



Press Release

For release at noon, January 28, 2020

Corporate Debt and Equity Issues, 2019

Corporate financing through debt and equity issues in 2019 came to KRW175.4999 trillion in total, up KRW5.6857 trillion or 3.3% from the same period a year earlier. Furthermore, corporate financing through issuance of commercial paper (CP) and short-term electronic bond in 2019 totaled KRW1,512.0065 trillion, up KRW40.7910 trillion or 2.8% from a year ago.

Table 1. Corporate Debt and Equity Issues, 2019*

(In billions of KRW)

	2017	2018	2019	2019	
	Year	Year	Year	Nov	Dec
Equity issues	10,357.2	8,895.9	5,317.2	774.8	721.1
IPOs	5,889.3	2,314.9	2,467.7	523.4	241.5
Secondary offerings	4,467.9	6,581.0	2,849.5	251.4	479.6
Debt Issues	144,023.8	160,918.3	170,182.7	11,398.3	8,738.2
Corporate	32,266.8	35,659.0	45,306.2	1,708.0	494.0
Financial	96,747.1	109,129.9	109,902.9	8,525.5	6,842.3
Asset-backed securities	15,009.9	16,129.4	14,973.6	1,164.8	1,401.9
Total	154,381.0	169,814.2	175,499.9	12,173.1	9,459.3

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

Equity and Debt Issues

Equity issues decreased by KRW3.5787 trillion or 40.2% from KRW8.8959 trillion to KRW5.3172 trillion between 2018 and 2019. Total 102 companies conducted initial public offerings (IPO) in 2019: seven companies were listed on the KOSPI market and 95 on the KOSDAQ market. IPO volume expanded from KRW2.3149 trillion to KRW2.4677 trillion between 2018 and 2019. However, secondary offerings shrank from KRW6.5810 trillion in 2018 to KRW2.8495 trillion in 2019.

Debt issuance came to KRW170.1827 trillion at the end of 2019, up KRW9.2644 trillion or 5.8% from KRW160.9183 trillion a year earlier. Corporate bond issues came to KRW45.3062 trillion, up KRW9.6472 trillion or 27.1% from the previous year.



Meanwhile, total 1,933 financial debentures were issued in 2019, and the volume reached KRW109.9029 trillion which was 0.7% larger than that of 2018. Financial holding companies decreased debt issuance by KRW175.0 billion or 2.1% from KRW8.2050 trillion in 2018 to KRW8.0300 trillion in 2019. Banks' debt issuance also dropped from KRW37.3459 trillion to KRW36.8946 trillion. National banks issued 2.7% less debts than the previous year, but regional banks increased their issuance by 25.7%. When it came to other financial debentures, total issuance reached KRW64.9783 trillion, up KRW1.3993 trillion or 2.2% compared to the previous year. While installment finance companies' and other financial companies' issuance expanded by 8.9% and 64.8%, credit card companies and securities companies cut issuance by 13.6% and 17.3%, respectively.

In the meantime, ABS issuance came to KRW14.9736 trillion in 2019, down KRW1.1558 trillion or 7.2% from a year ago. When it came to primary CBO (P-CBO), there were 35 cases of issuance and the volume came to KRW2.2653 trillion.

At the end of 2019, the outstanding balance of debt came to KRW523.9396 trillion, up KRW38.6665 trillion or 8.0% from KRW485.2731 trillion a year earlier.

Commercial Papers and Short-Term Electronic Bond Issues

Commercial paper (CP) issues came to KRW388.8438 trillion in 2019, up KRW35.1444 trillion or 9.9% from KRW353.6994 trillion a year ago. Companies' CP issuance grew 8.0% as well as project finance asset-backed CPs (PFABCP) expanded 11.5% from the previous year. Other asset-backed CPs also increased 11.9% from a year ago.

Short-term electronic bonds were also on the rise. Issuance totaled KRW1,123.1627 trillion in 2019, which were KRW5.6466 trillion greater than the previous year. Issuance of PFAB short-term electronic bonds grew 13.2% from a year earlier as well as that of other asset-backed short-term electronic bonds increased 42.8%. By contrast, Companies' issuance declined 3.7% from the previous year.

As of end-December 2019, the outstanding balance of CPs came to KRW182.6488 trillion and short-term electronic bonds KRW54.6104 trillion. CP and short-term electronic bonds both increased 15.4% and 19.3%, respectively, from a year earlier.



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

(In billions of KRW)

	2017	2018	2019	2019	
	Year	Year	Year	Nov	Dec
CPs	306,563.5	353,699.4	388,843.8	42,455.8	31,327.1
Short-term electronic bonds	1,069,887.8	1,117,516.1	1,123,162.7	108,646.1	101,352.9
Total	1,376,451.3	1,471,215.5	1,512,006.5	151,101.9	132,680.0

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