



Press Release

For release at 6:00, August 28, 2019

Corporate Debt and Equity Issues, July 2019

Corporate financing through debt and equity issues in July 2019 totaled KRW17.0531 trillion, up KRW2.5546 trillion from a month earlier. Meanwhile, corporate financing through issuance of commercial paper (CP) and short-term electronic bond in July has risen by KRW20.2274 trillion to KRW137.9486 trillion.

Table 1. Corporate Debt and Equity Issues, July 2019*

(In billions of KRW)

	2018	2018	2019	2019	
	Year	Jan-Jul	Jan-Jul	Jun	Jul
Equity issues	8,895.9	6,536.9	2,753.0	315.3	532.9
IPOs	2,314.9	1,083.6	1,179.5	151.9	344.7
Secondary offerings	6,581.0	5,453.3	1,573.5	163.4	188.2
Debt Issues	160,918.3	95,685.6	102,617.7	14,183.2	16,520.2
Corporate	35,659.0	23,388.0	31,901.2	4,823.0	6,130.0
Financial	109,129.9	63,253.2	62,944.3	7,957.6	9,826.0
Asset-backed securities	16,129.4	9,044.4	7,772.2	1,402.6	564.2
Total	169,814.2	102,222.5	105,370.7	14,498.5	17,053.1

*Bank debentures and corporate debts issued by financial holding companies came to be under financial debts.

Equity and Debt Issues

Equity issues were up 69.0% from KRW315.3 billion to KRW532.9 billion between June and July. There were 13 cases of initial public offerings (IPO) in July and they were listed on the KOSDAQ market. Furthermore, the IPO volume soared 126.9% to KRW344.7 billion compared to the previous month. Meanwhile, secondary offerings came to KRW188.2 billion in total, 15.2% greater than a month earlier.

In July, debt issuance totaled KRW16.5202 trillion, up KRW2.3370 trillion or 16.5% from KRW14.1832 trillion a month ago. Corporate bond issuance came to KRW6.1300 trillion, up KRW1.3070 trillion or 27.1% from a month earlier.



Total 170 financial debentures were issued in July, and the volume grew KRW1.8684 trillion to KRW9.8260 trillion compared to a month ago. Financial holding companies expanded issuance by 23.8% to KRW990.0 billion. In addition, domestic banks' issuance also increased 38.5% to KRW3.1760 trillion. To go into detail, issuance by national banks increased 49.3% to KRW2.9760 trillion while regional banks cut their issuance 33.3% to KRW200.0 billion. When it came to other finance debentures, issuance came to KRW5.6600 trillion in total, up 16.4% from KRW4.8640 trillion a month earlier. Credit card companies' issuance soared by 179.2% as well as other financial companies issued 24.5% more debts than the previous month. By contrast, installment financing companies and securities firms decreased issuance by 0.8% and 100.0%, respectively.

Meanwhile, ABS issuance came to KRW564.2 billion in July 2019, down KRW838.4 billion or 59.8% from KRW1.4026 trillion a month ago. When it came to primary CBO (P-CBO), there was no issuance in July.

As of end-July, the outstanding balance of debt came to KRW508.7696 trillion, up KRW5.7086 trillion or 1.1% from a month ago.

Commercial Papers and Short-term Electronic Bond Issues

Commercial paper (CP) issues totaled KRW37.8216 trillion in July, up KRW6.5440 trillion or 20.9% from KRW31.2776 trillion in June. Companies' CP issuance and other asset-backed CP have risen by 24.8% and 18.9%. Moreover, project finance asset-backed CP (PFABCP) also increased 2.3% compared to the previous month.

Issuance of short-term electronic bonds came to KRW100.1270 trillion, up KRW13.6834 trillion or 15.8% from KRW86.4436 trillion a month earlier. Companies issued short-term electronic bonds 15.4% more than the previous month while PFAB short-term electronic bonds expanded 31.0%. Other asset-backed short-term electronic bonds increased 8.2% as well.

At the end of July 2019, the outstanding balance of CPs came to KRW169.3227 trillion and short-term electronic bonds KRW51.7898 trillion. CP grew 0.7% from a month ago, but short-term electronic bonds shrank 1.9%.



Table 2. Commercial Papers and Short-Term Electronic Bond Issues, July 2019

(In billions of KRW)

	2018	2018	2019	2019	
	Year	Jan-Jul	Jan-Jul	Jun	Jul
CPs	353,699.4	198,919.9	209,144.1	31,277.6	37,821.6
Short-term electronic bonds	1,117,516.1	683,385.7	624,000.7	86,443.6	100,127.0
Total	1,471,215.5	882,305.6	833,144.8	117,721.2	137,948.6

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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