

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



FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal year ended December 31, 2025

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File No. 001-11241

**CATERPILLAR FINANCIAL SERVICES CORPORATION**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation  
or organization)

**37-1105865**  
(I.R.S. Employer Identification No.)

**2120 West End Ave.,  
Nashville, Tennessee**  
(Address of principal executive offices)

**37203-0001**  
(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Medium-Term Notes, Series K, 4.850% Notes Due 2029	CAT/29	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

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 every Interactive Data File required to be submitted 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 such files).

Yes  No

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

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

As of February 13, 2026, one share of common stock of the registrant was outstanding, which is owned by Caterpillar Inc.

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## PART I

### Item 1. Business.

#### *The Company*

Caterpillar Financial Services Corporation was organized in 1981 in the State of Delaware (together with its subsidiaries, “Cat Financial,” “the Company,” “we” or “our”). We are a wholly-owned finance subsidiary of Caterpillar Inc. (together with its other subsidiaries, “Caterpillar” or “Cat”), and our corporate headquarters is located in Nashville, Tennessee. A significant portion of our business activity is conducted in North America, and we have additional offices and subsidiaries in Latin America, Asia/Pacific, Europe and Africa.

We have over 40 years of experience providing financing for Caterpillar products and services, contributing to our knowledge of asset values, industry trends, financing structures and customer needs.

#### *Nature of Operations*

We provide retail and wholesale financing alternatives to customers and dealers around the world for Caterpillar products and services, as well as financing for power generation facilities that incorporate Caterpillar products. The various financing plans we offer are designed to support sales of Caterpillar products and services and generate financing income for Cat Financial. In addition, we purchase short-term wholesale trade receivables from Caterpillar.

We offer the following financing products to customers:

- **Loans** - We offer loans that allow customers to purchase equipment with structured payments over time. These loans are typically secured by the equipment purchased.
- **Revolving Charge Accounts** - We offer revolving charge accounts that primarily allow customers to pay for parts, services and rentals at participating Caterpillar dealers.
- **Leases** - We offer non-tax finance leases and tax leases which may be classified as either finance or operating leases for accounting purposes based on the characteristics of the lease. Non-tax leases are finance leases that either require or allow the customer to purchase the equipment for a fixed price at the end of the term, and the lessee for tax purposes is considered the owner of the equipment during the term of the lease. Tax leases are either operating or finance leases for accounting purposes, and for tax purposes, we are considered the owner of the equipment. At the end of tax leases, Lessees have the option to return the equipment or purchase it at market value. Lessees are obligated to maintain the equipment and insure it against damage and are responsible for payment of property and sales taxes, maintenance and other operating costs.

We offer the following financing products to dealers:

- **Wholesale Financing** - We provide dealers with inventory and rental fleet financing.
- **Retail Loans** - We make loans to certain dealers for working capital and other purposes. These loans are typically secured by dealership assets.

Our financing products may be offered at fixed or floating interest rates. We typically maintain a security interest in retail-financed equipment and generally require physical damage insurance coverage on financed equipment.

#### *Competitive Environment*

We operate in a highly competitive environment, with financing for users of Caterpillar equipment and services available through a variety of sources, principally commercial banks and finance and leasing companies. Our competitors include Wells Fargo Equipment Finance Inc., Banc of America Leasing & Capital LLC, BNP Paribas Leasing Solutions Limited, Australia and New Zealand Banking Group Limited, Société Générale S.A. and various other banks and finance companies. In addition, many of the manufacturers that compete with Caterpillar also own financial subsidiaries, such as John Deere Capital Corporation, Komatsu Financial L.P., Volvo Financial Services and Kubota Credit Corporation, which utilize many below-market interest rate programs (funded by the manufacturer) to support machine sales. We work together with Caterpillar to provide a broad array of financial merchandising programs to compete around the world.

We provide financing only when certain criteria are met. Credit decisions are based on a variety of credit quality factors, including prior payment experience, customer financial information, credit ratings, loan-to-value ratios and other internal metrics. We typically maintain a security interest in retail-financed equipment and generally require physical damage insurance coverage on financed equipment. We finance a significant portion of Caterpillar dealers' sales and inventory of Caterpillar equipment throughout the world (see Note 13 of Notes to Consolidated Financial Statements for more information regarding our segments and geographic areas). Our competitive position is improved by marketing programs offered in conjunction with Caterpillar and/or Caterpillar dealers. Under these programs, Caterpillar and/or the dealer funds an amount at the outset of the transaction, which we then recognize as revenue over the term of the financing. We believe that these marketing programs provide Cat Financial a significant competitive advantage in financing Caterpillar products.

In certain instances, our operations are subject to supervision and regulation by state, federal and various foreign governmental authorities and may be subject to various laws and judicial and administrative decisions imposing various requirements and restrictions which, among other things, (i) regulate credit granting activities and the administration of loans, (ii) establish maximum interest rates, finance charges and other charges, (iii) require disclosures to customers and investors, (iv) govern secured transactions, (v) set collection, foreclosure, repossession and other trade practices and (vi) regulate the use and reporting of information related to a borrower's credit experience. Our ability to comply with these and other governmental and legal requirements and restrictions affects our operations.

We also have agreements with Caterpillar that are significant to our operations. These agreements provide us with certain types of operational and administrative support from Caterpillar such as the administration of employee benefit plans, financial support, funding support and various forms of corporate services that are integral to the conduct of our business. For more information regarding these agreements, please refer to Note 12 of Notes to Consolidated Financial Statements.

### **Human Capital**

#### ***Core Values***

Caterpillar's global workforce is united by Our Values In Action, Caterpillar's Code of Conduct. Safety, Integrity, Teamwork, Excellence, and Commitment provide the foundation for our values-based culture. Our human capital management principles are embedded in our values. Our values unite us and reflect our diverse cultures, languages, geographies, and businesses, as one Caterpillar team.

#### ***Health and Safety***

The health and safety of our employees is an important focus at Cat Financial. In each of 2025 and 2024, the Company achieved a recordable injury frequency rate of 0.00. We strive to continually reduce our recordable injuries.

#### ***Talent and Leadership Development***

In addition to our focus on values and safety, we strive to continually attract, develop, engage, and retain a high-performing global team that executes our enterprise strategy of long-term profitable growth. We are committed to fostering an inclusive environment and a workforce that is representative of the diverse customers and communities we serve around the globe. Our Values In Action enable every individual to achieve their fullest potential and every team to help drive business success. These principles guide us in our daily operating rhythm. In addition, we make ongoing investments in our team to develop employees and help individuals reach their full potential.

Our leadership development programs focus on encouraging a variety of experiences to help employees broaden understanding and increase perspective. Our leadership curriculums include building resilient and high performing teams as core development principles. All employees have access to mentoring programs that connect participants with senior leaders and peers who can support their career goals and development.

Our global internships and finance and information services career programs provide development opportunities for early career employees. We also have a continual focus on strengthening technical, professional and leadership capabilities at every level using contemporary learning strategies to foster high performance. Strategic talent reviews and succession planning occur at a minimum, annually, across our business. Mentoring programs connect participants with senior leaders and peers who can support their career goals and development.

Our ten Employee Resource Groups (“ERGs”), which are sponsored and supported by leadership, help ensure different voices and perspectives contribute to our strategy for long-term profitable growth. They also engage our employees, helping contribute to development and retention. Our ERGs provide many contributions to help further our business strategy including partnerships with recruiters and early career and professional organizations that can assist in strengthening the talent pipeline and programs that educate and inform on the richness of the global cultures that we share.

### ***Compensation, Benefits and Employee Insights***

Providing competitive benefits and compensation underpins our commitment to our engaged and productive employees. Our pay-for-performance philosophy aligns employees’ individual contributions, behaviors and business results with individual rewards. Our comprehensive Total Health programs focus on purpose, as well as physical and mental health, emotional and social support and financial wellness. The annual Employee Insights Survey provides all employees the opportunity to confidentially share their perspectives and engages leaders to listen, learn and respond to employee feedback to help foster a positive work environment.

### ***Employment***

Management aligns employment levels with the needs of the business. We believe we have the appropriate human capital resources to successfully operate and deliver our enterprise strategy. As of December 31, 2025, we employed about 2,500 full-time persons, approximately half of whom were located outside the United States. In the United States, most employees are at-will employees and, therefore, not subject to any type of employment contract or agreement. At select business units, we have hired certain highly specialized employees under employment contracts that specify a term of employment, pay and other benefits.

### **Available Information**

The Company files electronically with the Securities and Exchange Commission (“SEC”) required reports on Form 8-K, Form 10-Q, and Form 10-K, registration statements on Form S-3 and other forms or reports as required. The SEC maintains a website ([www.sec.gov](http://www.sec.gov)) that contains reports, proxy 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 website ([www.caterpillar.com/secfilings](http://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., by visiting its website ([www.caterpillar.com](http://www.caterpillar.com)). None of the information contained at any time on our website, Caterpillar’s website or the SEC’s website is incorporated by reference into this annual report on Form 10-K.

## **Item 1A. Risk Factors.**

The statements in this section describe material risks to our business and should be considered carefully in conjunction with Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the “Notes to Consolidated Financial Statements” of Part II, Item 8 to this Form 10-K. In addition, the statements in this section and other sections of this Form 10-K, including in Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” include “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,” “forecast,” “target,” “guide,” “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, such as changes in economic conditions, including but not limited to inflation and disruptions in the global financial and credit markets, and changes in laws, regulations 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.

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.

We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You should, however, consult any subsequent disclosures we make in our filings with the SEC on Form 10-Q or Form 8-K.

The following is a cautionary discussion of risks, uncertainties and assumptions that we believe are significant to our business. In addition to the factors discussed elsewhere in this Form 10-K, these are some of the important factors that, individually or in the aggregate, we believe could make our actual results differ materially from expected or past results. Because it is impossible to predict or identify all such factors, the following factors should not be considered to be a complete discussion of risks, uncertainties and assumptions.

## **FINANCIAL RISKS**

### **Disruptions or volatility in global financial markets could adversely impact the industries and markets in which we serve and operate**

Continuing to meet our cash requirements over the long-term could require substantial liquidity and access to varied sources of funds, including capital and credit markets. Global economic conditions have caused and may cause volatility and disruptions in the capital and credit markets. While we have continued to maintain access to key global medium-term note and commercial paper markets, there can be no assurance that such markets will continue to represent a reliable source of financing. If global economic conditions were to deteriorate, we could face materially higher financing costs, become unable to access adequate funding to operate and grow our business and/or meet our debt service obligations as they mature, and could be required to draw upon contractually committed lending agreements primarily provided by global banks and/or seek other funding sources. However, under extreme market conditions, there can be no assurance that such agreements and other funding sources would be sufficient or even available. Any of these events could negatively impact our business, results of operations and financial condition.

The extent of any impact on our ability to meet our funding or liquidity needs would depend on several factors, including our operating cash flows, the duration of any market disruptions, changes in counterparty credit risk, the impact of government intervention in financial markets, including the effects of any programs or legislation designed to increase or restrict liquidity for certain areas of the market, general credit conditions, the volatility of equity and debt markets, our credit ratings and credit capacity and the cost of financing and other general economic and business conditions. Market disruption and volatility may also lead to numerous other risks in connection with these events, including but not limited to:

- Market developments that may affect the demand for Caterpillar products and/or customer confidence levels and may cause declines in the demand for financing and adverse changes in payment patterns, causing increases in delinquencies and default rates, which could increase our write-offs and provision for credit losses;
- The process we use to estimate losses inherent in our credit exposure requires a high degree of management's judgment regarding numerous subjective, qualitative factors, including forecasts of economic conditions and how economic predictors might impair the ability of our borrowers to repay their loans. Financial market disruption and volatility may impact the accuracy of these judgments;
- Our ability to engage in routine funding transactions or borrow from other financial institutions on acceptable terms or at all could be adversely affected by disruptions in the capital markets or other events, including actions by rating agencies and deteriorating investor expectations; and
- As our lending agreements are primarily with financial institutions, their ability to perform in accordance with any of our underlying agreements could be adversely affected by market volatility and/or disruptions in the equity and credit markets.

**Failure to maintain our credit ratings could increase our cost of borrowing and could adversely affect our cost of funds, liquidity, competitive position and access to capital markets**

Each of Caterpillar's and Cat Financial's costs of borrowing and their respective ability to access the capital markets are affected not only by market conditions but also by the short- and long-term credit ratings assigned to their respective debt by the major credit rating agencies. These ratings are based, in significant part, on each of Caterpillar's and Cat Financial's performance as measured by financial metrics such as net worth, profitability, interest coverage and leverage ratios, as well as transparency with rating agencies and timeliness of financial reporting. There can be no assurance that Caterpillar and Cat Financial will be able to maintain their credit ratings. We receive debt ratings from the major credit rating agencies. A downgrade of our credit rating by any of the major credit rating agencies could result in increased borrowing costs and could adversely affect Caterpillar's and Cat Financial's liquidity, competitive position and access to the capital markets, including restricting, in whole or in part, access to the commercial paper market and other sources of funding. There can be no assurance that the commercial paper market will continue to be a reliable source of short-term financing for Cat Financial or an available source of short-term financing for Caterpillar. An inability to access the capital markets could have an adverse effect on our cash flow, results of operations and financial condition.

**Changes in interest rates, foreign currency exchange rates or market liquidity conditions could adversely affect our earnings and/or cash flows**

Changes in interest rates and market liquidity conditions could have an adverse impact on Caterpillar's and our earnings and cash flows. Changes in market interest rates may influence its and our borrowing costs, returns on financial investments and the valuation of derivative contracts. Because our financial results are reported in U.S. dollars, but our operations are conducted internationally, currency exchange rates can have a significant impact on our business results. We make a significant number of loans in currencies other than the U.S. dollar and fluctuations in foreign currency exchange rates could reduce our earnings and cash flows. Additionally, because a significant number of the loans made by us are made utilizing fixed interest rates, our business results are subject to fluctuations in interest rates. Certain loans made by us and various financing extended to us are made at variable rates that use floating reference rates or indices, including the Secured Overnight Financing Rate ("SOFR"), as a benchmark for establishing the interest rate. Changes in interest rates and market liquidity conditions could have an adverse impact on our earnings and cash flows.

We manage interest rate and market liquidity risks through a variety of techniques that include a match funding strategy, the selective use of derivatives and a broadly diversified funding program. There can be no assurance, however, that fluctuations in interest rates and market liquidity conditions will not have an adverse impact on Caterpillar's and our earnings and cash flows. If any of the variety of instruments and strategies we use to hedge our exposure to these types of risk is ineffective, our earnings and cash flows may be adversely impacted. Please see "—Macroeconomic Risks—Changes in government monetary or fiscal policies may negatively impact our results" below for further discussion of changes in interest rates.

We also rely on numerous diversified global debt capital markets and funding programs to provide liquidity for our global operations, including commercial paper, medium-term notes, retail notes, and bank loans. Significant changes in market liquidity conditions could impact our access to funding and the associated funding cost and reduce our earnings and cash flows.

**Our business is significantly influenced by the credit risk associated with our customers and an increase in delinquencies, repossessions or net losses could adversely affect our results**

Our business is significantly influenced by the credit risk associated with our customers. The creditworthiness of each customer and the rate of delinquencies, repossessions and net losses on customer obligations are directly impacted by several factors, including, but not limited to, relevant industry (particularly construction-related industries) and economic conditions, the availability of capital, the experience and expertise of the customer's management team, commodity prices, interest rates, political events and the sustained value of the underlying collateral. Any increase in delinquencies, repossessions and net losses on customer obligations could have a material adverse effect on our earnings and cash flows.

In addition, although we evaluate and adjust our allowance for credit losses related to past due and non-performing receivables on a regular basis, adverse economic conditions or other factors that might cause deterioration of the financial health of our customers could change the timing and level of payments received and necessitate an increase in our estimated losses, which could also have a material adverse effect on our earnings and cash flows.

**A decrease in used equipment and residual values could adversely affect our results**

Declines in the value of used equipment including repossessions and residual values of equipment financed by us may reduce our earnings. We primarily sell used and end-of-lease returned equipment through the Caterpillar dealer network. The residual value of leased equipment is determined based on its estimated end-of-term market value at the time of expiration of the lease term. We estimate the residual value of leased equipment at the inception of the lease based on numerous factors, including historical wholesale market sales prices, past remarketing experience and any known significant market/product trends. If used equipment values and estimated end-of-term residual values significantly decline due to economic factors, obsolescence or other adverse circumstances, we may not realize their previously assessed values, which could reduce our earnings.

**Restrictive covenants in our debt agreements could limit our financial and operating flexibility**

Cat Financial and certain subsidiaries have credit agreements under which we borrow or can borrow funds for use in our respective businesses, with such funds utilized primarily for general corporate purposes. Certain of these agreements include covenants relating to our financial performance and financial position. The two most significant financial covenants included in these agreements are: (1) a leverage ratio covenant that requires us to maintain a ratio of consolidated debt to consolidated net worth of not greater than 10 to 1, calculated (i) 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 (ii) at each December 31; and (2) an interest coverage ratio that requires us to maintain a ratio of (i) profit excluding income taxes, interest expense and net gain/(loss) from interest rate derivatives to (ii) interest expense of not less than 1.15 to 1, in each case, calculated at the end of each fiscal quarter for the prior four-quarter period then most recently ended for us and our subsidiaries on a consolidated basis in accordance with generally accepted accounting principles (“U.S. GAAP” or “GAAP”). In addition, we are restricted in several of our agreements from terminating, amending or modifying our support agreement with Caterpillar. We are also restricted in our ability to incur secured indebtedness or consolidate, merge or sell assets. Similarly, we are also bound by covenants in various agreements that involve Caterpillar and its obligation to maintain a consolidated net worth of not less than \$9 billion at all times during each fiscal year.

Although we do not believe any of these covenants presently materially restrict our operations, our ability to meet any one particular financial covenant may be affected by events that could be beyond our control and could result in material adverse consequences that negatively impact our business, results of operations and financial condition. These consequences may include the acceleration of repayment of amounts outstanding under certain of our credit agreements, the triggering of an obligation to redeem certain debt securities, the termination of existing unused credit commitments by our lenders, the refusal by our lenders to extend further credit under one or more of our credit agreements or the lowering or modification of our credit ratings, including those of any of our subsidiaries. We cannot provide assurance that we will continue to comply with each credit covenant, particularly if we were to encounter challenging and volatile market conditions.

**MACROECONOMIC RISKS**

**Changes in government monetary or fiscal policies may negatively impact our results**

Most countries where Caterpillar products and services are sold have established central banks to regulate monetary systems and influence economic activities, generally by adjusting interest rates. Interest rate changes affect overall economic growth, which in turn affects Caterpillar’s sales and our financing activities. Interest rate changes may also affect customers’ ability to finance machine purchases, can change the optimal time to keep machines in a fleet and can impact the ability of Caterpillar’s suppliers to finance the production of parts and components necessary to manufacture and support Caterpillar products.

Central banks and other policy arms of many countries may take actions to vary the amount of liquidity and credit available in an economy. The impact from a change in liquidity and credit policies could negatively affect the customers and markets we serve or our suppliers, create supply chain inefficiencies and could adversely impact our business, results of operations and financial condition.

Government policies on taxes and spending also affect our business. Throughout the world, government spending finances a significant portion of infrastructure development, such as highways, rail systems, airports, sewer and water systems, waterways and dams. Tax regulations determine asset depreciation lives and impact the after-tax returns on business activity and investment, both of which influence investment decisions. Unfavorable developments, such as decisions to reduce public spending or to increase taxes, could negatively impact our results.

**Our global operations are exposed to political and economic risks, commercial instability and events beyond our control in the countries in which we operate**

Our global operations are dependent upon products manufactured, purchased, sold and financed in the U.S. and internationally, including in countries with political and economic instability or uncertainty. Some countries have greater political and economic volatility and greater vulnerability to infrastructure and labor disruptions than others. Operating in different regions and countries exposes us to numerous risks, including:

- Multiple and potentially conflicting legal and regulatory requirements that are subject to change, including but not limited to, those legal and regulatory requirements described in Item 1 of this Form 10-K under the heading “Competitive Environment”;
- Imposition of currency restrictions, restrictions on repatriation of earnings or other restraints;
- Imposition of new or additional tariffs or quotas;
- Difficulty of enforcing agreements and collecting receivables through foreign legal systems;
- Withdrawal from or modification of trade agreements or the negotiation of new trade agreements;
- Imposition of new or additional trade and economic sanctions laws imposed by the U.S. or foreign governments;
- The occurrence of catastrophic events, including fire, flood, tsunami or other weather event, power loss, telecommunications failure, software or hardware malfunctions, pandemics, cyber-attack, war, terrorist attack or other catastrophic events that our disaster recovery plans do not adequately address; and
- Political and economic instability or civil unrest that may severely disrupt economic activity in affected countries.

The occurrence of one or more of these events may negatively impact our business, results of operations and financial condition.

**OPERATIONAL RISKS**

**The success of our business depends upon the demand for Caterpillar’s products**

Our primary business is to provide retail and wholesale financing alternatives for Caterpillar products to customers and dealers and is therefore largely dependent upon the demand for Caterpillar’s products and customers’ willingness to enter into financing or leasing agreements, which may be negatively affected by challenging global economic conditions. As a result, a significant or prolonged decrease in demand could have a material adverse effect on our business, financial condition, results of operations and cash flows. The demand for Caterpillar’s products and our products and services is influenced by numerous factors, including:

- General world economic conditions and the level of energy, mining, construction and manufacturing activity;
- Changes and uncertainties in the monetary and fiscal policies of various governmental and regulatory entities;
- Fluctuations in demand and prices for certain commodities;
- Fluctuations in currency exchange rates and interest rates;
- Political, economic and legislative changes;
- Caterpillar’s ability to produce products that meet customers’ needs;
- Caterpillar’s ability to maintain key dealer relationships;
- The ability of Caterpillar dealers to sell Caterpillar products and their practices regarding inventory control; and
- Changes in pricing policies by Caterpillar or its competitors.

Any significant adverse changes to these factors could negatively impact our results.

**Changes in the marketing, operational or administrative support that we receive from Caterpillar could adversely affect our results**

We participate in certain marketing programs offered in conjunction with Caterpillar and/or Caterpillar dealers that allow us to offer financing to customers at interest rates that are below market rates. These marketing programs provide us with a significant competitive advantage in financing Caterpillar products. Any change in these marketing programs or reduction in our ability to offer competitively priced financing to customers could reduce the percentage of Caterpillar products financed by us, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Caterpillar also provides us with other types of operational and administrative support, such as the administration of employee benefit plans, which is integral to the conduct of our business. Any changes in the levels of support from Caterpillar could also negatively impact our results.

**The success of our business depends on our ability to develop, produce and market quality products and services that meet our customers' needs**

We operate in a highly competitive environment, with financing for users of Caterpillar equipment available through a variety of sources, principally commercial banks and finance and leasing companies. Increasing competition may adversely affect our business if we are unable to match the products and services of our competitors. Also, as noted above, any changes to the marketing programs offered in conjunction with Caterpillar and/or Caterpillar dealers, which allow us to offer financing to customers at interest rates that are below market rates, could have a materially adverse effect on our business.

**Increased information technology security threats and more sophisticated computer crime pose a risk to our systems, networks, products and services**

We rely upon information technology systems and networks, some of which are managed by third parties, in connection with a variety of business activities. Additionally, we collect and store sensitive information relating to our business, customers, dealers, suppliers and employees. Operating these information technology systems and networks and processing and maintaining this data in a secure manner are critical to our business operations and strategy. Information technology security threats -- from user error to cybersecurity attacks designed to gain unauthorized access to our systems, networks and data -- are increasing in frequency and sophistication. Cybersecurity attacks from threat actors globally range from random attempts to coordinated and targeted attacks, including sophisticated computer crime and advanced persistent threats. These threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. Cybersecurity attacks could also include attacks targeting customer data or the security, integrity and/or reliability of the hardware and software installed in Caterpillar products. It is possible that our information technology systems and networks, or those managed or provided by third parties, could have vulnerabilities, which could go unnoticed for a period of time. While various procedures and controls have been and are being utilized to mitigate such risks, there can be no guarantee that the actions and controls we have implemented and are implementing, or which we cause or have caused third-party service providers to implement, will be sufficient to protect and mitigate associated risks to our systems, information or other property.

We have experienced cybersecurity threats and vulnerabilities in our systems and those of our third-party providers, and we have experienced viruses and attacks targeting our information technology systems and networks. Such prior events, to date, have not had a material impact on our financial condition, results of operations or liquidity. However, the potential consequences of a future material cybersecurity attack include reputational damage, litigation with third parties, government enforcement actions, penalties, disruption to systems, unauthorized release of confidential or otherwise protected information, corruption of data and increased cybersecurity protection and remediation costs, which in turn could adversely affect our competitiveness, results of operations and financial condition. Due to the evolving nature of such security threats, the potential impact of any future incident cannot be predicted. Further, the amount of insurance coverage we maintain may be inadequate to cover claims or liabilities relating to a cybersecurity attack.

In addition, data we collect, store and process are subject to a variety of U.S. and international laws and regulations, such as the European Union's General Data Protection Regulation and the California Consumer Privacy Act, which may carry significant potential penalties for noncompliance.

**LEGAL & REGULATORY RISKS**

**Our global operations are subject to a wide range of trade and anti-corruption laws and regulations**

Due to the international scope of our operations, we are subject to a complex system of laws and regulations, including U.S. regulations issued by the Office of Foreign Assets Control, the Office of Antiboycott Compliance and the Bureau of Industry and Security, as well as the counterparts of these agencies in other countries. Any alleged or actual violations may subject us to increased government scrutiny, investigation and civil and criminal penalties and may limit our ability to provide financing outside the U.S. and/or potentially require us to divest portions of our existing portfolio under certain circumstances. Furthermore, embargoes and sanctions imposed by the U.S. and other governments that restrict or prohibit providing financing to specific persons or countries may expose us to potential criminal and civil sanctions. We cannot predict the nature, scope or effect of future regulatory requirements to which our operations might be subject or, in certain locations, the way existing laws might be administered or interpreted.

In addition, the U.S. Foreign Corrupt Practices Act and similar anti-corruption laws of other countries generally prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence foreign government officials for the purpose of obtaining or retaining business or obtaining an unfair advantage. Recent years have seen a substantial increase in the global enforcement of anti-corruption laws. Our continued operation and expansion outside the U.S., including in developing countries, expose us to the risk of such violations. Violations of anti-corruption laws or regulations by our employees or intermediaries acting on our behalf may result in severe criminal or civil sanctions, could disrupt our business, and could result in an adverse effect on our reputation, business, results of operations or financial condition.

**New regulations or changes in financial services regulation could adversely impact our results of operations and financial condition**

Our operations are highly regulated by governmental authorities in the locations where we operate, which can impose significant additional costs and/or restrictions on our business. In the U.S. for example, certain of our activities are subject to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, which includes extensive provisions regulating the financial services industry. As a result, we have become and could continue to become subject to additional regulatory costs that could be significant and could have an adverse effect on our results of operations and financial condition. Changes in or additional regulations in the U.S. or internationally impacting the financial services industry could also add significant cost or operational constraints that might have an adverse effect on our results of operations and financial condition.

**We may incur additional tax expense or become subject to additional tax exposure**

We are subject to income taxes in the U.S. and numerous other jurisdictions. Our future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings between U.S. and non-U.S. jurisdictions or among jurisdictions with differing statutory tax rates, changes in our overall profitability, changes in tax laws or treaties or in their application or interpretation, changes in tax rates, changes in U.S. GAAP, changes in the valuation of deferred tax assets and liabilities, changes in the amount of earnings indefinitely reinvested in certain non-U.S. jurisdictions, the results of audits and examinations of previously filed tax returns and continuing assessments of our tax exposures. We are also subject to the continuous examination of our income tax returns by the U.S. Internal Revenue Service and other tax authorities. We regularly assess the likelihood of an adverse outcome resulting from these examinations. If our effective tax rates were to increase or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our operating results, cash flows and financial condition could be adversely affected.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 1C. Cybersecurity.**

As required by Item 106 of Regulation S-K, the following sets forth information regarding our cybersecurity strategy, risk management and governance, which is overseen by Caterpillar and forms a part of Caterpillar's cybersecurity strategy, risk management and governance. A description of Caterpillar's cybersecurity strategy, risk management and governance can be found under Item 1C. "Cybersecurity" in Caterpillar's Annual Report on Form 10-K for the year ended December 31, 2025 filed separately with the SEC.

**Cybersecurity Strategy and Risk Management**

Cybersecurity is critical to advancing our overall objectives and enabling our digital efforts. As a global company, we face a wide variety of cybersecurity threats that range from common attacks such as ransomware and denial-of-service, to attacks from more advanced adversaries. Our customers, suppliers, and other partners face similar cybersecurity threats, and a cybersecurity incident impacting these entities could materially adversely affect our operations, performance and results. These cybersecurity threats and related risks make it imperative that we maintain focus on cybersecurity and systemic risks.

We maintain a comprehensive cybersecurity program which is integrated within Caterpillar's enterprise risk management system and encompasses the corporate information technology and operational technology environments as well as customer-facing products. Our cybersecurity program maintains a governance structure and process to identify, assess, manage, mitigate, respond to and report on cybersecurity risks. We utilize cybersecurity policies and frameworks based on industry and government standards. Our cyber risk management program controls are based on recognized best practices and standards, including the National Institute of Standards and Technology (NIST) Cyber Security Framework and the International Organization for Standardization (ISO 27001) Information Security Management System Requirements. We partner with third parties to support and evaluate our cybersecurity program. These third-party services span areas including cybersecurity maturity assessments, incident response, penetration testing, consulting on best practices, bug bounty programs and others. We also consume threat intelligence from several paid and non-paid sources.

We maintain a 24 x 7 operations center which serves as a central location for the reporting of cybersecurity matters, provides monitoring of our global cybersecurity environment, and coordinates the investigation and remediation of alerts. As cybersecurity events occur, the cybersecurity team focuses on responding to and containing the threat and minimizing impact. In the event of an incident, the cybersecurity team assesses, among other factors, safety impact, supply chain and manufacturing disruption, data and personal information loss, business operations disruption, projected cost and potential for reputational harm, with participation from technical, legal and law enforcement support, as appropriate.

We have implemented a cybersecurity awareness program which covers topics such as phishing, social networking safety, password security, mobile device usage and potential risks associated with emerging technologies. We have mandatory training in the areas of cybersecurity, privacy and confidential information handling. We also conduct regular phishing training and simulations for our employees and contractors. We provide specialized role-based training to technical professionals in cybersecurity, secure application development and other focus areas. We also conduct periodic tabletop exercises to validate our preparation for cyber events.

We operate a third-party cybersecurity program with the goal of minimizing disruption to the Company's business and production operations, strengthening supply chain resilience, and supporting the integrity of components and systems used in its products and services. We rely heavily on our supply chain to deliver our products and services to our customers, and a cybersecurity incident at a supplier, subcontractor or joint venture partner could materially adversely impact us. We assess third-party cybersecurity controls through a cybersecurity third-party risk assessment process. Identified deficiencies are addressed through a risk remediation process. For select suppliers, we engage third-party cybersecurity monitoring and alerting services, and seek to work directly with those suppliers to address potential deficiencies identified.

As of the date of this report, we do not believe that risks from any cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to affect us, including our business strategy, results of operations or financial condition. That said, as discussed more fully under Item 1A. "Risk Factors—Operational Risks—Increased information technology security threats and more sophisticated computer crime pose a risk to our systems, networks, products and services" of this Form 10-K, these threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. Cybersecurity attacks could also include attacks targeting customer data or the security, integrity and/or reliability of the hardware and software installed in Caterpillar products. It is possible that our information technology systems and networks, or those managed or provided by third parties, could have vulnerabilities, which could go unnoticed for a period of time. While various procedures and controls have been and are being utilized to mitigate such risks, there can be no guarantee that the actions and controls we have implemented and are implementing, or which we cause or have caused third-party service providers to implement, will be sufficient to protect and mitigate associated risks to our systems, information or other property.

## **Cybersecurity Governance**

### *Caterpillar Cybersecurity Governance*

Caterpillar's board has oversight for risk management with a focus on the most significant risks facing Caterpillar (including its wholly-owned subsidiary, Cat Financial), including strategic, operational, financial and legal compliance risks. The Caterpillar board's risk oversight process builds upon management's risk assessment and mitigation processes, which include an enterprise risk management program of which Caterpillar's cybersecurity processes are an integral component.

Caterpillar’s board implements its risk oversight function both as a board and through delegation to board committees, which meet regularly and report back to the Caterpillar board. Caterpillar’s board has delegated the oversight of specific risks to board committees that align with their functional responsibilities. Caterpillar’s Audit Committee (the “Caterpillar AC”) assists the Caterpillar board in overseeing the enterprise risk management program and evaluates and monitors risks related to, among other things, Caterpillar’s information security program. The Caterpillar AC assesses cybersecurity and information technology risks and the controls implemented to monitor and mitigate these risks. Caterpillar’s Chief Information Officer & Senior Vice President, Caterpillar IT (the “Caterpillar CIO”) attends all bimonthly Caterpillar AC meetings and provides cybersecurity updates to the Caterpillar AC and Caterpillar board.

Caterpillar’s cybersecurity program is overseen by the Caterpillar CIO, who has been a Caterpillar employee for over 26 years. Prior to her current appointment as Caterpillar’s CIO in September 2020, she was the Chief Information Officer for the Caterpillar’s Financial Products Division, which includes Cat Financial. Her extensive background in IT includes global leadership for large-scale systems transformations, cybersecurity, cloud and application management, global data center management, worldwide network, servers and storage, database management and end-user services. The Caterpillar CIO leads a cross-functional cybersecurity team comprised of professionals from Caterpillar’s product, cybersecurity, legal and compliance organizations who focus on managing the security of Caterpillar’s connected solutions. This team manages the Caterpillar’s global IT systems, IT risk management, cybersecurity, global infrastructure and IT transformations.

#### *Cat Financial Cybersecurity Governance*

Our Risk Committee provides oversight over our information security program and other matters related to cybersecurity. Our President serves as the chair of this committee, which includes among its members our Chief Risk Officer and our Chief Information Officer. Our cybersecurity program is managed by our Chief Information Security Officer, who reports on a regular basis to our Risk Committee on cybersecurity matters and who regularly collaborates with the Caterpillar cybersecurity team.

### **Item 2. Properties.**

Our corporate headquarters is located in Nashville, Tennessee. Additional offices are located inside and outside the United States. All of our offices, other than our corporate headquarters building, are leased.

### **Item 3. 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.

## **PART II**

### **Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

Our stock is not publicly traded. Caterpillar Inc. is the owner of our one outstanding share. Cash dividends of \$500 million, \$625 million and \$425 million were paid to Caterpillar in 2025, 2024 and 2023, respectively.

### **Item 6. [Reserved]**

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to provide information that will assist the reader in understanding the Company's Consolidated Financial Statements, the changes in certain key items in those financial statements between select periods and the primary factors that accounted for those changes. In addition, we discuss how certain accounting principles, policies and critical accounting estimates affect our Consolidated Financial Statements. This MD&A should be read in conjunction with our audited financial statements and related notes included elsewhere in this report and our discussion of cautionary statements and significant risks to the Company's business under Part I, Item 1A. "Risk Factors" of this report.

**2025 COMPARED WITH 2024****Overview**

(Millions of dollars)	2025	2024	Change
Retail revenue	\$ 1,858	\$ 1,689	\$ 169
Operating lease revenue	922	936	(14)
Wholesale revenue	694	706	(12)
Other revenue, net	160	158	2
Total revenues	\$ 3,634	\$ 3,489	\$ 145
Profit before income taxes	\$ 734	\$ 533	\$ 201
Profit attributable to Caterpillar Financial Services Corporation	\$ 540	\$ 598	\$ (58)

**Revenues**

We reported revenues of \$3.63 billion for 2025, an increase of \$145 million, or 4 percent, compared with \$3.49 billion for 2024. The increase in revenues was primarily due to a favorable impact from higher average earning assets of \$222 million, partially offset by an unfavorable impact from lower average financing rates of \$68 million.

Retail revenue for 2025 was \$1.86 billion, an increase of \$169 million from 2024. The increase was primarily due to favorable impacts from higher average earnings assets of \$117 million and higher interest rates on retail finance receivables of \$52 million. For the year ended December 31, 2025, retail average earning assets were \$24.79 billion, an increase of \$1.61 billion from 2024. The average yield was 7.49 percent for 2025, compared with 7.29 percent in 2024.

Operating lease revenue for 2025 was \$922 million, a decrease of \$14 million from 2024. The decrease was primarily due to an unfavorable impact from lower average earning assets of \$36 million, partially offset by a favorable impact from higher rental rates on operating leases of \$22 million.

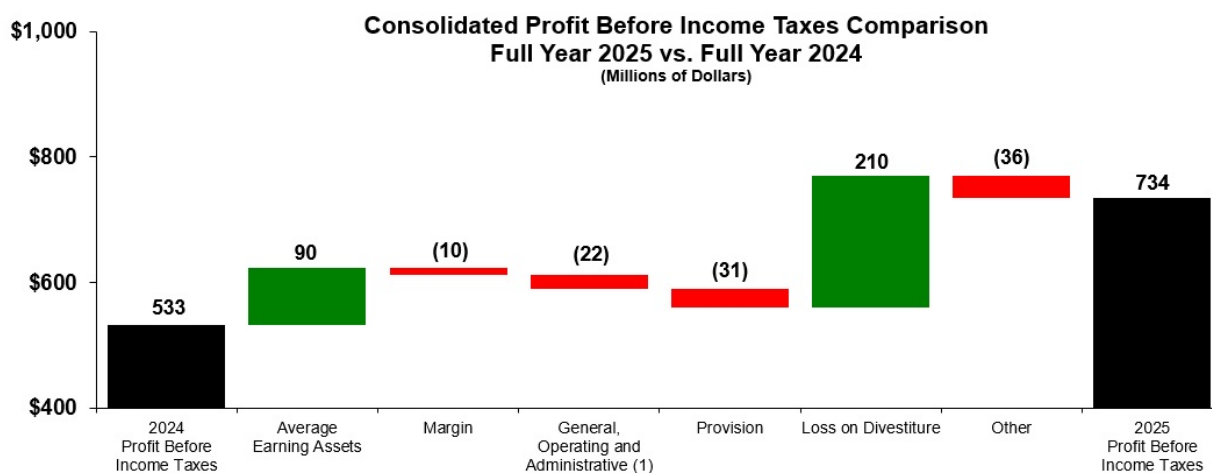
Wholesale revenue for 2025 was \$694 million, a decrease of \$12 million from 2024. The decrease was primarily due to an unfavorable impact from lower interest rates on wholesale finance receivables of \$79 million, partially offset by a favorable impact from higher average earning assets of \$67 million. For the year ended December 31, 2025, wholesale average earning assets were \$5.95 billion, an increase of \$518 million from 2024. The average yield was 11.66 percent for 2025, compared with 13.00 percent in 2024.

Other revenue, net items were as follows:

(Millions of dollars)	2025	2024	Change
Finance receivable and operating lease fees (including late charges)	\$ 72	\$ 65	\$ 7
Net gain (loss) on returned or repossessed equipment	35	49	(14)
Interest income on Notes receivable from Caterpillar	26	23	3
Miscellaneous other revenue, net	27	21	6
Total Other revenue, net	\$ 160	\$ 158	\$ 2

There was an unfavorable impact from currency translation on revenues of \$14 million in 2025. Currency translation represents the net impact from converting the results of our subsidiaries to U.S. dollar reporting currency and is included in all financial statement line items and each of the items included in the above analysis.

### Consolidated Profit Before Income Taxes



(1) Analysis excludes \$15 million related to property taxes on operating leases for both 2025 and 2024.

The chart above graphically illustrates reasons for the change in consolidated profit before income taxes between 2024 (at left) and 2025 (at right). Management utilizes these charts internally to visually communicate results.

Profit before income taxes was \$734 million for 2025, an increase of \$201 million, or 38 percent, compared with \$533 million for 2024. The increase was primarily driven by the absence of a \$210 million loss on divestiture of a non-U.S. entity in 2024 and a favorable impact from higher average earning assets of \$90 million, partially offset by the absence of an insurance settlement of \$33 million in 2024 and higher provision for credit losses of \$31 million.

There was an unfavorable impact from currency translation on profit before income taxes of \$6 million in 2025. Currency translation represents the net impact from converting the results of our subsidiaries to U.S. dollar reporting currency and is included in all financial statement line items and each of the items included in the above analysis.

### Provision for Income Taxes

The provision for income taxes for 2025 was \$193 million compared with a benefit of \$66 million for 2024. The benefit from income taxes in 2024 included a non-cash tax benefit of \$224 million from a tax law change related to currency translation.

## FINANCE RECEIVABLES AND EQUIPMENT ON OPERATING LEASES

### New Business Volume

(Millions of dollars)	2025	2024	Change
New retail financing	\$ 12,987	\$ 12,157	\$ 830
New retail operating lease activity	1,277	1,085	192
New wholesale financing	57,647	54,426	3,221
Total	\$ 71,911	\$ 67,668	\$ 4,243

New retail financing increased due to higher volume across all segments except Mining. The increase in new operating lease activity was mainly driven by higher rentals of Caterpillar equipment in North America and Mining. New wholesale financing increased primarily due to higher purchases of trade receivables from Caterpillar.

### Total Managed Portfolio

We define total portfolio as Finance receivables, net plus Equipment on operating leases, net. We also 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. Total managed portfolio as of December 31 was as follows:

(Millions of dollars)	2025	2024	Change
Finance receivables, net	\$ 32,815	\$ 28,964	\$ 3,851
Equipment on operating leases, net	2,927	2,780	147
Total portfolio	\$ 35,742	\$ 31,744	\$ 3,998
Retail loans	\$ 99	\$ 80	\$ 19
Retail finance leases	27	17	10
Operating leases	8	12	(4)
Total off-balance sheet managed assets	\$ 134	\$ 109	\$ 25
Total managed portfolio	\$ 35,876	\$ 31,853	\$ 4,023

### Total Portfolio Metrics

At the end of 2025, past dues were 1.37 percent, compared with 1.56 percent at the end of 2024. Total non-performing finance receivables, which represent finance receivables currently on non-accrual status, were \$163 million and \$176 million at December 31, 2025 and 2024, respectively. Total non-performing finance receivables as a percentage of our finance receivables were less than 1 percent at December 31, 2025 and 2024.

Write-offs, net of recoveries, were \$101 million for 2025, compared with \$115 million for 2024.

Our allowance for credit losses as of December 31, 2025 was \$284 million, or 0.86 percent of finance receivables, compared with \$267 million, or 0.91 percent, as of December 31, 2024. 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 economic forecasts. We believe our allowance is sufficient to provide for losses over the remaining life of our finance receivables portfolio as of December 31, 2025.

### Global Business Conditions

Caterpillar continues to monitor a variety of external factors around the world, such as supply chain disruptions, inflationary cost, labor pressures and the impact of trade policies. We are monitoring the potential downstream impacts from these factors on our business, while remaining focused on portfolio health and continuing to provide qualified customers and dealers with new loans and leases to support their current and future business needs.

### 2024 COMPARED WITH 2023

For discussions related to the consolidated total revenues and consolidated profit before income taxes between 2024 and 2023, refer to Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the United States Securities and Exchange Commission on February 14, 2025.

### LIQUIDITY AND CAPITAL RESOURCES

Maintaining and managing adequate capital and liquidity resources includes management of funding sources and their utilization based on current, future and contingent needs. Throughout 2025, we experienced favorable liquidity conditions. We ended 2025 with \$533 million of cash, a decrease of \$66 million from year-end 2024. Our cash balances are held in numerous locations throughout the world with approximately \$354 million held by our non-U.S. subsidiaries. Amounts held by non-U.S. subsidiaries are available for general corporate use and could be used in the U.S. without incurring significant additional U.S. taxes. We expect to meet our U.S. funding needs without repatriating undistributed profits that are indefinitely reinvested outside the U.S.

## **BORROWINGS**

Borrowings consist primarily of medium-term notes and commercial paper, the combination of which is used to manage interest rate risk and funding requirements. (Please refer to Notes 4, 5, and 6 of Notes to Consolidated Financial Statements for additional discussion.)

We receive debt ratings from the major credit rating agencies. Fitch maintains a “high-A” debt rating, while Moody’s and S&P maintain a “mid-A” debt rating. A downgrade of our credit ratings by any of the major credit rating agencies could result in increased borrowing costs and could 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, existing cash balances, access to our committed credit facilities and other credit line facilities, and potential borrowings from Caterpillar. In addition, Caterpillar maintains a support agreement with us, which requires Caterpillar to remain our sole owner and may, under certain circumstances, require Caterpillar to make payments to us should we fail to maintain certain financial ratios.

Total borrowings outstanding as of December 31, 2025 were \$33.64 billion, an increase of \$3.83 billion from December 31, 2024. Outstanding borrowings as of December 31 were as follows:

<b>(Millions of dollars)</b>	<b>2025</b>	<b>2024</b>
Medium-term notes, net	\$ 26,437	\$ 24,882
Commercial paper, net of unamortized discount	5,408	3,946
Bank borrowings – long-term	665	522
Bank borrowings – short-term	106	165
Variable denomination floating rate demand notes	—	282
Notes payable to Caterpillar	1,024	10
Other	1	2
Total outstanding borrowings	<u>\$ 33,641</u>	<u>\$ 29,809</u>

### **Medium-term notes**

We issue medium-term unsecured notes through securities dealers or underwriters in the U.S., Europe, and other international capital markets. 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 issued totaled \$8.67 billion and redeemed totaled \$7.64 billion for the year ended December 31, 2025. Medium-term notes, net outstanding as of December 31, 2025 mature as follows:

<b>(Millions of dollars)</b>		
2026	\$	6,762
2027		8,714
2028		7,396
2029		2,563
2030		448
Thereafter		500
Fair value adjustments		54
Total	<u>\$</u>	<u>26,437</u>

Medium-term notes of \$1.75 billion maturing in the first quarter of 2026 were excluded from Current maturities of long-term debt in the Consolidated Statements of Financial Position as of December 31, 2025 due to a \$1.75 billion issuance of medium-term notes on January 8, 2026, of which \$1.25 billion and \$500 million mature in 2028 and 2031, respectively. The preceding maturity table reflects the reclassification of \$1.75 billion from maturities in 2026 to \$1.25 billion in 2028 and \$500 million in 2031.

### **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**

As of December 31, 2025, we had three global credit facilities with a syndicate of banks totaling \$11.50 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 December 31, 2025 was \$8.63 billion. Information on our Credit Facility is as follows:

- In August 2025, we entered into a new 364-day facility. The 364-day facility of \$3.50 billion (of which \$2.63 billion is available to us) expires in August 2026.
- In August 2025, we amended and extended the three-year facility (as amended and restated, the "three-year facility"). The three-year facility of \$3.00 billion (of which \$2.25 billion is available to us) expires in August 2028.
- In August 2025, we amended and extended the five-year facility (as amended and restated, the "five-year facility"). The five-year facility of \$5.00 billion (of which \$3.75 billion is available to us) expires in August 2030.

At December 31, 2025, Caterpillar's consolidated net worth was \$21.39 billion, which was above the \$9.00 billion required under the Credit Facility. The consolidated net worth is defined in the Credit Facility as Caterpillar's consolidated shareholders' equity including preferred stock but excluding the pension and other postretirement benefits balance within Accumulated other comprehensive income (loss).

At December 31, 2025, our covenant interest coverage ratio was 1.53 to 1. This was 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 fiscal quarter for the prior four consecutive fiscal quarter period, required by the Credit Facility.

In addition, at December 31, 2025, our six-month covenant leverage ratio was 7.65 to 1 and our year-end covenant leverage ratio was 8.21 to 1. This was 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 December 31, 2025, there were no borrowings under the Credit Facility.

The aforementioned financial covenants are being reported as calculated under the Credit Facility and not pursuant to U.S. GAAP. Please refer to the credit agreements governing the Credit Facility filed as an exhibit to our periodic reports for further information related to the calculation thereof. For risks related to our indebtedness and compliance with these covenants, please refer to the risk factor "Restrictive covenants in our debt agreements could limit our financial and operating flexibility" set forth in Part I, Item 1A of this annual report.

### **Bank borrowings**

Available credit lines with banks as of December 31, 2025 totaled \$3.44 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. We may guarantee subsidiary borrowings under these lines. As of December 31, 2025, we were in compliance with all debt covenants under these credit lines.

**Variable denomination floating rate demand notes**

We closed the variable denomination floating rate demand notes program effective September 15, 2025. This program had allowed us to obtain funding from the sale of variable denomination floating rate demand notes, which could be redeemed at any time at the option of the holder without any material restriction. We did not hold reserves to fund the payment of the demand notes. The notes were offered on a continuous basis. The maximum amount of variable denomination floating rate demand notes that we may have had outstanding at any time was limited to \$1.25 billion. All outstanding notes were redeemed effective September 15, 2025.

**Notes receivable from/payable to Caterpillar**

Under our variable amount and term lending agreements and other notes receivable with Caterpillar, we may borrow up to \$3.52 billion from Caterpillar and Caterpillar may borrow up to \$2.29 billion from us. Most variable amount lending agreements are in effect for indefinite periods of time and may be changed or terminated by either party with 30 days notice. The term lending agreements have remaining maturities ranging up to nine years.

**MATERIAL CASH REQUIREMENTS FROM CONTRACTUAL OBLIGATIONS**

We believe our balances of cash and cash equivalents of \$533 million as of December 31, 2025, along with cash generated by ongoing operations and continued access to debt markets, will be sufficient to satisfy our cash requirements over the next 12 months and beyond.

We have committed cash outflow related to short-term borrowings and long-term debt. See Notes 5 and 6, respectively, of Notes to Consolidated Financial Statements.

We also have contractual obligations to suppliers and service providers that are primarily for capital expenditures, software user licenses, extended technical support, and data processing services. These obligations total \$60 million with \$44 million due in the next 12 months.

**CASH FLOWS**

Net cash provided by operating activities was \$837 million in 2025, compared with \$1.20 billion in 2024. Net cash used for investing activities was \$3.64 billion in 2025, compared with \$2.51 billion in 2024. The change was primarily due to portfolio-related activity. Net cash provided by financing activities was \$2.72 billion in 2025, compared with \$1.19 billion in 2024. The change was primarily due to increased borrowings from Caterpillar and external sources.

**OFF-BALANCE SHEET ARRANGEMENTS**

We are a party to certain off-balance sheet arrangements, primarily in the form of guarantees. Please refer to Note 9 of Notes to Consolidated Financial Statements for further information.

**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. In 2025, we received \$71 million of cash proceeds from the sale of such assets. We typically maintain servicing responsibilities for these assets.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses. Changes in these estimates and assumptions could have a significant effect on the financial statements. Our critical accounting estimates, which require management assumptions and complex judgments, are summarized below. We review our critical accounting estimates and assumptions with the Audit Committee of the Caterpillar Inc. Board of Directors.

**Residual values for leased assets**

We determine the residual value of leased equipment based on its estimated end-of-term market value. We estimate the residual value of leased equipment at the inception of the lease based on a number of factors, including historical wholesale market sales prices, past remarketing experience and any known significant market/product trends. We also consider the following critical factors in our residual value estimates: lease term, market size and demand, total expected hours of usage, machine configuration, application, location, model changes, quantities, third-party residual guarantees and contractual customer purchase options.

Upon termination of the lease, the equipment is either purchased by the lessee or sold to a third-party, in which case we may record a gain or a loss for the difference between the estimated residual value and the sale proceeds.

During the term of our leases, we monitor residual values. For operating leases, we record adjustments to depreciation expense reflecting changes in residual value estimates prospectively on a straight-line basis. For finance leases, we recognize residual value adjustments through a reduction of finance revenue over the remaining lease term.

We evaluate the carrying value of equipment on operating leases for potential impairment when we determine a triggering event has occurred. When a triggering event occurs, we perform a test for recoverability by comparing projected undiscounted future cash flows to the carrying value of the equipment on operating leases. If the test for recoverability identifies a possible impairment, we measure the fair value of the equipment on operating leases in accordance with the fair value measurement framework. We recognize an impairment charge for the amount by which the carrying value of the equipment on operating leases exceeds its estimated fair value.

At December 31, 2025, the aggregate residual value of Equipment on operating leases was \$1.57 billion. Without consideration of other factors such as third-party residual guarantees or contractual customer purchase options, a 10 percent non-temporary decrease in the market value of our equipment subject to operating leases would reduce residual value estimates and result in the recognition of approximately \$65 million of additional annual depreciation expense.

**Allowance for credit losses**

The allowance for credit losses is management's estimate of expected losses over the life of our finance receivables portfolio calculated using loss forecast models that take into consideration historical credit loss experience, current economic conditions and forecasts and scenarios that capture country and industry-specific economic factors. In addition, we consider qualitative factors not able to be fully captured in our loss forecast models, including borrower-specific and company-specific factors. These qualitative factors are subjective and require a degree of management judgment.

We measure the allowance for credit losses on a collective (pool) basis when similar risk characteristics exist and on an individual basis when we determine that similar risk characteristics do not exist. We identify finance receivables for individual evaluation based on past due status and information available about the customer, such as financial statements, news reports and published credit ratings, as well as general information regarding industry trends and the economic environment in which our customers operate. The allowance for credit losses attributable to finance receivables that are individually evaluated is primarily based on the fair value of the collateral for collateral-dependent receivables. In determining collateral value, we estimate the current fair market value of the collateral less selling costs. We also consider credit enhancements such as additional collateral and contractual third-party guarantees.

While management believes it has exercised prudent judgment and applied reasonable assumptions, there can be no assurance that in the future, changes in economic conditions or other factors would not cause changes in the financial health of our customers. If the financial health of our customers deteriorates, the timing and level of payments received could be impacted and therefore, could result in a change to our estimated losses. Holding other variables constant, a 10 percent increase in estimated loss given default would result in an \$18 million increase to the allowance for credit losses related to our customer finance receivables as of December 31, 2025. Holding other variables constant, a 10 percent increase in estimated probabilities of default would result in a \$16 million increase to the allowance for credit losses related to our customer finance receivables as of December 31, 2025.

## **Income taxes**

We are subject to the income tax laws of the many jurisdictions in which we operate. These tax laws are complex, and the manner in which they apply to our facts is sometimes open to interpretation. In establishing the provision for income taxes, we must make judgments about the application of these inherently complex tax laws. Our income tax positions and analysis are based on currently enacted tax law. Future changes in tax law or related interpretations could significantly impact the provision for income taxes, the amount of taxes payable, and the deferred tax asset and liability balances. Changes in tax law are reflected in the period of enactment with related interpretations considered in the period received.

Despite our belief that our tax return positions are consistent with applicable tax laws, we believe that taxing authorities could challenge certain positions. Settlement of any challenge can result in no change, a complete disallowance, or some partial adjustment reached through negotiations or litigation. We record tax benefits for uncertain tax positions based upon management's evaluation of the information available at the reporting date. To be recognized in the financial statements, a tax benefit must be at least more likely than not of being sustained based on technical merits. The benefit for positions meeting the recognition threshold is measured as the largest benefit more likely than not of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. Significant judgment is required in making these determinations and adjustments to unrecognized tax benefits may be necessary to reflect actual taxes payable upon settlement. Adjustments related to positions impacting the effective tax rate affect the provision for income taxes. Adjustments related to positions impacting the timing of deductions impact deferred tax assets and liabilities.

Deferred tax assets generally represent tax benefits for tax deductions or credits available in future tax returns. Certain estimates and assumptions are required to determine whether it is more likely than not that all or some portion of the benefit of a deferred tax asset will not be realized. In making this assessment, management analyzes the trend of U.S. GAAP earnings and estimates the impact of future taxable income, reversing temporary differences and available prudent and feasible tax planning strategies. Should a change in facts or circumstances lead to a change in judgment about the ultimate realizability of a deferred tax asset, we record or adjust the related valuation allowance in the period that the change in facts and circumstances occurs, along with a corresponding increase or decrease in the provision for income taxes.

Income taxes are based on the statutory tax rate of the jurisdiction in which earnings are subject to taxation. That statutory rate may differ from the statutory rate of the jurisdiction in which that entity is incorporated. Taxes are paid in the jurisdictions where earnings are subject to taxation.

Additional information related to income taxes is included in Note 10 in Notes to Consolidated Financial Statements.

## **Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

Our earnings and cash flows are subject to fluctuations due to changes in foreign currency exchange rates and interest rates. Our Risk Management 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.

### **Interest rate risk**

Interest rate movements create a degree of risk by affecting the amount of interest receipts and payments on our finance receivables and debt portfolios. Our practice is to use interest rate contracts 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 and duration) of our debt portfolio with the interest rate profile of our finance 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 finance 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.

In order to properly manage sensitivity to changes in interest rates, we measure the potential impact of different interest rate assumptions on pre-tax earnings. All on-balance sheet positions, including derivative financial instruments, are included in the analysis. The primary assumptions included in the analysis are that there are no new fixed-rate assets or liabilities, the proportion of fixed-rate debt to fixed-rate assets remains unchanged and the level of floating rate assets and debt remain constant. We estimate a 100 basis point immediate and sustained adverse change in interest rates to have a \$24 million adverse impact on 2025 pre-tax earnings based on these assumptions and the balance sheet analysis as of December 31, 2025. Last year, similar assumptions and calculations yielded a potential \$15 million adverse impact to 2024 pre-tax earnings.

This analysis does not necessarily represent our current outlook of future market interest rate movement, nor does it consider any actions management could undertake in response to changes in interest rates. Accordingly, no assurance can be given that actual results would be consistent with the results of our estimate.

#### **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. As a result of this policy, the potential loss in fair value from such financial instruments from a 10 percent adverse change in the value of the U.S. dollar relative to all other currencies would be largely offset by changes in the values of the underlying hedged exposures. Neither our policy nor the effect of a 10 percent change in the value of the U.S. dollar has changed from that reported at the end of last year.

This analysis does not necessarily represent our current outlook for the U.S. dollar relative to all other currencies, nor does it consider any actions management could undertake in response to changes in the foreign currency markets. Accordingly, no assurance can be given that actual results would be consistent with the results of our estimate.

### **Item 8. Financial Statements and Supplementary Data.**

Information required by Item 8 is included following the Report of Independent Registered Public Accounting Firm.

### **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

### **Item 9A. Controls and Procedures.**

#### **Evaluation of Disclosure Controls and Procedures**

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures, as that term is defined in Rule 13a-15(e) under the Exchange Act, as of the end of the period covered by this annual report. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this annual report.

#### **Management's Report on Internal Control over Financial Reporting**

The management of Cat Financial is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined under Exchange Act Rule 13a-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control - Integrated Framework (2013)*. Based on our assessment, we concluded that, as of December 31, 2025, our internal control over financial reporting was effective based on those criteria.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

**Changes in Internal Control over Financial Reporting**

During the last fiscal quarter, there has been no significant change in the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

**Item 9B. Other Information.**

**Disclosures Required Pursuant to the Securities Exchange Act of 1934**

During the three months ended December 31, 2025, none of the Company’s directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not Applicable.

**PART III**

**Item 14. Principal Accounting Fees and Services.**

Our independent registered public accounting firm is PricewaterhouseCoopers LLP, Nashville, Tennessee, Auditor Firm ID: 238.

As a wholly-owned subsidiary of Caterpillar, our principal accounting fees and services are subject to Caterpillar’s Audit Committee pre-approval as described in its Annual Meeting Proxy Statement, which is available on Caterpillar’s website (www.caterpillar.com), under Investors, Financial Information, Proxy Statement.

Fees for professional services provided by our independent auditor included the following:

(Millions of dollars)	2025	2024
Audit fees <sup>(1)</sup>	\$ 8.0	\$ 7.5
Audit-related fees <sup>(2)</sup>	—	0.5
Tax fees <sup>(3)</sup>	0.1	0.1
All other fees	—	—
Total	\$ 8.1	\$ 8.1

<sup>(1)</sup> “Audit fees” principally includes audit and review of financial statements (including internal control over financial reporting), statutory and subsidiary audits, SEC registration statements, comfort letters and consents.

<sup>(2)</sup> “Audit-related fees” principally includes pre- or post- implementation reviews of processes or systems.

<sup>(3)</sup> “Tax fees” includes fees related to tax compliance, tax advice and tax planning.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules.

The following documents are filed as part of this report.

1 Financial Statements:

- Report of Independent Registered Public Accounting Firm
- Consolidated Statements of Profit
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Financial Position
- Consolidated Statements of Changes in Shareholder's Equity
- Consolidated Statements of Cash Flows
- Notes to Consolidated Financial Statements

2 Financial Statement Schedules:

- All schedules are omitted because the required information is shown in the financial statements or the notes thereto or considered to be immaterial.

3 Exhibits:

3.1 Certificate of Incorporation of the Company, as amended (incorporated by reference from Exhibit 3.1 to the Company's Form 10 for the year ended December 31, 1984)

3.2 [Bylaws of the Company, as amended \(incorporated by reference from Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005\)](#)

4.1 Indenture, dated as of April 15, 1985, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference from Exhibit 4.1 to the Company's Registration Statement on Form S-3)

4.2 First Supplemental Indenture, dated as of May 22, 1986, amending the Indenture dated as of April 15, 1985, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference from Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q, for the quarter ended June 20, 1986)

4.3 Second Supplemental Indenture, dated as of March 15, 1987, amending the Indenture dated as of April 15, 1985, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference from Exhibit 4.3 to the Company's Current Report on Form 8-K, dated April 24, 1987)

4.4 Third Supplemental Indenture, dated as of October 2, 1989, amending the Indenture dated as of April 15, 1985, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference from Exhibit 4.3 to the Company's Current Report on Form 8-K, dated October 16, 1989)

4.5 Fourth Supplemental Indenture, dated as of October 1, 1990, amending the Indenture dated April 15, 1985, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference from Exhibit 4.3 to the Company's Current Report on Form 8-K, dated October 29, 1990)

4.6 [Indenture, dated as of March 29, 2023, between the Company and U.S. Bank Trust National Association, as Trustee \(incorporated by reference from Exhibit 4.1 to the Company's Registration Statement on Form S-3 filed on March 29, 2023\)](#)

4.7 Support Agreement, dated as of December 21, 1984, between the Company and Caterpillar (incorporated by reference from Exhibit 10.2 to the Company's amended Form 10, for the year ended December 31, 1984)

4.8 [First Amendment to the Support Agreement dated June 14, 1995, between the Company and Caterpillar \(incorporated by reference from Exhibit 4 to the Company's Current Report on Form 8-K, dated June 15, 1995\)](#)

4.9 [Description of the registrant's Medium-Term Notes, Series K, 4.850% Notes Due 2029 \(incorporated by reference from Exhibit 4.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 2024\)](#)

The registrant hereby undertakes upon request to furnish the Commission with a copy of any instrument with respect to long-term debt where the total amount of securities authorized thereunder does not exceed 10% of the total assets of the registrant and its subsidiaries on a consolidated basis.

10.1 [Amended and Restated Tax Sharing Agreement, dated as of May 31, 2018, between the Company and Caterpillar \(incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018\)](#)

- 10.2 [Credit Agreement \(2025 364-Day Facility\), dated as of August 28, 2025, by and among the Company, Caterpillar Inc., Caterpillar International Finance Designated Activity Company, Caterpillar Finance Kabushiki Kaisha and Caterpillar International Finance Luxembourg S.à r.l., certain financial institutions named therein, Citibank, N.A., as agent, Citibank Europe PLC, UK Branch, as Local Currency Agent, and MUFG Bank, Ltd. as Japan Local Currency Agent \(incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)
- 10.3 [CIF Local Currency Addendum to the Credit Agreement \(2025 364-Day Facility\), dated as of August 28, 2025, by and among the Company, Caterpillar International Finance Designated Activity Company, the Local Currency Banks named therein, Citibank, N.A., as Agent and Citibank Europe plc, UK Branch, as Local Currency Agent \(incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)
- 10.4 [CIF LUX Local Currency Addendum to the Credit Agreement \(2025 364-Day Facility\), dated as of August 28, 2025, by and among the Company, Caterpillar International Finance Luxembourg S.à r.l., the Local Currency Banks named therein, Citibank, N.A., as Agent and Citibank Europe plc, UK Branch, as Local Currency Agent \(incorporated by reference from Exhibit 10.3 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)
- 10.5 [Japan Local Currency Addendum to the Credit Agreement \(2025 364-Day Facility\), dated as of August 28, 2025, by and among the Company, Caterpillar Finance Kabushiki Kaisha, the Japan Local Currency Banks named therein, Citibank, N.A., as Agent and MUFG Bank, Ltd., as Japan Local Currency Agent \(incorporated by reference from Exhibit 10.4 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)
- 10.6 [Fourth Amended and Restated Credit Agreement \(Three-Year Facility\), dated as of August 28, 2025, by and among the Company, Caterpillar Inc., Caterpillar International Finance Designated Activity Company, Caterpillar Finance Kabushiki Kaisha and Caterpillar International Finance Luxembourg S.à r.l., certain financial institutions named therein, Citibank, N.A., as Agent, Citibank Europe plc, UK Branch, as Local Currency Agent, and MUFG Bank, Ltd., as Japan Local Currency Agent \(incorporated by reference from Exhibit 10.5 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)
- 10.7 [CIF Local Currency Addendum to the Fourth Amended and Restated Credit Agreement \(Three-Year Facility\), dated as of August 28, 2025, by and among the Company, Caterpillar International Finance Designated Activity Company, the Local Currency Banks named therein, Citibank, N.A., as Agent and Citibank Europe plc, UK Branch, as Local Currency Agent \(incorporated by reference from Exhibit 10.6 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)
- 10.8 [CIF LUX Local Currency Addendum to the Fourth Amended and Restated Credit Agreement \(Three-Year Facility\), dated as of August 28, 2025, by and among the Company, Caterpillar International Finance Luxembourg S.à r.l., the Local Currency Banks named therein, Citibank, N.A., as Agent and Citibank Europe plc, UK Branch, as Local Currency Agent \(incorporated by reference from Exhibit 10.7 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)
- 10.9 [Japan Local Currency Addendum to the Fourth Amended and Restated Credit Agreement \(Three-Year Facility\), dated as of August 28, 2025, among the Company, Caterpillar Finance Kabushiki Kaisha, the Japan Local Currency Banks named therein, Citibank, N.A., as Agent and MUFG Bank, Ltd., as Japan Local Currency Agent \(incorporated by reference from Exhibit 10.8 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)
- 10.10 [Fourth Amended and Restated Credit Agreement \(Five-Year Facility\), dated as of August 28, 2025, by and among the Company, Caterpillar Inc., Caterpillar International Finance Designated Activity Company, Caterpillar Finance Kabushiki Kaisha and Caterpillar International Finance Luxembourg S.à r.l., certain financial institutions named therein, Citibank, N.A., as Agent, Citibank Europe plc, UK Branch, as Local Currency Agent, and MUFG Bank, Ltd., as Japan Local Currency Agent \(incorporated by reference from Exhibit 10.9 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)
- 10.11 [CIF Local Currency Addendum to the Fourth Amended and Restated Credit Agreement \(Five-Year Facility\), dated as of August 28, 2025, by and among the Company, Caterpillar International Finance Designated Activity Company, the Local Currency Banks named therein, Citibank, N.A., as Agent and Citibank Europe plc, UK Branch, as Local Currency Agent \(incorporated by reference from Exhibit 10.10 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)
- 10.12 [CIF LUX Local Currency Addendum to the Fourth Amended and Restated Credit Agreement \(Five-Year Facility\), dated as of August 28, 2025, by and among the Company, Caterpillar International Finance Luxembourg S.à r.l., the Local Currency Banks named therein, Citibank, N.A., as Agent and Citibank Europe plc, UK Branch, as Local Currency Agent \(incorporated by reference from Exhibit 10.11 to the Company's Current Report on Form 8-K filed September 3, 2025\)](#)

10.13	<a href="#"><u>Japan Local Currency Addendum to the Fourth Amended and Restated Credit Agreement (Five-Year Facility), dated as of August 28, 2025, by and among the Company, Caterpillar Finance Kabushiki Kaisha, the Japan Local Currency Banks named therein, Citibank, N.A., as Agent and MUFG Bank, Ltd., as Japan Local Currency Agent (incorporated by reference from Exhibit 10.12 to the Company's Current Report on Form 8-K filed September 3, 2025)</u></a>
23	<a href="#"><u>Consent of Independent Registered Public Accounting Firm</u></a>
31.1	<a href="#"><u>Certification of President, Director and Chief Executive Officer of Caterpillar Financial Services Corporation, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
31.2	<a href="#"><u>Certification of 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</u></a>
32	<a href="#"><u>Certification of President, Director and Chief Executive Officer of Caterpillar Financial Services Corporation, and 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</u></a>
97.1	<a href="#"><u>Caterpillar Inc. Incentive Compensation Clawback Policy, as adopted by the Company effective October 2, 2023 (Pursuant to NYSE Rule 303A.14)</u></a>
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive File (embedded within the Inline XBRL document and included in Exhibit 101)

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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**

February 13, 2026

/s/ James M. Rooney  
James M. Rooney, Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

February 13, 2026	<u>/s/ David T. Walton</u> David T. Walton	President, Director and Chief Executive Officer
February 13, 2026	<u>/s/ Andrew R.J. Bonfield</u> Andrew R.J. Bonfield	Director
February 13, 2026	<u>/s/ Kristen R. Covey</u> Kristen R. Covey	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
February 13, 2026	<u>/s/ Daniel R. Court</u> Daniel R. Court	Controller (Principal Accounting Officer)

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### To the Board of Directors and Shareholder of Caterpillar Financial Services Corporation

#### *Opinions on the Financial Statements and Internal Control over Financial Reporting*

We have audited the accompanying consolidated statements of financial position of Caterpillar Financial Services Corporation and its subsidiaries (the “Company”) as of December 31, 2025 and 2024, and the related consolidated statements of profit, comprehensive income, changes in shareholder’s equity and cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

#### *Basis for Opinions*

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

#### *Definition and Limitations of Internal Control over Financial Reporting*

A company’s internal control over financial reporting is a process designed 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. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Customer Finance Receivables Allowance for Credit Losses*

As described in Notes 1 and 2 to the consolidated financial statements, as of December 31, 2025, the collectively evaluated customer finance receivables allowance for credit losses makes up a significant portion of total customer finance receivable allowance for credit losses of \$273 million. As disclosed by management, the allowance for credit losses is management's estimate of expected credit losses over the life of the customer finance receivables portfolio measured on a collective (pool) basis calculated using loss forecast models utilizing probabilities of default and management's estimated loss given default based on past loss experience adjusted for current economic conditions and reasonable and supportable forecasts and scenarios capturing country and industry-specific economic factors.

The principal considerations for our determination that performing procedures relating to the customer finance receivables allowance for credit losses is a critical audit matter are the significant judgments by management in determining the probabilities of default adjusted for country and industry-specific economic factors utilized in their models; this in turn led to a high degree of auditor judgment, subjectivity and effort in performing audit procedures and evaluating audit evidence related to probabilities of default adjusted for country and industry-specific economic factors, and the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the determination of the allowance for credit losses, including controls relating to management's consideration of probabilities of default and country and industry-specific economic factors. These procedures also included, among others, (i) testing management's process for determining the allowance for credit losses estimate, (ii) testing the data used by management, including underlying customer finance receivable data and country and industry-specific economic factors, and (iii) involving professionals with specialized skill and knowledge to assist in evaluating the appropriateness of the models used in the allowance for credit losses, the reasonableness of probabilities of default assumptions, and the selection of country and industry-specific economic factors.

/s/PricewaterhouseCoopers LLP  
Nashville, Tennessee  
February 13, 2026

We have served as the Company's auditor since 1984.

**Caterpillar Financial Services Corporation**  
**Consolidated Statements of Profit**  
**For the Years Ended December 31,**  
**(Dollars in Millions)**

	2025	2024	2023
<b>Revenues:</b>			
Retail finance	\$ 1,858	\$ 1,689	\$ 1,464
Operating lease	922	936	905
Wholesale finance	694	706	684
Other, net	160	158	195
Total revenues	<u>3,634</u>	<u>3,489</u>	<u>3,248</u>
<b>Expenses:</b>			
Interest	1,388	1,287	1,033
Depreciation on equipment leased to others	699	722	713
General, operating and administrative	666	644	588
Provision for credit losses	106	75	49
Other	28	36	33
Total expenses	<u>2,887</u>	<u>2,764</u>	<u>2,416</u>
Other income (expense)	<u>(13)</u>	<u>(192)</u>	<u>(72)</u>
<b>Profit before income taxes</b>	734	533	760
Provision (benefit) for income taxes	<u>193</u>	<u>(66)</u>	<u>192</u>
<b>Profit of consolidated companies</b>	541	599	568
Less: Profit attributable to noncontrolling interests	<u>1</u>	<u>1</u>	<u>5</u>
<b>Profit attributable to Caterpillar Financial Services Corporation</b>	<u>\$ 540</u>	<u>\$ 598</u>	<u>\$ 563</u>

*See Notes to Consolidated Financial Statements.*

**Caterpillar Financial Services Corporation**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31,**  
**(Dollars in Millions)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Profit of consolidated companies	\$ 541	\$ 599	\$ 568
Other comprehensive income (loss), net of tax (Note 8):			
Foreign currency translation	330	(260)	67
Derivative financial instruments	(34)	6	(3)
Total Other comprehensive income (loss), net of tax	<u>296</u>	<u>(254)</u>	<u>64</u>
<b>Comprehensive income (loss)</b>	<b>837</b>	<b>345</b>	<b>632</b>
Less: Comprehensive income (loss) attributable to noncontrolling interests	<u>3</u>	<u>1</u>	<u>—</u>
<b>Comprehensive income (loss) attributable to Caterpillar Financial Services Corporation</b>	<b>\$ 834</b>	<b>\$ 344</b>	<b>\$ 632</b>

*See Notes to Consolidated Financial Statements.*

**Caterpillar Financial Services Corporation**  
**Consolidated Statements of Financial Position**  
**At December 31,**  
**(Dollars in Millions, except share data)**

	2025	2024
<b>Assets:</b>		
Cash and cash equivalents	\$ 533	\$ 599
Finance receivables, net of allowance for credit losses of \$284 and \$267	32,815	28,964
Notes receivable from Caterpillar	663	559
Equipment on operating leases, net	2,927	2,780
Other assets	1,375	1,182
<b>Total assets</b>	<b>\$ 38,313</b>	<b>\$ 34,084</b>
<b>Liabilities and shareholder's equity:</b>		
Payable to dealers and others	\$ 106	\$ 137
Payable to Caterpillar – borrowings and other	1,172	128
Accrued expenses	553	489
Short-term borrowings	5,514	4,393
Current maturities of long-term debt	7,085	6,619
Long-term debt	20,018	18,787
Other liabilities	638	641
<b>Total liabilities</b>	<b>35,086</b>	<b>31,194</b>
Commitments and contingent liabilities (Note 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	3,352	3,300
Accumulated other comprehensive income (loss)	(938)	(1,232)
Noncontrolling interests	66	75
<b>Total shareholder's equity</b>	<b>3,227</b>	<b>2,890</b>
<b>Total liabilities and shareholder's equity</b>	<b>\$ 38,313</b>	<b>\$ 34,084</b>

See Notes to Consolidated Financial Statements.

**Caterpillar Financial Services Corporation**  
**Consolidated Statements of Changes in Shareholder's Equity**  
**For the Years Ended December 31,**  
**(Dollars in Millions)**

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Noncontrolling interests	Total
<b>Balance at December 31, 2022</b>	\$ 745	\$ 2	\$ 3,109	\$ (1,047)	\$ 154	\$ 2,963
Profit of consolidated companies			563		5	568
Dividend paid to Caterpillar			(345)		(80)	(425)
Foreign currency translation, net of tax				72	(5)	67
Derivative financial instruments, net of tax				(3)		(3)
<b>Balance at December 31, 2023</b>	\$ 745	\$ 2	\$ 3,327	\$ (978)	\$ 74	\$ 3,170
Profit of consolidated companies			598		1	599
Dividend paid to Caterpillar			(625)			(625)
Foreign currency translation, net of tax				(260)		(260)
Derivative financial instruments, net of tax				6		6
<b>Balance at December 31, 2024</b>	\$ 745	\$ 2	\$ 3,300	\$ (1,232)	\$ 75	\$ 2,890
Profit of consolidated companies			540		1	541
Dividend paid to Caterpillar			(488)		(12)	(500)
Foreign currency translation, net of tax				328	2	330
Derivative financial instruments, net of tax				(34)		(34)
<b>Balance at December 31, 2025</b>	\$ 745	\$ 2	\$ 3,352	\$ (938)	\$ 66	\$ 3,227

*See Notes to Consolidated Financial Statements.*

**Caterpillar Financial Services Corporation**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31,**  
**(Dollars in Millions)**

	2025	2024	2023
<b>Cash flows from operating activities:</b>			
Profit of consolidated companies	\$ 541	\$ 599	\$ 568
Adjustments to reconcile profit to net cash provided by operating activities:			
Depreciation and amortization	717	738	728
Accretion of Caterpillar purchased receivable revenue	(611)	(625)	(617)
Provision for credit losses	106	75	49
Provision (benefit) for deferred income taxes	69	(284)	(7)
Loss on divestiture	—	210	—
Other, net	44	197	(25)
Changes in assets and liabilities:			
Other assets	77	195	112
Payable to dealers and others	(3)	(42)	29
Accrued expenses	(21)	54	77
Other payables with Caterpillar	24	14	12
Other liabilities	(106)	68	(122)
Net cash provided by operating activities	<u>837</u>	<u>1,199</u>	<u>804</u>
<b>Cash flows from investing activities:</b>			
Expenditures for equipment on operating leases	(1,247)	(1,045)	(1,277)
Other capital expenditures	(94)	(40)	(20)
Proceeds from disposals of equipment	619	629	668
Additions to finance receivables	(18,046)	(16,833)	(17,250)
Collections of finance receivables	15,738	14,706	15,613
Net changes in Caterpillar purchased receivables	(529)	129	1,080
Proceeds from sale of business, net of cash sold	—	(153)	—
Proceeds from sales of receivables	71	83	63
Net change in variable lending to Caterpillar	(49)	(31)	(77)
Additions to notes receivable from Caterpillar	(113)	(59)	(19)
Collections of notes receivable from Caterpillar	62	56	52
Settlements of undesignated derivatives	(56)	47	(10)
Net cash provided by (used for) investing activities	<u>(3,644)</u>	<u>(2,511)</u>	<u>(1,177)</u>
<b>Cash flows from financing activities:</b>			
Net change in variable lending from Caterpillar	14	(14)	1
Proceeds from borrowings with Caterpillar	1,000	—	—
Proceeds from debt issued (original maturities greater than three months)	9,129	10,283	8,277
Payments on debt issued (original maturities greater than three months)	(8,030)	(8,284)	(6,232)
Short-term borrowings, net (original maturities three months or less)	1,106	(168)	(1,342)
Dividend paid to Caterpillar	(500)	(625)	(425)
Net cash provided by (used for) financing activities	<u>2,719</u>	<u>1,192</u>	<u>279</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	24	(9)	(47)
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(64)</b>	<b>(129)</b>	<b>(141)</b>
Cash, cash equivalents and restricted cash at beginning of year <sup>(1)</sup>	600	729	870
Cash, cash equivalents and restricted cash at end of year <sup>(1)</sup>	<u>\$ 536</u>	<u>\$ 600</u>	<u>\$ 729</u>
Cash paid for interest	\$ 1,361	\$ 1,235	\$ 960

Cash equivalents primarily represent short-term, highly liquid investments with original maturities of generally three months or less.

<sup>(1)</sup> As of December 31, 2025, 2024 and 2023, restricted cash, which is included in Other assets in the Consolidated Statements of Financial Position, was \$3 million, \$1 million and \$2 million, respectively. Restricted cash primarily includes cash related to syndication activities.

See Notes to Consolidated Financial Statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **A. Nature of Operations**

Caterpillar Financial Services Corporation was organized in 1981 in the State of Delaware (together with its subsidiaries, “Cat Financial,” “the Company,” “we” or “our”). We are a wholly-owned finance subsidiary of Caterpillar Inc. (together with its other subsidiaries, “Caterpillar” or “Cat”), and our corporate headquarters is located in Nashville, Tennessee. A significant portion of our business activity is conducted in North America, and we have additional offices and subsidiaries in Latin America, Asia/Pacific, Europe and Africa.

We provide retail and wholesale financing alternatives to customers and dealers around the world for Caterpillar products and services, as well as financing for power generation facilities that incorporate Caterpillar products. The various financing plans we offer are designed to support sales of Caterpillar products and services and generate financing income for Cat Financial. Retail financing is primarily comprised of installment sale contracts and other equipment-related loans, working capital loans, finance leases, operating leases and revolving charge accounts. Wholesale financing to Caterpillar dealers consists primarily of inventory and rental fleet financing. In addition, we purchase short-term wholesale trade receivables from Caterpillar.

#### **B. Basis of Presentation**

The accompanying consolidated financial statements include the accounts of Cat Financial and a consolidated variable interest entity (VIE). We consolidate all VIEs where we are the primary beneficiary. For VIEs, we assess whether we are the primary beneficiary as prescribed by the accounting guidance on the consolidation of VIEs. Please refer to Note 9 for more information.

We have customers and dealers that are VIEs of which we are not the primary beneficiary. Our maximum exposure to loss from our involvement with these VIEs is limited to the credit risk inherently present in the financial support that we have provided. Credit risk was evaluated and reflected in our financial statements as part of our overall portfolio of finance receivables and related allowance for credit losses.

#### **C. Finance Receivables**

Finance receivables are generally classified as held for investment and recorded at amortized cost given that we have the intent and ability to hold them for the foreseeable future. Amortized cost is the principal balance outstanding plus accrued interest less write-downs, net of unamortized purchase discounts and deferred fees and costs.

#### **D. Revenue Recognition**

We record finance revenue over the life of the related finance receivables using the interest method, including the accretion of purchased receivables discount and related fee revenue, upfront fees and certain direct origination costs that are deferred. Operating lease revenue is recorded on a straight-line basis over the term of the lease.

We suspend recognition of finance revenue and operating lease revenue and place an account on non-accrual status when management determines that collection of future income is not probable (generally after 120 days past due). We resume recognition of revenue, and recognize previously suspended income, when we consider collection of remaining amounts to be probable.

Payments received while a finance receivable is on non-accrual status are applied to interest and principal in accordance with the contractual terms. We write off interest earned but uncollected prior to the receivables being placed on non-accrual status through Provision for credit losses when, in the judgment of management, we consider it to be uncollectible.

We participate in certain marketing programs offered in conjunction with Caterpillar and/or Caterpillar dealers that allow us to periodically offer financing to customers at interest rates that are below market rates. Under these marketing programs, Caterpillar and/or the dealer funds an amount at the outset of the transaction, which we then recognize as finance revenue over the term of the financing. The funds we receive from Caterpillar and/or the dealer equal an amount that when combined with the customer’s contractual interest provides us with a market interest rate.

Other revenue includes: (1) late charges, (2) fee revenue, primarily commitment fees, (3) gains and losses on sales of returned or repossessed equipment, (4) impairments on returned or repossessed equipment held for sale, (5) gains and losses on loan and lease sales and (6) other miscellaneous revenues. Other revenue items are recognized in accordance with relevant authoritative pronouncements.

#### **E. Equipment on Operating Leases**

We typically pay property taxes on operating leases directly to the taxing authorities and invoice the lessee for reimbursement. These property tax reimbursements are accounted for as variable lease payments and are included in Operating lease revenues in the Consolidated Statements of Profit. We individually assess our operating lease receivables for impairment. If collectability of a recorded operating lease receivable is not considered probable, we recognize a current-period adjustment against operating lease revenue.

#### **F. Depreciation**

We recognize depreciation for equipment on operating leases using the straight-line method over the lease term, typically one to seven years. The depreciable basis is the original cost of the equipment less the estimated residual value of the equipment at the end of the lease term.

#### **G. Residual Values**

The residual values for operating leases are included in Equipment on operating leases, net in the Consolidated Statements of Financial Position. The residual values for finance leases are included in Finance receivables, net in the Consolidated Statements of Financial Position.

During the term of our leases, we monitor residual values. For operating leases, we record adjustments to depreciation expense reflecting changes in residual value estimates prospectively on a straight-line basis. For finance leases, we recognize residual value adjustments through a reduction of finance revenue over the remaining lease term.

We evaluate the carrying value of equipment on operating leases for potential impairment when we determine a triggering event has occurred. When a triggering event occurs, we perform a test for recoverability by comparing projected undiscounted future cash flows to the carrying value of the equipment on operating leases. If the test for recoverability identifies a possible impairment, we measure the fair value of the equipment on operating leases in accordance with the fair value measurement framework. We recognize an impairment charge for the amount by which the carrying value of the equipment on operating leases exceeds its estimated fair value.

#### **H. Derivative Financial Instruments**

Our earnings and cash flows are subject to fluctuations due to changes in foreign currency exchange rates and interest rates. Our Risk Management 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. The derivatives that we use are primarily foreign currency forward, option and cross currency contracts and interest rate contracts. All derivatives are recorded at fair value. See Note 7 for additional information.

#### **I. Allowance for Credit Losses**

The allowance for credit losses is management's estimate of expected losses over the life of our finance receivables portfolio calculated using loss forecast models that take into consideration historical credit loss experience, current economic conditions and forecasts and scenarios that capture country and industry-specific economic factors. In addition, we consider qualitative factors not able to be fully captured in our loss forecast models, including borrower-specific and company-specific factors. These qualitative factors are subjective and require a degree of management judgment.

We measure the allowance for credit losses on a collective (pool) basis when similar risk characteristics exist and on an individual basis when we determine that similar risk characteristics do not exist. We identify finance receivables for individual evaluation based on past-due status and information available about the customer, such as financial statements, news reports and published credit ratings, as well as general information regarding industry trends and the economic environment in which our customers operate. The allowance for credit losses attributable to finance receivables that are individually evaluated is primarily based on the fair value of the collateral for collateral-dependent receivables. In determining collateral value, we estimate the current fair market value of the collateral less selling costs. We also consider credit enhancements such as additional collateral and contractual third-party guarantees. See Note 2 for a description of our portfolio segments and allowance methodologies.

Receivable balances, including accrued interest, are written off against the allowance for credit losses when, in the judgment of management, they are considered uncollectible (generally upon repossession of the collateral). The amount of the write-off is primarily determined by comparing the fair value of the collateral, less selling costs, to the amortized cost of the receivable. Subsequent recoveries, if any, are credited to the allowance for credit losses when received.

## **J. Income Taxes**

We determine the provision for income taxes using the asset and liability approach taking into account guidance related to uncertain tax positions. Tax laws require items to be included in tax filings at different times than the items are reflected in the financial statements. We recognize a current liability for the estimated taxes payable for the current year. Deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. We adjust deferred taxes for enacted changes in tax rates and tax laws. We record valuation allowances to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. See Note 10 for further discussion.

We join Caterpillar in the filing of a consolidated U.S. Federal income tax return and certain state income tax returns. In accordance with our tax sharing agreement with Caterpillar, we generally pay to or receive from Caterpillar our allocated share of income taxes or credits reflected in these consolidated filings. This amount is calculated on a separate return basis by taking taxable income times the applicable statutory tax rate and includes payment for certain tax attributes earned during the year.

## **K. Foreign Currency Translation**

The functional currency for most of our subsidiaries is the respective local currency. We include gains and losses resulting from the remeasurement of foreign currency amounts to the functional currency in Other income (expense) in the Consolidated Statements of Profit. We include gains and losses resulting from translating assets and liabilities from the functional currency to U.S. dollars in Accumulated other comprehensive income (loss) in the Consolidated Statements of Financial Position.

## **L. Estimates in Financial Statements**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts. Significant estimates include residual values for leased assets, allowance for credit losses and income taxes. Actual results may differ from these estimates.

## **M. New Accounting Pronouncements**

### **Adoption of New Accounting Standards**

**Income tax reporting (ASU 2023-09)** - In December 2023, the Financial Accounting Standards Board (FASB) issued accounting guidance to expand the annual disclosure requirements for income taxes, primarily related to the rate reconciliation and income taxes paid. The expanded disclosures were effective for the year ending December 31, 2025, and are being applied prospectively. See Note 10, Income taxes, for additional information.

All other ASUs effective January 1, 2025, were assessed and determined that they were either not applicable or did not have a material impact on our financial statements.

## Accounting Standards Issued But Not Yet Adopted

**Disaggregation of income statement expenses (ASU 2024-03)** - In November 2024, the FASB issued accounting guidance to enhance transparency into the nature and function of income statement expenses. The amendments require that, on an annual and interim basis, entities disclose disaggregated operating expense information about specific categories, including employee compensation, depreciation and amortization. The expanded annual disclosures are effective for our year ending December 31, 2027, and the expanded interim disclosures are effective in 2028, with early adoption permitted. We are in the process of evaluating the effect of this new guidance on the related disclosures.

**Internal-use software costs (ASU 2025-06)** - In September 2025, the FASB issued accounting guidance to modernize the accounting for internal-use software costs. Under this guidance, capitalization for internal-use software costs begins when management has authorized and committed to funding the project and it is probable the project will be completed, and the software will be used to perform the intended function. This guidance is effective January 1, 2028, with early adoption permitted, and can be applied on a prospective basis, a modified basis for in-process projects, or a retrospective basis. We are in the process of evaluating the effect of this new guidance on our financial statements.

All other ASUs issued but not yet adopted were assessed and determined that they were either not applicable or were not expected to have a material impact on our financial statements.

## NOTE 2 – FINANCE RECEIVABLES

A summary of finance receivables included in the Consolidated Statements of Financial Position as of December 31, was as follows:

(Millions of dollars)	2025	2024
Retail loans <sup>(1)</sup>	\$ 19,218	\$ 17,331
Retail finance leases	6,870	6,380
Caterpillar purchased receivables	5,500	4,283
Wholesale loans <sup>(1)</sup>	1,511	1,235
Wholesale leases	—	2
Total finance receivables	33,099	29,231
Less: Allowance for credit losses	(284)	(267)
Total finance receivables, net	\$ 32,815	\$ 28,964

<sup>(1)</sup> Includes failed sale leasebacks.

Maturities of our finance receivables, as of December 31, 2025, reflect contractual repayments due from borrowers and were as follows:

(Millions of dollars)	Retail loans	Retail finance leases	Caterpillar purchased receivables	Wholesale loans	Total
Amounts due in					
2026	\$ 8,600	\$ 2,661	\$ 5,538	\$ 900	\$ 17,699
2027	5,138	1,839	—	351	7,328
2028	3,414	1,134	—	166	4,714
2029	1,833	622	—	36	2,491
2030	712	248	—	14	974
Thereafter	152	74	—	14	240
Total	19,849	6,578	5,538	1,481	33,446
Guaranteed residual value <sup>(1)</sup>	7	454	—	39	500
Unguaranteed residual value <sup>(1)</sup>	8	565	—	9	582
Unearned income	(646)	(727)	(38)	(18)	(1,429)
Total	\$ 19,218	\$ 6,870	\$ 5,500	\$ 1,511	\$ 33,099

<sup>(1)</sup> For Retail loans and Wholesale loans, represents residual value on failed sale leasebacks.

Our finance receivables generally may be repaid or refinanced without penalty prior to contractual maturity and we also sell finance receivables to third parties to mitigate the concentration of credit risk with certain customers.

#### **Finance leases**

Leases classified as sales-type or direct financing are reported as finance leases. Revenues from finance leases were \$470 million, \$437 million and \$419 million for the years ended December 31, 2025, 2024, and 2023, respectively, and are included in retail and wholesale finance revenues in the Consolidated Statements of Profit.

#### **Allowance for credit losses**

#### **Portfolio segments**

A portfolio segment is the level at which we develop a systematic methodology for determining our allowance for credit losses. Our portfolio segments and related methods for estimating expected credit losses are as follows:

#### **Customer**

We provide loans and finance leases to end-user customers primarily for the purpose of financing new and used Caterpillar machinery, engines and equipment for commercial use. We also provide financing for power generation facilities that incorporate Caterpillar products. The average original term of our customer finance receivables portfolio was approximately 51 months with an average remaining term of approximately 28 months as of December 31, 2025.

We typically maintain a security interest in financed equipment and generally require physical damage insurance coverage on the financed equipment, both of which provide us with certain rights and protections. If our collection efforts fail to bring a defaulted account current, we generally can repossess the financed equipment, after satisfying local legal requirements, and sell it within the Caterpillar dealer network or through third-party auctions.

We estimate the allowance for credit losses related to our customer finance receivables based on loss forecast models utilizing probabilities of default and our estimated loss given default based on past loss experience adjusted for current conditions and reasonable and supportable forecasts capturing country and industry-specific economic factors.

During the year ended December 31, 2025, our forecasts reflected a continuation of global market uncertainty and actions by global central banks aimed at balancing economic growth and managing inflation. We believe the economic forecasts employed represent reasonable and supportable forecasts, followed by a reversion to long-term trends.

#### **Dealer**

We provide financing to Caterpillar dealers on a secured and unsecured basis in the form of wholesale financing plans and retail loans. Our wholesale financing plans provide financing to dealers for their new Caterpillar equipment inventory and rental fleets. The retail loans to dealers are primarily for working capital.

We estimate the allowance for credit losses for dealer finance receivables based on historical loss rates with consideration of current economic conditions and reasonable and supportable forecasts.

In general, our Dealer portfolio segment has not historically experienced large increases or decreases in credit losses based on changes in economic conditions due to our close working relationships with the dealers and their financial strength. Therefore, we made no adjustments to historical loss rates during the year ended December 31, 2025.

#### **Caterpillar Purchased Receivables**

We purchase receivables from Caterpillar, primarily related to the sale of equipment and parts to dealers. Caterpillar purchased receivables are non-interest-bearing short-term trade receivables that are purchased at a discount.

We estimate the allowance for credit losses for Caterpillar purchased receivables based on historical loss rates with consideration of current economic conditions and reasonable and supportable forecasts.

In general, our Caterpillar Purchased Receivables portfolio segment has not historically experienced large increases or decreases in credit losses based on changes in economic conditions due to the short-term maturities of the receivables, our close working relationships with the dealers and their financial strength. Therefore, we made no adjustments to historical loss rates during the year ended December 31, 2025.

### Classes of finance receivables

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. Our classes, which align with management reporting for credit losses, are as follows:

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

An analysis of the allowance for credit losses as of December 31, was as follows:

(Millions of dollars)	2025				2024			
	Customer	Dealer	Caterpillar Purchased Receivables	Total	Customer	Dealer	Caterpillar Purchased Receivables	Total
<b>Allowance for Credit Losses:</b>								
Beginning Balance	\$ 258	\$ 4	\$ 5	\$ 267	\$ 276	\$ 51	\$ 4	\$ 331
Write-offs	(148)	—	—	(148)	(125)	(47)	—	(172)
Recoveries	47	—	—	47	57	—	—	57
Provision for credit losses <sup>(1)</sup>	109	—	2	111	84	—	1	85
Other	7	—	—	7	(34)	—	—	(34)
Ending Balance	\$ 273	\$ 4	\$ 7	\$ 284	\$ 258	\$ 4	\$ 5	\$ 267
Finance Receivables	\$ 24,572	\$ 3,027	\$ 5,500	\$ 33,099	\$ 22,199	\$ 2,749	\$ 4,283	\$ 29,231

<sup>(1)</sup> Excludes provision for credit losses on unfunded commitments and other miscellaneous receivables.

Gross write-offs by origination year for our Customer portfolio segment were as follows:

(Millions of dollars)	Year Ended December 31, 2025							Revolving Finance Receivables	Total
	2025	2024	2023	2022	2021	Prior			
North America	\$ 3	\$ 15	\$ 27	\$ 12	\$ 8	\$ 4	\$ 8	\$ 77	
EAME	1	5	7	3	2	1	1	20	
Asia/Pacific	2	6	3	2	1	—	—	14	
Latin America	1	3	3	5	2	1	—	15	
Mining	—	8	6	6	—	1	—	21	
Power	—	—	—	—	—	1	—	1	
Total	\$ 7	\$ 37	\$ 46	\$ 28	\$ 13	\$ 8	\$ 9	\$ 148	

(Millions of dollars)	Year Ended December 31, 2024							Revolving Finance Receivables	Total
	2024	2023	2022	2021	2020	Prior			
North America	\$ 2	\$ 19	\$ 13	\$ 6	\$ 3	\$ 1	\$ 9	\$ 53	
EAME	1	4	5	4	2	1	—	17	
Asia/Pacific	1	4	5	4	1	1	—	16	
Latin America	—	3	6	5	3	8	—	25	
Mining	8	3	3	—	—	—	—	14	
Total	\$ 12	\$ 33	\$ 32	\$ 19	\$ 9	\$ 11	\$ 9	\$ 125	

All \$47 million of gross write-offs in the Dealer portfolio segment for the year ended December 31, 2024 were in Latin America and originated prior to 2020.

**Credit quality of finance receivables**

At origination, we evaluate credit risk based on a variety of credit quality factors including prior payment experience, customer financial information, credit ratings, loan-to-value ratios, probabilities of default, industry trends, macroeconomic factors and other internal metrics. On an ongoing basis, we monitor credit quality based on past-due status as there is a meaningful correlation between the past-due status of customers and the risk of loss. In determining past-due status, we consider the entire finance receivable past due when any installment is over 30 days past due.

## Customer

The aging analysis of our Customer portfolio segment by origination year was as follows:

(Millions of dollars)	December 31, 2025							Revolving Finance Receivables	Total Finance Receivables
	2025	2024	2023	2022	2021	Prior			
<b>North America</b>									
Current	\$ 5,531	\$ 3,634	\$ 1,845	\$ 743	\$ 318	\$ 20	\$ 510	\$ 12,601	
31-60 days past due	30	42	28	18	6	1	4	129	
61-90 days past due	11	14	10	5	3	—	2	45	
91+ days past due	11	34	29	20	8	3	1	106	
<b>EAME</b>									
Current	1,560	938	614	316	114	44	—	3,586	
31-60 days past due	5	12	6	6	2	—	—	31	
61-90 days past due	3	5	3	2	1	—	—	14	
91+ days past due	5	9	12	6	3	2	—	37	
<b>Asia/Pacific</b>									
Current	1,175	691	380	137	42	3	50	2,478	
31-60 days past due	5	8	3	1	—	—	—	17	
61-90 days past due	2	3	1	2	—	—	—	8	
91+ days past due	1	1	2	2	—	—	—	6	
<b>Latin America</b>									
Current	984	511	212	96	15	1	4	1,823	
31-60 days past due	3	6	5	3	—	—	—	17	
61-90 days past due	2	2	2	1	—	1	—	8	
91+ days past due	1	10	7	4	1	—	—	23	
<b>Mining</b>									
Current	946	806	495	280	107	51	—	2,685	
31-60 days past due	3	—	—	—	—	—	—	3	
61-90 days past due	—	—	—	—	—	—	—	—	
91+ days past due	1	1	8	—	—	—	—	10	
<b>Power</b>									
Current	272	264	179	37	8	37	148	945	
31-60 days past due	—	—	—	—	—	—	—	—	
61-90 days past due	—	—	—	—	—	—	—	—	
91+ days past due	—	—	—	—	—	—	—	—	
<b>Totals by Aging Category</b>									
Current	10,468	6,844	3,725	1,609	604	156	712	24,118	
31-60 days past due	46	68	42	28	8	1	4	197	
61-90 days past due	18	24	16	10	4	1	2	75	
91+ days past due	19	55	58	32	12	5	1	182	
<b>Total</b>	<b>\$ 10,551</b>	<b>\$ 6,991</b>	<b>\$ 3,841</b>	<b>\$ 1,679</b>	<b>\$ 628</b>	<b>\$ 163</b>	<b>\$ 719</b>	<b>\$ 24,572</b>	

(Millions of dollars)	December 31, 2024							
	2024	2023	2022	2021	2020	Prior	Revolving Finance Receivables	Total Finance Receivables
<b>North America</b>								
Current	\$ 5,340	\$ 3,035	\$ 1,567	\$ 980	\$ 244	\$ 23	\$ 385	\$ 11,574
31-60 days past due	30	42	29	18	5	1	3	128
61-90 days past due	9	14	10	6	2	1	1	43
91+ days past due	13	37	26	16	6	2	1	101
<b>EAME</b>								
Current	1,244	874	532	285	92	72	—	3,099
31-60 days past due	7	10	4	3	1	—	—	25
61-90 days past due	3	4	1	1	1	—	—	10
91+ days past due	3	14	8	6	4	1	—	36
<b>Asia/Pacific</b>								
Current	1,064	662	313	126	31	4	46	2,246
31-60 days past due	4	6	5	2	—	—	—	17
61-90 days past due	1	1	2	1	—	—	—	5
91+ days past due	4	1	2	1	1	—	—	9
<b>Latin America</b>								
Current	800	363	220	60	8	2	—	1,453
31-60 days past due	4	6	5	1	—	2	—	18
61-90 days past due	1	2	1	—	—	—	—	4
91+ days past due	2	6	8	4	1	1	—	22
<b>Mining</b>								
Current	1,067	775	450	214	69	41	21	2,637
31-60 days past due	—	1	—	—	—	—	—	1
61-90 days past due	—	1	—	—	—	—	—	1
91+ days past due	4	5	5	1	—	3	—	18
<b>Power</b>								
Current	190	184	40	43	64	63	166	750
31-60 days past due	—	—	—	—	—	—	—	—
61-90 days past due	—	—	—	—	—	—	—	—
91+ days past due	—	—	—	—	—	2	—	2
<b>Totals by Aging Category</b>								
Current	9,705	5,893	3,122	1,708	508	205	618	21,759
31-60 days past due	45	65	43	24	6	3	3	189
61-90 days past due	14	22	14	8	3	1	1	63
91+ days past due	26	63	49	28	12	9	1	188
<b>Total</b>	<b>\$ 9,790</b>	<b>\$ 6,043</b>	<b>\$ 3,228</b>	<b>\$ 1,768</b>	<b>\$ 529</b>	<b>\$ 218</b>	<b>\$ 623</b>	<b>\$ 22,199</b>

Finance receivables in our Customer portfolio segment are substantially secured by collateral, primarily in the form of Caterpillar and other equipment. For those contracts where the borrower is experiencing financial difficulty, repayment of the outstanding amounts is generally expected to be provided through the operation or repossession and sale of the equipment.

#### Dealer

As of December 31, 2025 and 2024, the total amortized cost of finance receivables within our Dealer portfolio segment was current.

## Caterpillar Purchased Receivables

The aging analysis of our Caterpillar Purchased Receivables portfolio segment as of December 31, was as follows:

(Millions of dollars)	2025				
	Current	31-60 Days Past Due	61-90 Days Past Due	91+ Days Past Due	Total Finance Receivables
	North America	\$ 3,242	\$ 9	\$ 7	\$ 5
EAME	1,189	1	—	—	1,190
Asia/Pacific	646	1	—	—	647
Latin America	387	—	—	—	387
Power	11	2	—	—	13
Total	\$ 5,475	\$ 13	\$ 7	\$ 5	\$ 5,500

(Millions of dollars)	2024				
	Current	31-60 Days Past Due	61-90 Days Past Due	91+ Days Past Due	Total Finance Receivables
	North America	\$ 2,584	\$ 14	\$ 5	\$ 4
EAME	740	3	1	—	744
Asia/Pacific	528	—	—	1	529
Latin America	383	—	—	—	383
Power	16	2	1	1	20
Total	\$ 4,251	\$ 19	\$ 7	\$ 6	\$ 4,283

## Non-accrual finance receivables

In our Customer portfolio segment, finance receivables which were on non-accrual status and finance receivables over 90 days past due and still accruing income as of December 31, were as follows:

(Millions of dollars)	2025		2024	
	Amortized Cost		Amortized Cost	
	Non-accrual	91+ Still Accruing	Non-accrual	91+ Still Accruing
North America	\$ 90	\$ 20	\$ 83	\$ 20
EAME	35	5	33	5
Asia/Pacific	4	2	5	5
Latin America	24	1	24	—
Mining	10	—	29	—
Power	—	—	2	—
Total	\$ 163	\$ 28	\$ 176	\$ 30

There were no finance receivables in our Dealer portfolio segment on non-accrual status as of December 31, 2025 and 2024.

## Modifications

We periodically modify the terms of our finance receivable agreements. Typically, the types of modifications granted are payment deferrals, interest only payment periods and/or term extensions. Many modifications we grant are for commercial reasons or for borrowers experiencing some form of short-term financial stress and may result in insignificant payment delays. We do not consider these borrowers to be experiencing financial difficulty. Modifications for borrowers we do consider to be experiencing financial difficulty typically result in payment deferrals and/or reduced payments for a period of four months or longer, term extensions of six months or longer or a combination of both.

During the years ended December 31, 2025 and 2024, there were no finance receivable modifications granted to borrowers experiencing financial difficulty in the Dealer or Caterpillar Purchased Receivables portfolio segments.

The ending amortized cost of finance receivables modified with borrowers experiencing financial difficulty in the Customer portfolio segment for the years ended December 31, 2025 and 2024 was as follows:

(Millions of dollars)	2025	2024
Amortized cost of finance receivables modified	\$ 38	\$ 33
Modifications as a percentage of Customer portfolio	0.16 %	0.15 %

The financial effects of term extensions and payment delays for borrowers experiencing financial difficulty for the years ended December 31, were as follows:

(In months)	2025	2024
Weighted average extension to term of modified contracts	19	8
Weighted average payment deferral and/or interest only periods	6	6

After we modify a finance receivable, we continue to track its performance under its most recent modified terms. As of December 31, 2025 and 2024, defaults of loans modified in the prior twelve months were not significant.

The effect of most modifications made to finance receivables for borrowers experiencing financial difficulty is already included in the allowance for credit losses based on the methodologies used to estimate the allowance; therefore, a change to the allowance for credit losses is generally not recorded upon modification. On rare occasions when principal forgiveness is provided, the amount forgiven is written off against the allowance for credit losses.

#### Concentration of credit risk

As of December 31, 2025 and 2024, receivables from customers in construction-related industries made up approximately 40 percent of our total portfolio. No single customer or dealer represented a significant concentration of credit risk.

#### NOTE 3 – EQUIPMENT ON OPERATING LEASES

The carrying amount of Equipment on operating leases, net in the Consolidated Statements of Financial Position as of December 31, was as follows:

(Millions of dollars)	2025	2024
Equipment on operating leases, at cost	\$ 4,401	\$ 4,207
Less: Accumulated depreciation	(1,474)	(1,427)
Equipment on operating leases, net	\$ 2,927	\$ 2,780

Our lease agreements may include options for the lessee to purchase the underlying asset at the end of the lease term for either a stated fixed price or fair market value.

At December 31, 2025, rental payments to be received for equipment on operating leases were as follows:

(Millions of dollars)							
2026	2027	2028	2029	2030	Thereafter	Total	
\$ 745	\$ 503	\$ 324	\$ 153	\$ 72	\$ 21	\$	1,818

## **NOTE 4 – CREDIT COMMITMENTS**

### **Revolving credit facilities**

As of December 31, 2025, we had three global credit facilities with a syndicate of banks totaling \$11.50 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 December 31, 2025 was \$8.63 billion. Information on our Credit Facility is as follows:

- In August 2025, we entered into a new 364-day facility. The 364-day facility of \$3.50 billion (of which \$2.63 billion is available to us) expires in August 2026.
- In August 2025, we amended and extended the three-year facility (as amended and restated, the "three-year facility"). The three-year facility of \$3.00 billion (of which \$2.25 billion is available to us) expires in August 2028.
- In August 2025, we amended and extended the five-year facility (as amended and restated, the "five-year facility"). The five-year facility of \$5.00 billion (of which \$3.75 billion is available to us) expires in August 2030.

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 December 31, 2025, there were no borrowings under the Credit Facility, and Caterpillar and we were in compliance with our respective financial covenants under the Credit Facility.

### **Bank borrowings**

Available credit lines with banks as of December 31, 2025 totaled \$3.44 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. We may guarantee subsidiary borrowings under these lines. As of December 31, 2025 and 2024, we had \$771 million and \$687 million, respectively, outstanding against these credit lines and were in compliance with all debt covenants under these credit lines.

### **Notes receivable from/payable to Caterpillar**

Under our variable amount and term lending agreements and other notes receivable with Caterpillar, we may borrow up to \$3.52 billion from Caterpillar and Caterpillar may borrow up to \$2.29 billion from us. Most variable amount lending agreements are in effect for indefinite periods of time and may be changed or terminated by either party with 30 days notice. The term lending agreements have remaining maturities ranging up to nine years. We had notes payable of \$1.02 billion and notes receivable of \$663 million outstanding under these agreements as of December 31, 2025, compared with notes payable of \$10 million and notes receivable of \$559 million as of December 31, 2024.

## **NOTE 5 – SHORT-TERM BORROWINGS**

Short-term borrowings outstanding as of December 31, were comprised of the following:

(Millions of dollars)	2025		2024	
	Balance	Weighted Avg. Rate	Balance	Weighted Avg. Rate
Commercial paper, net	\$ 5,408	3.8%	\$ 3,946	4.5%
Bank borrowings and other	106	10.1%	165	10.8%
Variable denomination floating rate demand notes	—	—%	282	4.2%
Total	\$ 5,514		\$ 4,393	

We closed the variable denomination floating rate demand notes program effective September 15, 2025.

**NOTE 6 – LONG-TERM DEBT**

During 2025, we issued \$8.67 billion of medium-term notes, of which \$5.75 billion were at fixed interest rates and \$2.92 billion were floating interest rates. At December 31, 2025, the outstanding medium-term notes had remaining maturities ranging up to five years. Debt issuance costs are capitalized and amortized to Interest expense using the effective yield method over the term of the debt issuance. Medium-term notes, net contain fair value adjustments for debt in a fair value hedge relationship.

Long-term debt outstanding as of December 31, was comprised of the following:

(Millions of dollars)	2025		2024	
	Balance	Weighted Avg. Rate	Balance	Weighted Avg. Rate
Medium-term notes	\$ 26,424	3.8%	\$ 24,940	3.9%
Unamortized discount and debt issuance costs	(41)		(42)	
Fair value adjustments	54		(16)	
Medium-term notes, net	26,437		24,882	
Bank borrowings and other	666	10.7%	524	9.6%
Total	\$ 27,103		\$ 25,406	

Maturities of Long-term debt outstanding (excluding fair value adjustments) as of December 31, 2025, in each of the next five years, are as follows:

(Millions of dollars)	
2026	\$ 7,085
2027	8,890
2028	7,528
2029	2,590
2030	456

Medium-term notes of \$1.75 billion maturing in the first quarter of 2026 were excluded from Current maturities of long-term debt in the Consolidated Statements of Financial Position as of December 31, 2025 due to a \$1.75 billion issuance of medium-term notes on January 8, 2026, of which \$1.25 billion and \$500 million mature in 2028 and 2031, respectively. The preceding maturity table reflects the reclassification of \$1.75 billion from maturities in 2026 to \$1.25 billion in 2028 and \$500 million in 2031.

## **NOTE 7 – DERIVATIVE FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Our earnings and cash flows are subject to fluctuations due to changes in foreign currency exchange rates and interest rates. Our Risk Management 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 contracts. Our derivative activities are subject to the management, direction and control of our senior financial officers. We present at least annually to our Board of Directors and the Audit Committee of the Caterpillar Board of Directors on our risk management practices, including our use of derivative financial instruments.

We recognize all derivatives at their fair value in the Consolidated Statements of Financial Position. 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 variability of cash flows (cash flow hedge) or (3) undesignated. We record in current earnings 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. For foreign exchange contracts designated as fair value hedges, the interim settlements are excluded from the effectiveness assessment and are recognized under a systematic and rational method over the life of the hedging instrument within Interest expense. We record in Accumulated other comprehensive income (loss) (AOCI) changes in the fair value of a derivative that is qualified, designated and highly effective as a cash flow hedge, to the extent effective, in the Consolidated Statements of Financial Position until we reclassify them to earnings in the same period or periods during which the hedged transaction affects earnings. We report changes in the fair value of undesignated derivative instruments in current earnings. We classify cash flows from designated derivative financial instruments within the same category as the item being hedged in the Consolidated Statements of Cash Flows. We include cash flows from undesignated derivative financial instruments in the investing category in 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 in 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 the 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. Our foreign currency forward and option contracts are primarily undesignated. We designate fixed-to-fixed cross currency contracts as cash flow hedges to protect against movements in exchange rates on foreign currency fixed-rate assets and liabilities. We designate float-to-float cross currency contracts as fair value hedges to protect against movements in exchange rates on floating-rate assets and liabilities.

### **Interest rate risk**

Interest rate movements create a degree of risk by affecting the amount of interest receipts and payments on our finance receivables and debt portfolios. Our practice is to use interest rate contracts 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 and duration) of our debt portfolio with the interest rate profile of our finance 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 finance 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 contracts to meet the match-funding objective. We designate fixed-to-floating interest rate contracts 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 contracts as cash flow hedges to protect against the variability of cash flows due to changes in the benchmark interest rate. If we liquidate fixed-to-floating or floating-to-fixed interest rate contracts, we amortize any deferred gains or losses into earnings over the remaining term of the previously hedged item.

The location and fair value of derivative instruments reported in the Consolidated Statements of Financial Position as of December 31, were as follows:

(Millions of dollars)	2025		2024	
	Assets <sup>1</sup>	Liabilities <sup>2</sup>	Assets <sup>1</sup>	Liabilities <sup>2</sup>
<b>Designated derivatives</b>				
Foreign exchange contracts	\$ 229	\$ (94)	\$ 228	\$ (89)
Interest rate contracts	54	(6)	10	(31)
	<u>\$ 283</u>	<u>\$ (100)</u>	<u>\$ 238</u>	<u>\$ (120)</u>
<b>Undesignated derivatives</b>				
Foreign exchange contracts	\$ 13	\$ (71)	\$ 84	\$ (19)
	<u>\$ 13</u>	<u>\$ (71)</u>	<u>\$ 84</u>	<u>\$ (19)</u>

<sup>(1)</sup> Assets are classified in the Consolidated Statements of Financial Position as Other assets.

<sup>(2)</sup> Liabilities are classified in the Consolidated Statements of Financial Position as Accrued expenses.

The total notional amount of our derivative instruments was \$18.21 billion and \$15.97 billion as of December 31, 2025 and 2024, respectively. The notional amounts of derivative financial instruments do not represent amounts exchanged by the parties. We calculate the amounts exchanged by the parties by referencing the notional amounts and by other terms of the derivatives, such as foreign currency exchange rates and interest rates.

Gains (Losses) on derivative instruments for the years ended December 31, were categorized as follows:

(Millions of dollars)	Gains (Losses) Recognized <sup>1</sup>			Gains (Losses) Recognized in AOCI			Gains (Losses) Reclassified from AOCI <sup>2</sup>		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
<b>Cash Flow Hedges</b>									
Foreign exchange contracts	\$ —	\$ —	\$ —	\$ 43	\$ 255	\$ (22)	\$ 81	\$ 213	\$ (68)
Interest rate contracts	—	—	—	—	11	9	6	41	58
<b>Fair Value Hedges</b>									
Foreign exchange contracts	—	—	—	(9)	—	—	(8)	—	—
Interest rate contracts	(26)	(76)	(75)	—	—	—	—	—	—
<b>Undesignated Hedges</b>									
Foreign exchange contracts	(173)	167	(39)	—	—	—	—	—	—
<b>Total</b>	<u>\$ (199)</u>	<u>\$ 91</u>	<u>\$ (114)</u>	<u>\$ 34</u>	<u>\$ 266</u>	<u>\$ (13)</u>	<u>\$ 79</u>	<u>\$ 254</u>	<u>\$ (10)</u>

<sup>(1)</sup> Foreign exchange contract gains (losses) are included in Other income (expense). Interest rate contract gains (losses) are included in Interest expense.

<sup>(2)</sup> Foreign exchange contract gains (losses) are primarily included in Other income (expense). Interest rate contract gains (losses) are included in Interest expense.

Amounts recorded in the Consolidated Statements of Financial Position related to cumulative basis adjustments for fair value hedges as of December 31, were as follows:

(Millions of dollars)	Carrying Value of the Hedged Liabilities		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Value of the Hedged Liabilities	
	2025	2024	2025	2024
	Current maturities of long-term debt	\$ 602	\$ 483	\$ 3
Long-term debt	3,351	3,247	51	—
<b>Total</b>	<b>\$ 3,953</b>	<b>\$ 3,730</b>	<b>\$ 54</b>	<b>\$ (16)</b>

As of December 31, 2025, \$21 million of deferred net losses, net of tax, included in equity (AOCI in the Consolidated Statements of Financial Position), related to our cash flow hedges, are expected to be reclassified to earnings over the next twelve months. The actual amount recorded in earnings will vary based on interest rates and exchange rates at the time the hedged transactions impact earnings.

We enter into International Swaps and Derivatives Association 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 may 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 typically not required of the counterparties or us under the master netting agreements. As of December 31, 2025 and 2024, 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 as of December 31, was as follows:

(Millions of dollars)	2025		2024	
	Assets	Liabilities	Assets	Liabilities
	Gross amounts recognized	\$ 296	\$ (171)	\$ 322
Financial instruments not offset	(100)	100	(54)	54
<b>Net amount</b>	<b>\$ 196</b>	<b>\$ (71)</b>	<b>\$ 268</b>	<b>\$ (85)</b>

### Concentration of Credit Risk

Our exposure to credit loss in the event of nonperformance by the counterparties is limited to only those gains that we have recorded, but for which we have not yet received cash payment. The master netting agreements reduce the amount of loss the company would incur should the counterparties fail to meet their obligations. At December 31, 2025 and 2024, the maximum exposure to credit loss was \$296 million and \$322 million, respectively, before the application of any master netting agreements.

**NOTE 8 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

We present Comprehensive income (loss) and its components in the Consolidated Statements of Comprehensive Income. Changes in the balances for each component of AOCI for the years ended December 31, were as follows:

(Millions of dollars)	2025	2024	2023
<b>Foreign currency translation</b>			
Balance at beginning of year	\$ (1,256)	\$ (996)	\$ (1,068)
Gains (losses) on foreign currency translation	328	(299)	55
Less: Tax provision/(benefit)	—	22	(17)
Net gains (losses) on foreign currency translation	328	(321)	72
(Gains) losses reclassified to earnings	—	61	—
Less: Tax provision/(benefit)	—	—	—
Net (gains) losses reclassified to earnings	—	61	—
Other comprehensive income (loss), net of tax	328	(260)	72
Balance at end of year	\$ (928)	\$ (1,256)	\$ (996)
<b>Derivative financial instruments</b>			
Balance at beginning of year	\$ 24	\$ 18	\$ 21
Gains (losses) deferred	34	266	(13)
Less: Tax provision/(benefit)	8	74	(3)
Net gains (losses) deferred	26	192	(10)
(Gains) losses reclassified to earnings	(79)	(254)	10
Less: Tax (provision)/benefit	(19)	(68)	3
Net (gains) losses reclassified to earnings	(60)	(186)	7
Other comprehensive income (loss), net of tax	(34)	6	(3)
Balance at end of year	\$ (10)	\$ 24	\$ 18
Total Accumulated other comprehensive income (loss) at end of year	\$ (938)	\$ (1,232)	\$ (978)

## **NOTE 9 – COMMITMENTS AND CONTINGENT LIABILITIES**

### **Guarantees**

We provide credit guarantees and residual value guarantees to third parties for financing and leasing associated with Caterpillar machinery. In addition, we provide standby letters of credit issued to third parties on behalf of our customers. These guarantees and standby letters of credit have varying terms.

No significant loss has been experienced or is anticipated under any of these guarantees. At December 31, 2025 and 2024, the related recorded liability was less than \$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 \$25 million and \$23 million at December 31, 2025 and 2024, respectively.

We provide guarantees to purchase certain loans of Caterpillar dealers from a special-purpose corporation (SPC) that qualifies as a VIE. We receive a fee for providing this guarantee. 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 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 December 31, 2025 and 2024, the SPC's assets of \$1.19 billion and \$1.14 billion, respectively, were primarily comprised of loans to dealers, which are included in Finance receivables, net in the Consolidated Statements of Financial Position, and the SPC's liabilities of \$1.19 billion and \$1.14 billion, respectively, were 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.

### **Lending commitments**

We have commitments to extend credit to customers and Caterpillar dealers through lines of credit and other pre-approved credit arrangements. We apply the same credit policies and approval process for these commitments as we do for other financing. If credit is extended, collateral is generally required upon funding. The unused commitments to extend credit to customers and dealers that are not unconditionally cancellable were \$901 million and \$291 million at December 31, 2025, respectively. The reserve for credit losses related to these commitments was \$8 million at December 31, 2025, and is recorded in Other liabilities in the Consolidated Statements of Financial Position. We also have other pre-approved lines of credit and other credit arrangements with Caterpillar dealers that we generally have the right to unconditionally cancel, alter, or amend the terms for these at any time.

### **Litigation and claims**

We are involved in unresolved legal actions that arise in the normal course of business. The aggregate range of reasonably possible losses in excess of accrued liabilities, if any, associated with these unresolved legal actions is not material. In some cases, we cannot reasonably estimate a range of loss because there is insufficient information regarding the matter. However, we believe there is no more than a remote chance that any liability arising from these matters would be material. 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.

## NOTE 10 – INCOME TAXES

As further described in Note 1M, New Accounting Pronouncements, we have elected to prospectively adopt the guidance in ASU 2023-09. The following table is a reconciliation of the U.S. federal statutory tax rate of 21 percent to our effective tax rate for the year ended December 31, 2025 in accordance with the guidance in ASU 2023-09.

Reconciliation of the U.S. federal statutory tax rate to effective tax rate:

<b>(Millions of dollars)</b>	<b>2025</b>	
Taxes computed at U.S. statutory rates	\$ 154	21.0 %
Foreign tax effects:		
Brazil		
Statutory tax rate difference between Brazil and United States	8	1.1 %
Other	8	1.1 %
United Kingdom		
Changes in valuation allowances	23	3.1 %
Luxembourg		
Changes in valuation allowances	(19)	(2.6)%
Other foreign jurisdictions	42	5.7 %
Effect of cross-border tax laws		
Branch taxation	(13)	(1.7)%
Foreign tax credits (withholding taxes)	(20)	(2.8)%
Other cross-border	6	0.8 %
Other adjustments	4	0.6 %
Provision for income taxes and effective rate	\$ 193	26.3 %

The following table is a reconciliation of the U.S. federal statutory tax rate of 21 percent to our effective tax rate for the years ended December 31, 2024 and December 31, 2023 prior to the adoption of the guidance in ASU 2023-09.

Reconciliation of the U.S. federal statutory tax rate to effective tax rate:

<b>(Millions of dollars)</b>	<b>2024</b>		<b>2023</b>	
Taxes computed at U.S. statutory rates	\$ 112	21.0 %	\$ 160	21.0 %
(Decreases) increases in taxes resulting from:				
State income tax, net of federal tax <sup>(1)</sup>	1	0.2 %	5	0.5 %
Non-U.S. subsidiaries taxed at other than the U.S. rate	(14)	(2.6)%	21	2.8 %
Valuation allowances	1	0.2 %	(14)	(1.8)%
Tax law change for currency translation	(224)	(42.0)%	—	— %
Tax loss on divestiture of a non-U.S. subsidiary	48	9.0 %	—	— %
Dividend withholding tax & indefinite reinvestment change	2	0.4 %	30	4.0 %
Foreign currency translation taxed at non-U.S. subsidiaries	8	1.5 %	(10)	(1.3)%
Provision for income taxes	\$ (66)	(12.4)%	\$ 192	25.2 %

<sup>(1)</sup> Excludes amount included in Tax law change for currency translation line item.

Included in the line item above labeled “Non-U.S. subsidiaries taxed at other than the U.S. rate” are the effects of local and U.S. taxes related to earnings of non-U.S. subsidiaries and other permanent differences between tax and U.S. GAAP results.

The provision for income taxes in 2025 included a non-cash benefit of \$19 million from a reduction in the valuation allowance against the deferred tax assets of a non-U.S. subsidiary. The provision for income taxes in 2024 included a \$15 million increase in the valuation allowance for a U.S. deferred tax asset related to capital loss carryforwards. The provision for income taxes for 2025 and 2024 included an increase in valuation allowance for non-U.S. deferred tax assets due to a decrease in consistent and/or sustainable profitability to support their recognition in certain jurisdictions, resulting in a \$23 million and \$15 million non-cash expense, respectively. The provision for income taxes for 2023 included a decrease in the valuation allowance for non-U.S. deferred tax assets primarily due to a non-cash benefit of \$22 million from a non-U.S. subsidiary which has returned to consistent and sustainable profitability. The provision for income taxes for 2023 included an increase in valuation allowance for non-U.S. deferred tax assets due to a decrease in consistent and/or sustainable profitability to support their recognition in certain jurisdictions, resulting in an \$8 million non-cash expense.

The provision for income taxes for 2024 included a non-cash tax benefit of \$224 million due to the reversal of a deferred tax liability resulting from a U.S. tax law change related to currency translation.

Distributions of profits from non-U.S. subsidiaries are not expected to cause a significant incremental U.S. tax impact in the future. However, these distributions may be subject to non-U.S. withholding taxes if profits are distributed from certain jurisdictions. We have not recorded a deferred tax liability for withholding taxes in non-U.S. jurisdictions where earnings are considered indefinitely reinvested. Determination of the amount of unrecognized deferred tax liability related to indefinitely reinvested profits is not feasible primarily due to our legal entity operating structure and the complexity of U.S. and local tax laws. If management intentions or U.S. tax law changes in the future, there could be an impact on the provision for income taxes to record an incremental tax liability in the period the change occurs.

The components of Profit before income taxes for the years ended December 31, were as follows:

(Millions of dollars)	2025	2024	2023
U.S.	\$ 376	\$ 173	\$ 384
Non-U.S.	358	360	376
Total	\$ 734	\$ 533	\$ 760

Profit before income taxes, as shown above, is based on the location of the entity to which such earnings are attributable. Where an entity's earnings are subject to taxation, however, may not correlate solely to where an entity is located. Thus, the income tax provision shown below as U.S. or non-U.S. may not correspond to the earnings shown above.

The components of the Provision for income taxes for the years ended December 31, were as follows:

(Millions of dollars)	2025	2024	2023
<b>Current income tax provision:</b>			
U.S. Federal	\$ (20)	\$ 117	\$ 36
Non-U.S.	143	109	150
U.S. State	(2)	2	3
	121	228	189
<b>Deferred income tax provision (benefit):</b>			
U.S. Federal	72	(283)	33
Non-U.S.	(2)	9	(31)
U.S. State	2	(20)	1
	72	(294)	3
Total Provision for income taxes	\$ 193	\$ (66)	\$ 192

Current income tax provision is the amount of income taxes reported or expected to be reported on our income tax returns. We join Caterpillar in the filing of a consolidated U.S. Federal income tax return and certain state income tax returns. In accordance with our tax sharing agreement with Caterpillar, we generally pay to or receive from Caterpillar our allocated share of income taxes or credits reflected in these consolidated filings. This amount is calculated on a separate return basis by taking taxable income times the applicable statutory tax rate and includes payment for certain tax attributes earned during the year.

Income taxes payable were \$186 million and \$255 million as of December 31, 2025 and 2024, respectively, and are included in Other liabilities in the Consolidated Statements of Financial Position.

In accordance with the guidance in ASU 2023-09, net income tax and related interest paid in 2025 to the following jurisdictions were as follows:

<b>(Millions of dollars)</b>	
U.S. Federal	\$ 104
U.S. State	1
Non-U.S. <sup>(1)</sup>	
Australia	42
Brazil	26
Canada	22
Other	41
Net income tax and related interest paid	<u>\$ 236</u>

<sup>(1)</sup> Includes federal, state and local jurisdictions within each country.

We paid net income tax and related interest of \$140 million and \$210 million in 2024 and 2023, respectively.

Accounting for income taxes under U.S. GAAP requires individual tax-paying entities of the Company to offset deferred income tax assets and liabilities within each particular tax jurisdiction and present them as a single amount in the Consolidated Statements of Financial Position. Amounts in different tax jurisdictions cannot be offset against each other. The amounts of deferred income taxes at December 31, included in the following lines in our Consolidated Statements of Financial Position were:

<b>(Millions of dollars)</b>	<b>2025</b>	<b>2024</b>
<b>Assets:</b>		
Other assets	\$ 133	\$ 114
<b>Liabilities:</b>		
Other liabilities	(402)	(330)
Deferred income taxes, net	<u>\$ (269)</u>	<u>\$ (216)</u>

Our consolidated deferred income taxes consisted of the following components as of December 31:

<b>(Millions of dollars)</b>	<b>2025</b>	<b>2024</b>
<b>Deferred income tax assets:</b>		
Allowance for credit losses	\$ 80	\$ 77
Tax carryforwards	136	122
Revenue timing differences	19	19
	<u>235</u>	<u>218</u>
<b>Deferred income tax liabilities:</b>		
Capital assets, including lease basis differences	(438)	(367)
Undistributed profits of non-U.S. subsidiaries	(11)	(15)
	<u>(449)</u>	<u>(382)</u>
Valuation allowance for deferred income tax assets	(57)	(51)
Other, net	2	(1)
Deferred income taxes, net	<u>\$ (269)</u>	<u>\$ (216)</u>

At December 31, 2025, deferred tax assets for U.S. state losses of \$4 million expire on or before 2045.

In some U.S. state income tax jurisdictions, we join with other Caterpillar entities in filing combined income tax returns. In other U.S. state income tax jurisdictions, we file on a separate, stand-alone basis.

Deferred tax assets for U.S. federal loss carryforwards total \$16 million, of which \$1 million expires before 2027 and \$15 million expires before 2030. U.S. entities have recorded valuation allowances of \$16 million against the U.S. federal loss carryforwards. Deferred tax assets for losses and credit carryforwards of non-U.S. entities of \$20 million expire on or before 2042, while the remaining \$96 million may be carried over indefinitely. Non-U.S. entities that have not yet demonstrated consistent and/or sustainable profitability to support the recognition of net deferred income tax assets have recorded valuation allowances of \$41 million against tax carryforwards and other deferred tax assets.

A reconciliation of the beginning and ending amounts of gross unrecognized income tax benefits for uncertain income tax positions, including positions impacting only the timing of income tax benefits was as follows:

(Millions of dollars)	2025	2024	2023
<b>Reconciliation of unrecognized income tax benefits<sup>(1)</sup>:</b>			
Balance at beginning of year	\$ 134	\$ 119	\$ 127
Additions for income tax positions related to current year	—	15	—
Additions for income tax positions related to prior year	4	—	—
Reductions for income tax positions related to prior year	—	—	(2)
Reductions for income tax positions related to settlements	—	—	(6)
Balance at end of year	<u>\$ 138</u>	<u>\$ 134</u>	<u>\$ 119</u>
Amount that, if recognized, would impact the effective tax rate	<u>\$ 138</u>	<u>\$ 134</u>	<u>\$ 119</u>

<sup>(1)</sup> Foreign currency translation amounts are included within each line as applicable.

We classify interest and penalties on income taxes as a component of the provision for income taxes. During the year ended December 31, 2025, interest and penalties were \$11 million. For the years ending December 31, 2024 and 2023, interest and penalties were not material. As of December 31, 2025 and 2024, the total amount of accrued interest and penalties was \$19 million and \$10 million, respectively.

We are subject to the continuous examination of our U.S. federal income tax returns by the IRS, and tax years 2017 to 2019 are currently under examination. In our major non-U.S. jurisdictions, tax years are typically subject to examination for three to ten years.

## **NOTE 11 – FAIR VALUE DISCLOSURES**

### **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 valuations in which one or more significant inputs are unobservable, including 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.

We classify fair value measurements according to the lowest level input or value-driver that is significant to the valuation. We may therefore classify a measurement 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, the nonperformance risk is included in the market price. For certain other financial assets and liabilities, our fair value calculations have been adjusted accordingly.

#### Derivative financial instruments

The fair value of interest rate contracts is primarily based on a standard industry accepted valuation model that utilizes 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 standard industry accepted valuation models that discount 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 instruments included in our Consolidated Statements of Financial Position in a net asset position of \$125 million and \$183 million as of December 31, 2025 and 2024, respectively. See Note 7 for additional information.

#### B. Fair Values of Financial Instruments

Cash and cash equivalents, restricted cash (included in Other assets in the Consolidated Statements of Financial Position), and Short-term borrowings are classified as Level 1 measurements and carrying amount approximates fair value. We use the following methods and assumptions to estimate the fair value of our financial instruments not carried at fair value:

- **Finance receivables, net** – We estimate fair value by discounting the future cash flows using current rates representative of receivables with similar remaining maturities.
- **Long-term debt** – We estimate fair value for fixed and floating-rate debt based on quoted market prices.

Fair values of our financial instruments not carried at fair value as of December 31, were as follows:

(Millions of dollars)	2025		2024		Fair Value Levels	Reference
	Carrying Amount	Fair Value	Carrying Amount	Fair Value		
<b>Assets</b>						
Finance receivables, net (excluding finance leases <sup>(1)</sup> )	\$ 25,346	\$ 25,012	\$ 22,026	\$ 21,593	3	Note 2
<b>Liabilities</b>						
Long-term debt	\$ 27,103	\$ 27,204	\$ 25,406	\$ 25,304	2	Note 6

<sup>(1)</sup> Represents finance leases and failed sale leasebacks of \$7.47 billion and \$6.94 billion as of December 31, 2025 and 2024, respectively.

Certain loans are subject to measurement at fair value on a nonrecurring basis. These are loans for which the company has determined that collection of contractual amounts due is not probable. Generally, the fair value of these receivables is measured using the fair value of collateral less estimated selling costs. We had loans carried at fair value of \$63 million and \$59 million as of December 31, 2025 and 2024, respectively.

## **NOTE 12 – TRANSACTIONS WITH RELATED PARTIES**

We have a Support Agreement with Caterpillar, which provides that Caterpillar will (1) remain, directly or indirectly, our sole owner; (2) cause us to maintain a tangible net worth of at least \$20 million; and (3) ensure that we maintain a ratio of profit before income taxes and interest expense to interest expense (as defined by the Support Agreement) of not less than 1.15 to 1, calculated on an annual basis. Although this agreement can be modified or terminated by either party, any termination or any modification which would adversely affect holders of our debt requires the consent of holders of 66-2/3 percent in principal amount of outstanding debt of each series so affected. Any modification or termination which would adversely affect the lenders under the Credit Facility requires their consent. Caterpillar's obligation under this agreement is not directly enforceable by any of our creditors and does not constitute a guarantee of any of our obligations. Cash dividends of \$500 million, \$625 million, and \$425 million were paid to Caterpillar in 2025, 2024, and 2023, respectively.

Under our variable amount and term lending agreements and other notes receivable with Caterpillar, we may borrow up to \$3.52 billion from Caterpillar and Caterpillar may borrow up to \$2.29 billion from us. Most variable amount lending agreements are in effect for indefinite periods of time and may be changed or terminated by either party with 30 days notice. The term lending agreements have remaining maturities ranging up to nine years. Information concerning these agreements was as follows as of and for the years ending December 31:

<b>(Millions of dollars)</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Payable to Caterpillar - borrowings	\$ 1,024	\$ 10	\$ 24
Payable to Caterpillar - other	148	118	113
Notes receivable from Caterpillar	663	559	527
Other assets and receivables from Caterpillar <sup>(1)</sup>	163	85	39
Interest expense	28	1	1
Interest income on Notes Receivable with Caterpillar <sup>(2)</sup>	26	23	21

<sup>(1)</sup> Included in Other assets in the Consolidated Statements of Financial Position.

<sup>(2)</sup> Included in Other revenues, net in the Consolidated Statements of Profit.

We have agreements with Caterpillar to purchase certain trade receivables at a discount. In addition, we receive fee revenue from Caterpillar for our centralized activities benefiting the global factoring program. Cash flows related to our factoring programs with Caterpillar are included in Net changes in Caterpillar purchased receivables within investing activities in the Consolidated Statements of Cash Flows. Information pertaining to these purchases was as follows:

<b>(Millions of dollars)</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Purchases made	\$ 55,656	\$ 52,930	\$ 53,382
Revenue earned	611	625	617
Purchased Receivables as of December 31,	5,500	4,283	3,949

We participate in certain marketing programs offered in conjunction with Caterpillar and/or Caterpillar dealers that allow us to periodically offer financing to customers at interest rates that are below market rates. Under these marketing programs, Caterpillar and/or the dealer funds an amount at the outset of the transaction, which we then recognize as revenue over the term of the financing. During 2025, 2024, and 2023, relative to such programs, we received \$667 million, \$540 million, and \$332 million, respectively.

At December 31, 2025 and 2024, \$568 million and \$473 million, respectively, of our portfolio was subject to guarantees by Caterpillar and affiliates.

We have finance receivable and operating lease agreements with Caterpillar related to end-user customer transactions. Information concerning these agreements was as follows as of and for the years ending December 31:

<b>(Millions of dollars)</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Finance receivables, net	\$ 272	\$ 163	\$ 109
Equipment on operating leases, net	97	115	46
Revenue from Finance receivables and operating leases	42	31	27
Depreciation on equipment leased to others	19	18	18

Caterpillar provides defined benefit pension plans, defined contribution plans and other postretirement benefit plans to employees. We reimburse Caterpillar for these charges and other employee benefits paid by Caterpillar related to our employees. Further information about these plans is available in Caterpillar's 2025 Annual Report on Form 10-K filed separately with the Securities and Exchange Commission.

Caterpillar provides operational and administrative support, which is integral to the conduct of our business. In 2025, 2024 and 2023, these operational and support charges for which we reimburse Caterpillar amounted to \$58 million, \$50 million and \$50 million, respectively. In addition, we provide administrative support services to certain Caterpillar subsidiaries. Caterpillar reimburses us for these charges. During 2025, 2024 and 2023, these charges amounted to \$18 million, \$16 million and \$15 million, respectively.

We join Caterpillar in the filing of a consolidated U.S. Federal income tax return and certain state income tax returns. In accordance with our tax sharing agreement with Caterpillar, we generally pay to or receive from Caterpillar our allocated share of income taxes or credits reflected in these consolidated filings. This amount is calculated on a separate return basis by taking taxable income times the applicable statutory tax rate and includes payment for certain tax attributes earned during the year.

## **NOTE 13 – SEGMENT AND GEOGRAPHIC INFORMATION**

### **A. Basis for Segment Information**

Our executive office is comprised of our Chief Executive Officer (CEO), who is our Chief Operating Decision Maker (CODM) and five Vice Presidents. Each of our regional operating segments: North America, EAME, Asia/Pacific, and Latin America is led by a Vice President. The Mining and Power operating segments are led by one Vice President. Our CEO allocates resources and manages operating performance at the Vice President level.

### **B. Description of Segments**

Our operating segments provide financing alternatives to customers and dealers around the world for Caterpillar products and services and power generation facilities that incorporate Caterpillar products. Financing plans include operating and finance leases, revolving charge accounts, retail loans, working capital loans to Caterpillar dealers and wholesale financing plans within each of the operating segments. Certain operating segments also purchase short-term trade receivables from Caterpillar.

We have six operating segments that offer financing services. Following is a brief description of our segments:

- **North America** - Includes our operations in the United States and Canada.
- **EAME** - Includes our operations in Europe, Africa, the Middle East and Eurasia.
- **Asia/Pacific** - Includes our operations in Australia, New Zealand, China, Japan, Southeast Asia and India.
- **Latin America** - Includes our operations in Mexico and Central and South American countries.
- **Mining** - Provides financing worldwide for large mining customers.
- **Power** - Provides financing worldwide to large power customers of Caterpillar electrical power generation, gas compression and co-generation systems and non-Caterpillar equipment that is powered by these systems.

### **C. Segment Measurement and Reconciliations**

We determine segment profit on a pretax basis. Cash, debt and other expenses are allocated to our segments based on their respective portfolios. Interest expense is calculated based on the amount of allocated debt and the rates associated with that debt using a consistent leverage ratio.

Our CODM uses segment profit to evaluate the performance of each segment by monitoring key performance metrics to identify trends and evaluate which segments require additional resources or strategic adjustments. The CODM also uses segment profit to support the allocation of resources predominantly in the annual budget and forecasting process and monitors forecast-to-actual variances monthly.

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

- **Unallocated** - Corporate requirements and strategies that are considered to be for the benefit of the entire organization including notes receivable from Caterpillar. Also included are the consolidated results of the SPC (see Note 9 for additional information).
- **Timing** - Timing differences between segment reporting and consolidated external reporting.
- **Methodology** - Methodology differences between segment reporting and consolidated external reporting are as follows:
  - The impact of differences between the actual leverage and the segment leverage ratios.
  - Interest expense includes realized forward points on foreign currency forward contracts within segment reporting.
  - Segment results include off-balance sheet managed assets for which we maintain servicing responsibilities.
  - Designated derivative activity is excluded from segment results.
- **Divestiture** - Loss on divestiture included in Other income (expense). See Note 14 for more information.

Supplemental segment data and reconciliations to consolidated external reporting for the years ended December 31, was as follows:

(Millions of dollars)

2025	External revenues	Interest expense	Depreciation on equipment leased to others	General, operating and administrative expenses	Provision for credit losses	Other segment items <sup>(1)</sup>	Profit before income taxes
North America	\$ 2,100	\$ 716	\$ 508	\$ 194	\$ 101	\$ 15	\$ 566
EAME	393	133	50	93	9	3	105
Asia/Pacific	260	99	6	78	5	1	71
Latin America	379	191	10	62	—	7	109
Mining	376	110	125	40	(8)	—	109
Power	74	40	—	13	(1)	—	22
Total Segments	3,582	1,289	699	480	106	26	982
Unallocated	69	548	—	197	—	2	(678)
Timing	(17)	—	—	(22)	—	(1)	6
Methodology	—	(449)	—	11	—	14	424
Total	\$ 3,634	\$ 1,388	\$ 699	\$ 666	\$ 106	\$ 41	\$ 734

2024	External revenues	Interest expense	Depreciation on equipment leased to others	General, operating and administrative expenses	Provision for credit losses	Other segment items <sup>(1)</sup>	Profit before income taxes
North America	\$ 1,988	\$ 634	\$ 512	\$ 185	\$ 70	\$ 17	\$ 570
EAME	380	143	54	89	(12)	4	102
Asia/Pacific	271	100	4	77	—	3	87
Latin America	338	152	13	53	6	4	110
Mining	377	105	137	39	19	1	76
Power	65	33	2	11	(8)	—	27
Total Segments	3,419	1,167	722	454	75	29	972
Unallocated	85	492	—	195	—	(28)	(574)
Timing	(15)	—	—	(16)	—	—	1
Methodology	—	(372)	—	11	—	17	344
Divestiture	—	—	—	—	—	210	(210)
Total	\$ 3,489	\$ 1,287	\$ 722	\$ 644	\$ 75	\$ 228	\$ 533

2023	External revenues	Interest expense	Depreciation on equipment leased to others	General, operating and administrative expenses	Provision for credit losses	Other segment items <sup>(1)</sup>	Profit before income taxes
North America	\$ 1,786	\$ 463	\$ 512	\$ 170	\$ 32	\$ 13	\$ 596
EAME	368	103	57	93	3	11	101
Asia/Pacific	278	102	4	69	(2)	—	105
Latin America	348	174	12	52	1	6	103
Mining	341	80	126	37	(2)	1	99
Power	58	26	2	11	16	4	(1)
Total Segments	3,179	948	713	432	48	35	1,003
Unallocated	83	394	—	162	1	33	(507)
Timing	(14)	—	—	(16)	—	—	2
Methodology	—	(309)	—	10	—	37	262
Total	\$ 3,248	\$ 1,033	\$ 713	\$ 588	\$ 49	\$ 105	\$ 760

<sup>(1)</sup> Other segment items are primarily costs related to reprocessed and returned equipment.

(Millions of dollars)	Assets as of December 31,		Capital Expenditures <sup>(1)</sup>		
	2025	2024	2025	2024	2023
North America	\$ 19,738	\$ 17,800	\$ 936	\$ 787	\$ 961
EAME	5,638	4,668	65	74	73
Asia/Pacific	3,564	3,276	25	14	4
Latin America	2,921	2,423	11	21	21
Mining	3,325	3,306	217	156	229
Power	1,017	812	—	—	—
Total Segments	\$ 36,203	\$ 32,285	\$ 1,254	\$ 1,052	\$ 1,288
Unallocated	2,128	1,921	87	33	9
Timing	32	(12)	—	—	—
Methodology	148	128	—	—	—
Inter-segment Eliminations <sup>(2)</sup>	(198)	(238)	—	—	—
Total	\$ 38,313	\$ 34,084	\$ 1,341	\$ 1,085	\$ 1,297

<sup>(1)</sup> Capital expenditures include expenditures for equipment on operating leases and other miscellaneous capital expenditures.

<sup>(2)</sup> Eliminations are primarily related to intercompany loans.

#### Geographic information:

(Millions of dollars)	2025	2024	2023
<b>Revenues</b>			
Inside U.S.	\$ 2,210	\$ 2,096	\$ 1,879
All other	1,424	1,393	1,369
Total	\$ 3,634	\$ 3,489	\$ 3,248
<b>Equipment on operating leases, net and property and equipment, net (included in Other assets)</b>	<b>2025</b>	<b>2024</b>	
Inside U.S.	\$ 2,035	\$ 1,925	
Inside Canada	523	478	
All other	609	529	
Total	\$ 3,167	\$ 2,932	

#### **NOTE 14 – DIVESTITURE**

We divested a non-U.S. entity on June 13, 2024 and recognized a pre-tax loss of approximately \$210 million for the year ended December 31, 2024. The loss on divestiture is included within Other income (expense) in the Consolidated Statements of Profit. The proceeds were allocated in accordance with the sales agreement and agreement with Caterpillar.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-270934) of Caterpillar Financial Services Corporation of our report dated February 13, 2026, relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

*/s/PricewaterhouseCoopers LLP*  
Nashville, TN  
February 13, 2026

## SECTION 302 CERTIFICATION

I, David T. Walton, certify that:

1. I have reviewed this annual report on Form 10-K 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 the registrant's Board of Directors (or persons performing the equivalent functions):
  - 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:** February 13, 2026

*/s/ David T. Walton*

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David T. Walton, President, Director and Chief Executive Officer

## SECTION 302 CERTIFICATION

I, Kristen R. Covey, certify that:

1. I have reviewed this annual report on Form 10-K 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 the registrant's Board of Directors (or persons performing the equivalent functions):
  - 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:** February 13, 2026

*/s/ Kristen R. Covey*

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Kristen R. Covey, Executive Vice President and Chief  
Financial Officer

**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 annual report of Caterpillar Financial Services Corporation (the “Company”) on Form 10-K for the period ended December 31, 2025, 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:** February 13, 2026

*/s/ David T. Walton*

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David T. Walton  
President, Director and Chief Executive Officer

**Date:** February 13, 2026

*/s/ Kristen R. Covey*

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Kristen R. Covey  
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.