

quarterly financial services update

FOURTH QUARTER 2025

January 12, 2026

In this edition of the quarterly communication, we have provided information about financial reporting and accounting issues – some of which are currently being evaluated by regulatory agencies and not resolved at this time. We have also compiled a list of items for consideration in your financial reporting and disclosures for the fourth quarter and a summary of recently issued accounting pronouncements (see Appendices).

This quarterly update is organized as follows:

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FASB update

The following selected Accounting Standards Updates (ASUs) were issued by the Financial Accounting Standards Board (FASB) during the fourth quarter. A complete list of all ASUs issued or effective in 2025 is included in Appendix A.

FASB Issues Guidance on Purchased Loans

In November, the FASB released ASU 2025-08, *Financial Instruments—Credit Losses (Topic 326): Purchased Loans*, introducing significant changes to the Current Expected Credit Loss (CECL) standard. This update aims to enhance comparability and consistency in acquisition reporting.

The amendments apply to all entities subject to Topic 326 guidance, including public and private businesses and not-for-profit organizations. Key provisions include:

- Eliminating day-one double counting by removing duplication of expected credit loss recognition at acquisition
- Defining purchased seasoned loans (PSLs) as non-purchased credit deteriorated (PCD) loans acquired in a business combination or purchased more than 90 days after origination and not originated by the acquirer
- Expanding the gross-up approach to include PSLs (excluding credit cards)
- Clarifying interest income recognition for purchased loans
- Allowing entities to measure expected credit losses using amortized cost rather than unpaid principal balance

Effective Dates

Annual periods beginning after December 15, 2026, including interim periods. Early adoption permitted. Implementation is prospective for loans acquired on or after the adoption date.

FASB Issues Guidance on Hedge Accounting Improvements

In November, the FASB released ASU 2025-09, *Derivatives and Hedging (Topic 815): Hedge Accounting Improvements* to better align hedge accounting with risk management strategies and address reference rate reform issues.

The guidance applies to all entities electing hedge accounting in accordance with U.S. GAAP. Key provisions include:

- Changes grouping criteria for cash flow hedges from “shared risk” to “similar risk”
- Establishes a model for hedging forecasted interest payments on variable-rate debt instruments with selectable indexes and tenors
- Permits hedging eligible components of spot-market and forward-market transactions
- Eliminates the net written option test for certain compound derivatives comprising a swap and written option
- Resolves the recognition and presentation mismatch when foreign-currency-denominated debt serves as both hedging instrument and hedged item

Effective Dates

For public business entities, the effective date is for annual periods beginning after December 15, 2026. For all other entities, it begins after December 15, 2027. Early adoption is permitted. Implementation is prospective.

FASB Establishes Guidance for Government Grants

In December, the FASB issued ASU 2025-10, *Accounting for Government Grants Received by Business Entities*, that establishes authoritative guidance on the accounting for government grants received by business entities.

The amendments apply to all business entities except for not-for-profit entities and employee benefit plans that receive a government grant. Key provisions include:

- Defining government grants and clarify scope
- Establishing recognition criteria
- Requiring disclosures on grant nature, accounting policies, and significant terms and conditions

Effective Dates

For public business entities, the effective date is for annual periods beginning after December 15, 2028, including interim periods within those years. For all other entities, it begins after December 15, 2029, including interim periods. Early adoption is permitted; interim adoption applies from the start of the annual period.

The ASU allows three transition approaches: modified prospective, modified retrospective, or full retrospective. Under the modified prospective approach, prior periods are not restated, and no cumulative-effective adjustment is required. The modified retrospective and full retrospective approaches require restating prior periods and applying a cumulative-effect adjustment to opening retained earnings.

FASB Makes Targeted Improvements to Interim Reporting

In December, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which clarifies when interim disclosure guidance applies and enhances its navigability without changing its nature or scope.

The amendments in the ASU:

- Clarify that the guidance in ASC 270 applies to all entities that provide interim financial statements and notes in accordance with U.S. GAAP
- Create a comprehensive list in ASC 270 of interim disclosures that are required in interim financial statements and notes in accordance with U.S. GAAP
- Add a disclosure principle requiring entities to report post-year-end material events
- Improve guidance about information included in and the format of interim financial statements

Effective Dates

For public business entities, the amendments apply to annual periods beginning after December 15, 2027, including interim periods within those years. For all other entities, they apply to annual periods beginning after December 15, 2028, including interim periods. Early adoption is permitted, and amendments can be applied prospectively or retrospectively to any or all prior periods presented.

regulatory update

FDIC Finalizes Rule to Raise Regulatory Thresholds

On November 25, 2025, the FDIC issued a [final rule](#), raising asset thresholds for certain regulatory requirements to better reflect inflation and reduce burdens on community banks.

Threshold Increases

- Annual report (including financial statements, independent audit reports, and management reports) asset threshold: increased from \$500 million to \$1 billion
- Internal controls over financial reporting asset threshold: increased from \$1 billion to \$5 billion
- Audit committee requirements vary and will rise accordingly

Inflation Indexing

Future adjustments to the thresholds will be tied to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), with adjustments occurring every two years.

Effective Dates

These changes took effect January 1, 2026. Institutions that fall below the new thresholds as of that date are not required to meet the previous Part 363 requirements for year-end 2025 reporting—providing immediate relief. Future inflationary adjustments will occur October 1 of the adjustment year.

FDIC Quarterly Banking Profile Third Quarter 2025

On November 24, 2025, the FDIC released its most recent [Quarterly Banking Profile](#) covering the third quarter of 2025. The Quarterly Banking Profile provides the earliest comprehensive summary of financial results for all FDIC-insured institutions. The report includes data from 4,379 commercial banks. Highlights are included below:

- In the third quarter of 2025, net income for FDIC-insured institutions increased by 13.5%, or \$9.4 billion, to \$79.3 billion, driven primarily by lower provision expenses from the acquisition of one large bank in the prior quarter. Insured depository institutions reported a return on assets (ROA) of 1.27%.
- Community bank income rose 9.9% to \$8.4 billion, driven by higher net interest income (up 4.1%) and noninterest income (up 7.1%). These gains more than offset an increase in noninterest expenses (up 1.7%) and a slight decline in provision expenses (down 0.5%) compared to the prior quarter.
- Net interest income rose by \$7.6 billion (4.2%) as interest income outpaced interest expense. The net interest margin (NIM) increased 9 basis points to 3.34%, which is above the pre-pandemic average. Community bank NIM increased 10 basis points to 3.73%, increasing for the sixth consecutive quarter, now above the pre-pandemic average of 3.63%.
- Asset quality remained generally favorable, though there were continued signs of weakness in certain portfolios.
- Loan growth increased and domestic deposits increased for the fifth consecutive quarter.
- The Deposit Insurance Fund reserve ratio climbed to 1.40%, above the statutory minimum.

SEC Chair Calls for Scaled Disclosure and Executive Compensation Review

In a December address at the New York Stock Exchange, SEC Chairman Paul Atkins outlined priorities to ease regulatory burdens. Since taking office in April, Atkins has promoted policies favoring cryptocurrency and reducing compliance hurdles for small businesses, arguing that strict rules hinder capital raising.

Atkins urged scaling disclosure requirements by company size and maturity, arguing that decades of growing requirements have made public markets less attractive. He noted that the number of public companies has declined by roughly 40% since the mid-1990s, from over 7,000 to about 4,200, driven by regulatory overreach. Commissioner Mark Uyeda supports revisiting classifications to help smaller firms.

Atkins also called for targeting pay disclosure rules introduced after the 2008 financial crisis, including requiring companies to report the ratio of CEO compensation to median employee compensation. In 2024, S&P 500 CEOs earned an average of \$18.9 million, up 7% from 2023, with a pay ratio of 285:1, according to the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). Critics warn that deregulation and a shrinking workforce could weaken oversight, allowing risks and misconduct to accumulate.

Package of Capital Markets Reforms Passed by House

In December, the House passed the *Incentivizing New Ventures and Economic Strength Through Capital Formation (INVEST) Act of 2025*. The bipartisan bill (H.R. 3383) aims to spur capital formation and ease accounting and reporting requirements for crowdfunded companies and emerging growth companies (EGCs). It includes:

- **Crowdfunding Capital Enhancement and Small-business Support (ACCESS) Act**

The provision expands eligibility for the lightest tier of scaled accounting under Regulation Crowdfunding (CF) by raising the threshold from \$124,000 to \$250,000, with SEC discretion to increase it to \$400,000. Regulation CF uses a tiered approach based on offering size, determining whether issuers provide certified financial statements, reviewed statements, or audited financials.

- **Greenlighting Growth Act**

This provision clarifies that EGCs need not present acquired company financial statements for periods before those included in their IPO filings. EGCs, defined as companies with less than \$1.235 billion in revenue within five fiscal years after their IPO, currently provide only two years of audited financials. The Act also states that companies exiting EGC status do not need to present their own or acquisition financials from before the IPO periods.

Additional measures ease certain venture fund requirements, expand e-delivery of investor documents, direct the SEC to adjust “small entity” definitions, broaden the accredited investor definition, increase the eligibility for well-known seasoned issuer (WKSII) status, and relax testing-the-waters and general solicitation requirements.

Industry groups, including the Securities Industry and Financial Markets Association (SIFMA), backed the INVEST Act as commonsense reforms to expand access, growth, and innovation in U.S. capital markets. However, consumer advocates and unions warned the bill would weaken core protections and undermine market oversight.

House Panel to Vote on Regulation A Expansion

On December 17, 2025, the House Financial Services Committee passed H.R. 6541, the *Regulation A+ Improvement Act*, advancing it for further consideration by the full House. The Act would double the Tier 2 offering cap from \$75 million to \$150 million, adjusted for inflation every two years. Reg A uses a two-tier system:

- Tier 1: Up to \$20 million in a 12-month period, subject to state requirements
- Tier 2: Up to \$75 million (currently), subject to certain additional SEC reporting and investor limits

The 2012 law originally capped Tier 2 offerings at \$50 million, later raised to \$75 million in 2020.

Proposed Rule to Revise Community Bank Leverage Ratio

On November 25, 2025, the OCC, FDIC, and Fed jointly proposed revising the [Community Bank Leverage Ratio \(CBLR\)](#) to lower the minimum from 9% to 8% and make the statutory minimum permanent. The proposal also extends the grace period for falling out of compliance from two quarters to four quarters, allowing more banks flexibility to lend. Comments are due by January 30, 2026.

Fed Reports on Bank Supervision

On December 1, 2025, the Fed issued its semiannual [Supervision and Regulation Report](#), detailing banking conditions, supervisory activities, and regulatory developments. The report highlights overall system resilience, strong capital positions, and solid loan growth, while noting commercial real estate (CRE) weakness. Recent actions include releasing large bank supervision manuals for transparency, focusing on cyber resilience, and conducting stress tests. Supervisors are closely monitoring exposures to nonbank financial institutions (NBFIs) due to their higher risk appetite and recent defaults.

Fed Updates Supervisory Approach

The Fed updated its [bank supervision approach](#) in late 2025, shifting focus to material financial risks over minor process issues and adopting tailored supervision based on bank size and complexity. The changes aim to reduce duplication, rely more on strong internal controls, and deliver more efficient, risk-focused oversight with earlier, proportionate actions.

OCC Issues Semiannual Risk Perspective

The OCC released its Fall 2025 [Semiannual Risk Perspective](#), addressing key risks that could affect the safety and soundness of banks and compliance with applicable laws and regulations. The report focuses on four risk themes:

- **Credit risk** remains stable, with trends varying by segment, driven by slowing growth, higher input prices, and uncertainty. Pockets of risk persist in certain CRE sectors, with multifamily seeing the most deterioration in credit performance compared to last year. Retail credit risk remains stable.
- **Market risk** is influenced by interest rate movements, portfolio repositioning, liquidity management, deposit pricing, and asset pledging. Net interest margins (NIM) improved for smaller banks in the first half of 2025, supported by higher loan pricing, rising asset yields, and lower deposit costs. Larger banks saw a slight decline in NIM as falling loan yields offset reductions in deposit costs.
- **Operational risk** remains high as fraud continues to target traditional payment methods and cyber threats from sophisticated actors intensify, emphasizing the need for operational resilience and cybersecurity measures.
- **Compliance risk** continues to be elevated amid regulatory changes and growing complexity. Areas of focus include fair lending and CRA compliance, adherence to Executive Order 14331 (prohibiting politicized or unlawful debanking), and adjustments to AML and Customer Identification Program (CIP) requirements.

OCC Measures to Reduce Community Bank Regulatory Burden

On November 24, 2025, the OCC announced a [major package of measures](#) to ease regulatory burdens on community banks (under \$30B in assets), including tailored, risk-based BSA/AML exams, discontinuing money laundering risk data collection, and seeking input on core provider challenges. These steps aim to cut unnecessary requirements and boost lending and local economic growth.

OCC Authorizes National Banks to Hold Crypto Assets

In November, the OCC authorized national banks to hold [crypto assets](#) on their balance sheets to cover network fees for blockchain transactions, facilitating permissible activities and testing, reducing reliance on third parties, and improving efficiency for services like custody and stablecoin management. This allows for safer, more efficient operations by keeping necessary tokens on hand, with conditions for risk management and de minimis holdings.

SEC Updates Financial Reporting Manual

In early December, the SEC updated its [Financial Reporting Manual](#) to align with previously adopted amendments related to special purpose acquisition companies (SPACs), shell companies, and projections that took effect July 1, 2024.

Regulators Drop Reputation Risk References

In October, the OCC and FDIC issued a [joint notice](#) of proposed rulemaking to codify the removal of reputation risk from their programs. The proposed rule bars regulators from taking actions based on reputation risk or political, social, or cultural views, and removes such references from FDIC manuals. The comment period is closed, but the rule is not yet final.

OCC Eases Rules for Community Banks

In October, the OCC issued [guidance to reduce regulatory burden for community banks](#) by tailoring examination procedures and model risk management expectations to each bank's risk profile. These actions aim to maintain safety and soundness while allowing banks to focus on serving their communities and supporting economic growth.

other developments

Current Oversight Makes Stablecoins Too Risky for Cash Equivalent Status

Investment analysts advising the FASB recently cautioned that stablecoins remain too risky and unregulated to be considered cash equivalents, despite a growing push to classify them as such. The warning came during a public session of the FASB's Investor Advisory Committee (IAC) in November, where members voiced concerns over high leverage ratios, insufficient regulatory oversight, and potential liquidity strain in the stablecoin market. The discussion is part of a broader FASB project examining how digital assets, including stablecoins, should be classified under U.S. GAAP.

Added to the FASB's technical agenda in October, the project aims to clarify how stablecoins and similar digital assets should appear on financial statements. Rather than creating new categories, the board is considering adding examples to existing U.S. GAAP to guide when digital assets should be treated like cash. Key criteria include direct redemption for cash and full backing by real assets. FASB staff are researching features that qualify a stablecoin as a "cash equivalent," examining tokenized deposits, addressing "de-pegging" risks (loss of stable value), and defining necessary investor disclosures.

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on the horizon

The following selected FASB proposed ASUs, exposure drafts and projects were either newly introduced or updated as well as activities of the EITF and PPC during the quarter ended December 31, 2025.

EITF Agenda Items

The Emerging Issues Task Force (EITF) did not meet during the fourth quarter. The next meeting is scheduled for March 12, 2026.

PCC Activities

The Private Company Council (PCC) met on September 25 and September 26, 2025. Below is a summary of topics discussed by PCC and FASB members at the meeting:

- **PCC Agenda Priorities:** The PCC discussed research on three topics it had requested further research on, as part of its current agenda prioritization process: (1) lease accounting simplifications, (2) subjective acceleration clauses, and (3) interest method and determining the effective interest rate.
 - Lease accounting simplifications: PCC members discussed the key takeaways from the July 2025 leases working group meeting, noting that the leases working group supported undertaking research from a lessee perspective on an optional single lease accounting model, embedded leases, and lease modifications. PCC members also briefly discussed other areas of interest including low value leases, weighted-average lease disclosures, and related party lease disclosures. Members expressed the need to conduct further outreach with private company financial statement users and other private company stakeholders. PCC members also discussed feedback from the public roundtable meeting on FASB's post-implementation review of ASC 842, *Leases*.
 - Subjective acceleration clauses: PCC members discussed the staff's research conducted on subjective acceleration clauses in private company debt arrangements and provided preliminary observations on potential private company accounting differences. The PCC concluded that this issue should continue to be pursued as a current agenda priority with a focus on further outreach with financial statement users and other private company stakeholders.
 - Interest method and determining the effective interest rate: PCC members discussed the staff's research, including recent outreach conducted with practitioners, on which debt instruments should be subject to a potential private company alternative to the interest method that is currently required by ASC 835, *Interest*. PCC members concluded that further research should be focused more broadly on other debt related issues, namely those related to debt modifications.
- **Update on Selected FASB Research Agenda Projects:** FASB staff updated the PCC on selected research projects, highlighting (1) research conducted and feedback received, including private-company-specific feedback, (2) how prior PCC feedback was considered by the Board, and (3) recent Board discussions. PCC members provided additional feedback on those selected projects.
 - FASB Agenda Consultation: PCC provided feedback on priority areas for the Board to consider for future standard setting identified through the Invitation to Comment—Agenda Consultation. The PCC will further consider private-company-specific feedback as it continues to reassess its agenda priorities.
 - Research Project—Accounting for and Disclosure of Intangibles: PCC members provided observations on some of the challenges that private companies face when applying the intangibles guidance in response to feedback on the recent Invitation to Comment—Recognition of Intangibles.
 - Research Project—Financial Key Performance Indicators for Business Entities: PCC members provided feedback on the prevalence of financial KPIs for private companies and questioned the benefits of standardized financial KPIs for private companies in response to the feedback on the Invitation to Comment—Financial Key Performance Indicators for Business Entities.

- Update on Selected FASB Technical Agenda Projects: FASB staff updated the PCC on selected projects, including how prior PCC feedback was considered by the Board. PCC members had the opportunity to provide additional feedback on those selected projects.
 - Accounting for Debt Exchanges: PCC members supported the Board decisions made during redeliberations on the proposed Accounting Standards Update, *Debt—Modifications and Extinguishments (Subtopic 470-50) and Liabilities—Extinguishments of Liabilities (Subtopic 405-20): Accounting for Debt Exchanges*. PCC members stated that the amendments will reduce the cost and complexity in accounting for exchanges of debt instruments included in the scope of the project.
 - Accounting for Environmental Credit Programs: PCC members received an update on the Board's decisions made during redeliberations on the proposed Accounting Standards Update—*Environmental Credits and Environmental Credit Obligations (Topic 818)*, focusing on decisions made on required disclosures.
 - Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock: PCC members received an update on the Board's decisions made during initial deliberations on the proposed Accounting Standards Update—*Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock*, including the Board's decision not to add incremental disclosure requirements.
 - EITF Project—Application of Topic 715 to Market-Return Cash Balance Plans: PCC members received an update on the EITF's project on market-return cash balance plans.
- Update on Recently Issued Standards: FASB staff highlighted the following recently issued standards, noting the relevance of those standards to private companies:
 - ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*
 - ASU 2025-04, *Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer*
- Town Hall/Liaison Meeting Update:
 - The PCC met with members of the AICPA Private Company Practices Section Technical Issues Committee (TIC) and discussed five topics: (1) lease accounting simplifications, (2) interest method and determining the effective interest rate, (3) debt modifications and extinguishments, (4) subjective acceleration clauses, and (5) embedded derivatives.
 - FASB staff noted that the PCC plans to hold liaison meetings with the ProSight Financial Association Accounting Working Group, the Construction Financial Management Association Emerging Issues Committee, and the Auditing Standards Board Audit Issues Task Force in Fall 2025, and the Institute of Management Accountants Small Business Shared Interest Group and representatives of the surety industry through the National Association of Surety Bond Producers, and The Surety and Fidelity Association of America in early 2026.
- Other Business: FASB staff provided an update on the FASB Research project, *Digital Assets*

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APPENDIX A

important implementation dates

The following table contains significant implementation dates and deadlines for standards issued by the FASB and others.

Selected Implementation Dates (FASB/EITF/PCC)

Pronouncement	Affects	Effective Date and Transition
ASU 2025-12, Codification Improvements	All reporting entities within the scope of the affected accounting guidance	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 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements	All entities that provide interim financial statements and notes in accordance with U.S. GAAP	Effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, for public business entities and for interim reporting periods within annual reporting periods beginning after December 15, 2028, for entities other than public business entities. Early adoption is permitted for all entities.
ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities	All business entities that receive a government grant	Effective for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods for public business entities and annual reporting periods beginning after December 15, 2029, and interim reporting periods within those annual reporting periods for all other entities. 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, Derivatives and Hedging (Topic 815): Hedge Accounting Improvements	All entities that elect to apply hedge accounting in accordance with U.S. GAAP	Effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods for public business entities and annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods for all other entities. Early adoption is permitted on any date on or after the issuance of this ASU.
ASU 2025-08, Financial Instruments—Credit Losses (Topic 326): Purchased Loans	All entities subject to the guidance on credit losses	Effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting 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.

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Pronouncement	Affects	Effective Date and Transition
ASU 2025-07, <i>Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract</i>	All entities that enter into nonexchange-traded contracts with underlyings based on operations or activities specific to one of the parties to the contract	Effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted.
ASU 2025-06, <i>Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software</i>	All entities subject to the internal-use software guidance	Effective for all entities 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.
ASU 2025-05, <i>Financial Instruments—Credit Losses (Topic 326) Measurement of Credit Losses for Accounts Receivable and Contract Assets</i>	All entities that apply the practical expedient and entities other than public business entities that apply the accounting policy election	Effective for annual reporting periods beginning after December 15, 2025, 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. An entity that elects the practical expedient and the accounting policy election, if applicable, should apply the amendments prospectively.
ASU 2025-04, <i>Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer</i>	All entities that issue share-based consideration to a customer	Effective for all entities for annual reporting periods (including interim reporting periods within annual reporting periods) beginning after December 15, 2026. Early adoption is permitted for all entities. The amendments permit a grantor to apply the new guidance on either a modified retrospective or a retrospective basis.

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Pronouncement	Affects	Effective Date and Transition
ASU 2025-03, <i>Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity</i>	All entities engaging in acquisition transactions involving a VIE	Effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. The amendments require that an entity apply the new guidance prospectively to any acquisition transaction that occurs after the initial application date. Early adoption is permitted as of the beginning of an interim or annual reporting period.
ASU 2025-02, <i>Liabilities (405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122</i>	All public business entities	Effective upon issuance.
ASU 2025-01, <i>Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)</i>	All public business entities	Effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted.
ASU 2024-04, <i>Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments</i>	All entities that settle convertible debt instruments for which the conversion privileges were changed to induce conversion	Effective for all entities 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 amendments may be applied on either a prospective or a retrospective basis.
ASU 2024-03, <i>Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses</i>	All public business entities	Effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements.

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Pronouncement	Affects	Effective Date and Transition
ASU 2024-02, Codification Improvements—Amendments to Remove References to the Concepts Statements	All reporting entities within the scope of the affected accounting guidance	For public business entities, the amendments are effective for fiscal years beginning after December 15, 2024. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2025. Early application of the amendments in this Update is permitted for all entities, for any fiscal year or interim period for which financial statements have not yet been issued (or made available for issuance).
ASU 2024-01, Scope Application of Profits Interest and Similar Awards	All entities that account for profits interest awards as compensation to employees or non-employees in return for goods or services	For public business entities, the amendments are effective for fiscal years beginning after December 15, 2024, including interim periods within those years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2025, including interim periods within those years. Early adoption is permitted. If an entity intends to adopt the amendments in an interim period, it must do so as of the beginning of the fiscal year that includes that interim period.
ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures	All entities subject to ASC 740, <i>Income Taxes</i>	For public business entities, the amendments are effective for annual periods beginning after December 15, 2024. For entities other than public business entities, 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. The amendments should be applied on a prospective basis. Retrospective application is permitted.
ASU 2023-08, Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets	All entities that hold crypto assets	The amendments are effective for all entities for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued (or made available for issuance). If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period.
ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	All public entities that are required to report segment information in accordance with ASC 280, <i>Segment Reporting</i>	The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted.

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Pronouncement	Affects	Effective Date and Transition
ASU 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative	All reporting entities within the scope of the affected ASC topics unless otherwise indicated	For entities subject to the SEC's existing disclosure requirements and for entities required to file or furnish financial statements with or to the SEC in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer, the effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. For all other entities, the amendments will be effective two years later.
ASU 2023-05, Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement	Entities that meet the definition of a joint venture or a corporate joint venture, as defined in the ASC Master Glossary	The amendments are effective prospectively for all joint ventures with a formation date on or after January 1, 2025, and early adoption is permitted. Additionally, a joint venture that was formed before the effective date of the ASU may elect to apply the amendments retrospectively if it has sufficient information.
ASU 2023-02, Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (a consensus of the Emerging Issues Task Force)	All entities that hold (1) tax equity investments that meet the conditions for and elect to account for them using the proportional amortization method or (2) an investment in a LIHTC structure through a limited liability entity that is not accounted for using the proportional amortization method and to which certain LIHTC-specific guidance removed from Subtopic 323-740 has been applied	For public business entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted for all entities in any interim period.

quarterly financial services update

FOURTH QUARTER 2025

APPENDIX A

important implementation dates

Pronouncement	Affects	Effective Date and Transition
ASU 2022-05, <i>Financial Services—Insurance (Topic 944): Transition for Sold Contracts</i>	Insurance entities that have derecognized contracts before the effective date of ASU 2018-12	The effective dates of the amendments are consistent with the effective dates of the amendments in ASU 2020-11.
ASU 2022-03, <i>Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions</i>	All entities	For public business entities, the amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2024, and interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance.
ASU 2020-11, <i>Financial Services—Insurance (Topic 944): Effective Date and Early Application</i>	Insurance entities that issue long-duration contracts	The amendments in this ASU delay the effective date of ASU 2018-12.
ASU 2018-12, <i>Targeted Improvements to the Accounting for Long-Duration Contracts</i>	Insurance entities that issue long-duration contracts	For public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC the amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025. Early application of the amendments is permitted.

APPENDIX B**illustrative disclosures for recently issued accounting pronouncements
for the quarter ended december 31, 2025**

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 2018-12 – Applicable to insurance entities that issue long-duration contracts:

In August 2018, the FASB amended the Financial Services—Insurance Topic of the Accounting Standards Codification to make targeted improvements to the existing recognition, measurement, presentation, and disclosure requirements for long-duration contracts issued by an insurance entity. The amendments will be effective for the Company for ~~fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC~~ [fiscal years beginning after December 15, 2023, and interim periods within fiscal year beginning after December 15, 2024. ~~all other entities~~] The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2020-11 – Applicable to insurance entities that issue long-duration contracts:

In November 2020, the FASB issued guidance to defer the effective dates for insurance entities which have not yet applied the long duration contracts guidance by one year. The new effective dates will be ~~fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC~~ [fiscal years beginning after December 15, 2024, and interim periods within fiscal year beginning after December 15, 2025. ~~all other entities~~] The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2022-03 – Applicable to all entities:

In June 2022, the FASB issued amendments to clarify the guidance on the fair value measurement of an equity security that is subject to a contractual sale restriction and require specific disclosures related to such an equity security. The amendments are effective for ~~fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. - public business entities~~ [fiscal years beginning after December 15, 2024 including interim periods within those fiscal years. - ~~all other entities~~]. Early adoption is permitted. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2022-05 – Applicable to insurance entities that have derecognized contracts before the effective date of ASU 2018-12:

In December 2022, the FASB issued amendments to reduce implementation costs and complexity associated with the adoption of ASU 2018-12 for contracts that have been derecognized in accordance with the amendments in this ASU before the effective date of ASU 2018-12. The amendments are effective for ~~fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. public business entities that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC~~ [fiscal years beginning after December 15, 2024, and interim periods within fiscal year beginning after December 15, 2025. ~~all other entities~~] The Company does not expect these amendments to have a material effect on its financial statements.

APPENDIX B**illustrative disclosures for recently issued accounting pronouncements
for the quarter ended december 31, 2025*****ASU 2023-02 – Applicable to all entities that hold (1) tax equity investments that meet the conditions for and elect to account for them using the proportional amortization method or (2) an investment in a LIHTC structure through a limited liability entity that is not accounted for using the proportional amortization method and to which certain LIHTC-specific guidance removed from Subtopic 323-740 has been applied:***

In March 2023, the FASB issued amendments to allow reporting entities to consistently account for equity investments made primarily for the purpose of receiving income tax credits and other income tax benefits. The amendments are effective for ~~fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. public business entities~~ [fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. all other entities] Early adoption is permitted for all entities in any interim period. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2023-05 – Applicable to Entities that meet the definition of a joint venture or a corporate joint venture, as defined in the ASC Master Glossary:

In August 2023, the FASB issued amendments to address the accounting for contributions made to a joint venture, upon formation, in a joint venture's separate financial statements. The amendments are effective prospectively for all joint venture formations with a formation date on or after January 1, 2025. Additionally, a joint venture that was formed before January 1, 2025 may elect to apply the amendments retrospectively if it has sufficient information. Early adoption is permitted in any interim or annual period in which financial statements have not yet been issued (or made available for issuance), either prospectively or retrospectively. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2023-06 – Applicable to all reporting entities within the scope of the affected ASC topics unless otherwise indicated:

In October 2023, the FASB issued amendments to incorporate certain U.S. Securities and Exchange Commission (SEC) disclosure requirements into the U.S. GAAP and align the requirements with the SEC's regulations. The amendments are effective prospectively ~~[on the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective. entities subject to the SEC's existing disclosure requirements and for entities required to file or furnish financial statements with or to the SEC in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer]~~ [two years after the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective. all other entities] Early adoption is prohibited. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2023-07 – Applicable to all public entities that are required to report segment information in accordance with ASC 280, Segment Reporting:

In November 2023, the FASB amended the Segment Reporting topic in the Accounting Standards Codification to improve disclosures about a public entity's reportable segments and provide more detailed information about a reportable segment's expenses. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. Upon adoption, the Company will apply the amendments retrospectively to all prior periods presented in the financial statements. The Company does not expect these amendments to have a material effect on its financial statements.

APPENDIX B**illustrative disclosures for recently issued accounting pronouncements
for the quarter ended december 31, 2025****ASU 2023-08 – Applicable to all entities that hold crypto assets:**

In December 2023, the FASB amended the Intangibles topic in the Accounting Standards Codification to improve the accounting for and disclosure of certain crypto assets. The amendments are effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted. Upon adoption, the Company will apply a cumulative-effect adjustment to the opening balance of retained earnings (or other appropriate components of equity or net assets) as of the beginning of the annual reporting period in which the Company adopts the amendments. The Company does not expect these amendments to have a material effect on its financial statements.

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 to improve the transparency of income tax disclosures. The amendments are effective for [annual periods beginning after December 15, 2024. -public business entities] [annual periods beginning after December 15, 2025. -all other entities] Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The Company does not expect these amendments to have a material effect on its financial statements.

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 Accounting Standards Codification 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, 2024, and interim periods within those annual periods. -public business entities] [annual periods beginning after December 15, 2025 and interim periods within those annual periods. -all other entities] 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]. The Company does not expect these amendments to have a material effect on its financial statements.

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, 2024. -public business entities] [fiscal years beginning after December 15, 2025. -all other entities] 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]. The Company does not expect these amendments to have a material effect on its financial statements.

APPENDIX B**illustrative disclosures for recently issued accounting pronouncements
for the quarter ended december 31, 2025****ASU 2024-03 – Applicable to all public business entities:**

In November 2024, the FASB amended the Income Statement—Reporting Comprehensive Income topic in the Accounting Standards Codification 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]*. The Company does not expect these amendments to have a material effect on its financial statements.

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 Accounting Standards Codification 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.]* The Company does not expect these amendments to have a material effect on its financial statements.

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. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2025-02 – Applicable to all public business entities:

In March 2025, the FASB amended an SEC paragraph in the Accounting Standards Codification pursuant to the issuance of SEC Staff Accounting Bulletin No. 122. The amendment was effective upon issuance. The Company does not expect this amendment to have a material effect on its financial statements.

ASU 2025-03 – Applicable to all entities that issue share-based consideration to a customer:

In May 2025, the FASB amended the Business Combinations and Consolidation topics in the Accounting Standards Codification 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 reporting periods within those annual reporting periods. The amendments require that an entity apply the new guidance prospectively to any acquisition transaction that occurs after the initial application date. Early adoption is permitted as of the beginning of an interim or annual reporting period. The Company does not expect these amendments to have a material effect on its financial statements.

APPENDIX B**illustrative disclosures for recently issued accounting pronouncements
for the quarter ended december 31, 2025****ASU 2025-04 – Applicable to all entities engaging in acquisition transactions involving a VIE:**

In May 2025, the FASB amended the Stock Compensation and Revenue from Contracts with Customers topics in the Accounting Standards Codification to clarify the requirements for share-based consideration payable to a customer that vests upon the customer purchasing a specified volume or monetary 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.]*. The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2025-05 – Applicable to all entities engaging in acquisition transactions involving a VIE:

In July 2025, the FASB amended the Financial Instruments—Credit Losses topic in the Accounting Standards Codification 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 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. The amendments require that an entity that elects the practical expedient and the accounting policy election, if applicable, apply the new guidance prospectively. The Company does not expect these amendments to have a material effect on its financial statements.

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 Accounting Standards Codification 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.] [using a modified transition approach, by applying the amendments on a prospective basis 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.] [using 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.]* The Company does not expect these amendments to have a material effect on its financial statements.

APPENDIX B**illustrative disclosures for recently issued accounting pronouncements
for the quarter ended december 31, 2025****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 Derivatives and Hedging topic and the Revenue from Contracts with Customers topic in the Accounting Standards Codification 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]*. The Company does not expect these amendments to have a material effect on its financial statements.

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 Accounting Standards Codification 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. The Company does not expect these amendments to have a material effect on its financial statements.

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 Accounting Standards Codification 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 reporting periods within those annual reporting periods. -public business entities] [annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting 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. The Company does not expect these amendments to have a material effect on its financial statements.

APPENDIX B**illustrative disclosures for recently issued accounting pronouncements
for the quarter ended december 31, 2025****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 Accounting Standards Codification to establish the accounting for a government grant received by a business entity. The amendments are effective for *[annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. -public business entities]* *[annual reporting periods beginning after December 15, 2029, and interim reporting periods within those annual reporting periods. -all other entities]* 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 Company will apply the amendments using a *[modified prospective approach to both 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 both 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 as of the beginning of the earliest period presented.]* The Company does not expect these amendments to have a material effect on its financial statements.

ASU 2025-11 – Applicable to all entities that provide interim financial statements and notes in accordance with U.S. GAAP:

In December 2025, the FASB amended the Interim Reporting topic in the Accounting Standards Codification 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.]* The Company does not expect these amendments to have a material effect on its 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 Codification to make incremental improvements to generally accepted accounting principles. 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 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 transactions recognized on or after the date that the Company first applies the amendments]*. The Company does not expect these amendments to have a material effect on its financial statements.

Applicable to all:

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

APPENDIX C

recently issued accounting pronouncements

NOTE: The disclosures in the previous appendix are not intended to be all inclusive. All pronouncements issued during the period should be evaluated to determine whether they are applicable to your Company. Through December 31, 2025, the FASB has issued the following Accounting Standard Updates during the year.

- **ASU 2025-01**, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)
- **ASU 2025-02**, Liabilities (405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122
- **ASU 2025-03**, Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity
- **ASU 2025-04**, Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer
- **ASU 2025-05**, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets
- **ASU 2025-06**, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software
- **ASU 2025-07**, Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract
- **ASU 2025-08**, Financial Instruments—Credit Losses (Topic 326): Purchased Loans
- **ASU 2025-09**, Derivatives and Hedging (Topic 815): Hedge Accounting Improvements
- **ASU 2025-10**, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities
- **ASU 2025-11**, Interim Reporting (Topic 270): Narrow-Scope Improvements
- **ASU 2025-12**, Codification Improvements