

DCAT, LLC

Commercial Paper Ratings: A-1/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 (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 secure 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 Amount 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.

THIRD AMENDED AND RESTATED DEALER LOAN PURCHASE AGREEMENT.

Under the terms of the Agreement, if a loan(s) is not paid in full at maturity (or upon acceleration) by the borrower, CFSC is obligated to immediately purchase the unpaid loan(s) 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(s). The obligations of CFSC to DCAT for any single borrower are limited to the Approved Amount for such borrower.

Barclays

March 2017

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 commercial paper 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, and if applicable, another party providing credit support for the commercial paper notes, and Investors are encouraged to make such inquiry.

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Pursuant to the Agreement, the aggregate face amount of outstanding Notes cannot exceed the lesser of the aggregate face amount of outstanding DCAT loans or 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, 2017.

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.

AUDITORS

Caterpillar Financial Services Corporation
Pricewaterhouse Coopers LLP

DCAT, LLC.
Horne, LLP, CPA’s

RATINGS

<u>Company</u>	<u>Security</u>	<u>Rating</u>	<u>Rating Organization</u>
Dealers Capital Access Trust, Inc.	Commercial Paper	A-1	Standard & Poor’s Ratings Group
	Commercial Paper	F1	Fitch, Inc.
Caterpillar Financial Services Corporation	Commercial Paper	A-1	Standard & Poor’s Ratings Group
	Commercial Paper	F1	Fitch, Inc.
	Commercial Paper	P-2	Moody’s Investor Service, Inc.

Such ratings are only accurate as of the date hereof, as they have been obtained with the understanding that Standard and Poor’s Ratings Services and Fitch, Inc. will continue to monitor the credit of the Company 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 the 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

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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 2016 was \$10.9 billion. CFSC's total portfolio was \$29.9 billion on December 31, 2016.

Profit after tax for 2016 was \$384 million on revenues of \$2.6 billion compared to profit after tax for 2015 of \$460 million on revenues of \$2.7 billion.

ADDITIONAL INFORMATION

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

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THE DEALER

Barclays Capital Inc. ("Barclays") or its affiliates may have positions in, and may effect transactions in, Notes and other securities issued by the Issuer or its affiliates. Barclays or its affiliates may perform or seek to perform various investment banking, commercial banking and financial advisory services from time to time for the Issuer or its affiliates. In addition, an affiliate of Barclays may be a lender to the Issuer or its affiliates and proceeds from sales of the Notes may be used to repay indebtedness owed to such Barclays lending affiliate. Prospective purchasers of the Notes are advised that Barclays has no obligation to disclose any non-public information concerning the Issuer or its affiliates that may be furnished to Barclays or its affiliates in connection with performing such services.

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

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Attn: Commercial Paper Product Management
Phone: (212) 412-2112

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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.

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BARCLAYS

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

	2016	2015	2014
Revenues:			
Retail finance	\$ 1,220	\$ 1,243	\$ 1,366
Operating lease	1,015	1,012	1,057
Wholesale finance	264	285	311
Other, net	96	133	151
Total revenues	2,595	2,673	2,885
Expenses:			
Interest	611	593	631
Depreciation on equipment leased to others	841	836	870
General, operating and administrative	391	415	433
Provision for credit losses	135	119	139
Other	41	64	37
Total expenses	2,019	2,027	2,110
Other income (expense)	(15)	(27)	(22)
Profit before income taxes	561	619	753
Provision for income taxes	171	158	209
Profit of consolidated companies	390	461	544
Less: Profit attributable to noncontrolling interests	6	1	9
Profit¹	\$ 384	\$ 460	\$ 535

¹ Profit attributable to Caterpillar Financial Services Corporation.

See Notes to Consolidated Financial Statements.

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

	<u>2016</u>	<u>2015</u>
Assets:		
Cash and cash equivalents	\$ 1,795	\$ 1,016
Finance receivables, net (Note 3)	26,212	27,388
Notes receivable from Caterpillar (Note 14)	530	490
Equipment on operating leases, less accumulated depreciation (Note 4)	3,708	3,564
Deferred and refundable income taxes (Note 12)	119	240
Other assets (Note 5)	1,251	1,169
Total assets	<u>\$ 33,615</u>	<u>\$ 33,867</u>
Liabilities and stockholder's equity:		
Payable to dealers and others	\$ 140	\$ 137
Payable to Caterpillar – other	49	62
Accrued expenses	172	200
Income taxes payable	32	47
Payable to Caterpillar – borrowings (Note 14)	1,637	1,096
Short-term borrowings (Note 8)	7,094	6,958
Current maturities of long-term debt (Note 9)	6,155	5,360
Long-term debt (Note 9)	14,382	16,209
Deferred income taxes and other liabilities (Note 12)	969	823
Total liabilities	<u>30,630</u>	<u>30,892</u>
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	3,108	2,999
Accumulated other comprehensive income/(loss)	(995)	(897)
Noncontrolling interests	125	126
Total stockholder's equity	<u>2,985</u>	<u>2,975</u>
Total liabilities and stockholder's equity	<u>\$ 33,615</u>	<u>\$ 33,867</u>

See Notes to Consolidated Financial Statements.

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

	2016	2015	2014
Cash flows from operating activities:			
Profit of consolidated companies	\$ 390	\$ 461	\$ 544
Adjustments for non-cash items:			
Depreciation and amortization	851	848	883
Amortization of receivables purchase discount	(207)	(222)	(243)
Provision for credit losses	135	119	139
Other, net	72	29	(9)
Changes in assets and liabilities:			
Receivables from others	(69)	(43)	10
Other receivables/payables with Caterpillar	1	(17)	23
Payable to dealers and others	36	83	(26)
Accrued interest payable	(21)	7	(60)
Accrued expenses and other liabilities, net	71	76	107
Income taxes payable	138	(74)	(33)
Proceeds from interest rate contracts	44	4	3
Debt exchange premium	(33)	—	—
Net cash provided by operating activities	<u>1,408</u>	<u>1,271</u>	<u>1,338</u>
Cash flows from investing activities:			
Capital expenditures for equipment on operating leases and other capital expenditures	(1,636)	(1,461)	(1,627)
Proceeds from disposals of equipment	789	583	771
Additions to finance receivables	(11,862)	(12,928)	(14,396)
Collections of finance receivables	12,341	12,225	12,608
Net changes in Caterpillar purchased receivables	399	745	10
Proceeds from sales of receivables	127	136	179
Net change in variable lending to Caterpillar	30	—	—
Additions to other notes receivable with Caterpillar	(146)	(134)	(103)
Collections on other notes receivable with Caterpillar	76	58	34
Proceeds from sale of securities	5	—	—
Restricted cash and cash equivalents activity, net	(11)	(7)	6
Settlements of derivatives	(25)	(58)	(40)
Net cash provided by (used for) investing activities	<u>87</u>	<u>(841)</u>	<u>(2,558)</u>
Cash flows from financing activities:			
Net change in variable lending from Caterpillar	1,492	—	—
Proceeds from borrowings with Caterpillar	253	—	—
Payments on borrowings with Caterpillar	(1,203)	—	—
Proceeds from debt issued (original maturities greater than three months)	5,109	5,129	8,655
Payments on debt issued (original maturities greater than three months)	(6,032)	(7,775)	(8,463)
Short-term borrowings, net (original maturities three months or less)	(61)	3,018	1,043
Dividend paid to Caterpillar	(275)	(600)	(400)
Net cash provided by (used for) financing activities	<u>(717)</u>	<u>(228)</u>	<u>835</u>
Effect of exchange rate changes on cash and cash equivalents	1	(43)	(78)
Increase/(decrease) in cash and cash equivalents	779	159	(463)
Cash and cash equivalents at beginning of period	1,016	857	1,320
Cash and cash equivalents at end of period	<u>\$ 1,795</u>	<u>\$ 1,016</u>	<u>\$ 857</u>
Cash paid for interest	\$ 608	\$ 579	\$ 674
Cash (received) paid for taxes	\$ (61)	\$ 125	\$ 175

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.