

**PRESS RELEASE**
**Loan Officer Survey on Financial Institution Lending**

Developments in Q2 2025 and Prospects for Q3 2025

**1. Banks**

- In the third quarter of 2025, it is expected that domestic banks will broadly tighten their lending standards, especially to households, due to the strengthening of household debt regulations.
- Concerns over credit risk are set to remain elevated for both corporations and households.
- Demand for corporate loans and unsecured household loans is expected to increase, while demand for household mortgage loans is likely to decline.

**Domestic Bank<sup>1)</sup> Lending Indexes<sup>2)</sup>**

	Large Corporations			SMEs			Household Mortgage Loans <sup>3)</sup>			Other Household Loans <sup>3)</sup>		
	2025			2025			2025			2025		
	Q1	Q2	Q3 <sup>4)</sup>	Q1	Q2	Q3 <sup>4)</sup>	Q1	Q2	Q3 <sup>4)</sup>	Q1	Q2	Q3 <sup>4)</sup>
Lending Standards	3	-6	6	0	-14	-6	14	-11	-31	8	-11	-22
Credit Risk	6	11	8	22	25	19	8	25	14	8	25	14
Demand for Loans	6	8	6	19	11	25	6	17	-6	14	8	6

Notes: 1) There was KRW 2,405 trillion in loan balances as of the end of March 2025.

2) A positive figure indicates an easing of lending standards, an increase in credit risk, or an increase in loan demand, while a negative figure indicates the opposite.

3) Credit risks associated with household mortgages and with other types of household loans are considered to be identical.

4) Indexes for the third quarter of 2025 are outlooks.

## 2. Non-Bank Financial Institutions

- In the third quarter of 2025, it is expected that all non-bank financial institutions will maintain a tightening stance.
- Credit risks are expected to continue at a high level centered on mutual savings banks and mutual credit cooperatives.
- Demand for loans is expected to rise slightly due to companies securing liquidity in preparation for economic uncertainty and due to households' demand for living expenses.

### **Non-Bank Financial Institution<sup>1)</sup> Lending Indexes<sup>2)3)</sup>**

	Mutual Savings Banks			Mutual Credit Cooperatives			Credit Card Companies			Life Insurance Companies		
	2025			2025			2025			2025		
	Q1	Q2	Q3 <sup>4)</sup>	Q1	Q2	Q3 <sup>4)</sup>	Q1	Q2	Q3 <sup>4)</sup>	Q1	Q2	Q3 <sup>4)</sup>
Lending Standards	-18	-18	-20	-25	-24	-22	-36	-14	-21	-13	-9	-13
Credit Risk	28	27	25	42	40	34	29	36	0	25	14	19
Demand for Loans	7	5	13	0	-2	5	14	-7	0	-1	9	5

- Notes: 1) There was KRW 917 trillion in loan balances as of the end of March 2025.  
 2) A positive figure indicates an easing of lending standards, an increase in credit risk, or an increase in loan demand, while a negative figure indicates the opposite.  
 3) Results from the reorganized sample have been applied since the third quarter of 2021.  
 4) Indexes for the third quarter of 2025 are outlooks.

## Survey Overview

1. **Survey Period:** June 2025
2. **Institutions Surveyed:** 203 financial institutions\* -- 18 domestic banks,\*\* 26 mutual savings banks (MSBs), 7 credit card companies, 142 mutual credit cooperatives (MCCs), and 10 life insurance companies.
  - \* Please refer to "Notes on the Use of Lending Indexes Due to the Sample Reorganization" (Oct. 19, 2021).
  - \*\* Three internet-only banks are included in the sample for the indexes.

Response Rate (% , number)

Domestic Banks	Mutual Savings Banks	Credit Card Companies	Mutual Credit Cooperatives	Life Insurance Companies
100 (18/18)	100 (26/26)	100 (7/7)	94 (133/142)	90 (9/10)

Notes: 1) The figures in parentheses represent the number of institutions that responded out of the total number of institutions surveyed.

3. **Respondents:** Managers overseeing loan operations at their respective financial institutions
4. **Survey Method:** Electronic surveys, mail surveys
5. **Items Surveyed:** Actual developments over the previous quarter (April to June 2025) and outlooks for the following quarter (July to September 2025) in terms of lending standards, credit risk, and demand for loans.
6. **Lending Index:** An index for each category is calculated using the weighted average of responses by senior loan officers. The index distribution ranges from -100 to +100, with the baseline being 0.

### Survey Categories and Possible Responses

	1	2	3	4	5
Lending Standards	Significant Easing	Slight Easing	No Change	Slight Tightening	Significant Tightening
Credit Risk	Significant Increase	Slight Increase	No Change	Slight Decrease	Significant Decrease
Demand for Loans	Significant Increase	Slight Increase	No Change	Slight Decrease	Significant Decrease

Lending Index = [(percentage of respondents who answered "significant easing (increase)" × 1.0 + percentage of respondents who answered "slight easing (increase)" × 0.5) - (percentage of respondents who answered "significant tightening (decrease)" × 1.0 + percentage of respondents who answered "slight tightening (decrease)" × 0.5)] × 100

6. **Release:** Survey results are released in the months following each quarter-end, i.e., January, April, July and October.