



Press Release

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Corporate Debt and Equity Issues, September 2019

Corporate financing through debt and equity issues in September 2019 came to KRW13.2467 trillion in total, down KRW1.2946 trillion from a month earlier. Furthermore, corporate financing through issuance of commercial paper (CP) and short-term electronic bond in September totaled KRW128.4031 trillion, down KRW1.0413 trillion from the previous month.

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

(In billions of KRW)

	2018	2018	2019	2019	
	Year	Jan-Sep	Jan-Sep	Aug	Sep
Equity issues	8,895.9	7,272.6	3,337.2	494.6	89.6
IPOs	2,314.9	1,501.4	1,310.3	86.2	44.6
Secondary offerings	6,581.0	5,771.2	2,026.9	408.4	45.0
Debt Issues	160,918.3	122,569.9	129,821.5	14,046.7	13,157.1
Corporate	35,659.0	29,949.0	36,347.2	1,606.0	2,840.0
Financial	109,129.9	81,657.9	83,347.2	11,417.9	8,985.0
Asset-backed securities	16,129.4	10,963.0	10,127.1	1,022.8	1,332.1
Total	169,814.2	129,842.5	133,158.7	14,541.3	13,246.7

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

Equity and Debt Issues

Equity issues decreased KRW405.0 billion or 81.9% from KRW494.6 billion to KRW89.6 billion in September. Five companies conducted initial public offerings (IPO) in September, and they were listed on the KOSDAQ market. IPO volume was also reduced by 48.3% from KRW86.2 billion to KRW44.6 billion compared to the previous month. Meanwhile, secondary offerings came to KRW45.0 billion, down KRW363.4 billion or 89.0% from a month earlier.

In September, debt issuance totaled KRW13.1571 trillion, down KRW89.6 billion or 6.3% from KRW14.0467 trillion a month earlier. Corporate bond issuance expanded KRW1.2340 trillion or 76.8% to KRW2.8400 trillion.



Total 165 financial debentures were issued in September, and the volume shrank KRW2.4329 trillion or 21.3% to KRW8.9850 trillion from the previous month. Financial holding companies' issuance came to KRW650.0 billion, remaining the same as a month ago. Domestic banks decreased their issuance by KRW1.1579 trillion or 25.9% to KRW3.3200 trillion. To go into detail, issuance by national banks was down 28.7% to KRW3.1200 trillion while regional banks expanded issuance by 100.0% to KRW200.0 billion. When it came to other finance debentures, issuance totaled KRW5.0150 trillion, down KRW1.2750 trillion or 20.3% from a month earlier. Installment financing companies issued 14.5% more debts than the previous month. However, credit card companies and securities firms cut their issuance by 35.1% and 90.0%, respectively. In addition, other financial companies also decreased issuance 42.9% compared to August.

Meanwhile, ABS issuance came to KRW1.3321 trillion in September, up KRW309.3 billion or 30.2% from KRW1.0228 trillion a month ago. When it came to primary CBO (P-CBO), issuance came to KRW249.8 billion.

As of end-September, the outstanding balance of debt came to KRW514.8151 trillion, KRW1.7989 trillion greater than a month ago.

Commercial Papers and Short-term Electronic Bond Issues

Commercial paper (CP) issues totaled KRW35.6005 trillion in September, up KRW1.4597 trillion or 4.3% from KRW34.1408 trillion in August. Companies' CP issuance grew 2.0% as well as other asset-backed CPs increased 3.2%. On top of that, project finance asset-backed CPs (PFABCP) soared 44.0% from a month ago.

By contrast, issuance of short-term electronic bonds shrank 2.6% to KRW92.8026 trillion between August and September. Companies' issuance and PFAB short-term electronic bonds decreased 0.5% and 19.0%, respectively. Moreover, other asset-backed short-term electronic bonds decreased 8.2% as well.

At the end of September 2019, the outstanding balance of CPs came to KRW174.0678 trillion and short-term electronic bonds KRW52.8748 trillion. CPs declined 0.4% from a month earlier, but short-term electronic bonds rose 0.9%.



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

(In billions of KRW)

	2018	2018	2019	2019	
	Year	Jan-Sep	Jan-Sep	Aug	Sep
CPs	353,699.4	252,008.9	278,885.4	34,140.8	35,600.5
Short-term electronic bonds	1,117,516.1	859,140.6	812,106.9	95,303.6	92,802.6
Total	1,471,215.5	1,111,149.5	1,090,992.3	129,444.4	128,403.1

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