



## Press Release

For release at 6:00 A.M., August 24, 2021

### Corporate Debt and Equity Issues, July 2021

Corporate financing through debt and equity issued in July 2021 came in at KRW21.0214 trillion, down KRW657.6 billion from a month earlier. In addition, corporate financing through issuance of commercial paper (CP) and short-term electronic bond decreased KRW10.0464 trillion to KRW136.8950 trillion between June and July.

**Table 1. Corporate Debt and Equity Issues, July 2021\***

(In billions of KRW)

	2020	2020	2021	2021	
	Year	Jan-Jul	Jan-Jul	Jun	Jul
Equity issues	10,916.4	4,219.4	16,691.5	2,340.3	<b>4,055.4</b>
IPOs	3,824.1	1,311.6	6,383.9	119.5	<b>3,208.3</b>
Secondary offerings	7,092.3	2,907.8	10,307.6	2,220.8	<b>847.1</b>
Debt Issues	183,566.8	107,068.3	127,096.0	19,338.7	<b>16,966.0</b>
Corporate	42,055.0	31,227.0	35,605.0	4,448.0	<b>4,823.0</b>
Financial	120,659.5	64,721.5	83,337.5	13,047.5	<b>11,405.0</b>
Asset-backed securities	20,852.3	11,119.8	8,153.5	1,843.2	<b>738.0</b>
<b>Total</b>	<b>194,483.2</b>	<b>111,287.7</b>	<b>143,787.5</b>	<b>21,679.0</b>	<b>21,021.4</b>

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

#### Equity and Debt Issues

Equity issues increased KRW1.7151 trillion or 73.3% to KRW4.0554 trillion month on month. There were seven cases of initial public offerings (IPO) in July, and the IPO volume surged 2,584.8% from KRW119.5 billion to KRW3.2083 trillion. In particular, large-scale IPOs by Kakao Bank (which raised KRW2.5526 trillion in its IPO) and SD Biosensor (KRW517.6 billion) in the KOSPI market contributed to the month-on-month growth. Meanwhile, there were 10 cases of secondary offerings, and the volume decreased KRW1.3737 trillion or 61.9% to KRW847.1 billion.

Debt issues came in at KRW16.9660 trillion in July, down KRW2.3727 trillion or 12.3% from KRW19.3387 trillion a month earlier.



Corporate bond issues totaled KRW4.8230 trillion in July, up KRW375.0 billion or 8.4% from the previous month. Issuance volume of financial debentures shrank from KRW13.0475 trillion to KRW11.4050 trillion between June and July. When it came to financial holding companies, debt issuance jumped 96.8% from KRW400.0 billion to KRW787.0 billion. By contrast, banks decreased their issuance by 15.6% from KRW4.4550 trillion to KRW3.7600 trillion month on month. In addition, other financial companies issued 16.3% less debts than in the previous month, and their issuance came in at KRW6.8580 trillion in July. To go into detail, securities companies' issuance increased by 54.3% compared to a month ago. However, credit card companies and installment finance companies cut their issuance by 31.2% and 14.6%, respectively.

Meanwhile, ABS issuance slid from KRW1.8432 trillion to KRW738.0 billion between June and July, 2021. Furthermore, there was no issuance of primary collateralized bond obligation (P-CBO) in July.

As of end-July 2021, the outstanding balance of debt came to KRW611.3473 trillion, up KRW3.5214 trillion from KRW607.8259 trillion at the end of July 2021.

#### Commercial Papers and Short-Term Electronic Bond Issues

Commercial paper (CP) issues totaled KRW32.6944 trillion in July 2021, down KRW410.8 billion or 1.2% from a month earlier. Companies' CP issuance grew 9.7% month on month. However, project finance asset-backed CPs (PFABCP) decreased 24.1% as well as other asset-backed CPs shrank 7.0% from a month ago.

Short-term electronic bonds decreased by KRW9.6357 trillion or 8.5% to KRW104.2006 trillion in July. In particular, issuance of PFAB short-term electronic bonds fell 24.8% compared to the previous month. Furthermore, companies' issuance decreased 5.8% from a month ago, and other asset-backed dropped 19.1% as well.

As of end-July 2021, the outstanding balance of CPs came to KRW212.8632 trillion and short-term electronic bonds KRW58.7273 trillion. CPs grew 0.4% from a month earlier while short-term electronic bonds increased 4.8%.



**Table 2. Commercial Papers and Short-Term Electronic Bond Issues, July 2021**

(In billions of KRW)

	2020	2020	2021	2021	
	Year	Jan-Jul	Jan-Jul	Jun	Jul
CPs	371,592.0	193,450.8	214,515.6	33,105.1	<b>32,694.4</b>
Short-term electronic bonds	1,029,422.1	588,456.8	681,536.9	113,836.3	<b>104,200.6</b>
<b>Total</b>	<b>1,401,014.1</b>	<b>781,907.6</b>	<b>896,052.5</b>	<b>146,941.4</b>	<b>136,895.0</b>

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