

J.P.Morgan

**U.S. Commercial Paper
Offering Memorandum**

February 2018

DCAT, LLC

Commercial Paper Ratings:

S&P Global Ratings: A-1

Fitch Ratings, Inc.: F1

DESCRIPTION OF ISSUER

DCAT, LLC (“DCAT” or the “Issuer”) is a special-purpose, bankruptcy-remote entity formed on May 15, 2012 and is the survivor of a merger with Dealers Capital Access Trust, Inc. (“DCAT, Inc.”) on July 10, 2012. DCAT is a Delaware limited liability company and is a wholly owned subsidiary of the Cooperative Association of Tractor Dealers, Inc. (“CATD”).

DCAT issues commercial paper (the “Notes”) and uses the proceeds to fund loans (secured and unsecured) to eligible borrowers. Eligible borrowers are entities that sell (or whose wholly owned subsidiaries sell) equipment supplied by Caterpillar Inc. (“Caterpillar”) pursuant to a Caterpillar sales and service agreement.

Credit support for DCAT’s loans is provided by Caterpillar Financial Services Corporation (“CFSC”) under the terms of the Third Amended and Restated Dealer Loan Purchase Agreement dated October 1, 2016, together with Amended and Restated Addendum I thereto dated October 1, 2017 (the “Agreement”).

Loans made by DCAT to eligible borrowers have the same maturity dates and aggregate face amounts (principal plus interest to maturity) as the underlying Notes issued to fund them. No loan and therefore no Note can have a term of more than 270 days.

An eligible borrower that wishes to enter into a loan agreement with DCAT must submit an Application for Approval Letter to CFSC along with such financial information as CFSC may require. If the application is approved, CFSC issues an Approval Letter to the borrower and DCAT. The Approval Letter establishes the credit limit (“Approved Amount”) for the borrower, as well as the period during which loans may be made (“Approval Period”). The aggregate face amount of a borrower’s outstanding loans cannot exceed its Approved Amount. CFSC also determines whether DCAT is required to obtain a lien on the borrower’s collateral.

The loan documents between DCAT and a borrower do not create a committed credit facility. DCAT is not obligated to fund a borrower’s loan request and cannot do so unless it can issue Notes to fund the request. DCAT does not disclose the identity of eligible borrowers, their Approved Amounts or the face amount of their outstanding loans to investors.

DCAT operations are managed by CATD, its sole member. However, certain actions outside the ordinary course of DCAT’s business require the approval of an independent manager.

The Dealer does not warrant the completeness or accuracy of the information herein and does not undertake to update such information. Prospective purchasers should conduct their own inquiry into the creditworthiness of the Issuer and CFSC before purchasing any Notes.

DCAT, LLC

THIRD AMENDED AND RESTATED DEALER LOAN PURCHASE AGREEMENT.

Under the terms of the Agreement, if a loan is not paid in full at maturity (or upon acceleration) by the borrower, CFSC is obligated to immediately purchase the unpaid loan from DCAT at its face amount. The proceeds of such purchase would be used to repay the maturing Note(s) that DCAT issued to fund the purchased loan. The obligations of CFSC to DCAT for any single borrower are limited to the Approved Amount for such borrower.

Pursuant to the Agreement, the aggregate face amount of outstanding Notes cannot exceed the lesser of the aggregate face amount of outstanding DCAT loans and a commercial paper issuance limit ("Note Issuance Limit") set by CFSC from time to time. The aggregate obligations of CFSC are limited to the lesser of the sum of the Approved Amounts under all Approval Letters or the Note Issuance Limit.

Each year CFSC reviews the DCAT loan program prior to the termination date of the Agreement and notifies CATD, as the member-manager of the DCAT program, whether it intends to renew the term of the Agreement for an additional period of months. Absent a renewal, DCAT cannot issue Notes (or make any loans) after the termination date of the Agreement. Subject to the limitations on CFSC's aggregate obligations described above, the obligations of CFSC under the Agreement apply to all DCAT loans made prior to a termination date.

The termination date of the Agreement (and the last day of the Approval Period for all DCAT loans) is September 30, 2018.

CFSC maintains the bank liquidity lines necessary to support outstanding Notes issued by DCAT.

THE NOTES

The Notes will be issued in a minimum denomination of \$100,000 or integral multiples of \$1,000 in excess thereof. The Notes are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(3) thereof. The Notes are issued in book-entry form in the book-entry system of The Depository Trust Company.

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The information set forth herein was obtained from sources believed to be reliable, but its accuracy is not guaranteed. Neither the information, nor any opinion expressed constitutes a solicitation for the purchase or sale of any instruments. The information contained herein will not typically be distributed or updated upon each new sale of Notes, although the information will be distributed from time to time. Further, the information herein is not intended as substitution for the Investor's own inquiry into the creditworthiness of the Issuer, CFSC and if applicable, any other party providing credit support for the Notes, and Investors are encouraged to make such inquiry.

AUDITORS

Caterpillar Financial Services Corporation
Pricewaterhouse Coopers LLP

DCAT, LLC.
Horne, LLP, CPA's

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DCAT, LLC

RATINGS

<u>Company</u>	<u>Security</u>	<u>Rating</u>	<u>Rating Organization</u>
DCAT, LLC	Commercial Paper	A-1	S&P Global Ratings
	Commercial Paper	F1	Fitch Ratings, Inc.
Caterpillar Financial Services Corporation	Commercial Paper	A-1	S&P Global Ratings
	Commercial Paper	F1	Fitch Ratings, Inc.
	Commercial Paper	P-2	Moody's Investors Service, Inc.

Such ratings are only accurate as of the date hereof, as they have been obtained with the understanding that the applicable rating agencies will continue to monitor the credit of DCAT and CFSC and make future adjustments to such ratings to the extent warranted. The ratings may be changed, superseded or withdrawn, and therefore, a prospective purchaser should check the current ratings before purchasing any Notes. A rating is not a recommendation to buy, sell or hold Notes.

CATERPILLAR FINANCIAL SERVICES CORPORATION

CFSC is a wholly owned finance subsidiary of Caterpillar Inc., a Fortune 500 company and the world's largest manufacturer of construction and mining equipment, natural gas and diesel engines, and industrial gas turbines. CFSC is a Delaware corporation organized in 1981 and is headquartered in Nashville, Tennessee. CFSC provides retail and wholesale financing alternatives to customers and dealers around the world for Caterpillar and non-competitive related equipment, wholesale financing to Caterpillar dealers and purchases short-term receivables from Caterpillar.

Retail financial plans include:

- Tax leases that are classified as either operating or finance leases for financial accounting purposes, depending on the characteristics of the lease. For tax purposes, CFSC is considered the owner of the equipment.
- Finance (non-tax) leases, where the lessee for tax purposes is considered to be the owner of the equipment during the term of the lease that either require or allow the customer to purchase the equipment for a fixed price at the end of the term.
- Installment sale contracts, which are equipment loans that enable customers to purchase equipment with a down payment or trade-in and structure payments over time.
- Loans that allow customers and dealers to use their Caterpillar equipment or other assets as collateral to obtain financing.
- Governmental lease-purchase plans in the U.S. that offer low interest rates and flexible terms to qualified non-federal government agencies.

Wholesale finance plans include:

- Inventory/rental programs, which provide assistance to dealers by financing their new Caterpillar inventory and rental fleets.
- Short-term receivables purchased by CFSC from Caterpillar at a discount.

Retail new business volume during 2017 was \$11.2 billion. CFSC's total portfolio was \$30.7 billion on December 31, 2017.

Profit after tax for 2017 was \$586 million on revenues of \$2.7 billion compared to profit after tax for 2016 of \$384 million on revenues of \$2.6 billion.

DCAT, LLC

ADDITIONAL INFORMATION

If you require additional information or have questions, please write or call:

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Fax 901.333.8640

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THE DEALER

J.P. Morgan Securities LLC (“JPMS”) and its affiliates may perform various investment banking, commercial banking and financial advisory services from time to time for the Issuer and its affiliates. An affiliate of JPMS may be a lender to the Issuer and proceeds from sales of the Notes may be used to repay indebtedness owed to such lending affiliate. Prospective purchasers of the Notes are advised that JPMS has no obligation to disclose any non-public information concerning the Issuer or its affiliates that may be furnished to JPMS and its affiliates in connection with performing such services.

If you require any other information or have any questions, please contact JPMS at:

Investor Marketing
Short-Term Fixed Income Division
J.P. Morgan Securities LLC
383 Madison Avenue, 3rd Floor
New York, NY 10179
Phone: (212) 834-3345
Fax: (212) 834-6172

This Offering Memorandum is confidential and for your private information only and it may not be reproduced or disseminated by anyone other than JPMS. This document should not be considered as an offer to sell or a solicitation of any offer to buy the Notes mentioned in it in any jurisdiction except where an offer or solicitation is permitted. Such Notes accordingly may not be eligible for sale in certain jurisdictions. Persons who receive this document should inform themselves about, and observe any laws or regulations applicable to them.

Neither JPMS nor any of its affiliates makes any representation or warranty as to the accuracy or completeness of the information contained or referred to in this Offering Memorandum. This Offering Memorandum is dated material which is subject to change over time. The information contained in this Offering Memorandum will not typically be distributed or updated upon each new sale of the Notes although the information may be updated from time to time.

The information above under the caption “The Dealer” is particular to JPMS. All other information contained in this Offering Memorandum has been furnished and approved by the Issuer or CFSC.

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE PURCHASERS SHOULD RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THIS EXAMINATION SHOULD INCLUDE REVIEW OF THE INFORMATION THAT THE ISSUER HAS MADE PUBLICLY AVAILABLE THAT EXPLAINS THE NATURE OF THE BUSINESS OF THE ISSUER, INCLUDING VARIOUS RISKS OF INVESTING IN THE NOTES. **YOUR INVESTMENT DECISION SHOULD NOT BE BASED SOLELY ON THIS OFFERING MEMORANDUM AS IT IS NOT INTENDED TO BE A COMPLETE EXPLANATION OF THE NATURE AND RISKS OF INVESTING IN THE NOTES.** THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Caterpillar Financial Services Corporation
CONSOLIDATED STATEMENTS OF PROFIT
For the Years Ended December 31,
(Dollars in Millions)

	2017	2016	2015
Revenues:			
Retail finance	\$ 1,235	\$ 1,220	\$ 1,243
Operating lease	985	1,015	1,012
Wholesale finance	307	264	285
Other, net	162	96	133
Total revenues	2,689	2,595	2,673
Expenses:			
Interest	667	611	593
Depreciation on equipment leased to others	810	841	836
General, operating and administrative	429	391	415
Provision for credit losses	132	135	119
Other	46	41	64
Total expenses	2,084	2,019	2,027
Other income (expense)	(15)	(15)	(27)
Profit before income taxes	590	561	619
Provision (benefit) for income taxes	(4)	171	158
Profit of consolidated companies	594	390	461
Less: Profit attributable to noncontrolling interests	8	6	1
Profit¹	\$ 586	\$ 384	\$ 460

¹Profit attributable to Caterpillar Financial Services Corporation.

See Notes to Consolidated Financial Statements.

Caterpillar Financial Services Corporation
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31,
(Dollars in Millions, except share data)

	2017	2016
Assets:		
Cash and cash equivalents	\$ 708	\$ 1,795
Finance receivables, net (Note 2)	27,126	26,212
Notes receivable from Caterpillar (Note 14)	559	530
Equipment on operating leases, less accumulated depreciation (Note 3)	3,568	3,708
Deferred and refundable income taxes (Note 12)	174	119
Other assets (Note 4)	1,025	1,251
Total assets	\$ 33,160	\$ 33,615
Liabilities and shareholder's equity:		
Payable to dealers and others	\$ 190	\$ 140
Payable to Caterpillar – other	85	49
Accrued expenses	274	172
Income taxes payable (Note 12)	158	32
Payable to Caterpillar – borrowings (Note 14)	1,638	1,637
Short-term borrowings (Note 7)	4,836	7,094
Current maturities of long-term debt (Note 8)	6,188	6,155
Long-term debt (Note 8)	15,918	14,382
Deferred income taxes and other liabilities (Note 12)	609	969
Total liabilities	29,896	30,630
Commitments and contingent liabilities (Note 11)		
Common stock - \$1 par value		
Authorized: 2,000 shares; Issued and outstanding: one share (at paid-in amount)	745	745
Additional paid-in capital	2	2
Retained earnings	2,969	3,108
Accumulated other comprehensive income/(loss)	(592)	(995)
Noncontrolling interests	140	125
Total shareholder's equity	3,264	2,985
Total liabilities and shareholder's equity	\$ 33,160	\$ 33,615

See Notes to Consolidated Financial Statements.

Caterpillar Financial Services Corporation
CONSOLIDATED STATEMENTS OF CASH FLOW
For the Years Ended December 31,
(Dollars in Millions)

	2017	2016	2015
Cash flows from operating activities:			
Profit of consolidated companies	\$ 594	\$ 390	\$ 461
Adjustments for non-cash items:			
Depreciation and amortization	820	851	848
Amortization of receivables purchase discount	(253)	(207)	(222)
Provision for credit losses	132	135	119
Other, net	57	72	29
Changes in assets and liabilities:			
Receivables from others	70	(69)	(43)
Other receivables/payables with Caterpillar	26	1	(17)
Payable to dealers and others	(66)	36	83
Accrued interest payable	11	(21)	7
Accrued expenses and other liabilities, net	(261)	71	76
Income taxes payable	102	138	(74)
Settlements of designated derivatives	(9)	44	4
Debt exchange premium	—	(33)	—
Net cash provided by operating activities	1,223	1,408	1,271
Cash flows from investing activities:			
Capital expenditures for equipment on operating leases and other capital expenditures	(1,373)	(1,636)	(1,461)
Proceeds from disposals of equipment	1,003	789	583
Additions to finance receivables	(13,920)	(11,862)	(12,928)
Collections of finance receivables	14,353	12,341	12,225
Net changes in Caterpillar purchased receivables	(732)	399	745
Proceeds from sales of receivables	127	127	136
Net change in variable lending to Caterpillar	(51)	30	—
Additions to other notes receivable with Caterpillar	(53)	(146)	(134)
Collections on other notes receivable with Caterpillar	75	76	58
Restricted cash and cash equivalents activity, net	5	(11)	(7)
Settlements of undesignated derivatives	45	(25)	(58)
Other, net	(6)	5	—
Net cash provided by (used for) investing activities	(527)	87	(841)
Cash flows from financing activities:			
Net change in variable lending from Caterpillar	40	1,492	—
Proceeds from borrowings with Caterpillar	—	253	—
Payments on borrowings with Caterpillar	(49)	(1,203)	—
Proceeds from debt issued (original maturities greater than three months)	8,702	5,109	5,129
Payments on debt issued (original maturities greater than three months)	(6,919)	(6,032)	(7,775)

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Short-term borrowings, net (original maturities three months or less)	(2,854)	(61)	3,018
Dividend paid to Caterpillar	(725)	(275)	(600)
Net cash provided by (used for) financing activities	(1,805)	(717)	(228)
Effect of exchange rate changes on cash and cash equivalents	22	1	(43)
Increase/(decrease) in cash and cash equivalents	(1,087)	779	159
Cash and cash equivalents at beginning of period	1,795	1,016	857
Cash and cash equivalents at end of period	\$ 768	\$ 1,795	\$ 1,016

Cash paid for interest	\$ 647	\$ 668	\$ 579
Cash (received) paid for taxes	\$ 159	\$ (61)	\$ 125

All short-term investments, which consist primarily of highly liquid investments with original maturities of three months or less, are considered to be cash equivalents.

Non-cash activity: In September 2016, \$381 million of medium-term notes with varying interest rates and maturity dates were exchanged for \$366 million of 1.93% medium-term notes due in 2021 and \$15 million of cash. In addition, a debt exchange premium of \$33 million was paid and is included in the operating section of the Consolidated Statements of Cash Flows.

See Notes to Consolidated Financial Statements.

OFFERING MEMORANDUM APPROVAL

DCAT, LLC hereby confirms its approval and that Caterpillar Financial Services Corporation has authorized DCAT to release the Offering Memorandum.

DCAT, LLC

By:


Shellie G. McCain, President

February 23, 2018

J. P. MORGAN SECURITIES LLC
