

HOUSEHOLD LOANS, DECEMBER 2020

The outstanding balance of household loans¹ in all financial sectors rose KRW8.5 trillion from the previous month at the end of December 2020 (*up 8.0% y-o-y*). The household loan balance increased KRW6.7 trillion in the banking sector and KRW1.8 trillion in the non-banking sector.

All financial sectors (y-o-y): +5.9% (Dec 2018) → +4.2% (Dec 2019) → +8.0% (Dec 2020)

By type, mortgage loans expanded KRW6.7 trillion in December, dropping KRW0.1 trillion from the previous month (*up KRW2.1 trillion y-o-y*). In the banking sector, mortgage loans grew KRW6.3 trillion while mortgage lending by non-banks increased KRW0.4 trillion from the previous month. Other types of loans rose KRW1.8 trillion, showing a significant decline (*down KRW10.1 trillion m-o-m*) from the previous month due to strict regulations on credit loans.

<Trends in outstanding balance of household loans²>

(In trillion won)

	2018			2019			2020		
	Jan-Dec	Nov	Dec	Jan-Dec	Nov	Dec	Jan-Dec	Nov	Dec
Banks	+60.5	+6.7	+5.4	+60.8	+7.0	+7.2	+100.7	+13.6	+6.7
Non-banks	+14.7	+1.3	+1.3	-4.5	-0.2	+0.6	+11.3	+5.1	+1.8
Mutual finance	+2.5	+0.5	+0.8	-8.1	-0.9	+0.3	-0.2	+2.2	+0.9
Credit union	-2.39	-0.09	+0.07	-1.54	-0.25	+0.03	-1.56	+0.22	+0.05
Nonghyup	+6.39	+0.67	+0.95	-0.30	-0.29	+0.38	+4.24	+1.31	+1.08
Suhyup	-0.19	-0.00	+0.10	+0.05	-0.07	-0.02	+0.08	+0.08	-0.01
NFCF ³	+0.63	+0.06	+0.06	+0.46	+0.03	+0.04	+0.28	+0.05	+0.04
KFCC ⁴	-1.95	-0.15	-0.37	-6.80	-0.29	-0.13	-3.24	+0.53	-0.23
Insurance	+5.6	+0.5	+0.7	-0.8	+0.0	+0.3	+1.7	+0.8	+0.1
Savings banks	+2.3	+0.3	+0.1	+2.4	+0.2	+0.0	+5.5	+0.9	+0.4
Credit finance companies	+4.4	-0.0	-0.4	+2.0	+0.4	+0.0	+4.3	+1.2	+0.4
Total	+75.2	+8.0	+6.6	+56.2	+6.7	+7.8	+112.0	+18.7	+8.5

In 2021, the financial authorities will continue to closely monitor trends in household loans and check the implementation of the household debt management plan. The authorities will draw up a plan in the first quarter that aims to make a gradual transition toward the the application of DSR rules centered on individual borrowers' debt service capabilities.

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

¹ Preliminary

² Advance estimates from the Financial Supervisory Service

³ National Forestry Cooperative Federation

⁴ Korean Federation of Community Credit Cooperatives