

HOUSEHOLD LOANS, APRIL 2023

In April 2023, the outstanding balance of household loans¹ across all financial sectors increased KRW0.2 trillion, rising for the first time since August 2022. Financial authorities will closely monitor trends in household debt while continuing to check potential risks of high interest rates on the household debt situation.

(OVERALL) Household loans across all financial sectors rose KRW0.2 trillion in April 2023, but the year-on-year growth rate declined (*down 1.5 percent*) at a slightly faster pace compared to a month ago (*down 1.4 percent*).

(BY TYPE) Mortgage loans grew faster than the previous month while credit loans declined at a slower pace.

- **(MORTGAGE LOANS)** Mortgage loans rose KRW1.9 trillion with a drop of KRW1.0 trillion in the nonbanking sector and a rise of KRW2.8 trillion in the banking sector.

- **(OTHER TYPES OF LOANS)** Other types of loans fell KRW1.7 trillion with a decline from both banks (*down KRW0.5 trillion*) and nonbanks (*down KRW1.2 trillion*).

<Trends in Outstanding Balance of Household Loans by Type>

(In trillion KRW)	Nov 2022	Dec	Jan 2023	Feb	Mar	Apr ^P
Mortgage loans	+0.5	+1.8	-0.6	-0.6	+1.0	+1.9
Other types of loans	-3.6	-5.2	-7.1	-4.7	-6.0	-1.7

(BY SECTOR) Household loans rose in the banking sector but fell in the nonbanking sector.

- **(BANKING SECTOR)** Household loans in the banking sector increased KRW2.4 trillion in April. Mortgage loans from banks grew KRW2.8 trillion, despite drops in jeonse loans (*down KRW1.7 trillion*) and group lending for new apartment subscription (*down KRW0.4 trillion*), as the volume of general individual mortgage loans (*up KRW0.3 trillion*) and policy mortgage loans (*up KRW4.7 trillion*) increased. Other types of loans in the banking sector declined (*down KRW0.5 trillion*) at a slower pace compared to a month ago (*down KRW3.0 trillion*) as credit loans fell more slowly (*down KRW2.3 trillion* → *down KRW0.6 trillion*).

- **(NONBANKING SECTOR)** Nonbanks saw a drop of KRW2.2 trillion in household loans with slight increases in the insurance (*up KRW0.1 trillion*), specialized credit finance (*up KRW0.3 trillion*) and savings banks (*up KRW0.02 trillion*) sectors but a decline in the mutual finance sector (*down KRW2.6 trillion*).

¹ Preliminary

<Trends in Outstanding Balance of Household Loans by Sector>

(In trillion KRW)	2021			2022			2023		
	Jan-Dec	Mar	Apr	Jan-Dec	Mar	Apr	Jan-Apr ^P	Mar	Apr ^P
Banks	+71.6	+6.5	+16.0	-2.8	-1.0	+1.2	-5.7	-0.7	+2.4
Nonbanks	+35.9	+3.0	+9.4	-6.0	-2.5	+0.2	-12.5	-4.4	-2.2
Mutual finance	+19.5	+1.6	+4.7	-10.6	-1.8	-0.9	-12.2	-3.9	-2.6
Credit unions	+1.9	-0.1	+0.3	+0.1	+0.1	+0.1	-1.5	-0.5	-0.4
Agricultural cooperatives	+11.3	+1.4	+3.1	-11.1	-1.4	-0.8	-7.3	-2.3	-1.5
Fisheries cooperatives	+0.9	+0.1	+0.3	-0.5	-0.1	-0.1	-0.5	-0.2	-0.2
Forestry cooperatives	+0.5	+0.1	+0.1	-0.1	-0.0	-0.0	-0.2	-0.1	-0.0
Community credit cooperatives	+5.0	+0.1	+1.0	+1.2	-0.4	-0.1	-2.7	-0.9	-0.6
Insurance	+5.4	+0.4	+2.6	+3.6	-0.3	+0.2	+0.8	+0.3	+0.1
Savings banks	+6.3	+0.6	+1.1	+2.3	+0.1	+0.3	-0.3	-0.4	+0.0
Specialized credit finance business companies	+4.7	+0.4	+1.0	-1.3	-0.5	+0.6	-0.9	-0.4	+0.3
Total	+107.5	+9.5	+25.4	-8.8	-3.6	+1.4	-18.1	-5.1	+0.2

Financial authorities will closely monitor trends in household debt while continuing to check potential risks of high interest rates on the household debt situation.

#

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