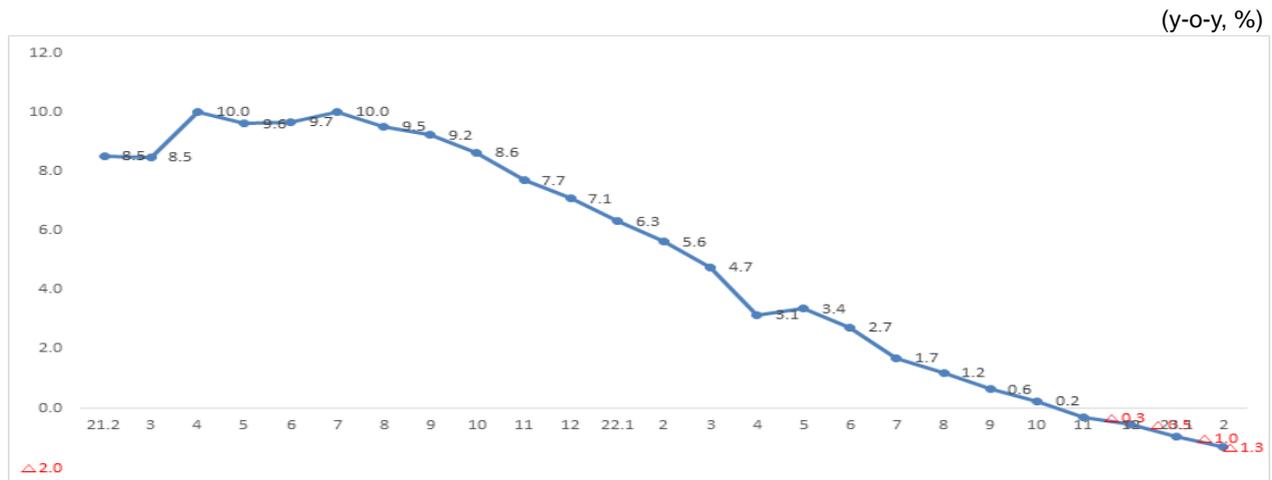


## HOUSEHOLD LOANS, FEBRUARY 2023

In February 2023, the outstanding balance of household loans<sup>1</sup> across all financial sectors declined KRW5.4 trillion compared to last month (*m-o-m*). The year-on-year change rate also dropped at a greater level (*down 1.3 percent*) compared to last month (*down 1.3 percent*), which showed a continuing trend of decline. Financial authorities will closely monitor household debt situation to keep it at a stable level, while continuing to inspect whether there exist any risks to household debt caused by high interest rates.

**(OVERALL)** Household loans across all financial sectors dropped KRW5.4 trillion in February 2023. The year-on-year change rate (*down 1.3 percent*) declined at a faster pace compared to the previous month (*down 1.0 percent in January*), showing a continuing trend of decline since the second half of last year.

<Household Loan Growth Rate>



**(BY TYPE)** Mortgage loans (*m-o-m*) dropped for two consecutive months, and other types of loans also continued to decline.

- **(MORTGAGE LOANS)** Mortgage loans fell KRW0.6 trillion as both the banking sector and the nonbanking sector saw a drop of KRW0.3 trillion each.<sup>2</sup>
- **(OTHER TYPES OF LOANS)** Other types of loans fell KRW4.8 trillion, led by credit loans (*down KRW2.5 trillion*), but the pace of decline was slower compared to the previous month (*down KRW7.1 trillion in January*).<sup>3</sup>

**(BY SECTOR)** Household loans edged down in both the banking and nonbanking sectors.

<sup>1</sup> Preliminary

<sup>2</sup> Growth in mortgage loans (in trillion KRW): +1.9(Sep 2022), +2.0(Oct), +0.5(Nov), +1.8(Dec), -0.6(Jan 2023), -0.6(Feb)

<sup>3</sup> Growth in other types of loans (in trillion KRW): -3.1(Sep 2022), -2.2(Oct), -3.6(Nov), -5.2(Dec), -7.1(Jan 2023), -4.8(Feb)

- **(BANKING SECTOR)** Household loans in the banking sector declined KRW2.7 trillion in February. Regarding mortgage loans, banks saw a growth in policy mortgage loans (*up KRW1.0 trillion*) and general individual mortgage loans (*up KRW0.7 trillion*), but a drop in jeonse loans (*down KRW2.5 trillion*),<sup>4</sup> which resulted in a decline of banks' mortgage loans for the first time since relevant statistics began to be collected in 2015. Other types of loans from banks dropped KRW2.4 trillion, led by credit loans (*down KRW1.9 trillion*), but the pace of decline slowed compared to the previous month.<sup>5</sup>
- **(NONBANKING SECTOR)** Nonbanks saw a drop of KRW2.7 trillion in household loans with slight increases in insurance companies (*up KRW0.3 trillion*) and savings banks (*up KRW0.02 trillion*) and declines in mutual finance unions and cooperatives (*down KRW2.7 trillion*) and specialized credit finance business companies (*down KRW0.4 trillion*).

<Trends in Outstanding Balance of Household Loans>

(In trillion KRW)	2021			2022			2023		
	Jan-Dec	Jan	Feb	Jan-Dec	Jan	Feb	Jan-Feb <sup>P</sup>	Jan	Feb <sup>P</sup>
Banks	+71.6	+7.6	+6.7	-2.8	-0.5	-0.2	-7.3	-4.6	-2.7
Nonbanks	+35.9	+2.8	+3.0	-6.0	-0.2	-0.1	-5.9	-3.2	-2.7
Mutual finance	+19.5	+0.5	+1.1	-10.6	-1.1	-0.6	-16.2	-3.0	-2.7
Credit unions	+1.9	+0.0	-0.0	+0.1	+0.1	-0.1	-0.5	-0.3	-0.3
Agricultural cooperatives	+11.3	+0.6	+1.0	-11.1	-0.9	-0.5	-14.8	-1.9	-1.7
Fisheries cooperatives	+0.9	+0.0	+0.1	-0.5	-0.1	-0.0	-0.7	-0.0	-0.1
Forestry cooperatives	+0.5	+0.0	+0.0	-0.1	-0.0	+0.0	-0.2	-0.0	-0.0
Community credit cooperatives	+5.0	-0.2	+0.0	+1.2	-0.1	-0.0	-0.0	-0.7	-0.5
Insurance	+5.4	+0.7	+0.6	+3.6	+0.3	+0.3	+0.4	+0.1	+0.3
Savings banks	+6.3	+0.7	+0.5	+2.3	+0.1	+0.2	+0.1	+0.1	+0.0
Specialized credit finance business companies	+4.7	+0.9	+0.7	-1.3	+0.5	+0.0	-0.8	-0.4	-0.4
Total	+107.5	+10.4	+9.7	-8.8	-0.7	-0.3	-13.2	-7.8	-5.4

**(REVIEW)** Household loans across all financial sectors declined KRW5.4 trillion (*m-o-m*) in February 2023, showing a continuing trend of declining as the year-over-year rate of decline also accelerated. Mortgage loans continued to edge down across all financial sectors as mortgage loans in the banking sector (*down KRW0.3 trillion*) fell for the first time since relevant statistics began to be collected in 2015. Other types of loans (*down KRW4.8 trillion*) such as credit loans fell at a slower pace compared to the previous month (*down KRW7.1 trillion*) as lending rates came down slightly. Financial authorities will closely monitor household debt situation to keep it at a stable level, while continuing to inspect whether there exist any risks to household debt caused by high interest rates.

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<sup>4</sup> Growth amount (in trillion KRW): Jeonse loans (-2.5), policy mortgage loans (+1.0), group lending for new apartment subscription (+0.5), general individual loans (+0.7)

<sup>5</sup> Growth amount (in trillion KRW) of mortgage loans at banks: +0.9(Sep 2022), +1.3(Oct), +1.0(Nov), +3.1(Dec), +0.0(Jan 2023), -0.3(Feb)

Growth amount (in trillion KRW) of other types of loans at banks: -2.1(Sep 2022), -1.9(Oct), -2.1(Nov), -2.9(Dec), -4.6(Jan 2023), -2.4(Feb)