



Press Release

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Corporate Debt and Equity Issues, May 2020

Corporate financing through debt and equity issues in May 2020 came to KRW16.0718 trillion in total, up KRW4.5999 trillion from a month earlier. Meanwhile, corporate financing through issuance of commercial paper (CP) and short-term electronic bond in May totaled KRW94.9949 trillion, down KRW5.8774 trillion month on month.

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

(In billions of KRW)

	2019	2019	2020	2020	
	Year	Jan-May	Jan-May	Apr	May
Equity issues	5,317.2	1,904.8	976.3	48.6	172.4
IPOs	2,467.7	682.9	289.5	0	27.2
Secondary offerings	2,849.5	1,221.9	686.8	48.6	145.2
Debt Issues	170,182.7	71,914.3	71,025.3	11,423.3	15,899.4
Corporate	45,306.2	20,948.2	21,629.0	4,220.0	4,917.0
Financial	109,902.9	45,160.7	42,260.9	5,831.0	8,304.0
Asset-backed securities	14,973.6	5,805.4	7,135.4	1,372.3	2,678.4
Total	175,499.9	73,819.1	72,001.6	11,471.9	16,071.8

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

Equity and Debt Issues

Equity issues soared by 254.7% from KRW48.6 billion to KRW172.4 billion between April and May. There were two initial public offerings (IPO): both were listed on the KOSDAQ market. There were three cases of secondary offering, and the volume surged 198.8% to KRW145.2 billion in May.

Debt issues showed a month-on-month increase. Debt issuance reached KRW15.8994 trillion in May, KRW4.4761 trillion or 39.2% greater than it had recorded in April. Corporate bond issues increased KRW697.0 billion or 16.5% from KRW4.2200 trillion to KRW4.9170 trillion between April and May.



Meanwhile, total 154 financial debentures were issued in May, and the volume expanded KRW2.4730 trillion or 42.4% to KRW8.3040 trillion. Financial holding companies' issuance surged by 246.7% from KRW600.0 billion to KRW2.0800 trillion during the same period. Bank debentures also grew 11.8% to KRW950.0 billion in May. To go into detail, issuance of regional banks increased 50.0% to KRW300.0 billion while that of national banks remained the same as a month ago. When it came to other financial debentures, total issuance came to KRW5.2740 trillion, up KRW893.0 billion or 20.4% month on month. Installment finance companies and securities firms expanded their issuance by 22.2% and 50.0%, respectively, compared to the previous month. By contrast, credit card companies cut their issuance by 7.1%. Furthermore, issuance by other financial companies totaled KRW443.0 billion in May.

Meanwhile, ABS issuance has risen 95.2% from KRW1.3723 trillion to KRW2.6784 trillion. When it came to primary CBO (P-CBO), issuance totaled KRW1.1874 trillion in May, up 287.0% month on month.

At the end of May 2020, the outstanding balance of debt came to KRW539.4986 trillion, up KRW5.4787 trillion from KRW534.0199 trillion a month ago.

Commercial Papers and Short-Term Electronic Bond Issues

Commercial paper (CP) issues totaled KRW25.6630 trillion in May, up KRW1.8485 trillion or 7.8% from KRW23.8145 trillion a month ago. Companies' CP issuance decreased 17.2%. However, project finance asset-backed CPs (PFABCP) soared 137.1% from a month earlier and other asset-backed CPs expanded 47.9% as well.

Short-term electronic bonds were down KRW7.7259 trillion or 10.0% to KRW69.3319 trillion in May. PFAB short-term electronic bonds grew 14.8% from the previous month as well as other asset-backed short-term electronic bonds increased 10.9%. By contrast, companies' issuance shrank 15.3% from a month ago.

As of end-May, the outstanding balance of CPs came to KRW182.9144 trillion and short-term electronic bonds KRW57.2595 trillion. While CPs fell 0.6% between April and May, short-term electronic bonds grew 3.9% during the same period.



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

(In billions of KRW)

	2019	2019	2020	2020	
	Year	Jan-May	Jan-May	Apr	May
CPs	388,843.8	140,044.9	137,927.6	23,814.5	25,663.0
Short-term electronic bonds	1,123,162.7	437,430.1	439,567.0	77,057.8	69,331.9
Total	1,512,006.5	577,475.0	577,494.5	100,872.3	94,994.9

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