

Toyota Motor Credit Corporation (TMCC) Issues its First Secured Overnight Financing Rate (SOFR) Medium-Term Note Transaction
Thursday, October 24, 2019 02:30:00 PM (GMT)

\$1.55 billion bond is the first SOFR MTN issued by a captive auto finance company

PLANO, Texas, Oct. 24, 2019 /PRNewswire/ -- Toyota Motor Credit Corporation (TMCC) has issued its first Secured Overnight Financing Rate (SOFR) medium-term note (MTN) transaction, demonstrating the company's commitment to innovation, and advancing its reputation as an industry leader. The one-year USD-denominated issuance settled on October 22, 2019, and raised \$1.55 billion from institutional investors. This represents the company's first SOFR-linked MTN transaction in the USD market, and the first time a captive auto finance company has issued a floating-rate MTN based on SOFR. The London Interbank Offered Rate (LIBOR) is scheduled to discontinue after 2021, and many companies are looking to SOFR as an alternative reference rate to price U.S. dollar loans and derivatives.

Cindy Wang, group vice president of treasury for Toyota Financial Services – the finance and insurance brand for Toyota in the United States – explained the importance of the company's SOFR issuance. "Our broader corporate liquidity strategy is to ensure that we maintain the ability to fund assets and repay liabilities in a timely and cost-effective manner, even in adverse market conditions. This transaction supports our strategy by further diversifying our financing structures, and places us at the forefront of companies preparing for the discontinuation of the LIBOR index," said Wang. "We're pleased that the offering was met with enthusiasm from large investors seeking exposure to SOFR. This strong demand allowed TMCC to upsize the deal significantly from its initial target." Wang added, "We appreciate the support from our investors and banking partners in making this SOFR issuance such a success."

TMCC has long demonstrated the ability to pursue innovative funding solutions. The company previously offered Diversity & Inclusion Bonds, the auto industry's first-ever Green Bond, and a SOFR floating-rate commercial paper transaction to the short-term capital markets.

For more information on TFS' Capital Markets programs, please visit www.toyotafinancial.com.

About Toyota Financial Services

Toyota Financial Services (TFS) is the finance and insurance brand for Toyota in the United States, offering retail auto financing and leasing through Toyota Motor Credit Corporation (TMCC) and Toyota Lease Trust. TFS also offers extended service contracts through Toyota Motor Insurance Services (TMIS). The company services Lexus dealers and customers using the Lexus Financial Services brand. TFS currently employs approximately 3,200 team members nationwide, and has assets totaling over \$120 billion. It is part of a worldwide network of comprehensive financial services offered by Toyota Financial Services Corporation, a wholly-owned subsidiary of Toyota Motor Corporation. We announce material financial information using the investor relations section of our website (www.toyotafinancial.com) and SEC filings. We use these channels, press releases, and social media to communicate about our company, our services and other issues. While not all information we post on social media is of a material nature, some information could be material. Therefore, we encourage those interested in our company to review our posts on Twitter at www.twitter.com/toyotafinancial.

Media Contact:

Vincent Bray
Phone Number (469-486-9065)
vincent.bray@toyota.com

☐ View original content to download multimedia: <http://www.prnewswire.com/news-releases/toyota-motor-credit-corporation-tmcc-issues-its-first-secured-overnight-financing-rate-sofr-medium-term-note-transaction-300944929.html>

SOURCE Toyota Financial Services

Countries: United States

Industries: Automotive, Transportation, Trucking & Railroads, Banking & Financial Services

Languages: English

Primary Identifiers: 076MW9-E, 7203-JP

Related Identifiers: 000XT6-E, 076MW9-E, 7203-JP

Subjects: New Products & Services