

HOUSEHOLD LOANS, APRIL 2021

The outstanding balance of household loans¹ in all financial sectors rose KRW25.4 trillion from the previous month at the end of April 2021 (*up 10.0% year-on-year*). The household loan balance increased KRW16.0 trillion in the banking sector and KRW9.4 trillion in the non-banking sector.

All financial sectors (y-o-y): +8.5% (Feb 2021) → +8.5% (Mar 2021) → +10.0% (Apr 2021)

By type, mortgage loans increased KRW5.2 trillion in April, growing at a slower rate compared with the previous month (*up KRW6.5 trillion y-o-y*). Other types of loans saw a spike of KRW20.2 trillion as demand for credit loans jumped ahead of the SKIET IPO which attracted about KRW80.9 trillion in subscription deposit. However, as of May 3, the household loan balance in both the banking and non-banking sectors appear to have fallen back following refunds of subscription deposits.

<Trends in outstanding balance of household loans²>

(In trillion won)

	2019			2020			2021		
	Jan-Apr	Mar	Apr	Jan-Apr	Mar	Apr	Jan-Apr	Mar	Apr
Banks	+11.0	+2.9	+4.5	+27.5	+9.6	+4.9	+36.8	+6.5	+16.0
Non-banks	-4.0	-2.0	+0.6	-3.7	-0.4	-1.9	+18.2	+3.0	+9.4
Mutual finance	-4.0	-1.0	-0.0	-4.4	-0.8	-0.7	+7.9	+1.6	+4.6
Credit union	-0.60	-0.12	-0.01	-1.18	-0.51	-0.25	+0.02	-0.08	+0.14
Nonghyup	+0.05	+0.02	+0.40	-1.23	+0.20	-0.04	+6.13	+1.41	+3.12
Suhyup	+0.06	-0.02	+0.04	-0.22	-0.02	-0.05	+0.55	+0.12	+0.25
NFCF ³	+0.19	+0.04	+0.06	+0.07	+0.04	+0.00	+0.19	+0.06	+0.07
KFCC ⁴	-3.71	-0.94	-0.52	-1.87	-0.52	-0.40	+0.96	+0.12	+1.02
Insurance	-0.9	-0.3	-0.1	-0.7	+0.3	-0.8	+4.3	+0.4	+2.6
Savings banks	+0.7	-0.3	+0.4	+1.3	+0.1	+0.5	+3.0	+0.6	+1.1
Credit finance companies	+0.2	-0.4	+0.3	+0.2	-0.0	-0.9	+3.0	+0.4	+1.0
Total	+7.0	+0.9	+5.1	+23.8	+9.1	+3.0	+54.9	+9.5	+25.4

The temporary spike in credit loans in both the banking and non-banking sectors in April was mainly caused by an increase in demand for credit loans amid large-scale IPO subscription activities. The financial authorities will continue to closely monitor trends in household debt while working for an effective implementation of the household debt management measures.

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For press inquiry, please contact Foreign Media Relations 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