



Press Release

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Corporate Debt and Equity Issues, First Half 2021

Corporate financing through debt and equity issued in the first half of 2021 hit a record high, coming in at KRW122.7661 trillion which was KRW31.2539 trillion greater than the same period a year ago. In addition, corporate financing through issuance of commercial paper (CP) and short-term electronic bond expanded KRW81.5838 trillion to KRW759.1576 trillion in the January-to-June period.

Table 1. Corporate Debt and Equity Issues, First Half 2021*

(In billions of KRW)

	2020	2020	2021	2021	
	Year	Jan-Jun	Jan-Jun	May	Jun
Equity issues	10,916.4	2,153.0	12,636.1	1,401.4	2,340.3
IPOs	3,824.1	1,069.3	3,175.6	1,268.5	119.5
Secondary offerings	7,092.3	1,083.7	9,460.5	132.9	2,220.8
Debt Issues	183,566.8	89,359.2	110,130.0	14,916.9	19,338.7
Corporate	42,055.0	27,772.0	30,782.0	2,514.0	4,448.0
Financial	120,659.5	52,152.9	71,932.5	11,325.0	13,047.5
Asset-backed securities	20,852.3	9,434.3	7,415.5	1,077.9	1,843.2
Total	194,483.2	91,512.2	122,766.1	16,318.3	21,679.0

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

Equity and Debt Issues

Equity issues soared by 486.9% from KRW2.1530 trillion to KRW12.6361 trillion year on year. There were 49 cases of initial public offerings (IPO) in the first six months of 2021, and the IPO volume surged 197.0% from KRW1.0693 trillion to KRW3.1756 trillion. In particular, large-scale IPOs by SK Bioscience (which raised KRW994.5 billion in its IPO) and SK IE Technology (KRW898.4 billion) in the KOSPI market contributed to the year-on-year growth. Meanwhile, there were 31 cases of secondary offerings, and the volume expanded by 773.0% from KRW1.0837 trillion to KRW9.4605 trillion.

Debt issues came in at KRW110.1300 trillion in the first half, up KRW20.7708 trillion or 23.2% from KRW89.3592 trillion the same period a year ago.



Corporate bond issues totaled KRW30.7820 trillion, up KRW3.0100 trillion or 10.8% from a year earlier. Issuance volume of financial debentures jumped from KRW52.1529 trillion to KRW71.5825 trillion during the same period. When it came to financial holding companies, debt issuance grew 3.0% from KRW5.9000 trillion to KRW6.0760 trillion. Furthermore, banks increased their issuance by 56.9% year on year to KRW22.2450 trillion. To go into detail, issuance by national banks and regional banks expanded by 53.3% and 91.7%, respectively. When it came to other financial debentures, issuance has risen from KRW32.0750 trillion to KRW43.2615 trillion. In particular, other financial companies issued 128.5% more debt than in the previous year. In addition, installment finance companies increased their issuance by 44.1%. Also, credit card companies and securities firms' issuance grew 15.5% and 15.0%, respectively, from a month earlier.

Meanwhile, ABS issuance slid from KRW9.4343 trillion to KRW7.4155 trillion during the same period. Primary collateralized bond obligation (P-CBO) issuance came in at KRW3.1673 trillion in the January-to-June period of 2021, 10.0% greater than in the previous year.

As of end-June 2021, the outstanding balance of debt came to KRW607.8259 trillion, up KRW61.5379 trillion from KRW546.2880 trillion at the end of June 2020.

Commercial Papers and Short-Term Electronic Bond Issues

Commercial paper (CP) issues totaled KRW181.8212 trillion in the first half of 2021, up KRW18.7803 trillion or 11.5% from a year ago. Companies' CP issuance shrank 13.1% year on year. However, project finance asset-backed CPs (PFABCP) jumped 61.8% as well as other asset-backed backed CPs increased 41.6% from a year earlier.

Short-term electronic bonds grew by KRW62.8034 trillion or 12.2% to KRW577.3363 trillion in the first half. In particular, issuance of PFAB short-term electronic bonds jumped 99.0% while companies' issuance increased 13.2% from the same period a year ago. By contrast, other asset-backed electronic bonds decreased 28.9% year on year.

As of end-June 2021, the outstanding balance of CPs came to KRW211.9968 trillion and short-term electronic bonds KRW56.0225 trillion. CPs increased 20.0% from a year ago while short-term electronic bonds shrank 0.6%



Table 2. Commercial Papers and Short-Term Electronic Bond Issues, First Half 2021

(In billions of KRW)

	2020	2020	2021	2021	
	Year	Jan-Jun	Jan-Jun	May	Jun
CPs	371,592.0	163,040.9	181,821.2	33,447.2	33,105.1
Short-term electronic bonds	1,029,422.1	514,532.9	577,336.3	106,749.7	113,836.3
Total	1,401,014.1	677,573.8	759,157.6	140,197.0	146,941.4

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