

October 22, 2015

Cat Financial Announces Third-Quarter 2015 Results

Cat Financial reported third-quarter 2015 revenues of \$653 million, a decrease of \$90 million, or 12 percent, compared with the third quarter of 2014. Third-quarter 2015 profit after tax was \$109 million, a \$39 million, or 26 percent decrease from the third quarter of 2014.

The decrease in revenues was primarily due to a \$45 million unfavorable impact from lower average earning assets and a \$38 million unfavorable impact from lower average financing rates.

Profit before income taxes was \$153 million for the third quarter of 2015, compared with \$197 million for the third quarter of 2014. The decrease was primarily due to a \$26 million decrease in net yield on average earning assets reflecting changes in the geographic mix of margin and currency impacts and a \$21 million unfavorable net impact from lower average earning assets.

The provision for income taxes reflects an estimated annual tax rate of 29 percent in the third quarter of 2015, compared with 26 percent in the third quarter of 2014. The increase in the estimated annual tax rate is primarily due to changes in the geographic mix of pre-tax profits.

During the third quarter of 2015, retail new business volume was \$2.86 billion, a decrease of \$275 million, or 9 percent, from the third quarter of 2014. The decrease was primarily related to lower volume in Latin America, Asia and Europe, with North America remaining relatively flat.

At the end of the third quarter of 2015, past dues were 2.68 percent, compared with 2.81 percent at the end of the third quarter of 2014. Write-offs, net of recoveries, were \$69 million for the third quarter of 2015, compared with \$16 million for the third quarter of 2014. The increase in write-offs, net of recoveries, was primarily driven by the mining and marine portfolios.

As of September 30, 2015, Cat Financial's allowance for credit losses totaled \$348 million, or 1.26 percent of net finance receivables, compared with \$405 million, or 1.37 percent of net finance receivables as of September 30, 2014. The allowance for credit losses at year-end 2014 was \$401 million, or 1.36 percent of net finance receivables.

"Despite challenging global market conditions in some of the key segments we serve, our portfolio continues to perform relatively well," said Kent Adams, president of Cat Financial and vice president with responsibility for the Financial Products Division of Caterpillar Inc. "The global Cat Financial team remains focused on helping Caterpillar customers and Cat dealers succeed through financial services excellence."

For over 30 years, Cat Financial, a wholly owned subsidiary of Caterpillar Inc., has been providing financial service excellence to customers. The company offers a wide range of financing alternatives to customers and Cat dealers for Cat machinery and engines, Solar® gas turbines and other equipment and marine vessels. Cat Financial has offices and subsidiaries located throughout North and South America, Asia, Australia and Europe, with its headquarters in Nashville, Tennessee.

[Click here](#) to download the full version of the Cat Financial 3Q 2015 results release, including Statistical Highlights.

Caterpillar contact: Rachel Potts, 309-675-6892 or 309-573-3444, Potts_Rachel_A@cat.com