



Accounting and Financial Reporting Issues for Financial Institutions

December 2025

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Observations on 2025 and 2026

During the 2025 AICPA & CIMA Conference on Current SEC and PCAOB Developments, attendees heard from an engaging economist, Jason Schenker. Among the many data points he covered, three were particularly entertaining. First, in the most recent consumer price index (CPI) report, which are goods prices excluding food and energy, Schenker compared the impact of pets and pet food to the impact of major appliances, noting pets and pet food are nine times more important to the CPI than major appliances. Second, he described crypto as “fake magic internet money.” Third, he noted trends of companies disclosing use of AI in public statements and documents. Per Schenker, in the not-too-distant future, these disclosures will be akin to disclosing that a company “uses the internet” or “has running water.”

This year, the Financial Accounting Standards Board (FASB) focused on wrapping up its current agenda to be in a position to reload the agenda based on its 2025 Invitation to Comment (ITC), “Agenda Consultation.”

As of the date of this publication, the FASB has issued 12 ASUs in 2025. If you’re curious, the last year the FASB issued 12 ASUs was 2019. Of course, I then had to recap the past 12 years, with notable standards issued in each year:

Year	Number of standards issued	Notable standards
2025	12	ASU 2025-08, “Purchased Loans” (Topic 326)
2024	4	ASU 2024-03, “Disaggregation of Income Statement Expenses” (Subtopic 220-40)
2023	9	ASU 2023-02, “Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method” (Topic 323)
2022	6	ASU 2022-02, “Troubled Debt Restructurings and Vintage Disclosures” (Topic 326)
2021	10	ASU 2021-01, “Reference Rate Reform: Scope” (Topic 848)
2020	11	ASU 2020-04, “Facilitation of the Effects of Reference Rate Reform on Financial Reporting” (Topic 848)
2019	12	ASU 2019-05, “Credit Losses: Targeted Transition Relief” (Topic 326)
2018	20	ASU 2018-15, “Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract” (Subtopic 350-40)
2017	15	ASU 2017-12, “Targeted Improvements to Accounting for Hedging Activities” (Topic 815)
2016	20	ASU 2016-02, “Leases” (Topic 842) ASU 2016-13, “Measurement of Credit Losses on Financial Instruments” (Topic 326)
2015	17	ASU 2015-05, “Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement” (Subtopic 350-40)
2014	18	ASU 2014-09, “Revenue From Contracts With Customers” (Topic 606)

Over the past two years, the board continued to focus on “disaggregation,” as users seek more rows and columns. The changes for segment disclosures required disaggregation for significant expenses for public entities, which were effective Dec. 31, 2024, for calendar year-ends. The amendments for income tax disclosures require more disaggregation for all entities. For public business entities (PBEs), the changes are effective Dec. 31, 2025, for calendar year-ends. At the AICPA SEC conference, a presenter noted polling indicates that roughly half of PBEs will retrospectively adopt for comparability. The final standard on disaggregation of income statement expenses (DISE) is of course about disaggregation for PBEs and is effective for Dec. 31, 2027, calendar year-ends.

In 2025, the board issued several standards that will affect financial institutions. Most notable for 2025, and one of my favorites, is the final standard to address the “double count” issue in the current expected credit losses model, which results in recording an allowance through earnings for loans that do not qualify as purchased credit deteriorated (PCD). In turn, the allowance is accreted into yield, which results in overstating yield prospectively. The ASU expands the gross-up approach to all purchased seasoned loans (PSL). Side note: I love the acronym PSL as it reminds me of pumpkin spiced lattes. The ASU is effective for Jan. 1, 2027, for all entities; however, early adoption is permitted in an interim or annual reporting period in which financial statements have not yet been issued.

The FASB also issued a final standard on internal-use software costs to modernize the accounting model and align it to current software development practices by eliminating the prescriptive development stages. Two standards on derivatives and hedging could increase the appetite for financial institutions to enter into these transactions. Currently, the FASB has no proposals open for comment.

Looking forward to 2026

According to FASB Chair Rich Jones during the conference, the board plans to consider the 72 items received from the ITC agenda consultation sometime next summer. To date, the board has added three projects to its agenda:

- Accounting for transfers of crypto assets
- Classification of certain digital assets as cash equivalents
- Equity method of accounting: targeted improvements

I am interested to see how the board’s project on the cash flow statement for financial institutions unfolds.

The board also plans to decide next steps for its ITCs on key performance indicators and recognition of intangibles. Both have been topics of discussion for many years – and opinions are disparate.

I am grateful for the significant contributions of my colleagues Alissa Doherty, Jason Eaves, and Sean Prince. We welcome your feedback.

Sydney K. Garmong
Partner, National Office

Final FASB standards: Recognition and measurement

Codification improvements

On Dec. 17, 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-12, "[Codification Improvements](#)," as part of its ongoing effort to make targeted technical corrections and clarifications to the Accounting Standards Codification (ASC). The update addresses 33 issues across a broad range of topics and is intended to clarify guidance, correct errors, and reduce unintended diversity in application without significantly changing current accounting practice. Notable amendments include:

- Removal of the unused Master Glossary term "amortized cost"
- Clarification of diluted earnings-per-share calculations when a loss from continuing operations exists
- Refinement of guidance for calculating reference amounts for beneficial interests
- Clarification that certain transfers of receivables from contracts with customers are subject to Topic 860

The amendments apply to all entities within the scope of the affected guidance and generally are expected to have a limited operational impact.

Effective dates

The amendments are effective for all entities for annual reporting periods beginning after Dec. 15, 2026, and interim periods within those annual periods. Early adoption is permitted, and entities may elect transition and early adoption on an issue-by-issue basis.

Accounting for government grants

On Dec. 4, 2025, the FASB issued ASU 2025-10, "[Government Grants \(Topic 832\): Accounting for Government Grants Received by Business Entities](#)," providing comprehensive guidance for business entities that receive government grants. The standard establishes recognition, measurement, and presentation requirements for monetary and tangible nonmonetary grants; defines what qualifies as a government grant; and sets a probable threshold for recognition based on both compliance with grant conditions and likelihood of receipt. The ASU requires entities to classify grants as asset-related or income-related, with asset-related grants accounted for using either a deferred income approach or a cost-accumulation approach, and income grants recognized systematically over the periods of related costs. Expanded annual disclosures are required, including information about grant terms, accounting policies, and, for nonmonetary grants, the fair value recognized.

Effective dates

The standard is effective for public business entities (PBEs) for annual reporting periods beginning after Dec. 15, 2028, and interim reporting periods within those annual reporting periods. For all other entities, the amendments are effective for annual reporting periods beginning after Dec. 15, 2029, and interim reporting periods within those annual reporting periods. Early adoption is permitted.

For additional information, see the Crowe article "[FASB Issues Final ASU on Government Grants for Businesses](#)."

Hedge accounting improvements

On Nov. 25, 2025, the FASB issued ASU 2025-09, “Derivatives and Hedging (Topic 815): Hedge Accounting Improvements,” which finalizes targeted updates intended to better align hedge accounting with entities’ risk management strategies across five key areas:

- **Similar risk assessment for cash flow hedges:** Replaces the “shared risk exposure” requirement with a more flexible “similar risk exposure” standard, allowing broader grouping of forecasted transactions.
- **Hedging forecasted interest payments on choose-your-rate debt:** Provides an optional model that permits hedge accounting to continue when the borrower changes the interest rate index or tenor within the contract’s allowable terms.
- **Cash flow hedges of nonfinancial forecasted transactions:** Expands component hedging by allowing designation of price components or subcomponents that are clearly and closely related to the underlying nonfinancial asset, including spot-market transactions.
- **Net written options as hedging instruments:** Allows certain swap-plus-written-option combinations to qualify as eligible hedging instruments, addressing mismatches that emerged after reference rate reform.
- **Foreign-currency-denominated debt in dual hedges:** Eliminates the measurement mismatch in dual strategies by excluding the fair value hedge basis adjustment from the net investment hedge effectiveness assessment.

Effective dates

For PBEs, the amendments are effective for fiscal years beginning after Dec. 15, 2026, including interim periods. All other entities will apply the guidance for fiscal years beginning after Dec. 15, 2027. Early adoption is permitted. The guidance should be applied prospectively, and the ASU provides targeted transition relief, including the ability to update certain aspects of existing hedge designations without dedesignating and redesignating the hedge.

For additional information, see the Crowe article [“FASB Issues Hedge Accounting Improvements.”](#)

Credit losses – purchased loans

On Nov. 12, 2025, the FASB issued ASU 2025-08, “Financial Instruments – Credit Losses (Topic 326): Purchased Loans,” to simplify and improve consistency in accounting for acquired loans under the current expected credit loss (CECL) model. The ASU resolves the “double count” of expected credit losses that arises under current guidance for certain acquired loans. Under existing GAAP, acquired loans are classified as either purchased credit-deteriorated (PCD) or non-PCD loans. For PCD loans, the Day 1 allowance is established through a gross-up of the amortized cost basis in purchase accounting rather than through a charge to earnings. For non-PCD loans, the Day 1 allowance is established by a charge to earnings, and the related purchase discount is then accreted into interest income, overstating the yield prospectively. The ASU significantly expands loans qualifying for the gross-up method by introducing purchased seasoned loans (PSLs), which are a subset of non-PCD loans. A loan is considered a PSL if it is 1) acquired in a business combination accounted for under Topic 805 or 2) obtained in an asset acquisition or initially recognized through consolidation of a variable interest entity that is not a business and is purchased more than 90 days after origination when the acquirer was not involved in origination. Credit cards, trade receivables arising from transactions accounted for under Topic 606, and debt securities are excluded from the scope of the ASU. Under the gross-up approach, an allowance for credit losses (ACL) is recorded at acquisition with an equal increase to the amortized cost basis, eliminating Day 1 credit loss expense. Entities also may elect, on an acquisition-by-acquisition basis, to subsequently measure the ACL on PSLs using the amortized cost basis when estimating losses with nondiscounted methods, which would allow pooling of PSLs with originated loans.

Effective dates

The amendments are effective for all entities for annual periods beginning after Dec. 15, 2026, including interim periods within those annual periods. The guidance should be applied prospectively to loans acquired on or after the adoption date. Early adoption is permitted in an interim or annual reporting period for which financial statements have not yet been issued or made available for issuance. If adopting in an interim period, an entity must adopt the amendments as of the beginning of the fiscal year that includes that interim period.

For additional information, see the Crowe article [“Goodbye Double Count: FASB Finalizes Purchased Loans ASU.”](#)

Derivative scope refinements

On Sept. 29, 2025, the FASB issued 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,”](#) to refine Topic 815 by excluding from derivative accounting any non-exchange-traded contracts whose underlyings are based on operations or activities specific to one of the parties (for example, regulatory approvals, sales or earnings measures, emissions targets, or litigation outcomes). The scope exception does not extend to variables tied to market rates, prices, or indexes. It also does not apply to the price or performance (including default) of a party’s financial assets or liabilities, to contracts in an entity’s own equity evaluated under Subtopic 815-40, or to call and put options on debt instruments. The ASU also clarifies that share-based noncash consideration received from a customer in a revenue contract is accounted for under Topic 606 until the right to receive or retain that consideration is unconditional, at which point other topics apply.

Effective dates

The amendments are effective for all entities for annual reporting periods beginning after Dec. 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted.

For additional information, see the Crowe article [“Accounting for Share-Based Payment From Customers.”](#)

Internal-use software guidance improvements

On Sept. 18, 2025, the FASB issued ASU 2025-06, [“Intangibles – Goodwill and Other – Internal-Use Software \(Subtopic 350-40\): Targeted Improvements to the Accounting for Internal-Use Software,”](#) to modernize recognition by eliminating prescriptive project stages and requiring capitalization of internal-use software costs only after 1) management authorizes and commits to funding the project and 2) it is probable the software will be completed and used as intended (probable-to-complete recognition threshold). Entities also must evaluate and, if present, resolve significant development uncertainty, limited to 1) novel or unproven functionality not yet resolved through coding and testing and 2) situations in which significant performance requirements have not been identified or continue to be substantially revised. The ASU supersedes stand-alone website-development guidance by incorporating relevant requirements into Subtopic 350-40 and clarifies that property, plant, and equipment disclosures in Subtopic 360-10 apply to all capitalized internal-use software (and that the intangibles disclosures in Subtopic 350-30 do not).

Effective dates

The amendments are effective for all entities for annual reporting periods beginning after Dec. 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period.

For additional information, see the Crowe article [“FASB Revises Internal-Use Software Cost Guidance.”](#)

Measurement of credit losses

On July 30, 2025, the FASB issued ASU 2025-05, "[Financial Instruments – Credit Losses \(Topic 326\): Measurement of Credit Losses for Accounts Receivable and Contract Assets](#)," which is likely to have minimal to no impact for financial institutions.

The ASU simplifies the accounting for CECL for short-term receivables by creating 1) a practical expedient for all entities and 2) an optional accounting policy for entities other than PBEs, both limited to current accounts receivable and current contract assets arising under Topic 606. Under the expedient, entities estimate expected credit losses assuming conditions at the balance sheet date will continue over the asset's remaining life, while still adjusting historical loss data for known, current customer or company factors. For non-PBEs that also elect the optional accounting policy, subsequent cash collections through a selected date before issuance may be considered such that amounts collected by that date carry a zero allowance, and any uncollected balances are evaluated using the expedient.

Effective dates

The amendments are effective for all entities for annual reporting periods beginning after Dec. 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both an interim and annual reporting period.

For additional information, see the Crowe article "[FASB Simplifies Credit Losses for Accounts Receivable and Contract Assets](#)."

Share-based consideration payable to a customer

On May 15, 2025, the FASB issued 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](#)," which is likely to have minimal to no impact for financial institutions.

The ASU clarifies guidance in Topic 606 and Topic 718 related to share-based payments made as consideration payable to a customer. This amendment revises the Master Glossary definition of a *performance obligation* to include conditions tied to a customer's purchases or those of other parties within the distribution chain. This revised definition applies only to share-based consideration payable to customers and cannot be analogized to awards granted to employees or nonemployees. Additionally, the amendment clarifies that grantors must evaluate the likelihood of vesting using Topic 718 alone and should not apply the variable consideration constraints from Topic 606.

Effective dates

The ASU is effective for all entities for annual reporting periods, including interim reporting periods within annual reporting periods, beginning after Dec. 15, 2026. Early adoption is permitted.

For more information, see the Crowe article "[FASB ASU Addresses Share-Based Payments to Customers](#)."

Determining the acquirer in the acquisition of a VIE

On May 12, 2025, the FASB issued ASU 2025-03, "[Business Combinations \(Topic 805\) and Consolidation \(Topic 810\): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity](#)," to enhance the guidance in Topic 805, "Business Combinations," for determining the accounting acquirer. When an acquisition is primarily executed through an exchange of equity interests and the legal acquiree is a variable interest entity (VIE) that qualifies as a business, the amendments require entities to apply the factors outlined in ASC 805-10-55-12 through 55-15 to identify the accounting acquirer.

Effective date

The amendments are effective for all entities for annual reporting periods beginning after Dec. 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an interim or annual reporting period.

For additional information, see the Crowe article [“ASU Offers Guidance on Identifying the Accounting Acquirer.”](#)

SEC paragraph amendments pursuant to SAB 122

On March 18, 2025, the FASB issued ASU 2025-02, [“Liabilities \(Topic 405\): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122,”](#) in response to the release of Securities and Exchange Commission (SEC) Staff Accounting Bulletin (SAB) 122, which rescinded SAB 121. The ASU amends the guidance in ASC 405-10-S99-1 to remove all of the text of SAB Topic 5.FF, “Accounting for Obligations To Safeguard Crypto-Assets an Entity Holds for Its Platform Users,” originally added pursuant to SAB 121. The ASU is effective upon issuance.

Induced conversions of convertible debt instruments

On Nov. 26, 2024, the FASB issued ASU 2024-04, [“Debt – Debt With Conversion and Other Options \(Subtopic 470-20\): Induced Conversions of Convertible Debt Instruments,”](#) to clarify whether certain settlements of convertible debt instruments should be accounted for as induced conversions if certain criteria are met. Under the ASU, to account for such a settlement transaction as an induced conversion, an entity would assess the qualifying criteria as of the date the inducement offer is accepted by the holder. If the convertible debt instrument had been modified without being substantially different within one year leading up to the offer acceptance date, the entity would compare the terms provided in the inducement offer with the terms that existed one year before the offer acceptance date. The amendments do not modify the other existing criteria that must be satisfied to account for a settlement transaction as an induced conversion.

Effective dates

The amendments are effective for annual reporting periods beginning after Dec. 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The amendments permit an entity to apply the guidance on either a prospective or a retrospective approach.

More details can be found in the Crowe article [“FASB Issues ASU on Convertible Debt Instruments.”](#)

Profits interest awards

On March 21, 2024, the FASB issued ASU 2024-01, [“Compensation – Stock Compensation \(Topic 718\): Scope Application of Profits Interest and Similar Awards,”](#) to provide an illustrative example comprised of four fact patterns intended to assist entities in evaluating whether a profits interest award should be accounted for as a share-based payment arrangement under Topic 718. Profits interest and similar awards are more common in private equity and commercial entities but have been observed in financial institutions (for example, phantom stock plans, stock appreciation rights).

Effective dates

For PBEs, the amendments are effective for fiscal years beginning after Dec. 15, 2024, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after Dec. 15, 2025, including interim periods within those fiscal years. Early adoption is permitted. The amendments should be applied either retrospectively to all prior periods presented in the financial statements or prospectively to awards granted or modified after the effective date.

More details can be found in the Crowe article [“FASB Issues Profits Interest Awards Guidance.”](#)

Crypto assets

On Dec. 13, 2023, the FASB issued ASU 2023-08, "[Intangible – Goodwill and Other – Crypto Assets \(Subtopic 350-60\): Accounting for and Disclosure of Crypto Assets](#)," which requires entities to account for holdings of certain crypto assets at fair value at each reporting period with changes in fair value recorded through earnings. The amendments in the final ASU apply to assets with the following characteristics:

- Meet the definition of intangible assets under U.S. GAAP
- Do not provide the asset holder with enforceable rights to or claims on the underlying goods, services, or other assets
- Are created or reside on a distributed ledger based on blockchain or similar technology
- Are secured through cryptography
- Are fungible
- Are not created or issued by the reporting entity or its related parties

The final amendments require that an entity present crypto assets measured at fair value separately from other intangible assets on the balance sheet, with changes in fair value presented separately from other changes in intangible assets on the income statement. The final amendments also require extensive disclosure about crypto assets measured at fair value on an interim and annual basis, an annual rollforward of an entity's crypto asset holdings, and specific presentation in the statement of cash flows for cash receipts arising from crypto assets that are received as noncash consideration in the ordinary course of business and are converted nearly immediately to cash.

Effective dates

The amendments are effective for all entities for fiscal years beginning after Dec. 15, 2024, including interim periods within those fiscal years. The amendments require a cumulative-effect adjustment to the opening balance of retained earnings (or applicable components of equity or net assets) as of the beginning of the annual reporting period of adoption. Early adoption is permitted for interim and annual financial statements that have not yet been issued or made available for issuance. If adopting in an interim period, an entity must adopt the amendments as of the beginning of the fiscal year that includes that interim period.

More details can be found in the Crowe article "[FASB Issues Final Fair Value Guidance for Crypto Assets](#)."

Fair value measurement guidance for equity securities subject to contractual sale restrictions

On June 30, 2022, the FASB issued ASU 2022-03, "[Fair Value Measurement \(Topic 820\): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions](#)," to clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security, and therefore is not considered in measuring fair value. It also clarifies that an entity cannot recognize and measure a contractual sale restriction as a separate unit of account. Entities will be required to disclose the nature and remaining duration of the restriction, the circumstances that could cause a lapse in the restriction, and the fair value of the equity securities subject to contractual sale restrictions reflected in the balance sheet.

Effective dates

For PBEs, the amendments are effective for fiscal years beginning after Dec. 15, 2023, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after Dec. 15, 2024, including interim periods within those fiscal years. Early adoption is permitted.

Investments in tax credits

On March 29, 2023, the FASB issued ASU 2023-02, “[Investments – Equity Method and Joint Ventures \(Topic 323\): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method \(a Consensus of the Emerging Issues Task Force\)](#),” to expand use of the proportional amortization method of accounting to equity investments in tax credit programs beyond those in low-income-housing tax credit programs. The ASU allows entities to elect the proportional amortization method, on a tax-credit-program-by-tax-credit-program basis, for all equity investments in tax credit programs meeting the eligibility criteria in ASC 323-740-25-1.

The ASU provides clarifications to address existing interpretive issues and prescribes specific information that entities must disclose each period.

Effective dates

The ASU is effective for periods beginning after Dec. 15, 2023, for PBEs. For all other entities, the ASU is effective for fiscal years beginning after Dec. 15, 2024. Early adoption is permitted, including early adoption in any interim period as of the beginning of the fiscal year that includes that interim period. Entities will have the option of applying the revisions using either a modified retrospective or retrospective adoption approach.

For more detail, please read the Crowe article “[FASB ASU Improves Income Tax Credit Investment Accounting](#).”

Business combinations

Joint venture formations

On Aug. 23, 2023, the FASB issued ASU 2023-05, “[Business Combinations – Joint Venture Formations \(Subtopic 805-60\): Recognition and Initial Measurement](#),” to provide guidance on how a joint venture initially recognizes and measures contributions received at its formation date.

The ASU, which does not amend the definition of a joint venture, requires a joint venture to apply a new basis of accounting at its formation date by valuing the net assets contributed at fair value for both business and asset transactions. The value of the net assets in total is then allocated to individual assets and liabilities by applying Topic 805 with certain exceptions. The formation date of a joint venture is defined as the date when an entity initially meets the definition of a joint venture, which is not necessarily the date the legal entity was formed. All facts and circumstances, including assessing multiple arrangements, need to be considered when determining the formation date.

The ASU allows a joint venture to apply measurement period guidance in accordance with Subtopic 805-10, allowing the amounts recognized upon formation to be adjusted for provisional items during the measurement period not to exceed one year from the formation date.

Effective dates

The ASU is effective for joint ventures with a formation date on or after Jan. 1, 2025, and is required to be applied prospectively. If adequate information is available, joint ventures with a formation date prior to Jan. 1, 2025, have an option to elect to apply the guidance retrospectively.

More details on the ASU appear in the Crowe article “[FASB Finalizes ASU on Joint Venture Accounting](#).”

Final FASB standards: Presentation and disclosure

Interim disclosures

On Dec. 8, 2025, the FASB issued ASU 2025-11, “Interim Reporting (Topic 270): Narrow-Scope Improvements,” to enhance the clarity and usability of interim reporting guidance. The amendments do not change the underlying objective or expand existing interim disclosure requirements; instead, they reorganize and clarify Topic 270 to improve consistency and navigability. The ASU confirms that Topic 270 applies to all entities that issue interim financial statements and notes in accordance with GAAP and introduces a more structured framework for determining which interim disclosures are required. Significantly, the standard creates a comprehensive list of GAAP-required interim disclosures within Topic 270 and incorporates a disclosure principle requiring entities to disclose events occurring after the latest fiscal year-end that have a material impact, aligning GAAP with prior SEC guidance.

The amendments also clarify types of interim reporting, provide improved guidance on the form and content of interim financial statements (including when condensed statements may be used), and make extensive conforming edits throughout the codification to indicate when a disclosure is explicitly required in interim periods. The guidance is intended to reduce confusion, promote consistent application, and support more efficient navigation of interim requirements across topics.

Effective dates

The amendments apply to PBEs for interim periods within fiscal years beginning after Dec. 15, 2027. For all other entities, they are effective for interim periods within fiscal years beginning after Dec. 15, 2028. Early adoption is permitted. Transition may be applied prospectively or retrospectively to any or all prior periods presented.

Disaggregation for income statement expense disclosures

On Nov. 4, 2024, the FASB issued ASU 2024-03, “Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,” to provide more decision-useful information about a PBE’s expenses by requiring PBEs to disclose additional detail on expenses reported in income statements.

Under the ASU, PBEs will provide detailed disclosure in interim and annual periods of specified categories underlying certain expense captions. Expense categories required to be disclosed by financial institutions include, among others, employee compensation, depreciation, and amortization of intangible assets. Other expenses presented on the face of the income statement (for example, credit losses or income taxes) are not expense categories listed in the ASU and therefore do not require disaggregated disclosure. Financial institutions should refer to Example 3 for an illustrative example of a disclosure format. Institutions reporting under SEC Rule 9-04 of Regulation S-X can elect to apply a practical expedient to continue presenting salaries and employee benefits under Rule 9-04 instead of the definition under Subtopic 220-40.

Effective dates

The ASU requires PBEs to apply the amendments prospectively, with an option to use retrospective application. PBEs will need to comply with the requirements beginning with financial statements for fiscal years beginning after Dec. 15, 2026, and interim periods within fiscal years beginning after Dec. 15, 2027. Early adoption is permitted.

On Jan. 6, 2025, the FASB issued ASU 2025-01, "[Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures \(Subtopic 220-40\): Clarifying the Effective Date](#)," to clarify the effective date of ASU 2024-03, "[Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures \(Subtopic 220-40\): Disaggregation of Income Statement Expenses](#)." This amendment addresses questions that were raised regarding the effective date of ASU 2024-03 for public business entities with non-calendar year ends. The amendment clarifies that all PBEs are required to adopt the guidance in annual reporting periods beginning after Dec. 15, 2026, and interim periods within annual reporting periods beginning after Dec. 15, 2027.

For additional information, see the Crowe article "[ASU Addresses Disaggregation of Income Statement Expenses](#)."

Income tax disclosures

On Dec. 14, 2023, the FASB issued ASU 2023-09, "[Income Taxes \(Topic 740\): Improvements to Income Tax Disclosures](#)," to provide additional transparency into an entity's income tax disclosures primarily related to the rate reconciliation and income taxes paid information.

Rate reconciliation

The final amendments require that PBEs disclose on an annual basis 1) specific categories in the rate reconciliation and 2) additional information for reconciling items meeting a certain quantitative threshold. For entities other than PBEs, disclosure of qualitative information about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory tax rate and effective tax rate must be disclosed.

Income taxes paid

The final amendments require that all entities disclose on an annual basis 1) income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign taxes, and 2) the income taxes paid (net of refunds received) disaggregated by individual jurisdictions exceeding 5% of total income taxes paid (net of refunds received).

Other matters

The final amendments also require that all entities disclose 1) income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, and 2) income tax expense (or benefit) from continuing operations disaggregated by federal, state, and foreign.

The amendments also eliminate certain disclosure requirements on unrecognized tax benefits for all entities and cumulative amounts of temporary differences on certain subsidiaries and corporate joint ventures.

Effective dates

The amendments are effective for PBEs for annual periods beginning after Dec. 15, 2024. For all other entities, the amendments are effective for annual periods beginning after Dec. 15, 2025. The amendments should be applied on a prospective basis, with retrospective adoption permitted. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance.

For additional information, see the Crowe article "[FASB Finalizes Enhanced Income Tax Disclosure Requirements](#)."

Segment reporting

On Nov. 27, 2023, the FASB issued ASU 2023-07, "[Segment Reporting \(Topic 280\): Improvements to Reportable Segment Disclosures](#)," which requires public entities to disclose more information about a reportable segment's significant expenses. The ASU includes the following disclosure requirements for public entities:

- Significant expense categories and amounts for each reportable segment. Significant expense categories are derived from expenses that are 1) regularly reported to an entity's chief operating decision-maker (CODM) and 2) included in a segment's reported measures of profit or loss.
- An amount for "other segment items," representing the difference between 1) segment revenue less significant segment expenses and 2) the reportable segment's profit or loss measures. A description of the composition of "other segment items" also is required.
- The title and position of the CODM and an explanation of how the CODM uses the reported measures of profit or loss to assess segment performance.
- Interim disclosure of certain segment-related disclosures that previously were required only on an annual basis.

Additionally, the ASU clarifies that entities with a single reportable segment are subject to both new and existing segment reporting requirements under Topic 280. It also clarifies that an entity is permitted to disclose multiple measures of segment profit or loss, provided that certain criteria are met.

Within the existing guidance, ASC 280-10-50-22 provides: "A public entity shall report interest revenue separately from interest expense for each reportable segment unless a majority of the segment's revenues are from interest and the chief operating decision maker relies primarily on net interest revenue to assess the performance of the segment and make decisions about resources to be allocated to the segment. In that situation, a public entity may report that segment's interest revenue net of its interest expense and disclose that it has done so." However, in ASU 2023-07, the FASB added the following: "Nonetheless, a public entity shall separately disclose interest expense if it is a significant segment expense in accordance with paragraph 280-10-50-26A." As explained in the basis for conclusion section addressing interest expense for financial operations segments, the board "decided that the amendments in this update should require that a public entity disclose gross interest expense when that amount meets the criteria in paragraph 280-10-50-26A, even if the public entity meets the conditions in paragraph 280-10-50-22 for disclosing net interest revenue for a financial operations segment" (par. BC76).

Effective dates

The amendments are effective for fiscal years beginning after Dec. 15, 2023, and interim periods within fiscal years beginning after Dec. 15, 2024, with early adoption permitted. Entities must adopt the changes to the segment reporting guidance on a retrospective basis.

For more information, see the Crowe article "[FASB Issues Changes to Segment Reporting Requirements](#)."

Disclosure improvements in response to SEC actions

On Oct. 9, 2023, the FASB issued ASU 2023-06, "[Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative](#)," incorporating 14 of the 27 disclosures referred by the SEC in Release No. 33-10532, "Disclosure Update and Simplification," which was issued Aug. 17, 2018. The changes modify the disclosure or presentation requirements of a variety of topics including statement of cash flows, accounting changes and error corrections, earnings per share, interim reporting, commitments, debt, equity, derivatives and hedging, and secured borrowing and collateral.

Effective dates

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 is the date on which the SEC removes that related disclosure from its rules. For all other entities, the amendments will be effective two years later. If the SEC has not removed the related disclosure from its regulations by June 30, 2027, the amendments will be removed from the ASC and not become effective for any entity.

For more information, see the Crowe article "[FASB Responds to SEC Rule, Amends Disclosure Requirements.](#)"

In the FASB pipeline: Recognition and measurement

Paid-in-kind dividends on equity-classified preferred stock

On Sept. 30, 2025, the FASB issued a proposed ASU, "[Equity \(Topic 505\): Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock,](#)" to reduce diversity in practice by prescribing how issuers initially measure paid-in-kind (PIK) dividends. The proposal would require PIK dividends on equity-classified preferred stock (including instruments classified as temporary equity) to be initially measured using the stated PIK dividend rate in the instrument (for example, rate times liquidation value). The amendments would not change when PIK dividends are recognized.

The proposed ASU does not yet include an effective date and would be applied either prospectively or on a modified retrospective basis for equity-classified preferred stock instruments that are outstanding as of the initial application date. Early adoption would be permitted.

Comments were due Oct. 27, 2025.

Accounting for debt exchanges

On April 30, 2025, the FASB issued a proposed ASU, "[Debt – Modifications and Extinguishments \(Subtopic 470-50\) and Liabilities – Extinguishments of Liabilities \(Subtopic 405-20\): Accounting for Debt Exchanges,](#)" to clarify guidance on debt extinguishments. The proposed amendments would apply when an existing debt obligation is settled using proceeds from a new debt issuance involving at least one existing creditor and multiple participating creditors. If the existing debt is repaid or repurchased at market terms and the new debt is issued at market terms following normal marketing practices, the transaction would be accounted for as an extinguishment without applying the 10% cash flow test. If these conditions are not met, entities would continue to evaluate the terms under Subtopic 470-50 to determine whether the transaction represents a modification or an extinguishment. Overall, the amendments aim to enhance consistency in accounting for economically similar transactions, reduce diversity in practice, and lower the cost of applying current guidance.

Comments were due May 30, 2025.

For more information, see the Crowe article "[FASB Proposes Changes to Debt Exchange Accounting.](#)"

Accounting for environmental credit programs

On Dec. 17, 2024, the FASB issued a proposed ASU, "[Environmental Credits and Environmental Credit Obligations \(Topic 818\)](#)," to improve the financial accounting and disclosure of environmental credits and credit obligations. The proposed ASU would require the recognition of an environmental credit as an asset when it is probable that the credit will be transferred to another party in an exchange transaction or used to settle an environmental obligation. Any costs to obtain the credit would be expensed when incurred. The proposed ASU would require the recognition of an environmental credit obligation as a liability when events have occurred on or before the reporting date that result in an environmental credit obligation. The proposed ASU also contains detailed guidance on measurement, disclosure, and presentation matters related to environmental credits and environmental credit obligations.

The proposed ASU does not yet include an effective date and would be applied retrospectively through a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the annual reporting period of adoption. Early adoption would be permitted.

Comments were due April 15, 2025.

In the FASB pipeline: Presentation and disclosure

Digital assets

At its Aug. 13, 2025, meeting, the FASB [announced](#) the addition of a digital assets project to its research agenda. This initiative will evaluate potential targeted improvements to accounting and disclosure requirements for certain digital assets and related transactions. Specifically, the project will examine 1) whether certain payment-oriented digital assets should be classified as cash equivalents, and 2) the accounting treatment of specific digital asset transfers, such as cryptocurrency lending arrangements. The research will incorporate input from stakeholders provided through the FASB's 2025 [Invitation To Comment: Agenda Consultation](#) as well as recommendations outlined in the report issued by the President's Working Group on Financial Markets regarding digital asset markets.

On Oct. 29, 2025, the FASB added a project to its technical agenda to clarify the circumstances under which certain digital assets may be classified as cash equivalents.

From the federal financial institution regulators

FDIC final rule adjusts and indexes regulatory asset thresholds

On Nov. 25, 2025, the FDIC board of directors [approved](#) a final rule, "Adjusting and Indexing Certain Regulatory Thresholds." The final rule updates certain regulatory thresholds to reflect historical inflation, including thresholds related to annual independent audits and reporting requirements under 12 Code of Federal Regulations (CFR) Part 363. The rule also calls for future threshold adjustments based on an indexing methodology.

Under the final rule, 12 CFR 363, which regulates Sec. 112 of the *FDIC Improvement Act* (FDICIA), is amended, in part, as follows:

- The general scope of insured depository institutions (IDIs) subject to Part 363.1(a) is increased from \$500 million of assets to \$1 billion.
- The requirement for IDIs to have an audit committee comprising outside directors is raised from \$500 million in total assets to \$1 billion.
- Part 363.3(b), which stipulates when an IDI is required to have an audit of its ICFR, is amended to increase the threshold for compliance from \$1 billion of total assets to \$5 billion.
- Part 363.5(b), which adds additional audit committee governance requirements, now applies when an IDI exceeds \$5 billion (up from \$3 billion).

The thresholds continue to be measured using total assets as of the beginning of the fiscal year and will be indexed to inflation, generally measured every two years. The final rule does not allow for downward indexing – only upward.

If an IDI will no longer be subject to Part 363 requirements under the updated thresholds in effect as of Jan. 1, 2026, the final rule provides immediate regulatory relief by clarifying that such an institution is not required to comply for any open fiscal year prior to the effective date of the final rule.

For more information, see the Crowe articles [“FDIC Final Rule Adjusts and Indexes Regulatory Thresholds”](#) and [“Relief With Responsibility: Navigating FDIC Part 363 Changes.”](#)

Crypto asset activities

Joint statement on crypto asset safekeeping

On July 14, 2025, the FDIC, Office of the Comptroller of the Currency (OCC), and Federal Reserve (Fed) [issued](#) a joint statement on risk management considerations for crypto asset safekeeping. The statement reaffirms a bank’s ability to engage in crypto asset safekeeping and highlights specific risk considerations such as cryptographic key management, legal and compliance risks, third-party risk management, and audit practices.

OCC confirms authority to hold crypto assets for network fees

On Nov. 18, 2025, the OCC confirmed that national banks may, as part of the business of banking, hold crypto assets on their balance sheet as principal for the purposes of facilitating blockchain network fees (for example, gas fees) when required to facilitate otherwise permissible activities. The interpretive letter also allows banks to hold small amounts of crypto assets for testing crypto asset platforms, provided the activity is safely managed and appropriately limited.

FDIC proposes application procedures for institutions seeking to issue payment stablecoins

On Dec. 16, the FDIC board [approved](#) a notice of proposed rulemaking that would implement the application provisions under the *Guiding and Establishing National Innovation for U.S. Stablecoins Act* (GENIUS Act). The GENIUS Act allows insured depository institutions to issue payment stablecoins through a subsidiary and to engage in certain related activities. An FDIC-supervised state nonmember bank or state savings association seeking to issue payment stablecoins through a subsidiary is required to apply to the FDIC for the subsidiary to be approved as a permitted payment stablecoin issuer.

FDIC’s notification guidance for crypto activities rescinded

On March 28, 2025, the FDIC [issued](#) Financial Institution Letter (FIL) 7-2025, rescinding prior FIL-16-2022, which required FDIC-supervised institutions to provide prior notification before engaging in crypto-related activities. The new FIL eliminates the prior notification requirement and clarifies that supervised institutions may engage in permissible crypto-related activities. It also states that such institutions should monitor the related risks and engage with their supervisory team when appropriate.

Fed and FDIC crypto asset and dollar token guidance withdrawn

On April 24, 2025, the Fed and the FDIC withdrew prior guidance related to crypto asset and dollar token activities. It included requirements for banks to give advance notice before engaging in crypto activities and obtain prior nonobjection before engaging in dollar token activities. In addition, the agencies withdrew a joint statement addressing risks to banks arising from crypto asset market vulnerabilities.

OCC's clarification on crypto asset custody services

On May 7, 2025, the OCC issued Interpretive Letter 1184, offering important clarification on the scope of crypto asset custody services that national banks and federal savings associations may provide. The letter noted banks may buy and sell crypto assets on behalf of customers, provided the banks act only at the direction of the customer. In addition, banks may outsource crypto asset custody functions, such as using subcustodians, as long as the underlying activity is permissible.

OCC's interpretive letter addressing crypto asset activities

On March 7, 2025, the OCC published Interpretive Letter 1183, reaffirming the permissibility of bank participation in activities such as crypto asset custody, distributed ledger, and stablecoin activities. The issuance rescinds Interpretive Letter 1179, removing the requirements for banks to obtain written notification of supervisory nonobjection and to demonstrate that they have adequate controls in place to the satisfaction of their supervisory office prior to engaging in these activities. The agency also withdrew from two 2023 joint statements on crypto-asset-related risks to banks, and liquidity risks to banking organization arising from crypto-asset market vulnerabilities.

OCC's Bank Accounting Advisory Series

On Aug. 15, 2025, the OCC released its annual update to the Bank Accounting Advisory Series (BAAS), which covers a variety of topics and promotes consistent application of accounting standards among national banks and federal savings associations. The BAAS is updated annually to address accounting questions, newly issued and updated accounting standards, and emerging issues observed through March 31. This edition of the BAAS does not include new questions or substantive updates to existing questions; however, the OCC has made edits to improve general clarity, including revision, relocation, and renumbering of certain existing entries. The OCC noted that these edits do not alter prior conclusions or interpretations from prior editions.

The BAAS does not represent official rules or regulations of the OCC. Rather, it represents the OCC's Office of the Chief Accountant's interpretations of GAAP and regulatory guidance based on the facts and circumstances presented. While the BAAS is published by the OCC, the information in the BAAS is relevant to all financial institutions.

Key abbreviations and acronyms

ACL	allowance for credit losses
AFS	available for sale
AICPA	American Institute of Certified Public Accountants
AOCI	accumulated other comprehensive income
APIC	additional paid-in capital
ASC	Accounting Standards Codification (issued by the FASB)
ASU	Accounting Standards Update
BAAS	Bank Accounting Advisory Series (issued by the OCC)
BC	Basis for Conclusions
CECL	current expected credit loss
CFPB	Consumer Financial Protection Bureau
DTA	deferred-tax asset
EITF	Emerging Issues Task Force (a standing FASB task force)
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corp.
FDICIA	<i>Federal Deposit Insurance Corporation Improvement Act of 1991</i>
Fed	Board of Governors of the Federal Reserve System
FFIEC	Federal Financial Institutions Examination Council (includes the CFPB, FDIC, Fed, NCUA, and OCC)
FHA	Federal Housing Administration
GAAP	generally accepted accounting principles
GENIUS Act	<i>Guiding and Establishing National Innovation for U.S. Stablecoins Act</i>
HFI	held for investment
HFS	held for sale
HTM	held to maturity
IASB	International Accounting Standards Board
IDI	Insured depository institution
IFRS	International Financial Reporting Standard (issued by the IASB)
NCUA	National Credit Union Administration
OCC	Office of the Comptroller of the Currency
OCI	other comprehensive income
OREO	other real estate owned
OTC	over-the-counter (as in OTC market)
PBE	public business entity
PCAOB	Public Company Accounting Oversight Board
PCC	Private Company Council (which recommends alternatives for private companies to the FASB)

PCD	purchased credit deteriorated
PCI	purchased credit impaired
PSL	purchased seasoned loan
SAB	Staff Accounting Bulletin (issued by the SEC)
SEC	U.S. Securities and Exchange Commission
SIFMA	Securities Industry and Financial Markets Association
TRG	Transition Resource Group (A joint TRG has been formed for revenue recognition by the FASB and IASB, and a TRG has been formed for credit losses by the FASB.)
VIE	variable interest entity

Learn more

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Appendix A: ASUs for financial institutions¹ – effective dates for public business entities (PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Amendments to SEC Paragraphs pursuant to SAB 122 (ASU 2025-02) Removes text of SEC Staff Accounting Bulletin (SAB) Topic 5.FF, “Accounting for Obligations To Safeguard Crypto-Assets an Entity Holds for Its Platform Users,” from ASC 405-10-S99-1 as SAB 122 rescinded this topic.	March 18, 2025 (upon issuance)	Not applicable
Joint Venture Formations (ASU 2023-05) Amends the accounting for contributions made to a joint venture upon formation in a joint venture’s separate financial statements. The amendments require that a joint venture apply a new basis of accounting upon formation. By applying a new basis of accounting, a joint venture, upon formation, will recognize and initially measure its assets and liabilities at fair value with exceptions to the fair value measurement that are consistent with the business combination guidance.	March 31, 2025	Permitted, including in an interim period
Crypto Assets (ASU 2023-08) Requires holdings of certain crypto assets to be measured at fair value at each reporting period with changes in fair value recorded through earnings. The amendments apply to assets meeting certain defined characteristics and require crypto assets to be presented separately from other intangible assets on the balance sheet with changes in fair value presented separately from other changes in intangible assets on the income statement. The amendments also require extensive disclosure about crypto assets measured at fair value on an interim and annual basis, an annual rollforward of an entity’s crypto holdings, and specifies certain statement of cash flows presentation for crypto assets received as noncash consideration in the ordinary course of business and converted nearly immediately into cash.	March 31, 2025	Permitted, including in an interim period

¹ These standards have the highest likelihood of being applicable for financial services entities. There could be other standards that might be applicable for financial services entities engaging in nontraditional activities.

**Amendments to
Remove References to
the Concepts Statements
(ASU 2024-02)**

Removes references to Concept Statements, a nonauthoritative source of literature, in the guidance. The amendments simplify the Accounting Standards Codification (ASC) and distinguish between authoritative and nonauthoritative literature by addressing 16 topical issues.

March 31, 2025

Permitted, including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.

**Improvements to Income
Tax Disclosures
(ASU 2023-09)**

Enhances transparency into income tax disclosures. The amendments require annual disclosure of certain information relating to the rate reconciliation, income taxes paid by jurisdiction, income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. The amendments also eliminate certain requirements relating to unrecognized tax benefits and certain deferred tax disclosure relating to subsidiaries and corporate joint ventures.

Dec. 31, 2025

Not applicable

**Induced Conversions of
Convertible Debt instruments
(ASU 2024-04)**

Clarifies whether certain settlements of convertible debt instruments should be accounted for as induced conversions if certain criteria are met. The amendments provide that to account for such a settlement transaction as an induced conversion, an entity would assess the qualifying criteria as of the date the inducement offer is accepted by the holder. If the convertible debt instrument had been modified without being substantially different within one year leading up to the offer acceptance date, the entity would compare the terms provided in the inducement offer with the terms that existed one year before the offer acceptance date.

March 31, 2026

Permitted

<p>Measurement of Credit Losses (ASU 2025-05)</p> <p>Simplifies CECL for short-term receivables by creating a practical expedient. Under the expedient, entities estimate expected credit losses assuming conditions at the balance sheet date continue over the asset's remaining life, while still adjusting historical loss data for known, current customer or company factors.</p>	<p>March 31, 2026</p>	<p>Permitted, including in an interim period</p>
<p>Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity (ASU 2025-03)</p> <p>Enhances the guidance in Topic 805, "Business Combinations," for determining the accounting acquirer. When an acquisition is primarily executed through an exchange of equity interests and the legal acquiree is a variable interest entity (VIE) that qualifies as a business, the amendments require entities to apply the factors outlined in ASC 805-10-55-12 through 55-15 to identify the accounting acquirer.</p>	<p>March 31, 2027</p>	<p>Permitted, including in an interim period</p>
<p>Derivative Accounting and Customer Share-Based Noncash Consideration (ASU 2025-07)</p> <p>Refines Topic 815 by excluding from derivative accounting any non-exchange-traded contracts whose underlyings are based on operations or activities specific to one of the parties with certain scoping exceptions. Clarifies that share-based noncash consideration received from a customer in a revenue contract is accounted for under Topic 606 until the right to receive or retain that consideration is unconditional, at which point other topics apply.</p>	<p>March 31, 2027</p>	<p>Permitted, including in an interim period</p>
<p>Credit Losses – Purchased Loans (ASU 2025-08)</p> <p>Simplifies accounting for acquired loans under CECL by expanding use of the gross-up method to a new category of purchased seasoned loans (PSLs) – acquired loans purchased more than 90 days after origination (or acquired in a business combination) when the acquirer was not involved in origination. For PSLs, an ACL is recorded at acquisition with an equal increase to amortized cost, eliminating Day 1 credit loss expense. Excludes credit cards, Topic 606 trade receivables, and debt securities.</p>	<p>March 31, 2027</p>	<p>Permitted, including in an interim period</p>

<p>Hedge Accounting Improvements (ASU 2025-09)</p> <p>Provides targeted updates including a new “similar risk exposure” criterion for grouping forecasted transactions in cash flow hedges, an optional model for hedging forecasted interest payments on choose-your-rate debt, expanded eligibility to hedge price components and subcomponents of nonfinancial forecasted transactions using the clearly-and-closely-related principle, revised eligibility for certain compound derivatives containing written options, and corrected effectiveness assessment for dual hedges involving foreign-currency-denominated debt.</p>	<p>March 31, 2027</p>	<p>Permitted</p>
<p>Codification Improvements (ASU 2025-12)</p> <p>Makes targeted technical corrections and clarifications across the codification to address unintended application, outdated references, and minor inconsistencies. The ASU affects 33 issues spanning multiple topics, including earnings per share, beneficial interests, and receivables, transfers, and servicing.</p>	<p>March 31, 2027</p>	<p>Permitted, including in an interim period</p>
<p>Disaggregation for Income Statement Expense Disclosures (ASU 2024-03)</p> <p>Requires public companies to provide detailed disclosure in interim and annual periods of specified categories underlying certain expense captions.</p> <p>Clarifying standard: ASU 2025-01 – Clarifies the the effective date.</p>	<p>Dec. 31, 2027</p>	<p>Permitted</p>
<p>Internal-Use Software Accounting (ASU 2025-06)</p> <p>Eliminates prescriptive project stages and requires capitalization of internal-use software costs only after 1) management authorizes and commits to funding the project and 2) it is probable the software will be completed and used as intended. Entities also must evaluate and, if present, resolve significant development uncertainty, limited to 1) novel or unproven functionality not yet resolved through coding and testing and 2) situations in which significant performance requirements have not been identified or continue to be substantially revised.</p>	<p>March 31, 2028</p>	<p>Permitted, including in an interim period</p>

<p>Interim disclosures (ASU 2025-11) Provides narrow-scope improvements to Topic 270 by clarifying that GAAP interim reporting guidance applies to all entities issuing interim financial statements and by creating a comprehensive list of required interim disclosures. Reorganizes and refines interim disclosure requirements, adds a disclosure principle requiring entities to report events after year-end that materially affect interim results, and clarifies form-and-content expectations for both full and condensed interim financial statements.</p>	<p>March 31, 2028</p>	<p>Permitted, including in an interim period</p>
<p>Accounting for Government Grants (ASU 2025-10) Establishes the authoritative guidance for business entities on accounting for government grants, including definitions, recognition criteria based on a probable threshold, and models for both asset-related and income-related grants. Permits either a deferred income approach or a cost-accumulation approach for asset-related grants and requires expanded annual disclosures.</p>	<p>March 31, 2029</p>	<p>Permitted, including in an interim period</p>
<p>Disclosure Improvements (ASU 2023-06) Amends disclosure or presentation requirements and provides clarifications or technical corrections to a variety of topics within the ASC pursuant to matters identified by the Securities and Exchange Commission in its August 2018 Release No. 33-10532, "Disclosure Update and Simplification."</p>	<p>Effective on the date that the SEC eliminates the corresponding disclosure requirements from Regulation S-X and Regulation S-K</p>	<p>Not permitted</p>

Appendix B: ASUs for financial institutions² – effective dates for nonpublic business entities (non-PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
<p>Equity Securities Subject to Contractual Sale Restrictions (ASU 2022-03)</p> <p>Clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. Clarifies that an entity cannot recognize and measure a contractual sale restriction as a separate unit of account. The amendments include various disclosure requirements.</p>	Dec. 31, 2025	Permitted, including in an interim period
<p>Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (ASU 2023-02)</p> <p>Expands the option to account for tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. For tax equity investments not accounted for under the proportional amortization method, the amendments require entities to apply ASC Topic 323, “Equity Method or Joint Ventures,” or ASC Topic 321, “Investments – Equity Securities.” The amendments require specific disclosures that must be applied to all investments that generate income tax credits and income tax benefits from a tax credit program for which an entity has elected to apply the proportional amortization method, including investments within the tax credit program that do not otherwise qualify for the proportional amortization method.</p>	Dec. 31, 2025	Permitted, including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.
<p>Joint Venture Formations (ASU 2023-05)</p> <p>Amends the accounting for contributions made to a joint venture upon formation in a joint venture's separate financial statements. The amendments require that a joint venture apply a new basis of accounting upon formation. By applying a new basis of accounting, a joint venture, upon formation, will recognize and initially measure its assets and liabilities at fair value with exceptions to the fair value measurement that are consistent with the business combination guidance.</p>	Dec. 31, 2025	Permitted, including in an interim period

² These standards have the highest likelihood of being applicable for financial services entities. There could be other standards that might be applicable for financial services entities engaging in nontraditional activities.

**Crypto Assets
(ASU 2023-08)**

Dec. 31, 2025

**Permitted, including in
an interim period**

Requires holdings of certain crypto assets to be measured at fair value at each reporting period with changes in fair value recorded through earnings. The amendments apply to assets meeting certain defined characteristics and require crypto assets to be presented separately from other intangible assets on the balance sheet with changes in fair value presented separately from other changes in intangible assets on the income statement. The amendments also require extensive disclosure about crypto assets measured at fair value, an annual rollforward of an entity's crypto holdings, and specifies certain statement of cash flows presentation for crypto assets received as noncash consideration in the ordinary course of business and converted nearly immediately into cash.

**Improvements to Income Tax Disclosures
(ASU 2023-09)**

Dec. 31, 2026

Permitted

Enhances transparency into an entity's income tax disclosures. The amendments require annual disclosure of qualitative information about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory and effective tax rate. The amendments also require annual disclosure of income taxes paid by jurisdiction, income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. The amendments also eliminate certain requirements relating to unrecognized tax benefits and certain deferred tax disclosure relating to subsidiaries and corporate joint ventures.

**Amendments to Remove References to the
Concepts Statements
(ASU 2024-02)**

Dec. 31, 2026

**Permitted, including
in an interim period.
If adopted in an interim
period, an entity
must adopt as of the
beginning of the fiscal
year that includes that
interim period.**

Removes references to Concept Statements, a nonauthoritative source of literature, in the guidance. The amendments simplify the ASC and distinguish between authoritative and nonauthoritative literature by addressing 16 topical issues.

**Induced Conversions of Convertible Debt Instruments
(ASU 2024-04)**

Dec. 31, 2026

Permitted

Clarifies whether certain settlements of convertible debt instruments should be accounted for as induced conversions if certain criteria are met. The amendments provide that to account for such a settlement transaction as an induced conversion, an entity would assess the qualifying criteria as of the date the inducement offer is accepted by the holder. If the convertible debt instrument had been modified without being substantially different within one year leading up to the offer acceptance date, the entity would compare the terms provided in the inducement offer with the terms that existed one year before the offer acceptance date.

<p>Measurement of Credit Losses (ASU 2025-05)</p> <p>Simplifies CECL for short-term receivables (current accounts receivable and current contract assets) by creating a practical expedient and an optional accounting policy for non-PBEs. Under the expedient, entities estimate expected credit losses assuming conditions at the balance sheet date continue over the asset’s remaining life, while still adjusting historical loss data for known, current customer or company factors. For non-PBEs that elect the optional accounting policy, subsequent cash collections through a selected date before issuance may be considered such that amounts collected by that date carry a zero allowance and any uncollected balances are evaluated using the expedient.</p>	Dec. 31, 2026	Permitted, including in an interim period
<p>Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity (ASU 2025-03)</p> <p>Enhances the guidance in Topic 805, “Business Combinations,” for determining the accounting acquirer. When an acquisition is primarily executed through an exchange of equity interests and the legal acquiree is a variable interest entity (VIE) that qualifies as a business, the amendments require entities to apply the factors outlined in ASC 805-10-55-12 through 55-15 to identify the accounting acquirer.</p>	Dec. 31, 2027	Permitted, including in an interim period
<p>Derivative Accounting and Customer Share-Based Noncash Consideration (ASU 2025-07)</p> <p>Refines Topic 815 by excluding from derivative accounting any non-exchange-traded contracts whose underlyings are based on operations or activities specific to one of the parties with certain scoping exceptions. Clarifies that share-based noncash consideration received from a customer in a revenue contract is accounted for under Topic 606 until the right to receive or retain that consideration is unconditional, at which point other topics apply.</p>	Dec. 31, 2027	Permitted
<p>Credit Losses – Purchased Loans (ASU 2025-08)</p> <p>Simplifies accounting for acquired loans under CECL by expanding use of the gross-up method to a new category of purchased seasoned loans (PSLs) – acquired loans purchased more than 90 days after origination (or acquired in a business combination) when the acquirer was not involved in origination. For PSLs, an ACL is recorded at acquisition with an equal increase to amortized cost, eliminating Day 1 credit loss expense. Excludes credit cards, Topic 606 trade receivables, and debt securities.</p>	Dec. 31, 2027	Permitted, including in an interim period
<p>Codification Improvements (ASU 2025-12)</p> <p>Makes targeted technical corrections and clarifications across the codification to address unintended application, outdated references, and minor inconsistencies. The ASU affects 33 issues spanning multiple topics, including earnings per share, beneficial interests, and receivables, transfers, and servicing.</p>	Dec. 31, 2027	Permitted, including in an interim period

<p>Internal-Use Software Accounting (ASU 2025-06)</p> <p>Eliminates prescriptive project stages and requires capitalization of internal-use software costs only after 1) management authorizes and commits to funding the project and 2) it is probable the software will be completed and used as intended. Entities also must evaluate and, if present, resolve significant development uncertainty, limited to 1) novel or unproven functionality not yet resolved through coding and testing and 2) situations in which significant performance requirements have not been identified or continue to be substantially revised.</p>	<p>Dec. 31, 2028</p>	<p>Permitted, including in an interim period</p>
<p>Hedge Accounting Improvements (ASU 2025-09)</p> <p>Provides targeted updates including a new “similar risk exposure” criterion for grouping forecasted transactions in cash flow hedges, an optional model for hedging forecasted interest payments on choose-your-rate debt, expanded eligibility to hedge price components and subcomponents of nonfinancial forecasted transactions using the clearly-and-closely-related principle, revised eligibility for certain compound derivatives containing written options, and corrected effectiveness assessment for dual hedges involving foreign-currency-denominated debt.</p>	<p>Dec. 31, 2028</p>	<p>Permitted</p>
<p>Interim Disclosures (ASU 2025-11)</p> <p>Provides narrow-scope improvements to Topic 270 by clarifying that GAAP interim reporting guidance applies to all entities issuing interim financial statements and by creating a comprehensive list of required interim disclosures. Reorganizes and refines interim disclosure requirements, adds a disclosure principle requiring entities to report events after year-end that materially affect interim results, and clarifies form-and-content expectations for both full and condensed interim financial statements.</p>	<p>March 31, 2029</p>	<p>Permitted, including in an interim period</p>
<p>Accounting for Government Grants (ASU 2025-10)</p> <p>Establishes the authoritative guidance for business entities on accounting for government grants, including definitions, recognition criteria based on a probable threshold, and models for both asset-related and income-related grants. Permits either a deferred income approach or a cost-accumulation approach for asset-related grants and requires expanded annual disclosures.</p>	<p>Dec. 31, 2030</p>	<p>Permitted, including in an interim period</p>
<p>Disclosure Improvements (ASU 2023-06)</p> <p>Amends disclosure or presentation requirements and provides clarifications or technical corrections to a variety of topics within the ASC pursuant to matters identified by the SEC in its August 2018 Release No. 33-10532, “Disclosure Update and Simplification.”</p>	<p>Two years after removal of the related disclosure from Regulation S-X or Regulation S-K becomes effective</p>	<p>Not permitted</p>