



Press Release

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Corporate Debt and Equity Issues, April 2020

Corporate financing through debt and equity issues in April 2020 came to KRW11.4719 trillion in total, down KRW4.6436 trillion from a month earlier. Meanwhile, corporate financing through issuance of commercial paper (CP) and short-term electronic bond in April totaled KRW100.8723 trillion, down KRW32.3455 trillion from the same period a month ago.

Table 1. Corporate Debt and Equity Issues, April 2020*

(In billions of KRW)

	2019	2019	2020	2020	
	Year	Jan-Apr	Jan-Apr	Mar	Apr
Equity issues	5,317.2	949.5	803.9	469.2	48.6
IPOs	2,467.7	600.3	262.3	103.2	0
Secondary offerings	2,849.5	349.2	541.6	366.0	48.6
Debt Issues	170,182.7	58,942.7	55,125.9	15,646.3	11,423.3
Corporate	45,306.2	18,320.2	16,712.0	2,634.0	4,220.0
Financial	109,902.9	36,679.7	33,956.9	11,223.9	5,831.0
Asset-backed securities	14,973.6	3,942.8	4,457.0	1,788.4	1,372.3
Total	175,499.9	59,892.2	55,929.8	16,115.5	11,471.9

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

Equity and Debt Issues

Equity issues plummeted from KRW469.2 billion to KRW48.6 billion between March and April. There was no initial public offering in April while the volume of secondary offerings decreased from KRW366.0 billion to KRW48.6 billion.

Debt issuance came to KRW11.4233 trillion in total, down KRW4.2230 trillion or 27.0% from KRW15.6463 trillion a month earlier. Corporate bond issues increased KRW1.5860 trillion or 60.2% from KRW2.6340 trillion to KRW4.2200 trillion.



Meanwhile, total 105 financial debentures were issued in April 2020, and the volume fell by KRW5.3929 trillion or 48.0% to KRW5.8310 trillion. Financial holding companies' issuance soared 1,100% from KRW50.0 billion to KRW600.0 billion between March and April. By contrast, bank debentures shrank by KRW6.3589 trillion or 88.2% to KRW850.0 billion in April. To go into detail, national banks cut their issuance by 90.3% compared to the previous month as well as regional banks issuance decreased 60.0%. When it came to other financial debentures, total issuance came to KRW4.3810 trillion, up KRW416.0 billion or 10.5% from a month ago. Issuance from securities companies which issued nothing in March came to KRW200.0 billion, and credit card companies expanded their issuance 57.6%. However, installment finance firms reduced issuance 18.6% compared to a month earlier. In addition, there was no issuance from other financial companies.

Meanwhile, ABS issuance declined 23.3% from KRW1.7884 trillion in March to KRW1.3723 trillion in April. When it came to primary CBO (P-CBO), issuance totaled KRW306.8 billion in April.

At the end of April 2020, the outstanding balance of debt came to KRW534.0199 trillion, down KRW2.6544 trillion from KRW536.6743 trillion a month earlier.

Commercial Papers and Short-Term Electronic Bond Issues

Commercial paper (CP) issues totaled KRW23.8145 trillion in April, down KRW8.9192 trillion or 27.2% from KRW32.7337 trillion a month ago. Companies' CP issuance decreased 27.0% as well as other asset-backed CPs fell 19.0% compared to the previous month. Also, project finance asset-backed CPs (PFABCP) shrank 69.7%.

Short-term electronic bonds were also down KRW23.4264 trillion or 23.3% to KRW77.0578 trillion. PFAB short-term electronic bonds grew 16.0%. However, companies' issuance and other asset-backed short-term electronic bonds decreased by 26.8% and 11.3%, respectively, compared to a month earlier.

As of end-April, the outstanding balance of CPs came to KRW184.1102 trillion and short-term electronic bonds KRW55.0942 trillion. While CPs fell 2.0% between March and April, short-term electronic bonds decreased 2.8% during the period.



Table 2. Commercial Papers and Short-Term Electronic Bond Issues, April 2020

(In billions of KRW)

	2019	2019	2020	2020	
	Year	Jan-Apr	Jan-Apr	Mar	Apr
CPs	388,843.8	107,728.3	112,264.6	32,733.7	23,814.5
Short-term electronic bonds	1,123,162.7	348,164.4	370,235.1	100,484.2	77,057.8
Total	1,512,006.5	455,892.7	482,499.6	133,217.8	100,872.3

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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