

quarterly financial services update

THIRD QUARTER 2026

APPENDIX B

illustrative disclosures for recently issued accounting pronouncements
for the quarter ended Sept. 30, 2026

The illustrative disclosures below are presented in plain English. Please review each disclosure for its applicability to your organization and the need for disclosure in your organization's financial statements.

{Please give careful consideration to appropriateness of highlighted text.}

ASU 2023-09 – Applicable to all entities subject to ASC 740, Income Taxes:

In December 2023, the FASB amended the Income Taxes topic in the Accounting Standards Codification (ASC) to improve the transparency of income tax disclosures. The amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance.

ASU 2024-01 – Applicable to all entities that account for profits interest awards as compensation to employees or nonemployees in return for goods or services:

In March 2024, the FASB amended the Compensation—Stock Compensation topic in the ASC to demonstrate how an entity should apply the guidance to determine whether profits interest and similar awards should be accounted for in accordance with that topic. The amendments are effective for annual periods beginning after December 15, 2025 and interim periods within those annual periods. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The Company will apply the amendments *[retrospectively to all prior periods presented in the financial statements] [prospectively to profits interest and similar awards granted or modified on or after the date at which the Company first applies the amendments]*.

ASU 2024-02 – Applicable to all entities within the scope of the affected accounting guidance:

In March 2024, the FASB issued amendments to the Codification that remove references to various FASB Concepts Statements. The amendments are effective for fiscal years beginning after December 15, 2025. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The Company will apply the amendments *[retrospectively to the beginning of the earliest comparative period presented in which the amendments were first applied] [prospectively to all new transactions recognized on or after the date that the Company first applies the amendments]*.

ASU 2024-03 – Applicable to all public business entities:

In November 2024, the FASB amended the Income Statement—Reporting Comprehensive Income topic in the ASC to require public companies to disclose, in interim and annual reporting periods, additional information about certain expenses in the notes to financial statements. The amendments are effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company will apply the amendments *[prospectively to financial statements issued for reporting periods after the effective date.] [retrospectively to all prior periods presented in the financial statements]*.

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ASU 2024-04 – Applicable to all entities that settle convertible debt instruments for which the conversion privileges were changed to induce conversion:

In November 2024, the FASB amended the Debt topic in the ASC to clarify requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The amendments are effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. The Company will apply the amendments *[prospectively to any settlements of convertible debt instruments that occur after the effective date of the guidance.] [retrospectively by recasting prior periods and recognizing a cumulative-effect adjustment to equity as of the later of the following dates: (1) the beginning of the earliest period presented and (2) the date the Company adopted the amendments in ASU 2020-06.]*

ASU 2025-01 – Applicable to all public business entities:

In January 2025, the FASB amended the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027.

ASU 2025-03 – Applicable to all entities engaging in acquisition transactions involving a VIE:

In May 2025, the FASB amended the Business Combinations and Consolidation topics in the ASC to revise current guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a VIE that meets the definition of a business. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. The amendments require an entity to apply the new guidance prospectively to any acquisition transaction that occurs after the initial application date. Early adoption is permitted at the beginning of an interim or annual reporting period.

ASU 2025-04 – Applicable to all entities that issue share-based consideration to a customer:

In May 2025, the FASB amended the Stock Compensation and Revenue from Contracts with Customers topics in the ASC to clarify the requirements for share-based consideration payable to a customer that vests upon purchasing a specified amount of goods and services from the entity. The amendments are effective for annual reporting periods (including interim reporting periods within annual reporting periods) beginning after December 15, 2026. Early adoption is permitted. The Company will apply the amendments *[on a modified retrospective basis, by recognizing a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the period of adoption.] [on a retrospective basis, by recasting comparative periods and recognizing a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the earliest period presented].*

ASU 2025-05 – Applicable to all entities applying the practical expedient and, for eligible non-PBEs, the related accounting policy election under Topic 326:

In July 2025, the FASB amended the Financial Instruments—Credit Losses topic in the ASC to introduce a practical expedient for all entities and an accounting policy election for entities other than public business entities related to applying the current expected credit loss model to current accounts receivable and current contract assets. The amendments are effective for annual reporting periods beginning after December 15, 2025, and interim periods within those periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. The amendments require an entity that elects the practical expedient and the accounting policy election, if applicable, to apply the new guidance prospectively.

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ASU 2025-06 – Applicable to all entities subject to the internal-use software guidance:

In September 2025, the FASB amended the Internal-Use Software subtopic in the ASC to update the guidance on accounting for internal-use software costs. The amendments are effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. The Company will apply the amendments using *[a prospective transition approach, by applying the amendments to new software costs incurred as of the beginning of the period of adoption for all projects, including in-process projects.] [a modified transition approach, by applying the amendments prospectively to new software costs incurred, except for in-process projects that, as of the date of adoption, the Company determines do not meet the capitalization requirements under the amendments but meet the capitalization requirements under current guidance. For those in-process projects, the Company will derecognize any capitalized costs through a cumulative-effect adjustment to the opening balance of retained earnings as of the date of adoption.] [a retrospective transition approach, by recasting comparative periods and recognizing a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the first period presented.]*

ASU 2025-07 – Applicable to all entities that enter into nonexchange-traded contracts with underlyings based on operations or activities specific to one of the parties to the contract:

In September 2025, the FASB amended the Derivatives and Hedging topic and the Revenue from Contracts with Customers topic in the ASC to exclude from derivative accounting nonexchange-traded contracts with underlyings that are based on operations or activities specific to one of the parties to the contract. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company will apply the amendments *[prospectively to new contracts entered into on or after the date of adoption] [on a modified retrospective basis through a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the annual reporting period of adoption for contracts existing as of the beginning of the annual reporting period of adoption].*

ASU 2025-08 – Applicable to all entities subject to the guidance on credit losses:

In November 2025, the FASB amended the Financial Instruments—Credit Losses topic in the ASC to expand the population of acquired financial assets subject to the gross-up approach. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance.

ASU 2025-09 – Applicable to all entities that elect to apply hedge accounting in accordance with U.S. GAAP:

In November 2025, the FASB amended the Derivatives and Hedging topic in the ASC to clarify certain aspects of the guidance on hedge accounting and to address several incremental hedge accounting issues arising from the global reference rate reform initiative. The amendments are effective for *[annual reporting periods beginning after December 15, 2026, and interim periods within those periods. -public business entities] [annual reporting periods beginning after December 15, 2027, and interim periods within those periods. -all other entities]* Early adoption is permitted on any date on or after the issuance of this ASU. Upon adoption of the amendments, entities are permitted to modify certain critical terms of certain existing hedging relationships without dedesignating the hedge.

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ASU 2025-10 – Applicable to all business entities that receive a government grant:

In December 2025, the FASB created the Government Grants topic in the ASC to establish the accounting for government grants received by a business entity. The amendments are effective for *[annual reporting periods beginning after December 15, 2028, and interim periods within those periods. -public business entities]* *[annual reporting periods beginning after December 15, 2029, and interim periods within those periods. -all other entities]* Early adoption is permitted in interim and annual reporting periods where financial statements have not yet been issued or made available for issuance. The Company will apply the amendments using a *[modified prospective approach to government grants that are entered into on or after the effective date and government grants that are not complete as of the effective date.] [modified retrospective approach to government grants that are entered into on or after the beginning of the earliest period presented and government grants that are not complete as of the beginning of the earliest period presented.] [retrospective approach to all government grants through a cumulative effect adjustment to the opening balance of retained earnings at the beginning of the earliest period presented.]*

ASU 2025-11 – Applicable to all entities providing interim financial statements and notes under U.S. GAAP:

In December 2025, the FASB amended the Interim Reporting topic in the ASC to clarify current interim reporting requirements. The amendments are effective for *[interim reporting periods within annual reporting periods beginning after December 15, 2027. -public business entities]* *[interim reporting periods within annual reporting periods beginning after December 15, 2028. -all other entities]* Early adoption is permitted. The Company will apply the amendments *[prospectively] [retrospectively to any or all prior periods presented in the financial statements.]*

ASU 2025-12 – Applicable to all entities within the scope of the affected accounting guidance:

In December 2025, the FASB issued amendments to the ASC to make incremental improvements to US GAAP. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is permitted for interim and annual financial statements that have not yet been issued or made available for issuance. The Company will apply the amendments *[retrospectively to the beginning of the earliest comparative period presented in which the amendments were first applied] [prospectively to all transactions recognized on or after the date that the Company first applies the amendments].*

ASU 2026-01 – Applicable to all entities that issue PIK dividends on equity-classified preferred stock:

In April 2026, the FASB amended the Equity topic in the ASC to provide guidance on how an issuer should initially measure paid-in-kind dividends on equity-classified preferred stock. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is permitted in an interim or annual reporting period in which financial statements have not yet been issued or made available for issuance. The Company will apply the amendments *[on a modified retrospective basis for equity-classified preferred stock instruments that are outstanding as of the initial application date] [prospectively].*

ASU 2026-02 – Applicable to all entities:

In May 2026, the FASB issued guidance to improve the financial accounting and disclosure of activities related to environmental credits and environmental credit obligations. The amendments are effective for *[annual reporting periods beginning after December 15, 2027, and the interim periods within those annual reporting periods. -public business entities]* *[annual reporting periods beginning after December 15, 2028, and interim periods within those annual reporting periods. -all other entities]* Early adoption is permitted at the beginning of an annual reporting period. The Company will apply the amendments retrospectively through a cumulative-effect adjustment to the opening balance of retained earnings at the start of the reporting period of adoption.

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ASU 2026-03 – Applicable to investment companies within the scope of Topic 946:

In September 2026, the FASB amended the Fair Value topic in the ASC to improve how investment companies measure the fair value of an equity security that is subject to a contractual sale restriction. The amendments are effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company will apply the amendments prospectively to all equity securities with any adjustments from the adoption of the amendments recognized in earnings.

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