

HOUSEHOLD LOANS, JUNE 2024

- In June 2024, household loans increased KRW4.4 trillion across all financial sectors.
- Authorities will continue to stably manage the pace of household debt growth within the level of annual GDP growth.

In June 2024, the outstanding balance of household loans across all financial sectors rose KRW4.4 trillion (preliminary), growing at a slower rate compared with the previous month (*up KRW5.3 trillion*). In the first half of 2024, household loans rose KRW7.9 trillion (*up 0.5 percent*), showing a stable trend of growth compared with the end of 2023.

* Change (in trillion KRW, m-o-m): +0.9 (Jan 2024), -1.9 (Feb), -4.9 (Mar), +4.1 (Apr), +5.3 (May), +4.4 (Jun)^P

(BY TYPE) Home-backed mortgage loans rose KRW6.1 trillion, growing at a slightly faster rate compared with the previous month (*up KRW5.6 trillion*), as the banking sector continued to see expansion of mortgage loans (*up KRW5.7 trillion → up KRW6.3 trillion*).

Other types of loans declined KRW1.7 trillion as the banking sector saw a drop of KRW0.3 trillion from the growth of KRW0.3 trillion a month ago and the nonbanking sector saw an expanded level of drop from a month ago (*down KRW0.5 trillion → down KRW1.4 trillion*).

<Trends in Outstanding Balance of Household Loans by Type>

(In trillion KRW)	Dec 2023	Jan 2024	Feb	Mar	Apr	May	Jun ^P
Mortgage loans	+5.0	+4.1	+3.7	+0.02	+4.1	+5.6	+6.1
Other types of loans	-4.9	-3.2	-5.5	-5.0	+0.01	-0.2	-1.7
Total	+0.1	+0.9	-1.9	-4.9	+4.1	+5.3	+4.4

(BY SECTOR) Household loans grew at a similar level in the banking sector but fell at a faster rate in the nonbanking sector. In June, banks saw a rise of KRW6.0 trillion in household loans, which showed a similar level of pace from the previous month (*up KRW6.0 trillion*), as mortgage loans went up at a faster rate (*up KRW5.7 trillion → up KRW6.3 trillion*) with increased demand for policy mortgage loans and recovery in housing transactions. Other types of loans turned lower slightly compared with the previous month (*up KRW0.3 trillion → down KRW0.3 trillion*).

In the nonbanking sector, household loans fell at a faster rate (*down KRW0.7 trillion → down KRW1.6 trillion*) due to the quarterly write-off of nonperforming loans. Mutual finance businesses (*down KRW1.0 trillion*), specialized credit finance companies (*down KRW0.3 trillion*), and savings banks (*down KRW0.3 trillion*) saw declines, while insurance companies saw a slight rise (*up KRW0.02 trillion*).

(ASSESSMENT) The financial authorities assessed that the growth of household loans in the first half of 2024 has been on a stable path within the level of GDP growth rate. However, with mortgage loans continuing to expand and looming uncertainties regarding the future of macroeconomic conditions, such as interest rates and housing market situation, the financial authorities will continue to stay alert and tightly manage the pace of household loan growth within the level of annual GDP growth by ensuring a seamless implementation of the second phase stressed debt service ratio (DSR) rule from September this year.

<Trends in Outstanding Balance of Household Loans by Sector>

(In trillion KRW)	2022	2023		2024						
	Jan-Dec	Jan-Dec	Dec	Jan-Jun ^P	Jan	Feb	Mar	Apr	May	Jun ^P
Banks	-2.8	+37.1	+3.1	+20.6	+3.4	+1.9	-1.7	+5.1	+6.0	+6.0
Nonbanks	-6.0	-27.0	-3.0	-12.8	-2.5	-3.8	-3.3	-1.0	-0.7	-1.6
Mutual finance	-10.6	-27.6	-1.5	-12.3	-2.5	-2.9	-2.3	-2.1	-1.5	-1.0
Credit unions	+0.1	-4.4	-0.3	-2.5	-0.4	-0.5	-0.5	-0.4	-0.3	-0.4
Agricultural cooperatives	-11.1	-15.7	-0.9	-6.3	-1.4	-1.5	-1.1	-1.0	-0.9	-0.4
Fisheries cooperatives	-0.5	-0.8	+0.05	-0.1	+0.01	-0.01	-0.02	-0.05	-0.03	+0.02
Forestry cooperatives	-0.1	-0.4	-0.02	-0.2	-0.04	-0.04	-0.03	-0.02	-0.02	-0.01
Community credit cooperatives	+1.2	-6.3	-0.4	-3.3	-0.6	-0.8	-0.7	-0.6	-0.3	-0.3
Insurance	+3.6	+2.8	-0.1	-1.3	-0.5	-0.6	-0.2	-0.02	+0.1	+0.02
Savings banks	+2.3	-1.3	-0.9	-0.02	+0.1	-0.1	-0.3	+0.5	+0.1	-0.3
Specialized credit finance companies	-1.3	-0.9	-0.5	+0.9	+0.4	-0.1	-0.4	+0.6	+0.7	-0.3
Total	-8.8	+10.1	+0.1	+7.9	+0.9	-1.9	-4.9	+4.1	+5.3	+4.4

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