



Press Release

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Credit-specialized Finance Companies' Earnings, 2019

At the end of 2019, there were 107 credit-specialized financial companies (CSFCs) excluding credit card companies, and their aggregate assets increased KRW18.2 trillion or 12.7% to KRW161.7 trillion compared to the same period a year earlier. Inherent business assets grew KRW6.2 trillion to KRW62.2 trillion as assets increased in facility leasing and installment financing. Loan assets also expanded from KRW68.9 trillion to KRW76.7 trillion mainly due to the growth in business loans.

The CSFCs reported net income of KRW2.0557 trillion for 2019, up KRW111.2 billion or 5.7% from the same period a year earlier. Compared to the previous year, net income derived from inherent businesses grew KRW154.7 billion as well as interest revenues increased KRW355.7 billion. In addition, financing costs and bad debts expenses increased by KRW266.9 billion and KRW58.2 billion, respectively, between 2018 and 2019.

The delinquency rate for the CSFCs stood at 1.68% as of year-end 2019, down 0.24%p from 1.92% a year earlier. Meanwhile, the ratio of loans classified as substandard or below (SBLs) increased from 2.03% to 2.12% between 2018 and 2019.

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

	Dec 2018	Dec 2019	Chng
	(In trillions of KRW)		
Inherent assets	56.0	62.2	6.2
Facility leasing	29.0	32.0	3.0
Installment financing	25.3	27.8	2.5
Venture capital business	1.8	2.4	0.6
Loan assets	68.9	76.7	7.8
Household loans	26.4	26.5	0.1
Business loans	42.5	50.2	7.7
Securities	11.4	14.5	3.1
Others	7.2	8.3	1.1
Total	143.5	161.7	18.2

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



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

	2018	2019	Chng
Inherent business	2,716.3	2,871.0	154.7
Facility leasing	1,237.4	1,258.5	21.1
Installment financing	1,251.9	1,310.9	59.0
Venture capital business	227.0	301.6	74.6
Interest revenues	5,314.0	5,669.7	355.7
Funding costs	2,781.8	3,048.7	266.9
Selling and administrative expense	2,069.9	2,149.7	79.8
Bad debt expenses	1,564.2	1,622.4	58.2
Total	1,944.5	2,055.7	111.2

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

Table 3. Financial Soundness of Credit-specialized Financial Companies, 2019*

	Dec 2016	Dec 2017	Dec 2018	Dec 2019
Delinquency rate	2.07	1.87	1.92	1.68
SBLs ratio	2.16	1.89	2.03	2.12

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