



Press Release

For release at 6:00 A.M., September 16, 2021

Credit-specialized Finance Companies' Earnings, First Half 2021

As of end-June 2021, there were 114 credit-specialized financial companies (CSFCs) excluding credit card companies. The CSFCs' aggregate assets came in at KRW193.6 trillion at the end of June 2021, up KRW22.4 trillion or 13.1% from the same period a year earlier. Inherent business assets grew KRW5.2 trillion to KRW69.6 trillion year on year as assets increased in facility leasing and venture capital business. Loan assets also expanded KRW16.1 trillion to KRW95.9 trillion as both business and household loans increased from a year earlier.

The CSFCs reported net income of KRW1.9965 trillion for the first six months of 2021, up KRW665.9 billion or 50.0% from the same period a year ago. Net income derived from inherent business expanded KRW183.1 billion or 13.2% compared to the previous year. When it came to expenses, bad debt expenses decreased KRW120.1 billion or 18.0% as well as funding costs shrank KRW32.6 billion or 2.1% from a year ago.

The delinquency rate for the CSFCs stood at 1.02% as of end-June 2021, down 0.47%p from 1.49% a year earlier. In addition, the ratio of loans classified as substandard or below (SBLs) slid from 1.99% to 1.53% year on year.

Table 1. Aggregate Assets of Credit-specialized Financial Companies, June 2021*

	Jun 2020	Dec 2020	Jun 2021	YoY Chng
Inherent assets	64.4	67.3	69.6	5.2
Facility leasing	33.2	35.4	37.5	4.3
Installment financing	28.6	29.0	28.5	-0.1
Venture capital business	2.6	2.9	3.5	0.9
Loan assets	79.8	85.8	95.9	16.1
Household loans	26.7	28.4	30.2	3.5
Business loans	53.1	57.4	65.7	12.6
Securities	16.8	18.0	17.6	0.8
Others	10.2	10.0	10.5	0.3
Total	171.2	181.1	193.6	22.4

*The figures on June 2021 are preliminary as of the release date and subject to change.



Table 2. Aggregate Net Income of Credit-specialized Financial Companies, June 2021*

	H1 2020	H1 2021	YoY Chng
	(In billions of KRW)		
Inherent business	1,391.1	1,574.2	183.1
Facility leasing	559.7	610.7	51.0
Installment financing	670.2	684.3	14.1
Venture capital business	161.2	279.2	118.0
Interest revenues	2,882.2	3,105.0	222.8
Securities-related income	285.5	547.0	261.5
Funding costs	1,548.5	1,515.9	-32.6
Selling and administrative expenses	1,040.4	1,143.4	103.0
Bad debt expenses	667.5	547.4	-120.1
Total	1,330.6	1,996.5	665.9

*The figures on June 2021 are preliminary as of the release date and subject to change.

Table 3. Financial Soundness of Credit-specialized Financial Companies, June 2021*

	Dec 2019	Jun 2020	Dec 2020	Jun 2021
	(In percentage)			
Delinquency rate	1.92	1.49	1.26	1.02
SBLs ratio	2.03	1.99	1.73	1.53

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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