UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2015

Commission File No. 001-11241

CATERPILLAR FINANCIAL SERVICES CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	**37-1105865**
(State of incorporation)	**(IRS Employer I.D. No.)**
2120 West End Ave. Nashville, Tennessee	**37203-0001**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (615) 341-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [✓] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [✓] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [✓] Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [ ] No [✓]

As of October 30, 2015, one share of common stock of the registrant was outstanding, which is owned by Caterpillar Inc.

The registrant is a wholly owned subsidiary of Caterpillar Inc. and meets the conditions set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q, and is therefore filing this form with the reduced disclosure format.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

In addition to the accompanying unaudited consolidated financial statements for Caterpillar Financial Services Corporation (together with its subsidiaries, "Cat Financial," "the Company," "we," "us" or "our"), we suggest that you read our 2014 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on February 17, 2015. The Company files electronically with the SEC required reports on Form 8-K, Form 10-Q, Form 10-K and registration statements on Form S-3 and other forms or reports as required. The public may read and copy any materials the Company has filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site (www.sec.gov) that contains reports, proxies and information statements and other information regarding issuers that file electronically with the SEC. Copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to these reports filed or furnished with the SEC are available free of charge through Caterpillar Inc.'s Internet site (www.caterpillar.com/secfilings) as soon as reasonably practicable after filing with the SEC. Copies may also be obtained free of charge by writing to: Legal Dept., Caterpillar Financial Services Corporation, 2120 West End Ave., Nashville, Tennessee 37203-0001. In addition, the public may obtain more detailed information about our parent company, Caterpillar Inc. (together with its subsidiaries, "Caterpillar" or "Cat") by visiting its Internet site (www.caterpillar.com). None of the information contained at any time on our Internet site, Caterpillar's Internet site or the SEC's Internet site is incorporated by reference into this document.

Caterpillar Financial Services Corporation
CONSOLIDATED STATEMENTS OF PROFIT
(Unaudited)
(Dollars in Millions)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Revenues:				
Retail finance	$ 307	$ 348	$ 940	$ 1,031
Operating lease	246	279	758	797
Wholesale finance	69	78	217	234
Other, net	31	38	110	120
Total revenues	653	743	2,025	2,182
Expenses:				
Interest	144	158	445	475
Depreciation on equipment leased to others	207	226	629	653
General, operating and administrative	104	108	315	321
Provision for credit losses	22	38	89	106
Other	12	9	32	24
Total expenses	489	539	1,510	1,579
Other income (expense)	(11)	(7)	(25)	(16)
Profit before income taxes	153	197	490	587
Provision for income taxes	44	47	142	153
Profit of consolidated companies	109	150	348	434
Less: Profit attributable to noncontrolling interests	—	2	2	7
Profit [1]	$ 109	$ 148	$ 346	$ 427

[1] **Profit attributable to Caterpillar Financial Services Corporation.**

See Notes to Consolidated Financial Statements (unaudited).

Caterpillar Financial Services Corporation
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(Dollars in Millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
Profit of consolidated companies	$ 109	$ 150	$ 348	$ 434
Other comprehensive income (loss), net of tax:				
Foreign currency translation, net of tax (expense)/benefit of: 2015 $(2) three months, $(68) nine months; 2014 $(77) three months, $(86) nine months	(206)	(316)	(472)	(280)
Derivative financial instruments:				
Gains (losses) deferred, net of tax (expense)/benefit of: 2015 $0 three months, $(1) nine months; 2014 $1 three months, $2 nine months	(1)	(1)	—	(5)
(Gains) losses reclassified to earnings, net of tax expense/(benefit) of: 2015 $0 three months, $(1) nine months; 2014 $(1) three months, $(1) nine months	1	1	3	3
Total Other comprehensive income (loss), net of tax	(206)	(316)	(469)	(282)
Comprehensive income (loss)	(97)	(166)	(121)	152
Less: Comprehensive income (loss) attributable to the noncontrolling interests	(6)	2	(3)	6
Comprehensive income (loss) attributable to Caterpillar Financial Services Corporation	$ (91)	$ (168)	$ (118)	$ 146

See Notes to Consolidated Financial Statements (unaudited).

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

	September 30, 2015	December 31, 2014
Assets:		
Cash and cash equivalents	$ 1,023	$ 857
Finance receivables		
Retail notes receivable	10,499	11,005
Wholesale notes receivable	3,890	4,514
Finance leases and installment sale contracts - Retail	13,574	14,455
Finance leases and installment sale contracts - Wholesale	421	384
	28,384	30,358
Less: Unearned income	(793)	(883)
Less: Allowance for credit losses	(348)	(401)
Total net finance receivables	27,243	29,074
Notes receivable from Caterpillar	469	414
Equipment on operating leases,		
less accumulated depreciation	3,512	3,624
Deferred and refundable income taxes	103	206
Other assets	1,167	1,001
Total assets	$ 33,517	$ 35,176
Liabilities and stockholder's equity:		
Payable to dealers and others	$ 128	$ 113
Payable to Caterpillar - other	55	69
Accrued expenses	181	212
Income taxes payable	44	66
Payable to Caterpillar - borrowings	1,093	1,108
Short-term borrowings	6,068	4,699
Current maturities of long-term debt	5,739	6,283
Long-term debt	16,211	18,291
Deferred income taxes and other liabilities	715	681
Total liabilities	30,234	31,522
Commitments and contingent liabilities (Notes 7 and 9)		
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	3,235	3,139
Accumulated other comprehensive income/(loss)	(828)	(364)
Noncontrolling interests	129	132
Total stockholder's equity	3,283	3,654
Total liabilities and stockholder's equity	$ 33,517	$ 35,176

See Notes to Consolidated Financial Statements (unaudited).

Caterpillar Financial Services Corporation
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
(Unaudited)
(Dollars in Millions)

Nine Months Ended September 30, 2014	**Common stock**	**Additional paid-in capital**	**Retained earnings**	**Accumulated other comprehensive income/(loss)**	**Noncontrolling interests**	**Total**
Balance at December 31, 2013	$ 745	$ 2	$ 3,004	$ 117	$ 123	$ 3,991
Profit of consolidated companies			427		7	434
Dividend paid to Caterpillar			(200)			(200)
Foreign currency translation, net of tax				(279)	(1)	(280)
Derivative financial instruments, net of tax				(2)		(2)
Balance at September 30, 2014	$ 745	$ 2	$ 3,231	$ (164)	$ 129	$ 3,943
Nine Months Ended September 30, 2015						
Balance at December 31, 2014	$ 745	$ 2	$ 3,139	$ (364)	$ 132	$ 3,654
Profit of consolidated companies			346		2	348
Dividend paid to Caterpillar			(250)			(250)
Foreign currency translation, net of tax				(467)	(5)	(472)
Derivative financial instruments, net of tax				3		3
Balance at September 30, 2015	$ 745	$ 2	$ 3,235	$ (828)	$ 129	$ 3,283

See Notes to Consolidated Financial Statements (unaudited).

Caterpillar Financial Services Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in Millions)

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Cash flows from operating activities:		
Profit of consolidated companies	$ 348	$ 434
Adjustments for non-cash items:		
Depreciation and amortization	639	663
Amortization of receivables purchase discount	(169)	(183)
Provision for credit losses	89	106
Gain on sales of receivables	(2)	(5)
Other, net	15	(6)
Changes in assets and liabilities:		
Receivables from others	(41)	(11)
Other receivables/payables with Caterpillar	(16)	4
Payable to dealers and others	55	(17)
Accrued interest payable	(5)	(66)
Accrued expenses and other liabilities, net	(30)	(14)
Income taxes payable	72	98
Other assets, net	2	—
Net cash provided by operating activities	957	1,003
Cash flows from investing activities:		
Capital expenditures for equipment on operating leases and other capital expenditures	(993)	(1,206)
Proceeds from disposals of equipment	418	566
Additions to finance receivables	(9,434)	(10,793)
Collections of finance receivables	9,000	9,278
Net changes in Caterpillar purchased receivables	758	246
Proceeds from sales of receivables	101	157
Additions to other notes receivable with Caterpillar	(100)	(30)
Collections on other notes receivable with Caterpillar	46	25
Restricted cash and cash equivalents activity, net	1	3
Settlements of derivatives	(43)	(23)
Net cash provided by (used for) investing activities	(246)	(1,777)
Cash flows from financing activities:		
Proceeds from debt issued (original maturities greater than three months)	4,079	7,112
Payments on debt issued (original maturities greater than three months)	(6,259)	(7,114)
Short-term borrowings, net (original maturities three months or less)	1,917	791
Dividend paid to Caterpillar	(250)	(200)
Net cash provided by (used for) financing activities	(513)	589
Effect of exchange rate changes on cash and cash equivalents	(32)	(65)
Increase/(decrease) in cash and cash equivalents	**166**	**(250)**
Cash and cash equivalents at beginning of year	857	1,320
Cash and cash equivalents at end of period	$ 1,023	$ 1,070

See Notes to Consolidated Financial Statements (unaudited).

Notes to Consolidated Financial Statements

(Unaudited)

1. Basis of Presentation

In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of (a) the consolidated profit for the three and nine months ended September 30, 2015 and 2014, (b) the consolidated comprehensive income for the three and nine months ended September 30, 2015 and 2014, (c) the consolidated financial position as of September 30, 2015 and December 31, 2014, (d) the consolidated changes in stockholder's equity for the nine months ended September 30, 2015 and 2014 and (e) the consolidated cash flows for the nine months ended September 30, 2015 and 2014. The preparation of financial statements, in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) and pursuant to the rules and regulations of the Securities and Exchange Commission (SEC), requires management to make estimates and assumptions that affect reported amounts. The most significant estimates include those related to the residual values for leased assets, our Allowance for credit losses and income taxes. Actual results may differ from these estimates.

Interim results are not necessarily indicative of results for a full year. The information included in this Form 10-Q should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements and notes thereto included in our annual report on Form 10-K for the year ended December 31, 2014 filed with the SEC on February 17, 2015.

The December 31, 2014 financial position data included herein was derived from the audited consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2014 filed with the SEC on February 17, 2015, but does not include all disclosures required by U.S. GAAP.

We consolidate all variable-interest entities (VIEs) where we are the primary beneficiary. The primary beneficiary of a VIE is the party that has the power to direct the activities that most significantly impact the performance of the entity and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entity. Please refer to Note 7 for more information.

2. Accumulated Other Comprehensive Income/(Loss)

Comprehensive income/(loss) and its components are presented in the Consolidated Statements of Comprehensive Income. Changes in Accumulated other comprehensive income/(loss), net of tax, included in the Consolidated Statements of Changes in Stockholder's Equity, consisted of the following:

(Millions of dollars)	Foreign currency translation	Derivative financial instruments	Total
Three Months Ended September 30, 2014			
Balance at June 30, 2014	$ 159	$ (7)	$ 152
Other comprehensive income/(loss) before reclassifications	(316)	(1)	(317)
Amounts reclassified from accumulated other comprehensive (income)/loss	—	1	1
Other comprehensive income/(loss)	(316)	—	(316)
Balance at September 30, 2014	$ (157)	$ (7)	$ (164)
Three Months Ended September 30, 2015			
Balance at June 30, 2015	$ (626)	$ (2)	$ (628)
Other comprehensive income/(loss) before reclassifications	(200)	(1)	(201)
Amounts reclassified from accumulated other comprehensive (income)/loss	—	1	1
Other comprehensive income/(loss)	(200)	—	(200)
Balance at September 30, 2015	$ (826)	$ (2)	$ (828)
Nine Months Ended September 30, 2014			
Balance at December 31, 2013	$ 122	$ (5)	$ 117
Other comprehensive income/(loss) before reclassifications	(279)	(5)	(284)
Amounts reclassified from accumulated other comprehensive (income)/loss	—	3	3
Other comprehensive income/(loss)	(279)	(2)	(281)
Balance at September 30, 2014	$ (157)	$ (7)	$ (164)
Nine Months Ended September 30, 2015			
Balance at December 31, 2014	$ (359)	$ (5)	$ (364)
Other comprehensive income/(loss) before reclassifications	(467)	—	(467)
Amounts reclassified from accumulated other comprehensive (income)/loss	—	3	3
Other comprehensive income/(loss)	(467)	3	(464)
Balance at September 30, 2015	$ (826)	$ (2)	$ (828)

The effect of the reclassifications out of Accumulated other comprehensive income/(loss) on the Consolidated Statements of Profit was as follows:

(Millions of dollars)		Three Months Ended September 30,		Nine Months Ended September 30,	
	Classification of income (expense)	2015	2014	2015	2014
Foreign exchange contracts	Other income (expense)	$ —	$ —	$ —	$ —
Interest rate contracts	Interest expense	(1)	(2)	(4)	(4)
Reclassifications before tax		(1)	(2)	(4)	(4)
Tax (provision) benefit		—	1	1	1
Total reclassifications from Accumulated other comprehensive income/(loss)		$ (1)	$ (1)	$ (3)	$ (3)

3. New Accounting Pronouncements

Reporting discontinued operations and disclosures of disposals of components of an entity – In April 2014, the Financial Accounting Standards Board (FASB) issued accounting guidance for determining which disposals can be presented as discontinued operations and modifies related disclosure requirements. The guidance defines a discontinued operation as a disposal of a component or group of components that is disposed of or is classified as held for sale and represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. This guidance was effective January 1, 2015 and did not have a material impact on our financial statements.

Revenue recognition – In May 2014, the FASB issued new revenue recognition guidance to provide a single, comprehensive revenue recognition model for all contracts with customers. Under the new guidance, an entity will recognize revenue to depict the transfer of promised goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. A five step model has been introduced for an entity to apply when recognizing revenue. The new guidance also includes enhanced disclosure requirements and is effective January 1, 2018, with early adoption permitted for January 1, 2017. Entities have the option to apply the new guidance under a retrospective approach to each prior reporting period presented, or a modified retrospective approach with the cumulative effect of initially applying the new guidance recognized at the date of initial application within the Consolidated Statement of Changes in Stockholder's Equity. We are in the process of evaluating the application and implementation of the new guidance.

Variable interest entities – In February 2015, the FASB issued accounting guidance on the consolidation of VIEs. The new guidance revises previous guidance by establishing an analysis for determining whether a limited partnership or similar entity is a VIE and whether outsourced decision-maker fees are considered variable interests. In addition, the new guidance revises how a reporting entity evaluates economics and related parties when assessing who should consolidate a VIE. This guidance is effective January 1, 2016. We do not expect the adoption to have a material impact on our financial statements.

Presentation of debt issuance costs – In April 2015, the FASB issued accounting guidance which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability. Prior to the issuance of the new guidance, debt issuance costs were required to be presented in the balance sheet as an asset. This guidance is effective January 1, 2016. We do not expect the adoption to have a material impact on our financial statements.

4. Financing Activities

A. Credit Quality of Finance Receivables and Allowance for Credit Losses

We apply a systematic methodology to determine the Allowance for credit losses for finance receivables. Based upon our analysis of credit losses and risk factors, our portfolio segments are as follows:

- **Customer** - Finance receivables with retail customers.
- **Dealer** - Finance receivables with Caterpillar dealers.
- **Caterpillar Purchased Receivables** - Trade receivables purchased from Caterpillar entities.

We further evaluate our portfolio segments by the class of finance receivables, which is defined as a level of information (below a portfolio segment) in which the finance receivables have the same initial measurement attribute and a similar method for assessing and monitoring credit risk. Typically, our finance receivables within a geographic area have similar credit risk profiles and methods for assessing and monitoring credit risk. Our classes, which align with management reporting for credit losses, are as follows:

- **North America** - Finance receivables originated in the United States or Canada.
- **Europe** - Finance receivables originated in Europe, Africa, Middle East and the Commonwealth of Independent States.
- **Asia/Pacific** - Finance receivables originated in Australia, New Zealand, China, Japan, South Korea and Southeast Asia.
- **Mining** - Finance receivables related to large mining customers worldwide.
- **Latin America** - Finance receivables originated in Central and South American countries and Mexico.
- **Caterpillar Power Finance** - Finance receivables related to marine vessels with Caterpillar engines worldwide and Caterpillar electrical power generation, gas compression and co-generation systems and non-Caterpillar equipment that is powered by these systems worldwide.

Impaired finance receivables

For all classes, a finance receivable is considered impaired, based on current information and events, if it is probable that we will be unable to collect all amounts due according to the contractual terms of the finance receivable. Finance receivables reviewed for impairment include those that are past due, non-performing or in bankruptcy. Recognition of income is suspended and the finance receivable is placed on non-accrual status when management determines that collection of future income is not probable (generally after 120 days past due, except in locations where local regulatory requirements dictate a different method or instances in which relevant information is known that warrants placing the finance receivable on non-accrual status earlier). Accrual is resumed and previously suspended income is recognized when the finance receivable becomes contractually current and/or collection doubts are removed. Cash receipts on impaired finance receivables are recorded against the receivable and then to any unrecognized income.

There were no impaired finance receivables as of September 30, 2015 and December 31, 2014, for the Dealer and Caterpillar Purchased Receivables portfolio segments. The average recorded investment for impaired finance receivables within the Dealer and Caterpillar Purchased Receivables portfolio segments was zero for the three and nine months ended September 30, 2015 and 2014.

Individually impaired finance receivables for the Customer portfolio segment were as follows:

(Millions of dollars)	As of September 30, 2015			As of December 31, 2014		
Impaired Finance Receivables With No Allowance Recorded	**Recorded Investment**	**Unpaid Principal Balance**	**Related Allowance**	**Recorded Investment**	**Unpaid Principal Balance**	**Related Allowance**
Customer						
North America	$ 10	$ 10	$ —	$ 14	$ 14	$ —
Europe	43	42	—	44	43	—
Asia/Pacific	2	1	—	2	2	—
Mining	56	56	—	29	29	—
Latin America	31	31	—	34	34	—
Caterpillar Power Finance	191	191	—	129	128	—
Total	$ 333	$ 331	$ —	$ 252	$ 250	$ —
Impaired Finance Receivables With An Allowance Recorded						
Customer						
North America	$ 13	$ 13	$ 3	$ 6	$ 6	$ 1
Europe	9	8	4	12	12	4
Asia/Pacific	48	48	9	29	29	8
Mining	13	13	5	138	137	9
Latin America	60	60	22	42	42	12
Caterpillar Power Finance	89	88	39	135	134	41
Total	$ 232	$ 230	$ 82	$ 362	$ 360	$ 75
Total Impaired Finance Receivables						
Customer						
North America	$ 23	$ 23	$ 3	$ 20	$ 20	$ 1
Europe	52	50	4	56	55	4
Asia/Pacific	50	49	9	31	31	8
Mining	69	69	5	167	166	9
Latin America	91	91	22	76	76	12
Caterpillar Power Finance	280	279	39	264	262	41
Total	$ 565	$ 561	$ 82	$ 614	$ 610	$ 75

(Millions of dollars)	Three Months Ended September 30, 2015		Three Months Ended September 30, 2014	
Impaired Finance Receivables With No Allowance Recorded	**Average Recorded Investment**	**Interest Income Recognized**	**Average Recorded Investment**	**Interest Income Recognized**
Customer				
North America	$ 10	$ 1	$ 19	$ —
Europe	43	—	47	1
Asia/Pacific	1	—	1	—
Mining	63	—	29	—
Latin America	32	—	37	—
Caterpillar Power Finance	165	1	143	1
Total	$ 314	$ 2	$ 276	$ 2
Impaired Finance Receivables With An Allowance Recorded				
Customer				
North America	$ 10	$ —	$ 10	$ —
Europe	15	—	24	1
Asia/Pacific	63	—	26	—
Mining	9	—	127	2
Latin America	69	1	34	1
Caterpillar Power Finance	125	2	100	1
Total	$ 291	$ 3	$ 321	$ 5
Total Impaired Finance Receivables				
Customer				
North America	$ 20	$ 1	$ 29	$ —
Europe	58	—	71	2
Asia/Pacific	64	—	27	—
Mining	72	—	156	2
Latin America	101	1	71	1
Caterpillar Power Finance	290	3	243	2
Total	$ 605	$ 5	$ 597	$ 7

(Millions of dollars)	Nine Months Ended September 30, 2015				Nine Months Ended September 30, 2014			
Impaired Finance Receivables With No Allowance Recorded	Average Recorded Investment		Interest Income Recognized		Average Recorded Investment		Interest Income Recognized	
Customer								
North America	$	12	$	1	$	22	$	1
Europe		43		—		47		1
Asia/Pacific		2		—		4		—
Mining		80		3		82		3
Latin America		32		—		29		—
Caterpillar Power Finance		157		3		174		4
Total	$	326	$	7	$	358	$	9
Impaired Finance Receivables With An Allowance Recorded								
Customer								
North America	$	7	$	—	$	10	$	—
Europe		15		1		21		1
Asia/Pacific		42		1		19		1
Mining		47		1		75		4
Latin America		56		2		33		1
Caterpillar Power Finance		128		3		84		2
Total	$	295	$	8	$	242	$	9
Total Impaired Finance Receivables								
Customer								
North America	$	19	$	1	$	32	$	1
Europe		58		1		68		2
Asia/Pacific		44		1		23		1
Mining		127		4		157		7
Latin America		88		2		62		1
Caterpillar Power Finance		285		6		258		6
Total	$	621	$	15	$	600	$	18

Non-accrual and past due finance receivables

For all classes, we consider a finance receivable past due if any portion of a contractual payment is due and unpaid for more than 30 days. Recognition of income is suspended and the finance receivable is placed on non-accrual status when management determines that collection of future income is not probable (generally after 120 days past due, except in locations where local regulatory requirements dictate a different method or instances in which relevant information is known that warrants placing the finance receivable on non-accrual status earlier). Accrual is resumed and previously suspended income is recognized when the finance receivable becomes contractually current and/or collection doubts are removed.

As of September 30, 2015 and December 31, 2014, there were no finance receivables on non-accrual status for the Dealer portfolio segment. As of September 30, 2015 and December 31, 2014, there was $6 million and $4 million, respectively, in finance receivables on non-accrual status for the Caterpillar Purchased Receivables portfolio segment, all of which was in the Europe finance receivable class.

The investment in Customer finance receivables on non-accrual status was as follows:

(Millions of dollars)	September 30, 2015	December 31, 2014
Customer		
North America	$ 30	$ 27
Europe	46	28
Asia/Pacific	25	54
Mining	133	62
Latin America	260	201
Caterpillar Power Finance	114	96
Total	$ 608	$ 468

Aging related to finance receivables was as follows:

(Millions of dollars)	September 30, 2015						
	31-60 Days Past Due	61-90 Days Past Due	91+ Days Past Due	Total Past Due	Current	Total Finance Receivables	91+ Still Accruing
Customer							
North America	$ 46	$ 18	$ 29	$ 93	$ 7,723	$ 7,816	$ 4
Europe	29	11	48	88	2,399	2,487	7
Asia/Pacific	46	23	34	103	2,175	2,278	10
Mining	18	1	58	77	1,771	1,848	—
Latin America	42	42	204	288	1,919	2,207	—
Caterpillar Power Finance	6	—	47	53	3,119	3,172	6
Dealer							
North America	—	—	—	—	3,528	3,528	—
Europe	—	—	—	—	400	400	—
Asia/Pacific	—	—	—	—	584	584	—
Mining	—	—	—	—	7	7	—
Latin America	—	—	—	—	724	724	—
Caterpillar Power Finance	—	—	—	—	3	3	—
Caterpillar Purchased Receivables							
North America	21	5	2	28	1,461	1,489	2
Europe	2	1	6	9	341	350	—
Asia/Pacific	—	—	—	—	369	369	—
Mining	—	—	—	—	—	—	—
Latin America	—	—	—	—	323	323	—
Caterpillar Power Finance	—	—	—	—	6	6	—
Total	$ 210	$ 101	$ 428	$ 739	$ 26,852	$ 27,591	$ 29

(Millions of dollars)

	December 31, 2014						
	31-60 Days Past Due	61-90 Days Past Due	91+ Days Past Due	Total Past Due	Current	Total Finance Receivables	91+ Still Accruing
Customer							
North America	$ 46	$ 8	$ 27	$ 81	$ 7,291	$ 7,372	$ 4
Europe	16	23	29	68	2,607	2,675	6
Asia/Pacific	29	22	69	120	2,773	2,893	16
Mining	28	—	11	39	2,084	2,123	—
Latin America	55	23	196	274	2,583	2,857	8
Caterpillar Power Finance	1	4	64	69	3,079	3,148	1
Dealer							
North America	—	—	—	—	3,209	3,209	—
Europe	—	—	—	—	467	467	—
Asia/Pacific	—	—	—	—	637	637	—
Mining	—	—	—	—	3	3	—
Latin America	—	—	—	—	853	853	—
Caterpillar Power Finance	—	—	—	—	—	—	—
Caterpillar Purchased Receivables							
North America	23	5	1	29	1,916	1,945	1
Europe	4	1	5	10	429	439	1
Asia/Pacific	—	—	—	—	401	401	—
Mining	—	—	—	—	—	—	—
Latin America	6	5	—	11	420	431	—
Caterpillar Power Finance	—	—	1	1	21	22	1
Total	$ 208	$ 91	$ 403	$ 702	$ 28,773	$ 29,475	$ 38

Allowance for credit losses

Our Allowance for credit losses as of September 30, 2015 was $348 million or 1.26 percent of net finance receivables compared with $401 million or 1.36 percent of net finance receivables as of December 31, 2014, which is a decrease of $53 million. The decrease in allowance rate is a result of write-offs taken in 2015 that had been previously reserved for and changes in our estimate of the loss emergence period and loss given default, partially offset by an increase in allowance related to unfavorable changes in the credit quality of our portfolio during 2015. The allowance is subject to an ongoing evaluation based on many quantitative and qualitative factors, including past loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of underlying collateral and current economic conditions. We believe our allowance is sufficient to provide for losses inherent in our existing finance receivable portfolio as of September 30, 2015.

An analysis of the Allowance for credit losses was as follows:

(Millions of dollars)				
	September 30, 2015			
Allowance for Credit Losses:	**Customer**	**Dealer**	**Caterpillar Purchased Receivables**	**Total**
Balance at beginning of year	$ 388	$ 10	$ 3	$ 401
Receivables written off	(151)	—	—	(151)
Recoveries on receivables previously written off	32	—	—	32
Provision for credit losses	89	(1)	—	88
Adjustment due to sale of receivables	(1)	—	—	(1)
Foreign currency translation adjustment	(21)	—	—	(21)
Balance at end of period	$ 336	$ 9	$ 3	$ 348
Individually evaluated for impairment	$ 82	$ —	$ —	$ 82
Collectively evaluated for impairment	254	9	3	266
Ending Balance	$ 336	$ 9	$ 3	$ 348
Recorded Investment in Finance Receivables:				
Individually evaluated for impairment	$ 565	$ —	$ —	$ 565
Collectively evaluated for impairment	19,243	5,246	2,537	27,026
Ending Balance	$ 19,808	$ 5,246	$ 2,537	$ 27,591

(Millions of dollars)	December 31, 2014			
Allowance for Credit Losses:	**Customer**	**Dealer**	**Caterpillar Purchased Receivables**	**Total**
Balance at beginning of year	$ 374	$ 10	$ 3	$ 387
Receivables written off	(146)	—	—	(146)
Recoveries on receivables previously written off	47	—	—	47
Provision for credit losses	136	—	—	136
Adjustment due to sale of receivables	(3)	—	—	(3)
Foreign currency translation adjustment	(20)	—	—	(20)
Balance at end of year	$ 388	$ 10	$ 3	$ 401
Individually evaluated for impairment	$ 75	$ —	$ —	$ 75
Collectively evaluated for impairment	313	10	3	326
Ending Balance	$ 388	$ 10	$ 3	$ 401
Recorded Investment in Finance Receivables:				
Individually evaluated for impairment	$ 614	$ —	$ —	$ 614
Collectively evaluated for impairment	20,454	5,169	3,238	28,861
Ending Balance	$ 21,068	$ 5,169	$ 3,238	$ 29,475

Credit quality of finance receivables

The credit quality of finance receivables is reviewed on a monthly basis. Credit quality indicators include performing and non-performing. Non-performing is defined as finance receivables currently over 120 days past due and/or on non-accrual status or in bankruptcy. Finance receivables not meeting the criteria listed above are considered performing. Non-performing finance receivables have the highest probability for credit loss. The Allowance for credit losses attributable to non-performing finance receivables is based on the most probable source of repayment, which is normally the liquidation of collateral. In determining collateral value, we estimate the current fair market value of the collateral less selling costs. In addition, consideration is given to credit enhancements such as additional collateral and contractual third-party guarantees in determining the Allowance for credit losses attributable to non-performing finance receivables.

The recorded investment in performing and non-performing finance receivables was as follows:

(Millions of dollars)	September 30, 2015			
	Customer	Dealer	Caterpillar Purchased Receivables	Total
Performing				
North America	$ 7,786	$ 3,528	$ 1,489	$ 12,803
Europe	2,441	400	344	3,185
Asia/Pacific	2,253	584	369	3,206
Mining	1,715	7	—	1,722
Latin America	1,947	724	323	2,994
Caterpillar Power Finance	3,058	3	6	3,067
Total Performing	$ 19,200	$ 5,246	$ 2,531	$ 26,977
Non-Performing				
North America	$ 30	$ —	$ —	$ 30
Europe	46	—	6	52
Asia/Pacific	25	—	—	25
Mining	133	—	—	133
Latin America	260	—	—	260
Caterpillar Power Finance	114	—	—	114
Total Non-Performing	$ 608	$ —	$ 6	$ 614
Total Performing and Non-Performing				
North America	$ 7,816	$ 3,528	$ 1,489	$ 12,833
Europe	2,487	400	350	3,237
Asia/Pacific	2,278	584	369	3,231
Mining	1,848	7	—	1,855
Latin America	2,207	724	323	3,254
Caterpillar Power Finance	3,172	3	6	3,181
Total	$ 19,808	$ 5,246	$ 2,537	$ 27,591

(Millions of dollars)

	December 31, 2014			
	Customer	Dealer	Caterpillar Purchased Receivables	Total
Performing				
North America	$ 7,345	$ 3,209	$ 1,945	$ 12,499
Europe	2,647	467	435	3,549
Asia/Pacific	2,839	637	401	3,877
Mining	2,061	3	—	2,064
Latin America	2,656	853	431	3,940
Caterpillar Power Finance	3,052	—	22	3,074
Total Performing	$ 20,600	$ 5,169	$ 3,234	$ 29,003
Non-Performing				
North America	$ 27	$ —	$ —	$ 27
Europe	28	—	4	32
Asia/Pacific	54	—	—	54
Mining	62	—	—	62
Latin America	201	—	—	201
Caterpillar Power Finance	96	—	—	96
Total Non-Performing	$ 468	$ —	$ 4	$ 472
Total Performing and Non-Performing				
North America	$ 7,372	$ 3,209	$ 1,945	$ 12,526
Europe	2,675	467	439	3,581
Asia/Pacific	2,893	637	401	3,931
Mining	2,123	3	—	2,126
Latin America	2,857	853	431	4,141
Caterpillar Power Finance	3,148	—	22	3,170
Total	$ 21,068	$ 5,169	$ 3,238	$ 29,475

Troubled debt restructurings

A restructuring of a finance receivable constitutes a troubled debt restructuring (TDR) when the lender grants a concession it would not otherwise consider to a borrower experiencing financial difficulties. Concessions granted may include extended contract maturities, inclusion of interest only periods, below market interest rates, extended skip payment periods and reduction of principal and/or accrued interest.

TDRs are reviewed along with other finance receivables as part of management's ongoing evaluation of the adequacy of the Allowance for credit losses. The Allowance for credit losses attributable to TDRs is based on the most probable source of repayment, which is normally the liquidation of collateral. In determining collateral value, we estimate the current fair market value of the collateral less selling costs. In addition, consideration is given to credit enhancements such as additional collateral and contractual third-party guarantees in determining the Allowance for credit losses attributable to TDRs. There were no remaining commitments to lend additional funds to a borrower whose terms have been modified in a TDR as of September 30, 2015 and December 31, 2014.

There were no finance receivables modified as TDRs during the three and nine months ended September 30, 2015 and 2014 for the Dealer or Caterpillar Purchased Receivables portfolio segments.

Finance receivables in the Customer portfolio segment modified as TDRs were as follows:

(Dollars in millions)	Three Months Ended September 30, 2015			Three Months Ended September 30, 2014		
	Number of Contracts	Pre-TDR Recorded Investment	Post-TDR Recorded Investment	Number of Contracts	Pre-TDR Recorded Investment	Post-TDR Recorded Investment
Customer						
North America	6	$ —	$ —	20	$ 9	$ 3
Europe	4	—	—	—	—	—
Asia/Pacific	1	1	1	—	—	—
Mining	2	15	14	45	122	124
Latin America	10	1	2	3	—	—
Caterpillar Power Finance	8	93	79	7	44	46
Total[1]	31	$ 110	$ 96	75	$ 175	$ 173
	Nine Months Ended September 30, 2015			**Nine Months Ended September 30, 2014**		
	Number of Contracts	Pre-TDR Recorded Investment	Post-TDR Recorded Investment	Number of Contracts	Pre-TDR Recorded Investment	Post-TDR Recorded Investment
Customer						
North America	10	$ 1	$ 1	24	$ 11	$ 5
Europe	23	2	2	8	7	7
Asia/Pacific	21	26	26	—	—	—
Mining	2	15	14	47	165	157
Latin America	10	1	2	31	31	30
Caterpillar Power Finance	12	197	180	13	80	81
Total[1]	78	$ 242	$ 225	123	$ 294	$ 280

[1] Modifications include extended contract maturities, inclusion of interest only periods, below market interest rates, extended skip payment periods and reduction of principal and/or accrued interest.

TDRs in the Customer portfolio segment with a payment default during the three and nine months ended September 30, 2015 and 2014, which had been modified within twelve months prior to the default date, were as follows:

(Dollars in millions)	Three Months Ended September 30, 2015		Three Months Ended September 30, 2014	
	Number of Contracts	Post-TDR Recorded Investment	Number of Contracts	Post-TDR Recorded Investment
Customer				
North America	5	$ —	3	$ —
Europe	—	—	5	1
Latin America	—	—	7	—
Total	5	$ —	15	$ 1
	Nine Months Ended September 30, 2015		**Nine Months Ended September 30, 2014**	
	Number of Contracts	Post-TDR Recorded Investment	Number of Contracts	Post-TDR Recorded Investment
Customer				
North America	10	$ 1	10	$ 1
Europe	—	—	12	2
Latin America	1	—	7	—
Total	11	$ 1	29	$ 3

B. Off-Balance Sheet Managed Assets

Certain finance receivables and equipment on operating leases are sold by us to third parties with limited or no recourse in order to mitigate our concentration of credit risk with certain customers and are generally accounted for as sales. We typically maintain servicing responsibilities for these assets, which totaled $308 million and $316 million as of September 30, 2015 and December 31, 2014, respectively. Because we do not receive a servicing fee for these assets, a servicing liability is recorded. As of September 30, 2015 and December 31, 2014, these liabilities were $2 million and $1 million, respectively. These assets are not available to pay our creditors.

C. Purchases of Trade Receivables from Caterpillar Entities

We purchase trade receivables from Caterpillar entities at a discount. The discount is an estimate of the amount of financing revenue that would be earned at a market rate on these trade receivables over their expected life. The discount is amortized into revenue on an effective yield basis over the life of the receivables and recognized as Wholesale finance revenue. Amortized discounts for the trade receivables were $53 million and $60 million for the three months ended September 30, 2015 and 2014, respectively, and $169 million and $183 million for the nine months ended September 30, 2015 and 2014, respectively. In the Consolidated Statements of Cash Flows, collection of the discount is included in investing activities as the receivables are collected.

5. Derivative Financial Instruments and Risk Management

Our earnings and cash flow are subject to fluctuations due to changes in foreign currency exchange rates and interest rates. Our Risk Management Policy (policy) allows for the use of derivative financial instruments to prudently manage foreign currency exchange rate and interest rate exposures. Our policy specifies that derivatives are not to be used for speculative purposes. Derivatives that we use are primarily foreign currency forward, option and cross currency contracts and interest rate swaps. Our derivative activities are subject to the management, direction and control of our senior financial officers. Risk management practices, including the use of financial derivative instruments, are presented to our Board of Directors and the Audit Committee of the Caterpillar Inc. Board of Directors at least annually.

All derivatives are recognized on the Consolidated Statements of Financial Position at their fair value. On the date the derivative contract is entered into, the derivative instrument is (1) designated as a hedge of the fair value of a recognized asset or liability (fair value hedge), (2) designated as a hedge of a forecasted transaction or the cash flow variability associated with variable-rate debt (cash flow hedge) or (3) undesignated. Changes in the fair value of a derivative that is qualified, designated and highly effective as a fair value hedge, along with the gain or loss on the hedged recognized asset or liability that is attributable to the hedged risk, are recorded in current earnings. Changes in the fair value of a derivative that is qualified, designated and highly effective as a cash flow hedge are recorded in Accumulated other comprehensive income/(loss) (AOCI), to the extent effective, on the Consolidated Statements of Financial Position until they are reclassified to earnings in the same period or periods during which the hedged transaction affects earnings. Changes in the fair value of undesignated derivative instruments and the ineffective portion of designated derivative instruments are reported in current earnings. Cash flows from designated derivative financial instruments are classified within the same category as the item being hedged on the Consolidated Statements of Cash Flows. Cash flows from undesignated derivative financial instruments are included in the investing category on the Consolidated Statements of Cash Flows.

We formally document all relationships between hedging instruments and hedged items, as well as the risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as fair value hedges to specific assets and liabilities on the Consolidated Statements of Financial Position and linking cash flow hedges to specific forecasted transactions or variability of cash flow.

We also formally assess, both at the hedge's inception and on an ongoing basis, whether the designated derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flow of hedged items. When a derivative is determined not to be highly effective as a hedge or the underlying hedged transaction is no longer probable, we discontinue hedge accounting prospectively, in accordance with derecognition criteria for hedge accounting.

Foreign currency exchange rate risk

We have balance sheet positions and expected future transactions denominated in foreign currencies, thereby creating exposure to movements in exchange rates. In managing foreign currency risk, our objective is to minimize earnings volatility resulting from conversion and the remeasurement of net foreign currency balance sheet positions and future transactions denominated in foreign currencies. Our policy allows the use of foreign currency forward, option and cross currency contracts to offset the risk of currency mismatch between our assets and liabilities and exchange rate risk associated with future transactions denominated in foreign currencies. Substantially all such foreign currency forward, option and cross currency contracts are undesignated.

Interest rate risk

Interest rate movements create a degree of risk by affecting the amount of our interest payments and the value of our fixed-rate debt. Our practice is to use interest rate swaps to manage our exposure to interest rate changes.

We have a match-funding policy that addresses interest rate risk by aligning the interest rate profile (fixed or floating rate) of our debt portfolio with the interest rate profile of our receivables portfolio within predetermined ranges on an ongoing basis. In connection with that policy, we use interest rate derivative instruments to modify the debt structure to match assets within the receivables portfolio. This matched funding reduces the volatility of margins between interest-bearing assets and interest-bearing liabilities, regardless of which direction interest rates move.

Our policy allows us to use fixed-to-floating, floating-to-fixed and floating-to-floating interest rate swaps to meet the match-funding objective. We designate fixed-to-floating interest rate swaps as fair value hedges to protect debt against changes in fair value due to changes in the benchmark interest rate. We designate most floating-to-fixed interest rate swaps as cash flow hedges to protect against the variability of cash flows due to changes in the benchmark interest rate.

As of September 30, 2015, $1 million of deferred net losses, net of tax, included in equity (AOCI in the Consolidated Statements of Financial Position), related to our floating-to-fixed interest rate swaps, are expected to be reclassified to Interest expense over the next twelve months. The actual amount recorded in Interest expense will vary based on interest rates at the time the hedged transactions impact earnings.

We have, at certain times, liquidated fixed-to-floating interest rate swaps that resulted in deferred gains at the time of liquidation. The deferred gains associated with these interest rate swaps are included in Long-term debt in the Consolidated Statements of Financial Position and are being amortized to Interest expense over the remaining term of the previously designated hedged item.

The location and fair value of derivative instruments reported in the Consolidated Statements of Financial Position were as follows:

(Millions of dollars)		Asset (Liability) Fair Value	
	Consolidated Statements of Financial Position Location	**September 30, 2015**	**December 31, 2014**
Designated derivatives			
Interest rate contracts	Other assets	$ 66	$ 79
Interest rate contracts	Accrued expenses	(4)	(8)
		$ 62	$ 71
Undesignated derivatives			
Foreign exchange contracts	Other assets	$ 3	$ 5
Foreign exchange contracts	Accrued expenses	(5)	(15)
Cross currency contracts	Other assets	35	17
		$ 33	$ 7

The total notional amounts of the derivative instruments were $3.79 billion and $5.25 billion as of September 30, 2015 and December 31, 2014, respectively. The notional amounts of the derivative financial instruments do not represent amounts exchanged by the parties. The amounts exchanged by the parties are calculated by reference to the notional amounts and by other terms of the derivatives, such as foreign currency exchange rates and interest rates.

For the nine months ended September 30, 2015 and 2014, the deferred gains (losses) recorded in AOCI on the Consolidated Statements of Changes in Stockholder's Equity associated with our cash flow interest rate contract hedges were as follows:

(Millions of dollars)	
Balance as of December 31, 2014, net of tax (expense)/benefit of $3	$ (5)
Gains (losses) deferred during the period, net of tax (expense)/benefit of $(1)	—
(Gains) losses reclassified to earnings, net of tax expense/(benefit) of $(1)	3
Balance as of September 30, 2015, net of tax (expense)/benefit of $1	$ (2)

(Millions of dollars)	
Balance as of December 31, 2013, net of tax (expense)/benefit of $3	$ (5)
Gains (losses) deferred during the period, net of tax (expense)/benefit of $2	(5)
(Gains) losses reclassified to earnings, net of tax expense/(benefit) of $(1)	3
Balance as of September 30, 2014, net of tax (expense)/benefit of $4	$ (7)

The effect of derivatives designated as hedging instruments on the Consolidated Statements of Profit was as follows:

Fair Value Hedges
(Millions of dollars)

		Three Months Ended September 30, 2015		**Three Months Ended September 30, 2014**	
	Classification	**Gains (Losses) on Derivatives**	**Gains (Losses) on Borrowings**	**Gains (Losses) on Derivatives**	**Gains (Losses) on Borrowings**
Interest rate contracts	Other income (expense)	$ 3	$ (3)	$ (19)	$ 18

		Nine Months Ended September 30, 2015		**Nine Months Ended September 30, 2014**	
	Classification	**Gains (Losses) on Derivatives**	**Gains (Losses) on Borrowings**	**Gains (Losses) on Derivatives**	**Gains (Losses) on Borrowings**
Interest rate contracts	Other income (expense)	$ (11)	$ 10	$ (38)	$ 37

Cash Flow Hedges
(Millions of dollars)

	Classification	Three Months Ended September 30, 2015 Reclassified from AOCI to Earnings (Effective Portion)	Three Months Ended September 30, 2015 Recognized in Earnings (Ineffective Portion)
Interest rate contracts	Interest expense	$ (1)	$ —
Interest rate contracts	Other income (expense)	—	—
		$ (1)	$ —

	Classification	Three Months Ended September 30, 2014 Reclassified from AOCI to Earnings (Effective Portion)	Three Months Ended September 30, 2014 Recognized in Earnings (Ineffective Portion)
Interest rate contracts	Interest expense	$ (2)	$ —
Interest rate contracts	Other income (expense)	—	—
		$ (2)	$ —

	Classification	Nine Months Ended September 30, 2015 Reclassified from AOCI to Earnings (Effective Portion)	Nine Months Ended September 30, 2015 Recognized in Earnings (Ineffective Portion)
Interest rate contracts	Interest expense	$ (4)	$ —
Interest rate contracts	Other income (expense)	—	—
		$ (4)	$ —

	Classification	Nine Months Ended September 30, 2014 Reclassified from AOCI to Earnings (Effective Portion)	Nine Months Ended September 30, 2014 Recognized in Earnings (Ineffective Portion)
Interest rate contracts	Interest expense	$ (4)	$ —
Interest rate contracts	Other income (expense)	—	—
		$ (4)	$ —

The effect of derivatives not designated as hedging instruments on the Consolidated Statements of Profit was as follows:

Undesignated Derivatives
(Millions of dollars)

	Classification	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014
Foreign exchange contracts	Other income (expense)	$ (2)	$ (25)
Cross currency contracts	Other income (expense)	8	6
		$ 6	$ (19)

	Classification	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Foreign exchange contracts	Other income (expense)	$ (34)	$ (35)
Cross currency contracts	Other income (expense)	16	(1)
		$ (18)	$ (36)

Balance sheet offsetting

We enter into International Swaps and Derivatives Association (ISDA) master netting agreements that permit the net settlement of amounts owed under their respective derivative contracts. Under these master netting agreements, net settlement generally permits us or the counterparty to determine the net amount payable for contracts due on the same date and in the same currency for similar types of derivative transactions. The master netting agreements generally also provide for net settlement of all outstanding contracts with a counterparty in the case of an event of default or a termination event.

Collateral is generally not required of the counterparties or us under the master netting agreements. As of September 30, 2015 and December 31, 2014, no cash collateral was received or pledged under the master netting agreements.

The effect of net settlement provisions of the master netting agreements on our derivative balances upon an event of default or a termination event was as follows:

Offsetting of Derivative Assets and Liabilities
(Millions of dollars)

	September 30, 2015	December 31, 2014
Derivative Assets		
Gross Amount of Recognized Assets	$ 104	$ 101
Gross Amounts Offset	—	—
Net Amount of Assets[1]	104	101
Gross Amounts Not Offset	(7)	(8)
Net Amount	$ 97	$ 93
Derivative Liabilities		
Gross Amount of Recognized Liabilities	$ (9)	$ (23)
Gross Amounts Offset	—	—
Net Amount of Liabilities[1]	(9)	(23)
Gross Amounts Not Offset	7	8
Net Amount	$ (2)	$ (15)

[1] As presented in the Consolidated Statements of Financial Position.

6. Segment Information

A. Description of Segments

Our segment data is based on disclosure requirements of accounting guidance on segment reporting, which requires that financial information be reported on the basis that is used internally for measuring segment performance. Internally, we report information for operating segments based on management responsibility. Our operating segments offer primarily the same types of services within each of the respective segments. The operating segments are as follows:

- **North America** - Includes our operations in the United States and Canada that serve local dealers and customers.
- **Europe** - This segment includes our operations that serve dealers and customers in Europe, Africa, Middle East and the Commonwealth of Independent States.
- **Asia/Pacific** - This segment includes our operations in Australia, China, Japan, South Korea and Southeast Asia that serve local dealers and customers.
- **Latin America and Caterpillar Power Finance** - This segment includes our operations in Brazil, Mexico and Chile that serve local dealers and customers in Central and South America. This segment also includes Caterpillar Power Finance (CPF), which finances marine vessels with Caterpillar engines worldwide and also provides debt financing for Caterpillar electrical power generation, gas compression and co-generation systems, as well as non-Caterpillar equipment that is powered by these systems worldwide.
- **Mining** - This segment includes large mining customers worldwide. This segment also provides project financing in various countries.

To align with changes in executive management responsibilities, our segment reporting was updated effective July 1, 2015. Prior year data has been revised to conform to the current period segment presentation.

B. Measurement and Reconciliations

Cash, debt and other expenses are allocated to operating segments based on their respective portfolios. The related Interest expense is calculated based on the amount of allocated debt and the rates associated with that debt. The performance of each segment is assessed based on a consistent leverage ratio. The Provision for credit losses included in each operating segment's profit is based on each operating segment's share of the Company's Allowance for credit losses.

Reconciling items are created based on accounting differences between operating segment reporting and our consolidated external reporting. For the reconciliation of profit before income taxes, we have grouped the reconciling items as follows:

- **Unallocated** - This item is related to corporate requirements and strategies that are considered to be for the benefit of the entire organization. Also included are the consolidated results of the special purpose corporation (see Note 7 for additional information) and other miscellaneous items.
- **Timing** - Timing differences in the recognition of costs between operating segment reporting and consolidated external reporting.
- **Methodology** - Methodology differences between our operating segment reporting and our consolidated external reporting are as follows:
    - Segment assets include off-balance sheet managed assets for which we typically maintain servicing responsibilities.
    - The impact of the difference between the actual leverage and the segment leverage ratios is included as a methodology difference.
    - Interest expense includes realized forward points on foreign currency forward contracts, with the mark-to-market elements of the forward exchange contracts included as a methodology difference.
    - The net gain or loss from interest rate derivatives is included as a methodology difference.
    - The profit attributable to noncontrolling interests is considered a component of segment profit.

As noted above, the operating segment information is presented on a management-reporting basis. Unlike financial reporting, there is no authoritative guidance for management reporting equivalent to U.S. GAAP.

Supplemental segment data and reconciliations to consolidated external reporting for the three months ended September 30 was as follows:

(Millions of dollars) 2015	Revenues	Segment Profit	Interest Expense	Depreciation on equipment leased to others	Provision for credit losses	Segment Assets at September 30, 2015	Capital expenditures
North America	$ 291	$ 99	$ 66	$ 102	$ (4)	$ 14,078	$ 292
Europe	70	29	8	18	—	3,987	31
Asia/Pacific	66	17	22	5	2	3,921	2
Latin America and CPF	126	20	36	25	18	7,156	31
Mining	90	3	13	57	8	2,879	—
Total Segments	643	168	145	207	24	32,021	356
Unallocated	18	(26)	17	—	(1)	1,891	—
Timing	(8)	(3)	—	—	(1)	27	1
Methodology	—	14	(18)	—	—	(201)	—
Inter-segment Eliminations	—	—	—	—	—	(221)	—
Total	$ 653	$ 153	$ 144	$ 207	$ 22	$ 33,517	$ 357

2014	Revenues	Segment Profit	Interest Expense	Depreciation on equipment leased to others	Provision for credit losses	Segment Assets at December 31, 2014	Capital expenditures
North America	$ 274	$ 97	$ 61	$ 94	$ (4)	$ 13,661	$ 308
Europe	89	34	12	24	(4)	4,276	41
Asia/Pacific	94	32	30	6	9	4,767	6
Latin America and CPF	162	33	43	34	30	8,001	22
Mining	116	18	16	68	6	3,161	50
Total Segments	735	214	162	226	37	33,866	427
Unallocated	15	(22)	12	—	(1)	1,648	—
Timing	(7)	(5)	—	—	2	120	—
Methodology	—	10	(16)	—	—	(215)	—
Inter-segment Eliminations	—	—	—	—	—	(243)	—
Total	$ 743	$ 197	$ 158	$ 226	$ 38	$ 35,176	$ 427

Supplemental segment data and reconciliations to consolidated external reporting for the nine months ended September 30 was as follows:

(Millions of dollars) 2015	Revenues	Segment Profit	Interest Expense	Depreciation on equipment leased to others	Provision for credit losses	Segment Assets at September 30, 2015	Capital expenditures
North America	$ 865	$ 289	$ 193	$ 303	$ (2)	$ 14,078	$ 746
Europe	216	85	24	57	—	3,987	83
Asia/Pacific	223	52	80	15	22	3,921	19
Latin America and CPF	400	69	113	81	58	7,156	74
Mining	290	43	41	173	10	2,879	69
Total Segments	1,994	538	451	629	88	32,021	991
Unallocated	54	(72)	49	—	(1)	1,891	—
Timing	(23)	(17)	—	—	2	27	2
Methodology	—	41	(55)	—	—	(201)	—
Inter-segment Eliminations	—	—	—	—	—	(221)	—
Total	$ 2,025	$ 490	$ 445	$ 629	$ 89	$ 33,517	$ 993

2014	Revenues	Segment Profit	Interest Expense	Depreciation on equipment leased to others	Provision for credit losses	Segment Assets at December 31, 2014	Capital expenditures
North America	$ 786	$ 264	$ 176	$ 261	$ 5	$ 13,661	$ 786
Europe	271	90	40	72	5	4,276	105
Asia/Pacific	281	104	88	18	23	4,767	23
Latin America and CPF	450	115	126	90	44	8,001	82
Mining	362	51	50	211	27	3,161	208
Total Segments	2,150	624	480	652	104	33,866	1,204
Unallocated	53	(56)	35	1	2	1,648	1
Timing	(21)	(7)	—	—	—	120	1
Methodology	—	26	(40)	—	—	(215)	—
Inter-segment Eliminations	—	—	—	—	—	(243)	—
Total	$ 2,182	$ 587	$ 475	$ 653	$ 106	$ 35,176	$ 1,206

7. Guarantees

We provide loan guarantees to third-party lenders for financing associated with machinery purchased by customers. These guarantees have varying terms and are secured by the machinery being financed. In addition, we participate in standby letters of credit issued to third parties on behalf of our customers. These standby letters of credit have varying terms and beneficiaries and are secured by customer assets.

No significant loss has been experienced or is anticipated under any of these guarantees. At September 30, 2015 and December 31, 2014, the related liability was $1 million. The maximum potential amount of future payments (undiscounted and without reduction for any amounts that may possibly be recovered under recourse or collateralized provisions) we could be required to make under the guarantees was $50 million and $42 million at September 30, 2015 and December 31, 2014, respectively.

We provide guarantees to repurchase certain loans of Caterpillar dealers from a special purpose corporation (SPC) that qualifies as a VIE (see Note 1 for additional information regarding the accounting guidance on the consolidation of VIEs). The purpose of the SPC is to provide short-term working capital loans to Caterpillar dealers. This SPC issues commercial paper and uses the proceeds to fund its loan program. We have a loan purchase agreement with the SPC that obligates us to purchase certain loans that are not paid at maturity. We receive a fee for providing this guarantee, which provides a source of liquidity for the SPC. We are the primary beneficiary of the SPC as our guarantees result in us having both the power to direct the activities that most significantly impact the SPC's economic performance and the obligation to absorb losses and therefore we have consolidated the financial statements of the SPC. As of September 30, 2015 and December 31, 2014, the SPC's assets of $1.29 billion and $1.09 billion, respectively, are primarily comprised of loans to dealers, which are included in Retail notes receivable in the Consolidated Statements of Financial Position, and the SPC's liabilities of $1.29 billion and $1.08 billion, respectively, are primarily comprised of commercial paper, which is included in Short-term borrowings in the Consolidated Statements of Financial Position. The assets of the SPC are not available to pay our creditors. We may be obligated to perform under the guarantee if the SPC experiences losses. No loss has been experienced or is anticipated under this loan purchase agreement.

8. Fair Value Measurements

A. Fair Value Measurements

The guidance on fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. This guidance also specifies a fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. In accordance with this guidance, fair value measurements are classified under the following hierarchy:

- **Level 1** – Quoted prices for identical instruments in active markets.
- **Level 2** – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets.
- **Level 3** – Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable.

When available, we use quoted market prices to determine fair value and we classify such measurements within Level 1. In some cases where market prices are not available, we make use of observable market-based inputs to calculate fair value, in which case the measurements are classified within Level 2. If quoted or observable market prices are not available, fair value is based upon internally developed models that use, where possible, current market-based parameters such as interest rates, yield curves and currency rates. These measurements are classified within Level 3.

Fair value measurements are classified according to the lowest level input or value-driver that is significant to the valuation. A measurement may therefore be classified within Level 3 even though there may be significant inputs that are readily observable.

Fair value measurement includes the consideration of nonperformance risk. Nonperformance risk refers to the risk that an obligation (either by a counterparty or us) will not be fulfilled. For financial assets traded in an active market (Level 1), the nonperformance risk is included in the market price. For certain other financial assets and liabilities (Level 2 and 3), our fair value calculations have been adjusted accordingly.

Derivative financial instruments

The fair value of interest rate swap derivatives is primarily based on standard industry accepted models that utilize the appropriate market-based forward swap curves and zero-coupon interest rates to determine discounted cash flows. The fair value of foreign currency forward and cross currency contracts is based on a standard industry accepted valuation model that discounts cash flows resulting from the differential between the contract price and the market-based forward rate.

Derivative financial instruments are measured on a recurring basis at fair value and are classified as Level 2 measurements. We had derivative financial instrument, net assets included in our Consolidated Statements of Financial Position of $95 million and $78 million as of September 30, 2015 and December 31, 2014, respectively.

Impaired loans

Our impaired loans are subject to measurement at fair value on a nonrecurring basis. A loan is considered impaired when management determines that collection of contractual amounts due is not probable. In these cases, an Allowance for credit losses may be established based primarily on the fair value of associated collateral. As the collateral's fair value is based on observable market prices and/or current appraised values, the impaired loans are classified as Level 2 measurements. We had impaired loans carried at the fair value of the underlying collateral value of $94 million and $248 million as of September 30, 2015 and December 31, 2014, respectively.

B. Fair Values of Financial Instruments

In addition to the methods and assumptions we use to record the fair value of financial instruments as discussed in the Fair Value Measurements section above, we used the following methods and assumptions to estimate the fair value of our financial instruments.

Cash and cash equivalents – carrying amount approximated fair value.

Finance receivables, net – fair value was estimated by discounting the future cash flows using current rates representative of receivables with similar remaining maturities.

Restricted cash and cash equivalents – carrying amount approximated fair value.

Short-term borrowings – carrying amount approximated fair value.

Long-term debt – fair value for fixed and floating-rate debt was estimated based on quoted market prices.

Guarantees – fair value of guarantees is based on our estimate of the premium a market participant would require to issue the same guarantee in a stand-alone, arms-length transaction with an unrelated party. If quoted or observable market prices are not available, fair value is based upon internally developed models that utilize current market-based assumptions.

Please refer to the table below for the fair values of our financial instruments.

(Millions of dollars)	September 30, 2015		December 31, 2014			
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Fair Value Levels	Reference
Cash and cash equivalents	$ 1,023	$ 1,023	$ 857	$ 857	1	
Foreign currency contracts:						
In a receivable position	$ 3	$ 3	$ 5	$ 5	2	Note 5
In a payable position	$ (5)	$ (5)	$ (15)	$ (15)	2	Note 5
Cross currency contracts						
In a receivable position	$ 35	$ 35	$ 17	$ 17	2	Note 5
Finance receivables, net (excluding finance leases[1])	$ 20,572	$ 20,345	$ 21,434	$ 21,093	3	Note 4
Restricted cash and cash equivalents[2]	$ 10	$ 10	$ 11	$ 11	1	
Short-term borrowings	$ (6,068)	$ (6,068)	$ (4,699)	$ (4,699)	1	
Long-term debt	$ (21,950)	$ (22,311)	$ (24,574)	$ (25,103)	2	
Interest rate swaps:						
In a net receivable position	$ 66	$ 66	$ 79	$ 79	2	Note 5
In a net payable position	$ (4)	$ (4)	$ (8)	$ (8)	2	Note 5
Guarantees	$ (1)	$ (1)	$ (1)	$ (1)	3	Note 7

[1] As of September 30, 2015 and December 31, 2014, represents finance leases with a net carrying value of $6.67 billion and $7.64 billion, respectively.

[2] Included in Other assets in the Consolidated Statements of Financial Position.

9. Contingencies

We are involved in unresolved legal actions that arise in the normal course of business. Although it is not possible to predict with certainty the outcome of our unresolved legal actions, we believe that these unresolved legal actions will neither individually nor in the aggregate have a material adverse effect on our consolidated results of operations, financial position or liquidity.

10. Income Taxes

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.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW: THIRD QUARTER 2015 VS. THIRD QUARTER 2014

We 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 impact 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, our 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.

REVIEW OF CONSOLIDATED STATEMENTS OF PROFIT

THREE MONTHS ENDED SEPTEMBER 30, 2015 VS. THREE MONTHS ENDED SEPTEMBER 30, 2014

REVENUES

Retail revenue for the third quarter of 2015 was $307 million, a decrease of $41 million from the same period in 2014. The decrease was due to a $22 million unfavorable impact from lower average earning assets and a $19 million unfavorable impact from lower interest rates on retail finance receivables. For the quarter ended September 30, 2015, retail average earning assets were $23.61 billion, a decrease of $1.71 billion from the same period in 2014. The annualized average yield was 5.18 percent for the third quarter of 2015, compared with 5.50 percent for the third quarter of 2014.

Operating lease revenue for the third quarter of 2015 was $246 million, a decrease of $33 million from the same period in 2014. The decrease was due to a $26 million unfavorable impact from lower average financing rates on operating leases and a $7 million unfavorable impact from lower average earning assets.

Wholesale revenue for the third quarter of 2015 was $69 million, a decrease of $9 million from the same period in 2014. The decrease was due to an $8 million unfavorable impact from lower average earning assets and a $1 million unfavorable impact from lower interest rates on wholesale finance receivables. For the quarter ended September 30, 2015, wholesale average earning assets were $4.33 billion, a decrease of $448 million from the same period in 2014. The annualized average yield was 6.40 percent for the third quarter of 2015, compared with 6.59 percent for the third quarter of 2014.

Other revenue, net, items were as follows:

(Millions of dollars)	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014
Finance receivable and operating lease fees (including late charges)	$ 17	$ 17
Fees on committed credit facility extended to Caterpillar	10	10
Interest income on Notes Receivable from Caterpillar	5	4
Net gain (loss) on returned or repossessed equipment	(6)	1
Miscellaneous other revenue, net	5	6
Total Other revenue, net	$ 31	$ 38

EXPENSES

Interest expense for the third quarter of 2015 was $144 million, a decrease of $14 million from the same period in 2014. This decrease was primarily due to the impact of a 5 percent decrease in average borrowings and a decrease of 10 basis points in the average cost of borrowing to 1.96 percent for the third quarter of 2015, down from 2.06 percent for the third quarter of 2014.

Depreciation expense on equipment leased to others was $207 million, down $19 million from the third quarter of 2014. Changes in depreciation expense on equipment leased to others are driven by fluctuations in the depreciable basis of the underlying equipment and the lease term of our operating lease portfolio.

General, operating and administrative expenses were $104 million for the third quarter of 2015, compared with $108 million for the same period in 2014.

Provision for credit losses was $22 million for the third quarter of 2015, compared with $38 million for the same period in 2014. The decrease was primarily due to a favorable impact from changes in the allowance rate driven by changes in certain assumptions within the allowance for credit loss model. During the third quarter of 2015, as a result of management's review, the loss emergence period and loss given default assumptions were updated and resulted in a decrease to the Allowance for credit losses of $45 million. The favorable impact from changes in the allowance rate was partially offset by an unfavorable impact from changes in the credit quality of our portfolio. 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.

Other expenses, consisting primarily of repossession-related expenses, were $12 million for the third quarter of 2015, up $3 million from the same period in 2014.

Other income (expense) items were as follows:

(Millions of dollars)	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014
Net loss from interest rate derivatives	$ (2)	$ (1)
Net currency exchange loss, including forward points	(9)	(6)
Total Other income (expense)	$ (11)	$ (7)

The Provision for income taxes was $44 million for the third quarter of 2015, compared with $47 million for the third quarter of 2014. 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.

PROFIT

As a result of the performance discussed above, profit after tax was $109 million for the third quarter of 2015, a decrease of $39 million, or 26 percent, from the third quarter of 2014.

NINE MONTHS ENDED SEPTEMBER 30, 2015 VS. NINE MONTHS ENDED SEPTEMBER 30, 2014

REVENUES

Retail revenue for the first nine months of 2015 was $940 million, a decrease of $91 million from the same period in 2014. The decrease was due to a $47 million unfavorable impact from lower interest rates on retail finance receivables and a $44 million unfavorable impact from lower average earning assets. For the nine months ended September 30, 2015, retail average earning assets were $23.92 billion, a decrease of $1.06 billion from the same period in 2014. The annualized average yield was 5.24 percent for the first nine months of 2015, compared with 5.50 percent for the same period in 2014.

Operating lease revenue for the first nine months of 2015 was $758 million, a decrease of $39 million from the same period in 2014. The decrease was due to a $37 million unfavorable impact from lower average financing rates on operating leases and a $2 million unfavorable impact from lower average earning assets.

Wholesale revenue for the first nine months of 2015 was $217 million, a decrease of $17 million from the same period in 2014. The decrease was due to a $15 million unfavorable impact from lower average earning assets and a $2 million unfavorable impact from lower interest rates on wholesale finance receivables. For the nine months ended September 30, 2015, wholesale average earning assets were $4.46 billion, a decrease of $301 million from the same period in 2014. The annualized average yield was 6.48 percent for the first nine months of 2015, compared with 6.56 percent for the same period in 2014.

Other revenue, net, items were as follows:

(Millions of dollars)	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Finance receivable and operating lease fees (including late charges)	$ 52	$ 56
Fees on committed credit facility extended to Caterpillar	30	30
Interest income on Notes Receivable from Caterpillar	16	14
Net loss on returned or repossessed equipment	(6)	(1)
Miscellaneous other revenue, net	18	21
Total Other revenue, net	$ 110	$ 120

EXPENSES

Interest expense for the first nine months of 2015 was $445 million, a decrease of $30 million from the same period in 2014. This decrease was primarily due to the impact of a 4 percent decrease in average borrowings and a reduction of 4 basis points in the average cost of borrowing to 2.03 percent for the first nine months of 2015, down from 2.07 percent for the first nine months of 2014.

Depreciation expense on equipment leased to others was $629 million, down $24 million from the first nine months of 2014. Changes in depreciation expense on equipment leased to others are driven by fluctuations in the depreciable basis of the underlying equipment and the lease term of our operating lease portfolio.

General, operating and administrative expenses were $315 million for the first nine months of 2015, compared with $321 million for the same period in 2014.

Provision for credit losses was $89 million for the first nine months of 2015, compared with $106 million for the same period in 2014. The decrease was primarily due to a favorable impact from changes in the allowance rate driven by changes in certain assumptions within the allowance for credit loss model. During 2015, as a result of management's review, the loss emergence period and loss given default assumptions were updated and resulted in a decrease to the Allowance for credit losses of $66 million. The favorable impact from changes in the allowance rate was partially offset by an unfavorable impact from changes in the credit quality of our portfolio. Write-offs, net of recoveries, were $119 million for the first nine months of 2015, compared with $74 million for the same period in 2014.

Other expenses, consisting primarily of repossession-related expenses, were $32 million for the first nine months of 2015, up $8 million from the same period in 2014.

Other income (expense) items were as follows:

(Millions of dollars)	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Net loss from interest rate derivatives	$ (3)	$ (4)
Net currency exchange loss, including forward points	(22)	(12)
Total Other income (expense)	$ (25)	$ (16)

The Provision for income taxes was $142 million for the first nine months of 2015, compared with $153 million for the same period in 2014. The Provision for income taxes reflects an estimated annual tax rate of 29 percent for the nine months ended September 30, 2015 compared with 26 percent for the nine months ended September 30, 2014. The increase in the estimated annual tax rate is primarily due to changes in the geographic mix of pre-tax profits.

PROFIT

As a result of the performance discussed above, profit after tax was $346 million for the first nine months of 2015, a decrease of $81 million, or 19 percent, from the first nine months of 2014.

REVIEW OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

Total assets were $33.52 billion as of September 30, 2015, a decrease of $1.66 billion, or 5 percent, from December 31, 2014, primarily due to a decrease in net finance receivables.

Our Allowance for credit losses as of September 30, 2015 was $348 million or 1.26 percent of net finance receivables compared with $401 million or 1.36 percent of net finance receivables as of December 31, 2014, which is a decrease of $53 million. The decrease in allowance rate is a result of write-offs taken in 2015 that had been previously reserved for and changes in our estimate of the loss emergence period and loss given default, partially offset by an increase in allowance related to unfavorable changes in the credit quality of our portfolio during 2015. The allowance is subject to an ongoing evaluation based on many quantitative and qualitative factors, including past loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of underlying collateral and current economic conditions. We believe our allowance is sufficient to provide for losses inherent in our existing finance receivable portfolio as of September 30, 2015.

Total non-performing finance receivables, which represent finance receivables currently over 120 days past due and/or on non-accrual status or in bankruptcy, were $614 million and $472 million at September 30, 2015 and December 31, 2014, respectively. Total non-performing finance receivables as a percentage of total finance receivables were 2.23 percent and 1.60 percent at September 30, 2015 and December 31, 2014, respectively.

New Business Volume

New retail financing for the nine months ended September 30, 2015 was $7.09 billion, a decrease of $1.11 billion, or 14 percent, from the same period in 2014. New retail financing decreased primarily due to lower volume in Latin America, Asia and Europe, partially offset by higher volume in North America. New operating lease activity (which is substantially related to retail) for the nine months ended September 30, 2015 was $997 million, a decrease of $201 million, or 17 percent, from the same period in 2014. New operating lease activity decreased primarily due to lower rentals of Cat equipment in North America and Mining. New wholesale financing activity for the nine months ended September 30, 2015 was $27.71 billion, a decrease of $1.91 billion, or 6 percent, from the same period in 2014. New wholesale financing decreased primarily due to lower purchases of trade receivables from Caterpillar.

Off-Balance Sheet Managed Assets

We manage and service receivables and leases that have been sold by us to third parties with limited or no recourse in order to mitigate our concentration of credit risk with certain customers. These assets are not available to pay our creditors.

Off-balance sheet managed assets were as follows:

(Millions of dollars)	September 30, 2015	December 31, 2014
Retail notes receivable	$ 124	$ 121
Operating leases	88	93
Retail installment sale contracts	61	43
Retail finance leases	35	59
Total off-balance sheet managed assets	$ 308	$ 316

CAPITAL RESOURCES AND LIQUIDITY

Capital resources and liquidity provide us with the ability to meet our financial obligations on a timely basis. Maintaining and managing adequate capital and liquidity resources includes management of funding sources and their utilization based on current, future and contingent needs. Throughout the third quarter of 2015, we experienced favorable liquidity conditions. We ended the third quarter of 2015 with $1.02 billion of cash, an increase of $166 million from year-end 2014. Our cash balances are held in numerous locations throughout the world with approximately $344 million held by our non-U.S. subsidiaries. Amounts held outside the United States are available for general corporate use and could be used in the United States without incurring significant additional U.S. taxes. We expect to meet our United States funding needs without repatriating undistributed profits that are indefinitely reinvested outside the United States.

BORROWINGS

Borrowings consist primarily of medium-term notes, commercial paper, bank borrowings and variable denomination floating rate demand notes, the combination of which is used to manage interest rate risk and funding requirements.

In the event that we, or any of our debt securities, experience a credit rating downgrade it would likely result in an increase in our borrowing costs and make access to certain credit markets more difficult. In the event economic conditions deteriorate such that access to debt markets becomes unavailable, we would rely on cash flows from our existing portfolio, utilization of existing cash balances, access to our revolving credit facilities and our other credit facilities and potential borrowings from Caterpillar. In addition, Caterpillar maintains a support agreement with us, which requires Caterpillar to remain as our sole owner and which may, under certain circumstances, require Caterpillar to make payments to us should we fail to maintain certain financial ratios.

Total borrowings outstanding as of September 30, 2015 were $29.11 billion, a decrease of $1.27 billion over December 31, 2014, primarily due to decreasing portfolio balances. Outstanding borrowings were as follows:

(Millions of dollars)	**September 30, 2015**	**December 31, 2014**
Medium-term notes, net of unamortized discount	$ 20,924	$ 23,090
Commercial paper, net of unamortized discount	5,162	3,688
Bank borrowings – long-term	1,026	1,484
Bank borrowings – short-term	264	411
Variable denomination floating rate demand notes	642	600
Notes payable to Caterpillar	1,093	1,108
Total outstanding borrowings	$ 29,111	$ 30,381

Medium-term notes

We issue medium-term unsecured notes through securities dealers or underwriters in the U.S., Canada, Europe, Australia, Japan, Hong Kong, Argentina and Mexico to both retail and institutional investors. These notes are offered in several currencies and with a variety of maturities. These notes are senior unsecured obligations of the Company. Medium-term notes outstanding as of September 30, 2015, mature as follows:

(Millions of dollars)	
2015	$ 1,112
2016	4,910
2017	5,630
2018	3,389
2019	2,463
Thereafter	3,420
Total	$ 20,924

Medium-term notes issued totaled $2.87 billion and redeemed totaled $4.58 billion for the nine months ended September 30, 2015.

Commercial paper

We issue unsecured commercial paper in the U.S., Europe and other international capital markets. These short-term promissory notes are issued on a discounted basis and are payable at maturity.

Revolving credit facilities

We have three global credit facilities with a syndicate of banks totaling $10.50 billion (Credit Facility) available in the aggregate to both Caterpillar and us for general liquidity purposes. Based on management's allocation decision, which can be revised from time to time, the portion of the Credit Facility available to us as of September 30, 2015 was $7.75 billion.

- In September 2015, we entered into a 364-day facility. The 364-day facility of $3.15 billion (of which $2.33 billion is available to us) expires in September 2016.
- In September 2015, we amended and restated the 2010 four-year facility (as amended and restated, the "three-year facility"). The three-year facility of $2.73 billion (of which $2.01 billion is available to us) now expires in September 2018.
- In September 2015, we amended and restated the 2011 five-year facility (as amended and restated, the "five-year facility"). The five-year facility of $4.62 billion (of which $3.41 billion is available to us) now expires in September 2020.

At September 30, 2015, Caterpillar’s consolidated net worth was $21.01 billion, which was above the $9.00 billion required under the Credit Facility. The consolidated net worth is defined in the Credit Facility as the consolidated stockholders' equity including preferred stock but excluding the pension and other postretirement benefits balance within Accumulated other comprehensive income/(loss).

At September 30, 2015, our covenant interest coverage ratio was 2.09 to 1. This is above the 1.15 to 1 minimum ratio, calculated as (1) profit excluding income taxes, interest expense and net gain/(loss) from interest rate derivatives to (2) interest expense calculated at the end of each calendar quarter for the rolling four quarter period then most recently ended, required by the Credit Facility.

In addition, at September 30, 2015, our covenant leverage ratio was 7.49 to 1. This is below the maximum ratio of debt to net worth of 10 to 1, calculated (1) on a monthly basis as the average of the leverage ratios determined on the last day of each of the six preceding calendar months and (2) at each December 31, required by the Credit Facility.

In the event that either Caterpillar or we do not meet one or more of our respective financial covenants under the Credit Facility in the future (and are unable to obtain a consent or waiver), the syndicate of banks may terminate the commitments allocated to the party that does not meet its covenants. Additionally, in such event, certain of our other lenders under other loan agreements where similar financial covenants or cross default provisions are applicable, may, at their election, choose to pursue remedies under those loan agreements, including accelerating the repayment of outstanding borrowings. At September 30, 2015 and December 31, 2014, there were no borrowings under the Credit Facility.

Bank borrowings

Credit lines with banks as of September 30, 2015 totaled $3.62 billion. These committed and uncommitted credit lines, which may be eligible for renewal at various future dates or have no specified expiration date, are used primarily by our non-U.S. subsidiaries for local funding requirements. The remaining available credit commitments may be withdrawn any time at the lenders' discretion. As of September 30, 2015 and December 31, 2014, we had $1.29 billion and $1.90 billion, respectively, outstanding against these credit lines and were in compliance with all debt covenants under these credit lines.

Variable denomination floating rate demand notes

We obtain funding from the sale of variable denomination floating rate demand notes, which may be redeemed at any time at the option of the holder without any material restriction. We do not hold reserves to fund the payment of the demand notes. The notes are offered on a continuous basis.

Notes receivable from/payable to Caterpillar

Under our variable amount lending agreements and other notes receivable with Caterpillar, we may borrow up to $2.28 billion from Caterpillar and Caterpillar may borrow up to $1.29 billion from us. The agreements are in effect for indefinite periods of time and may be changed or terminated by either party with 30 days notice. We had notes receivable of $469 million and notes payable of $1.09 billion outstanding under these agreements as of September 30, 2015, compared with notes receivable of $414 million and notes payable of $1.11 billion as of December 31, 2014.

Committed credit facility

We extended a $2 billion committed credit facility to Caterpillar, which expires in February 2019. We receive a fee from Caterpillar based on amounts drawn under the credit facility and a commitment fee for the undrawn amounts under the credit facility. At September 30, 2015 and December 31, 2014, there were no borrowings under this credit facility.

OFF-BALANCE SHEET ARRANGEMENTS

We lease all of our facilities. In addition, we have potential payment exposure for guarantees issued to third parties totaling $50 million as of September 30, 2015.

CASH FLOWS

Operating cash flow was $957 million in the first nine months of 2015, compared with $1.00 billion for the same period a year ago. Net cash used for investing activities was $246 million for the first nine months of 2015, compared with $1.78 billion for the same period in 2014. The change was primarily due to lower levels of new financing. Net cash used by financing activities was $513 million for the first nine months of 2015, compared with $589 million net cash provided by financing activities for the same period in 2014. The change was primarily due to lower funding requirements.

CRITICAL ACCOUNTING POLICIES

For a discussion of the Company's critical accounting policies, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2014 Annual Report on Form 10-K.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q may be considered "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements may relate to future events or our future financial performance, which may involve known and unknown risks and uncertainties and other factors that may cause our actual results, levels of activity, performance or achievement to be materially different from those expressed or implied by any forward-looking statements. From time to time, we may also provide forward-looking statements in oral presentations to the public or in other materials we issue to the public. Forward-looking statements give current expectations or forecasts of future events about the company. You may identify these statements by the fact that they do not relate to historical or current facts and may use words such as "believes," "expects," "estimates," "anticipates," "will," "should," "plan," "project," "intend," "could" and similar words or phrases. These statements are only predictions. Actual events or results may differ materially due to factors that affect international businesses, including changes in economic conditions and disruptions in the global financial and credit markets and changes in laws and regulations (including regulations implemented under the Dodd-Frank Wall Street Reform and Consumer Protection Act) and political stability, as well as factors specific to Cat Financial and the markets we serve, including the market's acceptance of our products and services, the creditworthiness of our customers, interest rate and currency rate fluctuations and estimated residual values of leased equipment. These risk factors may not be exhaustive. We operate in a continually changing business environment and new risk factors emerge from time to time. We cannot predict these new risk factors, nor can we assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. Moreover, we do not assume responsibility for the accuracy and completeness of those statements. Forward-looking statements are qualified in their entirety by reference to the factors discussed under the caption "Risk Factors" in our Form 10-K filed with the Securities and Exchange Commission (SEC) on February 17, 2015 for the year ended December 31, 2014, as supplemented in our Form 10-Q filings with the SEC on May 1, 2015, July 31, 2015 and in this Form 10-Q filing. We do not undertake to update our forward-looking statements.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer (CEO) and our Chief Financial Officer (CFO), of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this quarterly report. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of September 30, 2015 due to the material weakness in internal control over financial reporting relating to our Allowance for credit losses discussed below. Notwithstanding the material weakness, management has concluded that our consolidated financial statements for the periods covered by and included in this Form 10-Q are fairly stated in all material respects in accordance with generally accepted accounting principles in the United States of America.

As previously disclosed in our amended 2013 Annual Report on Form 10-K/A filed on November 14, 2014, we did not design and maintain effective internal controls over the accuracy and completeness of information about loans identified as being impaired, which are used in evaluating the adequacy of our Allowance for credit losses. Specifically, we did not design or implement controls necessary to monitor the effectiveness of subsidiary level controls relating to compliance with Company policies and procedures for evaluating loans for impairment.

The material weakness described above resulted in immaterial adjustments to our Allowance for credit losses, deferred tax accounts, Provision for credit losses, and income tax expense, as well as related financial statement disclosures and revisions to our consolidated financial statements and disclosures for the interim periods ended March 31, 2014, June 30, 2014, March 31, 2013, June 30, 2013, and September 30, 2013 and the annual periods ended December 31, 2013, 2012 and 2011. Additionally, this material weakness could result in a misstatement of the aforementioned account balances or disclosures that would result in a material misstatement to our annual or interim consolidated financial statements that would not be prevented or detected. Management determined that this material weakness continued to exist at September 30, 2015.

Changes in internal control over financial reporting

During the quarter ended September 30, 2015, the Company continued monitoring and testing the remediation efforts described below. There have been no changes in the Company's internal control over financial reporting during the third quarter of 2015 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Remediation plan for material weakness in internal control over financial reporting

In response to the material weakness relating to our Allowance for credit losses, the Company has executed a remediation plan with the oversight of our Chief Executive Officer and Chief Financial Officer as described below.

The following actions have been taken to strengthen our internal controls and organizational structure:

- The Company has replaced a member of management responsible for ensuring compliance with Company policies and procedures related to identifying and evaluating loans for impairment at the subsidiary location where the control failure was identified.

- Cat Financial corporate management performed a subsidiary level review to identify any other subsidiaries not complying with policies and procedures related to identifying and evaluating loans for impairment. As a result of this review, we discovered one additional international subsidiary that was providing incomplete credit loss reporting as a result of a control deficiency at that subsidiary location. The impact of this control deficiency has been included in the evaluation and conclusions documented above. No other such control deficiencies were identified.

- The Company has conducted training sessions for our local subsidiary management responsible for reinforcing the understanding of our policies and procedures that impact the Allowance for credit losses at the subsidiaries where the control deficiencies were identified.

- The Company has strengthened oversight controls to ensure compliance at the subsidiary level with Company policies and procedures impacting the Allowance for credit losses. Those oversight controls have been designed to operate at a level of precision sufficient to detect an error resulting from a related control failure at the subsidiary level before it results in a material misstatement of our consolidated financial statements; and

- The Company has strengthened the testing of controls to ensure compliance at the subsidiary level with Company policies and procedures impacting the Allowance for credit losses to provide effective and timely identification of control deficiencies.

While significant progress has been made to enhance the internal controls over financial reporting relating to our Allowance for credit losses as described above, we are continuing to test and monitor these processes and procedures and additional time is required to assess and ensure the sustainability of these procedures. We believe the above actions will be effective in remediating the material weakness described above and we will continue to devote time and attention to these remedial efforts. However, the material weakness cannot be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in unresolved legal actions that arise in the normal course of business. Although it is not possible to predict with certainty the outcome of our unresolved legal actions, we believe that these unresolved legal actions will neither individually nor in the aggregate have a material adverse effect on our consolidated results of operations, financial position or liquidity.

ITEM 1A. RISK FACTORS

For a discussion of risks and uncertainties that may affect our business, please see Part I. Item 1A. Risk Factors in our annual report on Form 10-K filed with the SEC on February 17, 2015 for the year ended December 31, 2014. There has been no material change in this information for the current quarter.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibit
10.1	Credit Agreement (2015 364-Day Credit Agreement), dated as of September 10, 2015, among the Company, Caterpillar Inc., Caterpillar International Finance Limited and Caterpillar Finance Corporation, certain financial institutions named therein, Citibank, N.A., as Agent, Citibank International Limited, as Local Currency Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Japan Local Currency Agent (incorporated by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K filed September 16, 2015).
10.2	Local Currency Addendum, dated as of September 10, 2015, to the 2015 364-Day Credit Agreement (incorporated by reference from Exhibit 99.2 to the Company's Current Report on Form 8-K filed September 16, 2015).
10.3	Japan Local Currency Addendum, dated as of September 10, 2015, to the 2015 364-Day Credit Agreement (incorporated by reference from Exhibit 99.3 to the Company's Current Report on Form 8-K filed September 16, 2015).
10.4	Amended and Restated Credit Agreement (3-Year Facility), dated as of September 10, 2015, by and among the Company, Caterpillar Inc., Caterpillar International Finance Limited and Caterpillar Finance Corporation, the Banks named therein, Local Currency Banks and Japan Local Currency Banks party thereto, Citibank, N.A., as Agent, Citibank International Limited, as Local Currency Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Japan Local Currency Agent (incorporated by reference from Exhibit 99.4 to the Company's Current Report on Form 8-K filed September 16, 2015).
10.5	Local Currency Addendum, dated as of September 10, 2015, to the 3-Year Facility (incorporated by reference from Exhibit 99.5 to the Company's Current Report on Form 8-K filed September 16, 2015).
10.6	Japan Local Currency Addendum, dated as of September 10, 2015, to the 3-Year Facility (incorporated by reference from Exhibit 99.6 to the Company's Current Report on Form 8-K filed September 16, 2015).
10.7	Amended and Restated Credit Agreement (5-Year Facility), dated as of September 10, 2015, by and among the Company, Caterpillar Inc., Caterpillar International Finance Limited and Caterpillar Finance Corporation, the Banks named therein, Local Currency Banks and Japan Local Currency Banks party thereto, Citibank, N.A., as Agent, Citibank International Limited, as Local Currency Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Japan Local Currency Agent (incorporated by reference from Exhibit 99.7 to the Company's Current Report on Form 8-K filed September 16, 2015).
10.8	Local Currency Addendum, dated as of September 10, 2015, to the 5-Year Facility (incorporated by reference from Exhibit 99.8 to the Company's Current Report on Form 8-K filed September 16, 2015).
10.9	Japan Local Currency Addendum, dated as of September 10, 2015, to the 5-Year Facility (incorporated by reference from Exhibit 99.9 to the Company's Current Report on Form 8-K filed September 16, 2015).
12	Computation of Ratio of Profit to Fixed Charges
31.1	Certification of Kent M. Adams, President, Director and Chief Executive Officer of Caterpillar Financial Services Corporation, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of James A. Duensing, Executive Vice President and Chief Financial Officer of Caterpillar Financial Services Corporation, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of Kent M. Adams, President, Director and Chief Executive Officer of Caterpillar Financial Services Corporation, and James A. Duensing, Executive Vice President and Chief Financial Officer of Caterpillar Financial Services Corporation, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Caterpillar Financial Services Corporation

(Registrant)

Date: October 30, 2015

By: */s/Jeffry D. Everett*

Jeffry D. Everett, Controller

Date: October 30, 2015

By: */s/Kent M. Adams*

Kent M. Adams, President, Director and Chief Executive Officer

EXHIBIT 12

Caterpillar Financial Services Corporation
COMPUTATION OF RATIO OF PROFIT TO FIXED CHARGES
(Unaudited)
(Dollars in Millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	**2014**	**2015**	**2014**
Profit	$ 109	$ 148	$ 346	$ 427
Add:				
Provision for income taxes	44	47	142	153
Profit before income taxes	$ 153	$ 195	$ 488	$ 580
Fixed charges:				
Interest expense	$ 144	$ 158	$ 445	$ 475
Rentals at computed interest*	1	1	4	4
Total fixed charges	$ 145	$ 159	$ 449	$ 479
Profit before income taxes plus fixed charges	$ 298	$ 354	$ 937	$ 1,059
Ratio of profit before income taxes plus fixed charges to fixed charges	2.06	2.23	2.09	2.21

*Those portions of rent expense that are representative of interest cost.

EXHIBIT 31.1

SECTION 302 CERTIFICATIONS

I, Kent M. Adams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Caterpillar Financial Services Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent function):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2015

By: */s/Kent M. Adams*

Kent M. Adams, President, Director and Chief Executive Officer

EXHIBIT 31.2

SECTION 302 CERTIFICATIONS

I, James A. Duensing, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Caterpillar Financial Services Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent function):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2015

By: */s/James A. Duensing*

James A. Duensing, Executive Vice President and Chief Financial Officer

EXHIBIT 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Caterpillar Financial Services Corporation (the "Company") on Form 10-Q for the period ended September 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2015	*/s/Kent M. Adams*
	Kent M. Adams
	President, Director and Chief Executive Officer
Date: October 30, 2015	*/s/James A. Duensing*
	James A. Duensing
	Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.