

NEWS RELEASE



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Korean national balance sheet for 2015

The preliminary Korean national balance sheet (KNBS) for 2015 shows that Korean national wealth (the net worth of the total economy) amounted to 12,359.5 trillion won as of year-end 2015, 7.9 times GDP and 667.2 trillion won (+5.7%) higher than the previous year's figure. As of end-2015 the value of non-financial assets amounted to 12,126.5 trillion won, and that of net financial assets (financial assets less liabilities) 233.0 trillion won.

Composition of net worth of the total economy

(units: trillion won, %, multiples)

	2013	2014 ^P	Increase	Rate of Increase	2015 ^P	Increase	Rate of Increase
Net worth of the total economy	11,058.1 [7.7]	11,692.4 [7.9]	634.3	5.7	12,359.5 [7.9]	667.2	5.7
Non-financial assets	11,097.4 [7.8]	11,596.1 [7.8]	498.7	4.5	12,126.5 [7.8]	530.4	4.6
Produced non-financial assets	5,150.5	5,344.4	193.9	3.8	5,508.9	164.5	3.1
Fixed assets	4,826.0	5,016.7	190.8	4.0	5,172.5	155.8	3.1
Construction assets	3,911.1	4,067.6	156.5	4.0	4,166.4	98.8	2.4
Facilities assets	642.5	654.8	12.3	1.9	694.2	39.4	6.0
Intellectual property products	272.4	294.3	22.0	8.1	311.9	17.6	6.0
Inventories	324.6	327.7	3.1	1.0	336.4	8.7	2.6
Non-produced non-financial assets	5,946.8	6,251.7	304.9	5.1	6,617.7	366.0	5.9
Land	5,900.9	6,209.8	308.9	5.2	6,574.7	364.9	5.9
Mineral and energy resources	23.7	19.2	-4.6	-19.3	20.0	0.8	4.3
Standing timber assets	22.2	22.7	0.5	2.2	23.0	0.3	1.1
Net financial assets	-39.3 [-0.0]	96.3 [0.1]	135.5	-	233.0 [0.1]	136.7	-
Financial assets	11,590.4	12,467.9	877.5	7.6	13,496.1	1,028.2	8.2
Financial liabilities	11,629.7	12,371.7	742.0	6.4	13,263.1	891.4	7.2

Notes: 1) Figures in [] indicate the multiples of net worth of the total economy relative to GDP.

2) The increases and the rates of increase are computed compared with those of the previous years.

Among non-financial assets, the value of produced assets increased by 164.5 trillion won (+3.1%) in 2015 to amount to 5,508.9 trillion won as of the year-end. The value of non-produced assets in the meantime grew by 366.0 trillion won (+5.9%) over the same period to total 6,617.7 trillion won. Construction assets expanded by 98.8 trillion won (+2.4%), facilities assets by 39.4 trillion won (+6.0%), intellectual property products by 17.6 trillion won (+6.0%) and land by 364.9 trillion won (+5.9%) in 2015.

Of the 667.2 trillion won increase in net worth of the economy as a whole during 2015, the changes in net worth due to transactions in assets explained 259.6 trillion won (38.9% of the total change in net worth), while those owing to factors other than transactions in assets explained 407.6 trillion won (61.1%).

Explanation of changes in net worth of the total economy

(units: trillion won, %)

	2012	2013	2014 ^p	2015 ^p
Changes in net worth	386.2 (100)	390.4 (100)	634.3 (100)	667.2 (100)
Changes due to transactions	219.2 (56.7)	229.2 (58.7)	240.8 (38.0)	259.6 (38.9)
Net acquisition of non-financial assets	158.7 (41.1)	136.8 (35.0)	142.8 (22.5)	136.5 (20.5)
Net acquisition of financial assets	60.4 (15.6)	92.4 (23.7)	98.1 (15.5)	123.1 (18.5)
Changes due to factors other than transaction	167.0 (43.3)	161.2 (41.3)	393.4 (62.0)	407.6 (61.1)
Other changes in volume of assets	61.9 (16.0)	81.2 (20.8)	128.4 (20.2)	119.7 (17.9)
Nominal holding gains/losses	173.2 (44.9)	110.6 (28.3)	227.6 (35.9)	274.2 (41.1)
Changes in financial assets due to factors other than transactions	-68.0 (-17.6)	-30.6 (-7.8)	37.5 (5.9)	13.6 (2.0)

Note: Figures in () indicate the proportions of changes in net worth of the total economy explained by the factors concerned.

The KNBS for 2015 shows that the net worth held by households and NPISHs totaled 7,176.2 trillion won (58.1% that of the entire economy), the net worth held by the general government 3,381.7 trillion won (27.4%), that of non-financial corporations 1,466.7 trillion won (11.9%), and that held by financial corporations 334.9 trillion won (2.7%).

National balance sheet

(units: trillion won, %, multiples)

		Non-financial corporations	Financial corporations	General government	Households & NPISHs	Total economy	Rest of the world
Year-end 2014 ^P	Non-financial assets (A_0)	3,517.1	157.5	2,758.4	5,163.2	11,596.1	-
	Net financial assets ($B_0=a_0-b_0$)	-2,082.2	116.4	460.5	1,601.5	96.3	-91.0
	Financial assets (a_0)	2,141.2	6,148.2	1,280.8	2,897.6	12,467.9	1,093.0
	Financial liabilities (b_0)	4,223.4	6,031.8	820.4	1,296.1	12,371.7	1,184.0
	Net worth ($C_0=A_0+B_0$)	1,434.9	273.9	3,218.9	6,764.7	11,692.4	-91.0
		<12.3>	<2.3>	<27.5>	<57.9>	<100> [7.9]	
Total changes in assets during 2015 ^P	Non-financial assets (A_1-A_0)	117.8	5.5	147.5	259.6	530.4	-
	Net financial assets (B_1-B_0)	-86.0	55.5	15.3	151.9	136.7	-136.4
	Financial assets (a_1-a_0)	146.3	512.9	90.4	278.5	1,028.2	9.9
	Financial liabilities (b_1-b_0)	232.3	457.5	75.1	126.6	891.4	146.3
	Net worth (C_1-C_0)	31.9	61.0	162.9	411.5	667.2	-136.4
Year-end 2015 ^P	Non-financial assets (A_1)	3,634.9	163.0	2,905.9	5,422.8	12,126.5	-
	Net financial assets ($B_1=a_1-b_1$)	-2,168.2	171.9	475.8	1,753.4	233.0	-227.4
	Financial assets (a_1)	2,287.5	6,661.2	1,371.2	3,176.1	13,496.1	1,102.9
	Financial liabilities (b_1)	4,455.7	6,489.3	895.4	1,422.7	13,263.1	1,330.3
	Net worth ($C_1=A_1+B_1$)	1,466.7	334.9	3,381.7	7,176.2	12,359.5	-227.4
		<11.9>	<2.7>	<27.4>	<58.1>	<100> [7.9]	

Notes: 1) Figures in < > indicate the shares in the net worth of the total economy accounted for by the relevant items.

2) Figures in [] indicate the multiples of the net worth of the total economy relative to GDP.

With the compilation of the KNBS for 2015, several notable features were found.

First, Korean net worth (national wealth) has remained at 7.9 times GDP since 2014. Meanwhile, the rise in the ratio of net worth to GDP, to 7.9 times GDP in 2014 from 7.7 times GDP in 2013, seems attributable chiefly to the fact that the value of net financial assets (financial assets less liabilities) held by the Korean economy turned positive in 2014.

Second, the price of produced non-financial assets reversed from showing a rise of 0.7% in 2014 to record a 0.1% decline in 2015. The nominal holding gains from

produced non-financial assets were as a result slightly negative in 2015.

Third, the ratio of the net capital stock of fixed assets to GDP fell to 3.3 times GDP in 2015, from 3.4 times GDP each year between 2011 and 2014, owing mainly to a decrease in the construction assets-to-GDP ratio in 2015.

Fourth, the value of land has recovered its growth since 2014, after having shown subdued growth for several years following the global financial crisis. It accounted for 54.2% of non-financial assets in 2015, and stood at 4.2 times GDP.

Fifth, the share in non-financial assets held by non-financial corporations has declined during the last two years, from 30.5% in 2013 to 30.3% in 2014 and 30.0% in 2015, whereas the share held by households and NPISHs has risen from 44.5% in 2013 to 44.7% in 2015.

Sixth, it is estimated that Korean households and NPISHs held 361.52 million won of net worth per household (2.55 persons per household basis) in 2015. In addition, during 2015 Korean households and NPISHs held 63.1% of their assets in non-financial assets and 36.9% in financial assets. Korean total housing wealth is estimated to have been 3,519.5 trillion won (2.26 times GDP) at the end of 2015.

Seventh, the rate of growth in the volume of capital services in the total economy based on fixed assets, which is usually interpreted as capital input growth in the production function of the economy (assuming the full utilization of accumulated capital), continued to slow in 2015 to stand at 3.6% – compared to 4.0% in 2012 and 3.7% in both 2013 and 2014.

Notice: 1) The value of land by region is newly published for 1995 to 2014.

2) The values of land for 1995 to 2010, and of mineral and energy resources for 2005 to 2010, are revised.

3) Further statistics may be found at the Bank of Korea's Economic Statistics System website (<http://ecos.bok.or.kr/>), or at Statistics Korea's Korean Statistical Information Service (<http://kosis.kr/eng/>).