

CAT Financial

ANALYST MEETING

Kent Adams

CATERPILLAR: CONFIDENTIAL YELLOW

Forward Looking Statement

Certain statements in this presentation relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “believe,” “estimate,” “will be,” “will,” “would,” “expect,” “anticipate,” “plan,” “project,” “intend,” “could,” “should” or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance, and we do not undertake to update our forward-looking statements.

Caterpillar’s actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global and regional economic conditions and economic conditions in the industries we serve; (ii) government monetary or fiscal policies and infrastructure spending; (iii) commodity price changes, component price increases, fluctuations in demand for our products or significant shortages of component products; (iv) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (v) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (vi) failure to maintain our credit ratings and potential resulting increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (vii) our Financial Products segment’s risks associated with the financial services industry; (viii) changes in interest rates or market liquidity conditions; (ix) an increase in delinquencies, repossessions or net losses of Cat Financial’s customers; (x) new regulations or changes in financial services regulations; (xi) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xii) international trade policies and their impact on demand for our products and our competitive position; (xiii) our ability to develop, produce and market quality products that meet our customers’ needs; (xiv) the impact of the highly competitive environment in which we operate on our sales and pricing; (xv) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xvi) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (xvii) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xviii) compliance with environmental laws and regulations; (xix) alleged or actual violations of trade or anti-corruption laws and regulations; (xx) additional tax expense or exposure; (xxi) currency fluctuations; (xxii) our or Cat Financial’s compliance with financial covenants; (xxiii) increased pension plan funding obligations; (xxiv) union disputes or other employee relations issues; (xxv) significant legal proceedings, claims, lawsuits or government investigations; (xxvi) changes in accounting standards; (xxvii) failure or breach of IT security; (xxviii) adverse effects of unexpected events including natural disasters; and (xxix) other factors described in more detail under “Item 1A. Risk Factors” in our Form 10-K filed with the SEC on February 17, 2015 for the year ended December 31, 2014.

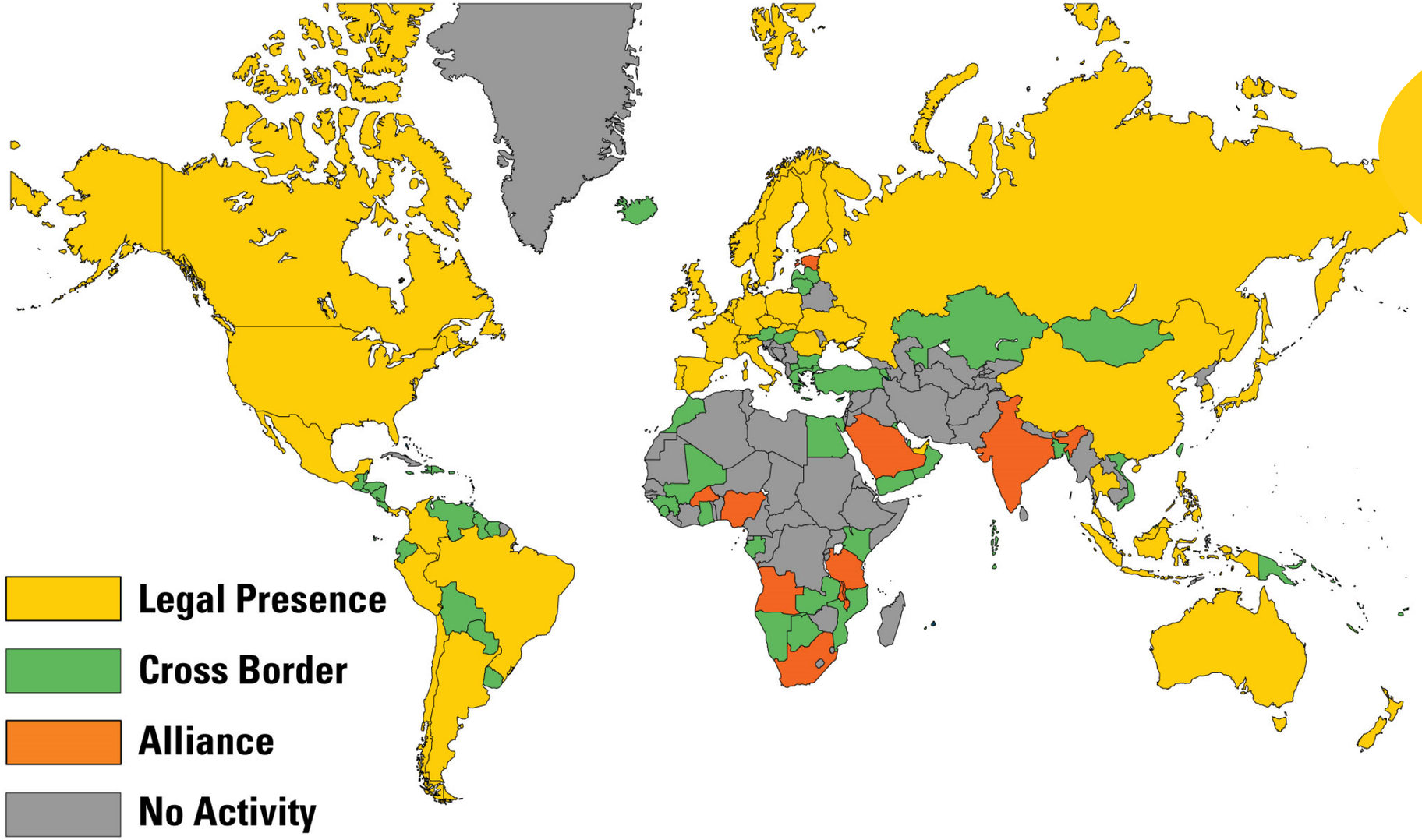
Our 2015 third quarter financial results contain a reconciliation of Non-GAAP financial information which can be found on our website at www.caterpillar.com/earnings.

Cat Financial Key Messages

- **We create value for Caterpillar Customers**
- **We create value for Caterpillar**
- **We are Globally Diverse**
- **We are Well Managed**

CATERPILLAR: CONFIDENTIAL YELLOW

Creating Customer Value – Supporting Customers Globally



Global Coverage

- **115 Countries**
- **23 Languages**
- **Across 18 Time Zones**
- **Over 2000 Employees**

CATERPILLAR: CONFIDENTIAL YELLOW

Creating Customer Value - 35 years in Business – Deep Industry Knowledge

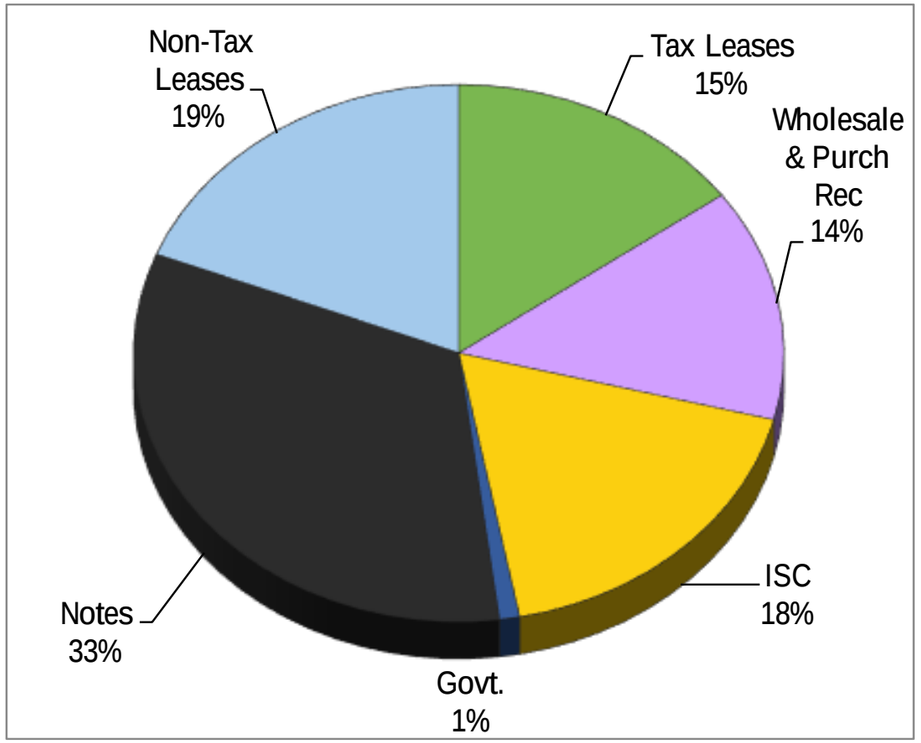
**"The deal is always there.
First class operation.
They helped us 26 years ago
when no one else would."**

**"My Cat Financial experience is why
I bought another Cat Machine.
They are extremely understanding
and work well with clients."**

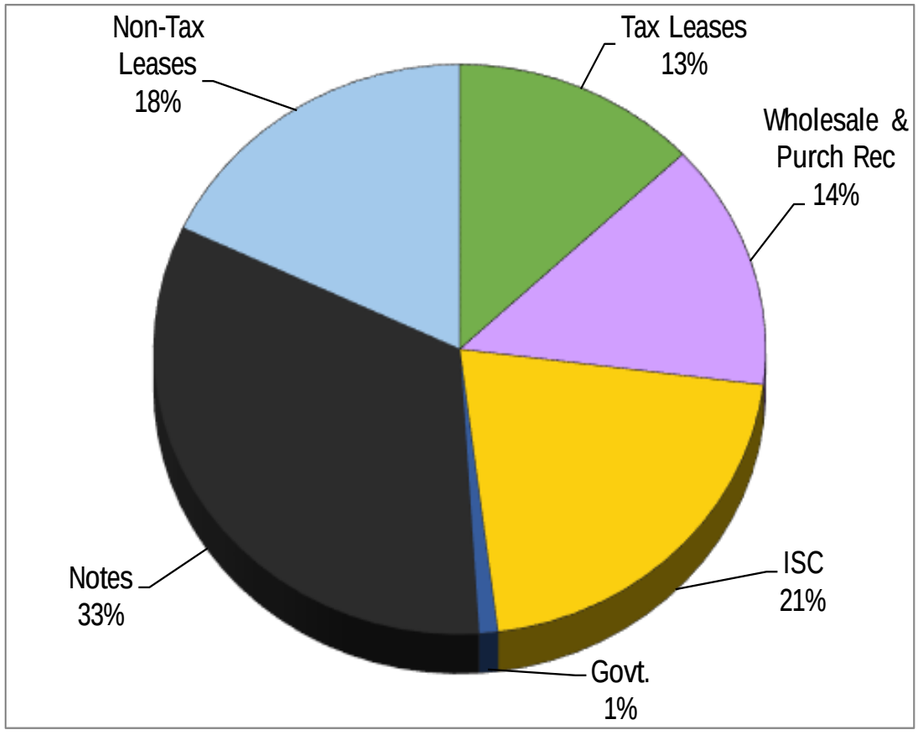


CATERPILLAR: CONFIDENTIAL YELLOW

Creating Customer Value – Diverse and Consistent Financial Products



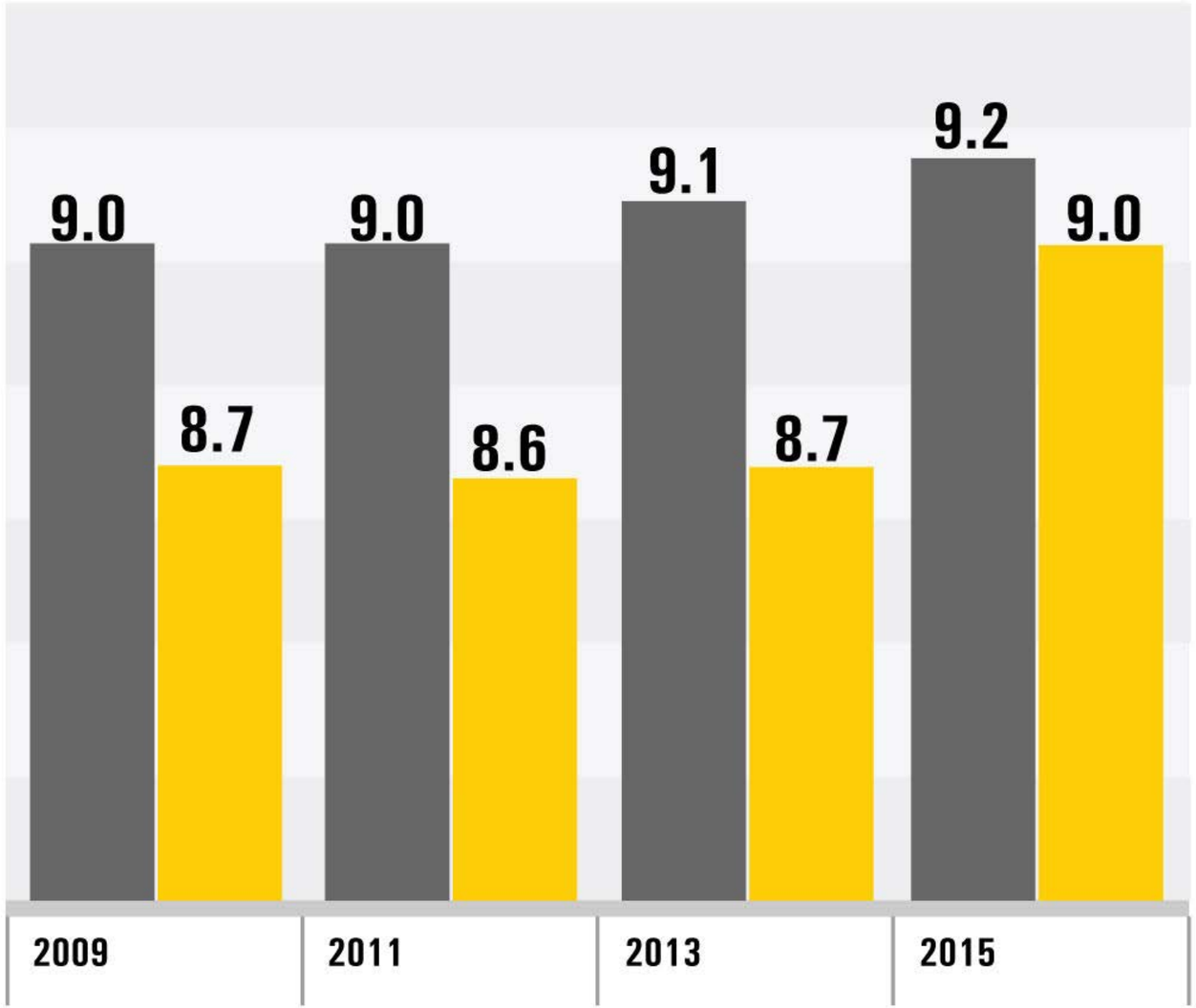
September 2014 Portfolio: $33.1B



September 2015 Portfolio: $31.2B

CATERPILLAR: CONFIDENTIAL YELLOW

Creating Value for Caterpillar – Driving Overall Customer Loyalty



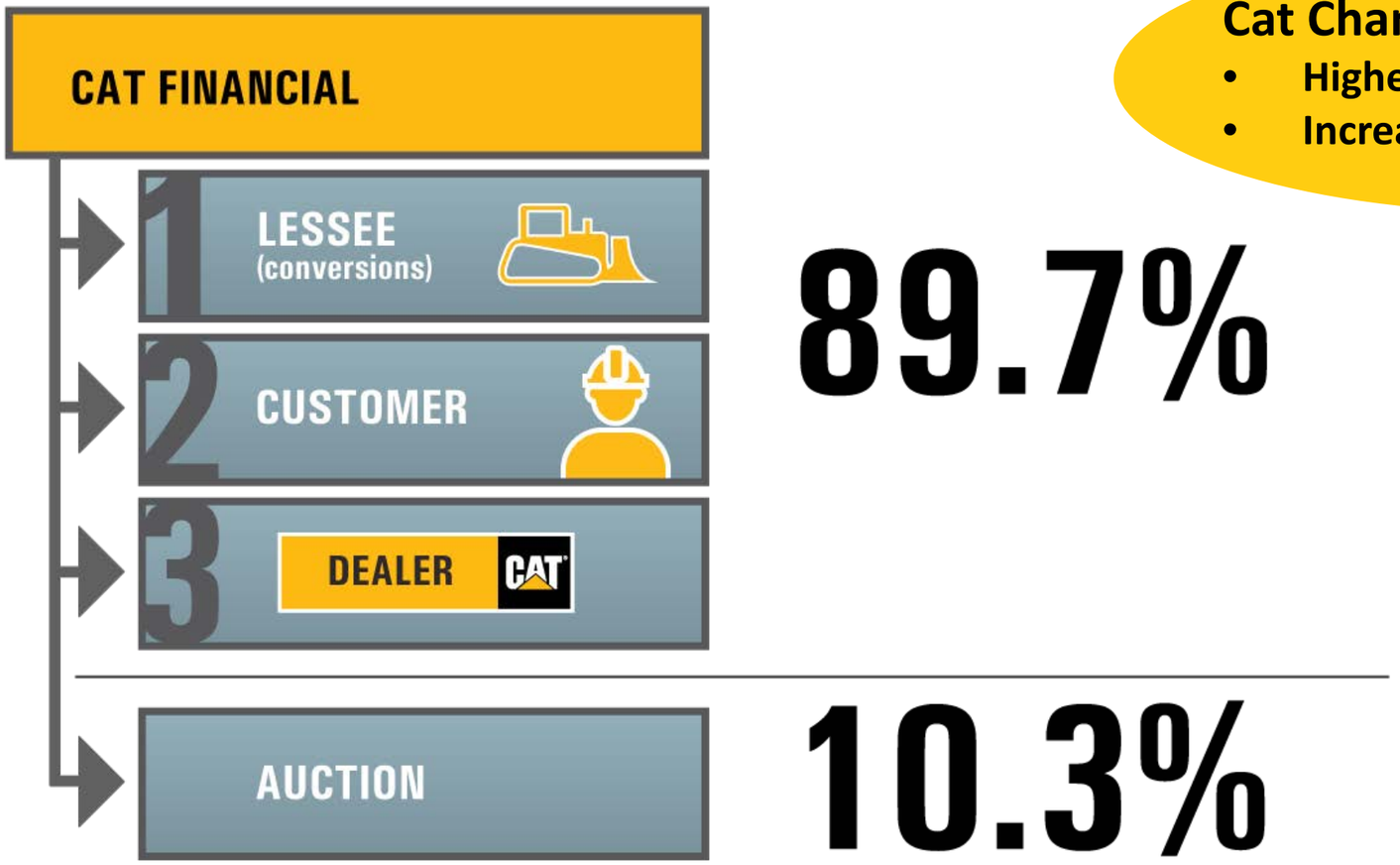
Captive finance companies build stronger manufacturer loyalty

Loyalty with Captive to OEM

Loyalty with Bank or Independent to OEM

2015 U.S. Blind Competitive Study

Creating Value for Caterpillar – Cat Financial Machines Stay in Cat Channel



Cat Channel Sales

- **Higher price point**
- **Increased parts and service sales**

* Sept YTD 2015 - N.A. Equipment Sales (excl. marine)

Creating Value for Caterpillar – Strategy to Drive PINS, POPS and PODD

VISION 2020



STRATEGIC GOALS

Best Team
- Engagement
- Performance Excellence
- Inclusion
- Recordable Injury Frequency (RIF)

Global Leader
- PODD / PINS / POPS-C
- Customer Loyalty
- New Business
- Gross Premiums Written

Superior Results
- Accountable Profit
- Return on Equity (ROE)
- Managed Assets

CRITICAL SUCCESS FACTORS

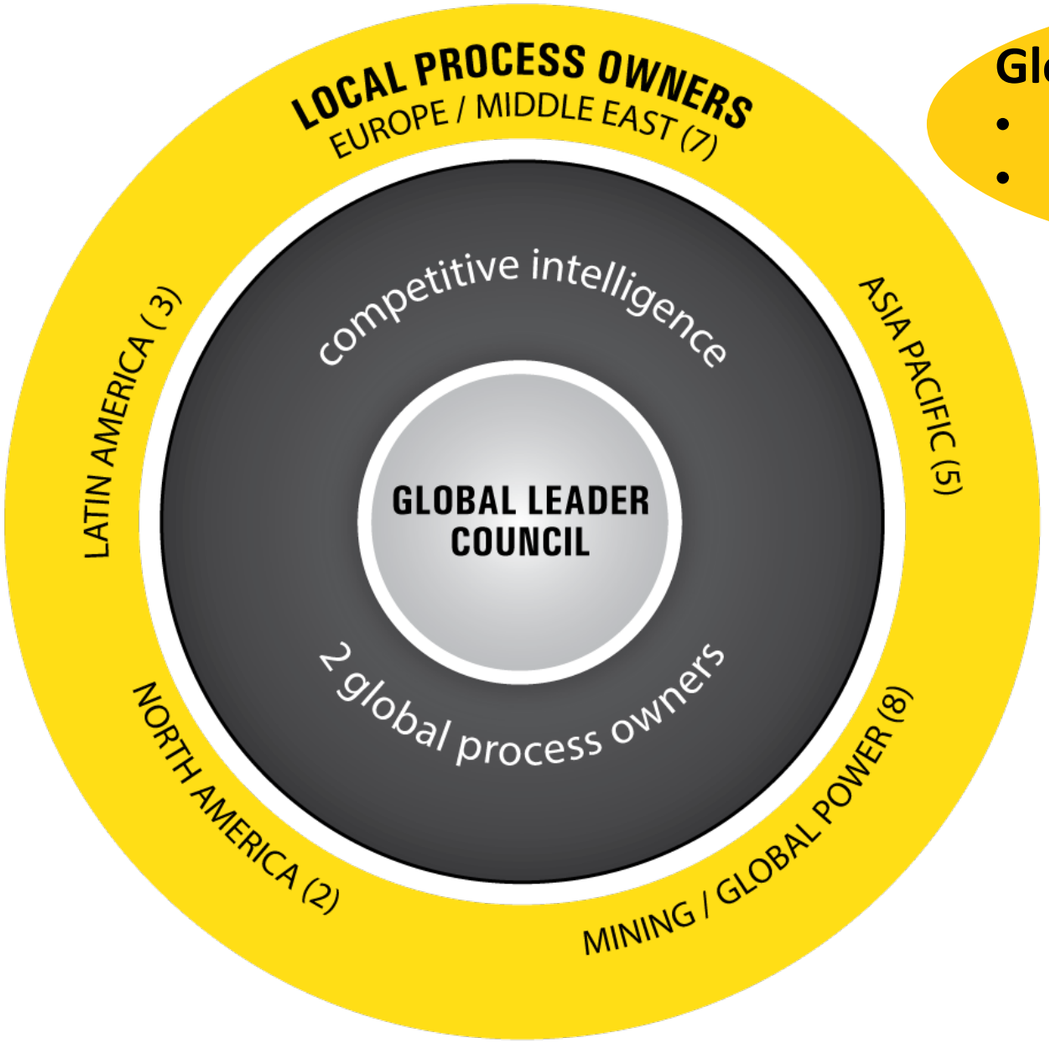
MARKET AND COMPETITIVE INTELLIGENCE	Know how to beat the competition and understand what our customers want (Beat the Competition)
BU & DEALER ALIGNMENT & ENGAGEMENT	Shared goals that are effectively achieved together to grow the Caterpillar business model (Grow the Business)
SALES EXCELLENCE	Help sell Caterpillar products and services through financial and insurance solutions (Acquire New Customers)
CUSTOMER EXPERIENCE	We want "Customers for Life"; "It's our job to keep customers coming back to Caterpillar" (Retain Customers)

All of these support building stronger customer loyalty; which leads to...

CUSTOMERS FOR LIFE



Creating Value for Caterpillar – Competitive Intelligence to Beat Competition

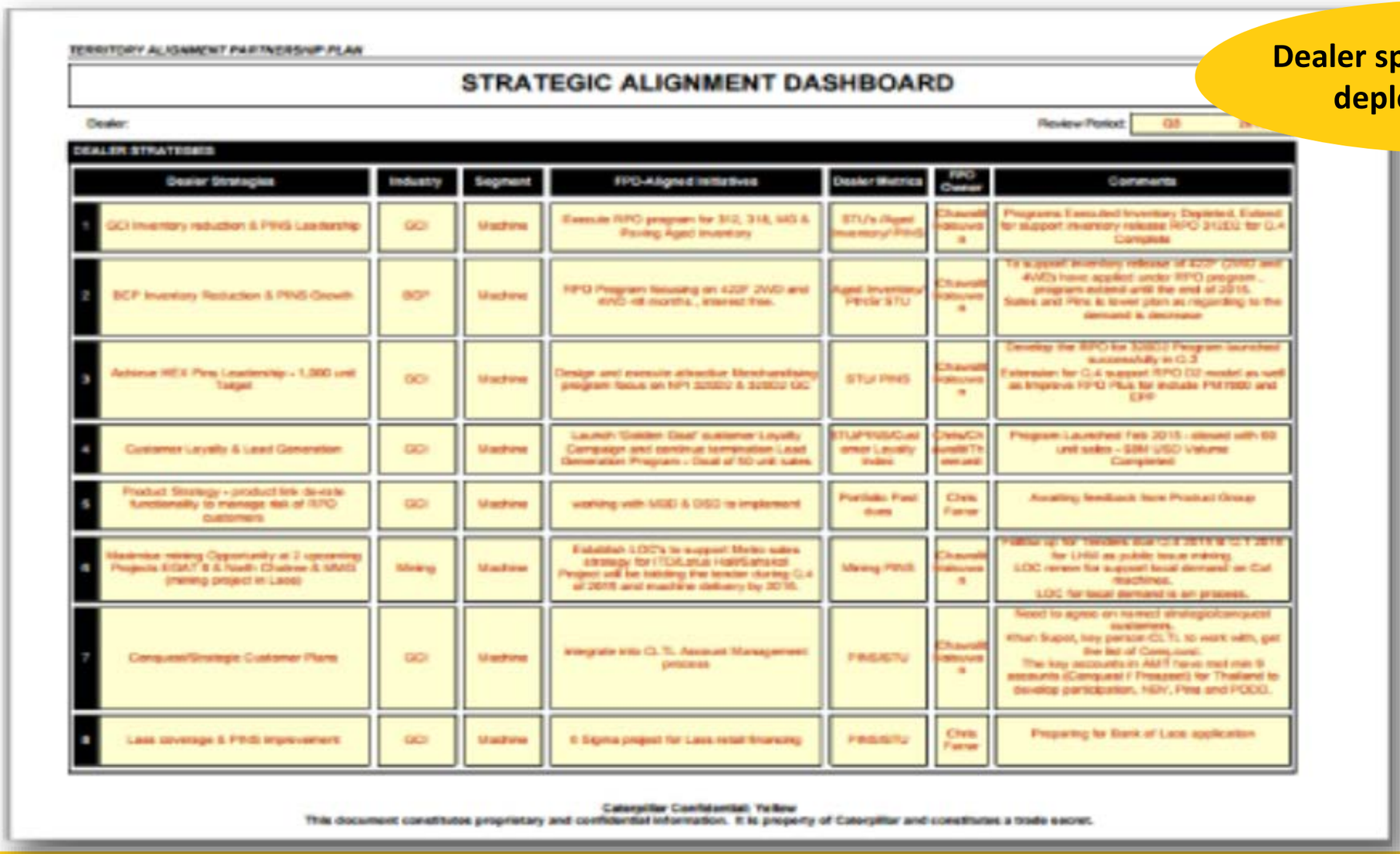


Global Hub and Spoke Model

- **280 Sales and sales support employees**
- **25 in-region process owners**

Creating Value for Caterpillar – Annual Plans Driving PINS, POPS, PODD

Dealer specific action plan deployed globally



TERRITORY ALIGNMENT PARTNERSHIP PLAN

STRATEGIC ALIGNMENT DASHBOARD

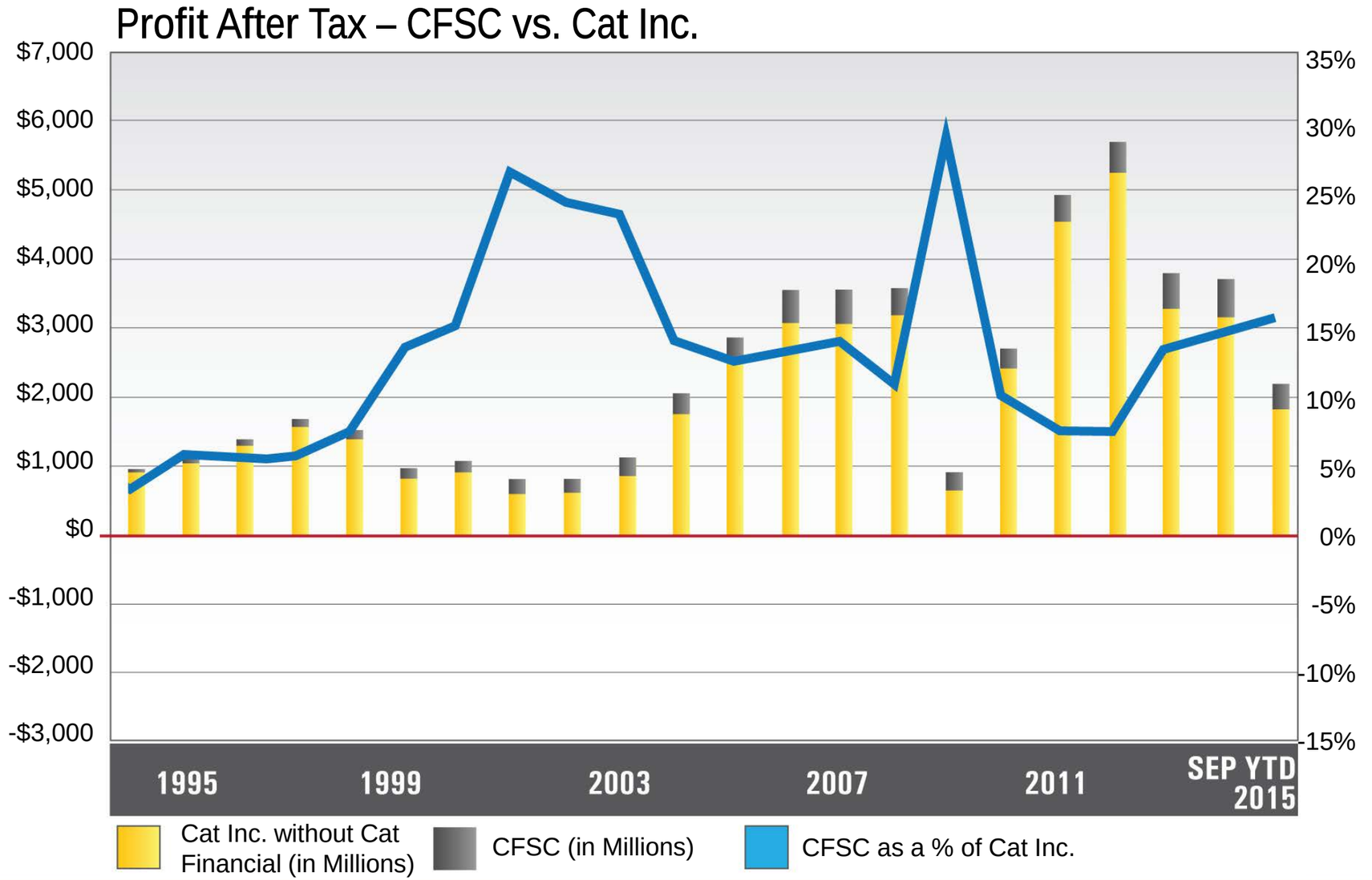
Dealer: Review Period: Q3

DEALER STRATEGIES

	Dealer Strategies	Industry	Segment	FPD-Aligned Initiatives	Dealer Metrics	FPD Owner	Comments
1	GCI Inventory reduction & PINS Leadership	GCI	Machine	Execute RPO program for 312, 316, 320 & Paving Aged Inventory	STU's /Aged Inventory/ PINS	Channel Resource	Programs Executed Inventory Depleted, Extend for support inventory release RPO 312DU for Q.4 Complete
2	BCP Inventory Reduction & PINS Growth	BCP	Machine	RPO Program focusing on 422F 2WD and 4WD <8 months., interest free.	Aged Inventory Pin's/ STU	Channel Resource	To support inventory release of 420F (2WD and 4WD) have applied under RPO program , program extend until the end of 2015. Sales and Pins is lower plan as regarding to the demand & decrease
3	Achieve WEX Pins Leadership - 1,000 unit Target	GCI	Machine	Design and execute attractive Merchandising program focus on NPI 320DU & 323DU GC	STU/ PINS	Channel Resource	Develop the RPO for 320DU Program launched successfully in Q.3 Extension for Q.4 support RPO D2 model as well as Improve RPO Plus for include PM1000 and EHP
4	Customer Loyalty & Lead Generation	GCI	Machine	Launch 'Golden Goal' customer Loyalty Campaign and continue to maintain Lead Generation Program - Goal of 50 unit sales.	STU/PINS/Customer Loyalty Index	Chris/Channel Resource	Program Launched Feb 2015 - closed with 69 unit sales - $8M USD Volume Completed
5	Product Strategy - product link de-skill functionality to manage risk of RPO customers	GCI	Machine	working with MSE & DSO re implement	Portfolio Fast does	Chris Ferrer	Awaiting feedback from Product Group
6	Maximize mining Opportunity at 2 upcoming Projects 834AT & Nawi- Chadree & MM3 (mining project in Laos)	Mining	Machine	Establish LOC's to support Mobo sales strategy for 773E,785,Hawi and 6420 Project will be bidding the tender during Q.4 of 2015 and machine delivery by 2016.	Mining PINS	Channel Resource	Follow up for tenders due Q.4 2015 & Q.1 2016 for LH30 as public issue mining LOC renew for support local demand on Cat machines. LOC for local demand is an process.
7	Conquest/Strategic Customer Plans	GCI	Machine	Integrate into CLTL Account Management process	PINS/STU	Channel Resource	Need to agree on re-rect strategic/conquest customers. Khun Supot, key person CLTL to work with, get the list of Conq.cust. The top accounts in AMT have met min 9 accounts (Conquest / Preasset) for Thailand to develop participation, NSV, Pins and PODD.
8	Lass coverage & PINS improvement	GCI	Machine	6 Sigma project for Lass retail financing	PINS/STU	Chris Ferrer	Preparing for Bank of Laos application

Caterpillar Confidential: Yellow
This document constitutes proprietary and confidential information. It is property of Caterpillar and constitutes a trade secret.

Creating Value for Caterpillar – Cat Financial's stable earnings



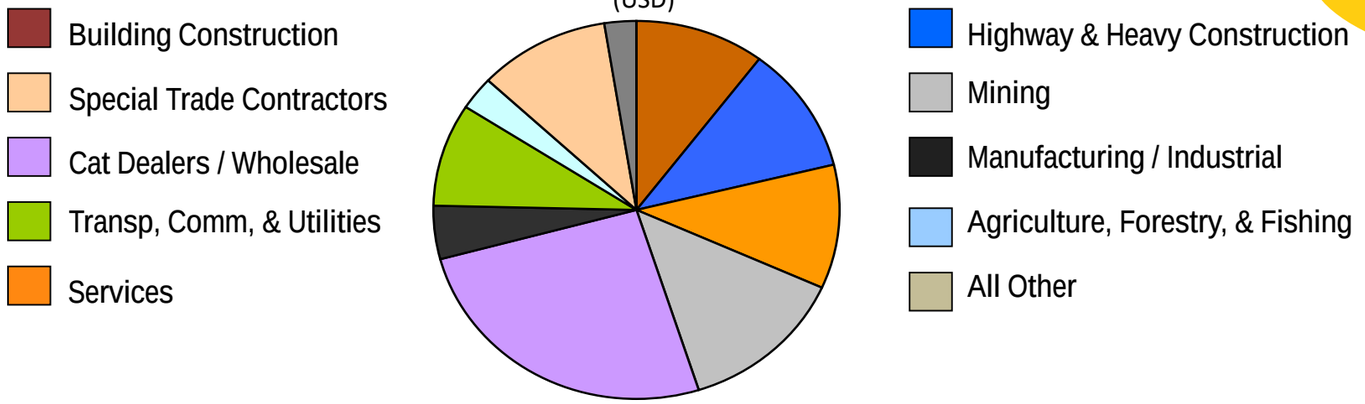
Well managed business model creates stable earnings

CATERPILLAR: CONFIDENTIAL YELLOW

Cat Financial – Globally Diverse and Well Managed

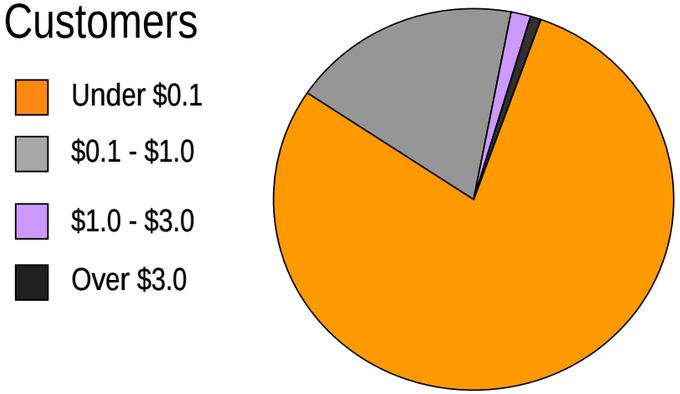
Diversity of global portfolio mitigates risk

Industries
(USD)

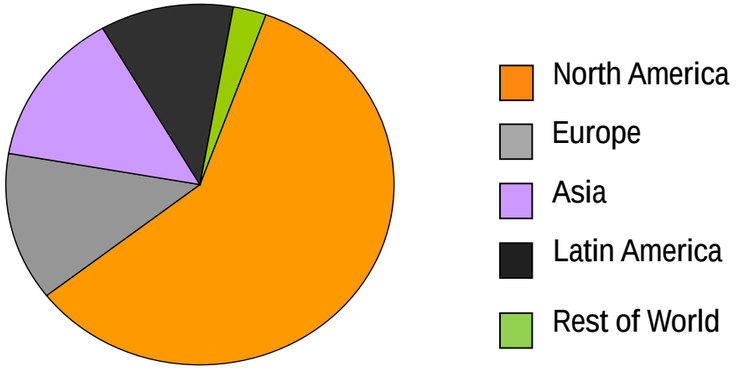


143,000+ Customers

Customer Exposure
(Millions of USD)



Geographic
(USD)

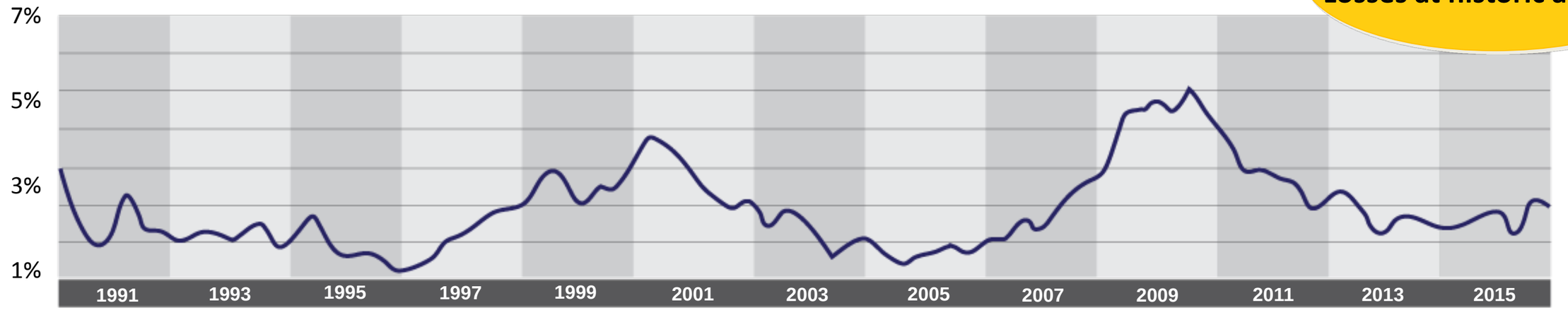


Data as of September 30, 2015

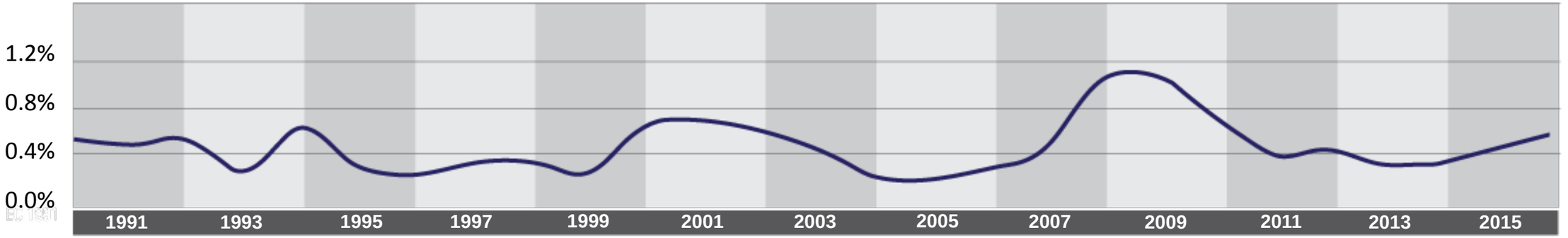
Cat Financial – Portfolio Well Managed

Past Dues and Losses at historic averages

Past Dues as a Percentage of Portfolio

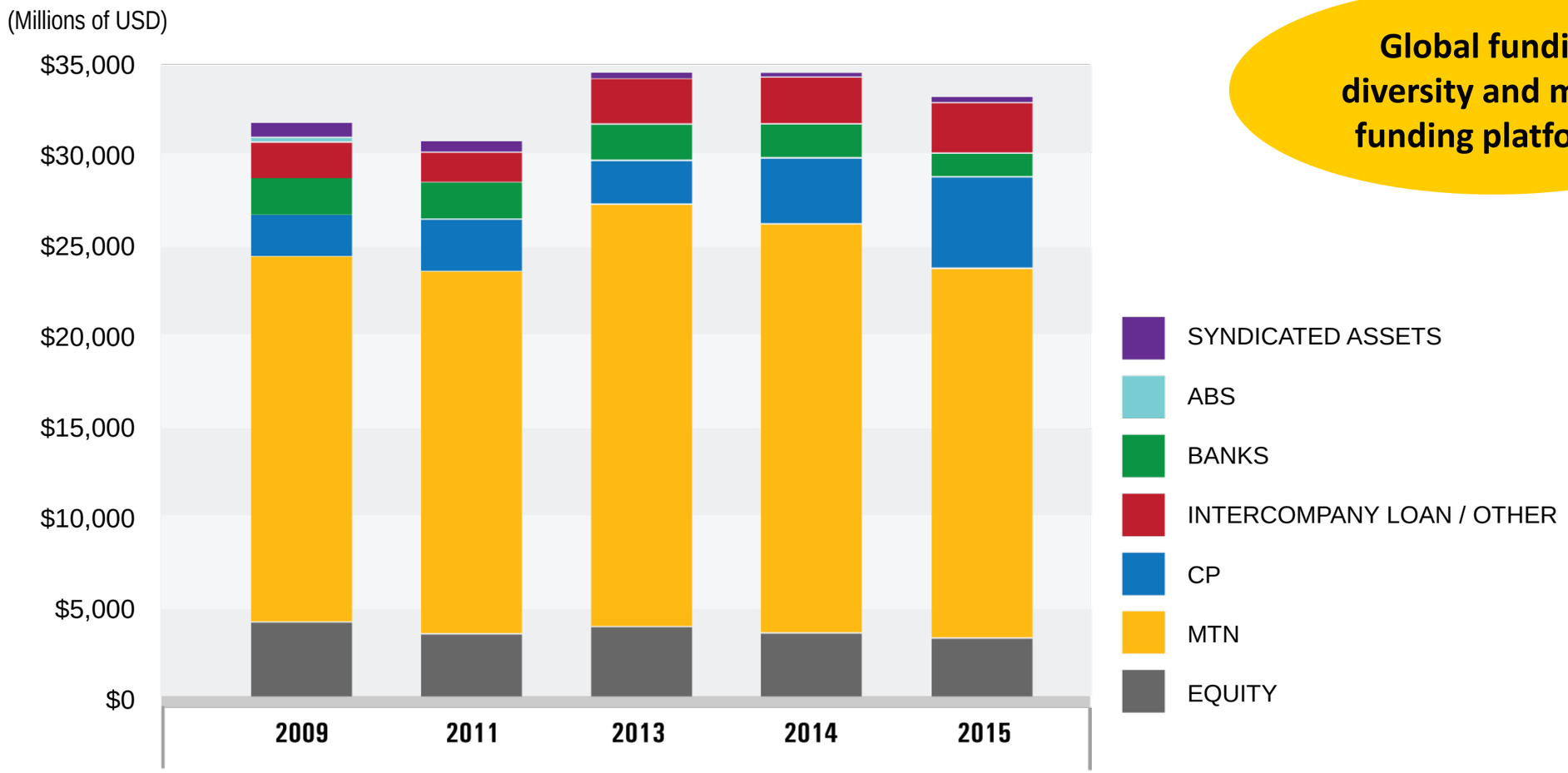


Total Allowance Losses as a % of Avg. Retail Portfolio



CATERPILLAR: CONFIDENTIAL YELLOW

Cat Financial – Well Managed and Globally Diverse Funding



Global funding diversity and mix of funding platforms

Cat Financial's Strategy – What's Ahead

Strategic Focus

- **Support sale of Caterpillar Equipment**
- **Grow with Caterpillar**
- **Create stable earnings**



OUR BIG IMPERATIVES

- Execute the financial services business model by staying true to our captive mission to grow with Caterpillar ... support the company's pursuit of global leadership and deliver stable earnings
- Attract, retain and develop a diverse workforce with great leaders, providing an inclusive, safe, and sustainable workplace ... enable employees to achieve their full potential
- Leverage market and competitive intelligence to understand and meet customers' needs and beat the competition ... build, develop and retain a high-performing, best-in-class sales team to support Caterpillar and our dealers in growing the business and building loyalty that keeps customers coming back to Cat
- Achieve operational excellence and optimal asset management ... create a platform for future growth that provides superior results for our customers, people and stockholders

CATERPILLAR: CONFIDENTIAL YELLOW