



Press Release

For release at 6:00 A.M., September 20, 2019

Credit-specialized Finance Companies' Earnings, First Half 2019

At the end of June 2019, there were 100 credit-specialized financial companies (CSFCs) excluding credit card companies, and their aggregate assets increased KRW15.5 trillion or 11.3% to KRW152.6 trillion compared to the same period a year earlier. Inherent business assets grew KRW4.8 trillion to KRW58.3 trillion as assets increased in every relevant business category, such as facility leasing, installment financing and venture capital business. Loan assets also expanded from KRW65.7 trillion to KRW71.7 trillion mainly due to the growth in business loans.

The CSFCs reported net income of KRW1.0894 trillion for the first half of 2019, down KRW17.2 billion or 1.6% from the same period a year earlier. Compared to the previous year, net income derived from inherent business grew KRW71.6 billion as well as interest revenues increased KRW240.2 billion. By contrast, bad debts expenses and financing costs have risen by KRW145.2 billion and KRW185.8 billion, respectively, which resulted in cutting the CSFCs' net income for the first half.

The delinquency rate for the CSFCs stood at 1.89% as of end-June 2019, down 0.08%p from 1.97% a year ago. Meanwhile, the ratio of loans classified as substandard or below (SBLs) increased from 1.93% to 2.00%.

Table 1. Aggregate Assets of Credit-specialized Financial Companies, June 2019*

	Jun 2018	Dec 2018	Jun 2019	Chng
Inherent assets	53.5	56.0	58.3	4.8
Facility leasing	27.8	29.0	30.0	2.3
Installment financing	24.1	25.3	26.1	2.1
Venture capital business	1.6	1.8	2.1	0.5
Loan assets	65.7	68.9	71.7	6.0
Household loans	25.6	26.4	26.0	0.4
Business loans	40.1	42.5	45.7	5.6
Securities	10.8	11.4	14.6	3.9
Others	7.2	7.2	8.0	0.8
Total	137.1	143.5	152.6	15.5

*The figures on June 2019 are preliminary as of the release date and subject to change.



Table 2. Aggregate Net Income of Credit-specialized Financial Companies, First Half 2019*

(In billions of KRW)

	H1 2018	H1 2019	Chng
Inherent business	1,351.5	1,423.2	71.6
Facility leasing	624.7	643.4	18.7
Installment financing	617.0	651.5	34.5
Venture capital business	109.8	128.2	18.4
Interest revenues	2,555.4	2,795.6	240.2
Funding costs	1,322.3	1,508.1	185.8
Selling and administrative expense	978.1	1,009.6	31.6
Bad debt expenses	686.0	831.3	145.2
Total	1,106.6	1,089.4	-17.2

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Contact Person:

Park Mi-Kyung
Head of Public Relations Team
Public Affairs Department
Financial Supervisory Service
Tel: +82-2-3145-5803
Fax: +82-2-3145-5808
E-mail: pmk620@fss.or.kr