit unions	+0.1	-4.4	-0.4	-0.4	-0.3	-1.9	-0.4	-0.5	-0.5	-0.5
Agricultural cooperatives	-11.1	-15.7	-0.8	-1.7	-0.9	-5.0	-1.4	-1.5	-1.1	-1.0
Fisheries cooperatives	-0.5	-0.8	-0.02	+0.00	+0.05	-0.1	+0.01	-0.01	-0.02	-0.05
Forestry cooperatives	-0.1	-0.4	-0.01	-0.02	-0.02	-0.1	-0.04	-0.04	-0.03	-0.02
Community credit cooperatives	+1.2	-6.3	-0.4	-0.6	-0.4	-2.7	-0.6	-0.8	-0.7	-0.6
Insurance	+3.6	+2.8	+0.3	+0.05	-0.1	-1.3	-0.5	-0.6	-0.2	+0.01
Savings banks	+2.3	-1.3	+0.1	-0.1	-0.9	+0.1	+0.1	-0.1	-0.3	+0.5
Specialized credit finance companies	-1.3	-0.9	+0.7	-0.02	-0.5	+0.5	+0.4	-0.1	-0.4	+0.6
Total	-8.8	+10.1	+6.2	+2.6	+0.1	-1.8	+0.9	-1.9	-4.9	+4.1

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