Federal Reserve Banks
Combined Quarterly Financial Report

Unaudited

March 31, 2024

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The Federal Reserve System is the central bank of the United States. It performs five key functions to promote the effective operation of the U.S. economy and, more generally, the public interest.

The Federal Reserve

- **conducts the nation's monetary policy** to promote maximum employment, stable prices, and moderate long-term interest rates in the U.S. economy;
- **promotes the stability of the financial system** and seeks to minimize and contain systemic risks through active monitoring and engagement in the U.S. and abroad;
- **promotes the safety and soundness of individual financial institutions** and monitors their impact on the financial system as a whole;
- **fosters payment and settlement system safety and efficiency** through services to the banking industry and U.S. government that facilitate U.S.-dollar transactions and payments; and
- **promotes consumer protection and community development** through consumer-focused supervision and examination, research and analysis of emerging consumer issues and trends, community economic development activities, and administration of consumer laws and regulations.

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Contents

Overview

The Federal Reserve supplements the release of its annual financial statements with three quarterly financial reports to summarize the unaudited combined financial position and results of operations of the 12 Reserve Banks. The combined financial information reported includes the accounts and results of operations of each Reserve Bank and some consolidated variable interest entities.

The report contains

- the combined statements of condition, operations, and changes in capital; and
- eight explanatory notes that provide supplemental financial information for line items in the combined quarterly statements.

For more information about Federal Reserve Board financial statements and reporting, visit our website at https://www.federalreserve.gov/aboutthefed/fed-financial-statements.htm. For more information about how the Federal Reserve Board supervises Federal Reserve Bank operations, see the "Payment System and Reserve Bank Oversight" section of our latest Annual Report (https://www.federalreserve.gov/publications/annual-report.htm).

The following unaudited financial statements—for the quarter-ended March 31, 2024—summarize the combined financial position and results of operations of the 12 Federal Reserve Banks. The notes cited in the financial statements provide supplemental financial information for specific line items.

Combined statements of condition
(in millions)

		March 31, 2024	December 31, 2023
Assets			
Gold certificates		$ 11,037	$ 11,037
Special drawing rights certificates		5,200	5,200
Coin		1,557	1,423
Loans:	Note 1		
Loans to depository institutions		6,781	3,473
Other loans		133,921	132,628
System Open Market Account:	Note 2		
Securities purchased under agreements to resell		3	–
Treasury securities, net (of which $49,019 and $47,388 is lent as of March 31, 2024, and December 31, 2023, respectively)		4,812,091	4,988,327
Federal agency and government-sponsored enterprise mortgage-backed securities, net		2,436,669	2,481,336
Government-sponsored enterprise debt securities, net (of which $0 and $0 is lent as of March 31, 2024, and December 31, 2023)		2,550	2,557
Foreign currency denominated investments, net		17,907	18,587
Central bank liquidity swaps		187	1,357
Accrued interest receivable		31,239	32,357
Other assets		1	1
Consolidated variable interest entities: Assets held, net (including $222 and $1,006 measured at fair value as of March 31, 2024, and December 31, 2023, respectively)	Note 3	14,290	16,098
Prepaid pension benefit costs		938	998
Other accrued interest receivable		1,951	2,544
Bank premises and equipment, net		2,925	2,897
Items in process of collection		47	69
Deferred asset—remittances to the Treasury		160,379	133,318
Other assets		1,348	1,352
Total assets		**$ 7,641,021**	**$ 7,835,559**
Liabilities and capital			
Federal Reserve notes outstanding, net	Note 4	$ 2,293,089	$ 2,297,050
System Open Market Account:			
Securities sold under agreements to repurchase	Note 2	976,765	1,390,671
Other liabilities		520	614
Deposits:			
Depository institutions	Note 5	3,345,698	3,134,759
Treasury, general account	Note 6	775,268	768,590
Other deposits		188,739	187,222
Interest payable to depository institutions and others		5,932	2,020
Consolidated variable interest entities: Other liabilities	Note 3	34	52
Accrued benefit costs		2,059	2,035
Deferred credit items		683	624
Other liabilities		937	543
Total liabilities		**$ 7,589,724**	**$ 7,784,180**
Reserve Bank capital	Note 7		
Capital paid-in		$ 36,357	$ 36,065
Surplus (including accumulated other comprehensive loss of $1,257 and $1,236 at March 31, 2024, and December 31, 2023, respectively)		6,785	6,785
Total Reserve Bank capital		43,142	42,850
Consolidated variable interest entities formed to administer credit and liquidity facilities: Non-controlling interest	Note 3	8,155	8,529
Total Reserve Bank capital and consolidated variable interest entities non-controlling interest		51,297	51,379
Total liabilities and capital		**$ 7,641,021**	**$ 7,835,559**

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Combined statements of operations
(in millions)

		Three months ended March 31, 2024	Three months ended March 31, 2023
Interest income			
Loans:	Note 8(A)		
Loans to depository institutions		$ 38	$ 778
Other loans		1,860	103
System Open Market Account:	Note 8(B)		
Securities purchased under agreements to resell		–	99
Treasury securities, net		23,120	23,979
Federal agency and government-sponsored enterprise mortgage-backed securities, net		13,742	14,852
Government-sponsored enterprise debt securities, net		33	33
Foreign currency denominated investments, net		84	41
Central bank liquidity swaps		3	5
Total interest income		$ 38,880	$ 39,890
Interest expense			
System Open Market Account:	Note 8(B)		
Securities sold under agreements to repurchase		$ 12,023	$ 28,058
Deposits:			
Depository institutions and others	Note 8(D)	50,461	37,852
Total interest expense		62,484	65,910
Net interest income (expense)		(23,604)	(26,020)
Other items of income (loss)			
System Open Market Account:			
Treasury securities (losses), net		$ (7)	$ (6)
Federal agency and government-sponsored enterprise mortgage-backed securities (losses), net		–	(1)
Foreign currency translation (losses) gains, net		(747)	137
Other		10	24
Income from services		129	126
Reimbursable services to government agencies		207	192
Other components of net benefit costs		90	65
Other		10	11
Total other items of (loss) income		(308)	548
Operating expenses	Note 8(E)		
Salaries and benefits		$ 985	$ 978
System pension service cost		153	132
Occupancy		79	75
Equipment		59	58
Other		309	282
Assessments:			
Board of Governors operating expenses and currency costs		565	446
Bureau of Consumer Financial Protection		285	286
Total operating expenses		2,435	2,257
Reserve Bank net (loss) from operations		(26,347)	(27,729)
Consolidated variable interest entities: (Loss) income, net	Note 8(C)	(163)	354
Consolidated variable interest entities: Non-controlling interest loss (income), net	Note 8(C)	141	(338)
Reserve Bank and consolidated variable interest entities net (loss) before providing remittances to the Treasury		(26,369)	(27,713)
Earnings remittances to the Treasury, net		(26,789)	(28,058)
Net income after providing for remittances to the Treasury		420	345
Change in prior service costs related to benefit plans		(11)	(5)
Change in actuarial (losses) related to benefit plans		(10)	(5)
Total other comprehensive (loss)		(21)	(10)
Comprehensive income		**$ 399**	**$ 335**

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Combined statements of changes in capital
(in millions, except share data)

	Reserve Bank capital					Consolidated variable interest entities: Non-controlling interest	Total Reserve Bank capital and consolidated variable interest entities non-controlling interest
		Surplus					
	Capital paid-in	Net income retained	Accumulated other comprehensive income (loss)	Total surplus	Total Reserve Bank capital		
Balance at December 31, 2022 (700,281,542 shares of Reserve Bank capital stock)	$ 35,014	$ 7,745	$ (960)	$ 6,785	$ 41,799	$ 15,591	$ 57,390
Net change in capital stock issued (21,010,397 shares)	1,051	–	–	–	1,051	–	1,051
Comprehensive income:							
Reserve Bank net income after providing for remittances to the Treasury	–	1,677	–	1,677	1,677	–	1,677
Consolidated variable interest entities: Income, net	–	86	–	86	86	1,038	1,124
Other comprehensive loss	–	–	(276)	(276)	(276)	–	(276)
Dividends on capital stock	–	(1,487)	–	(1,487)	(1,487)	–	(1,487)
Consolidated variable interest entities: Non-controlling interest–capital contribution (distribution)	–	–	–	–	–	(7,908)	(7,908)
Consolidated variable interest entities: Non-controlling interest–(earnings distribution)	–	–	–	–	–	(192)	(192)
Net change in Reserve Bank capital and non-controlling interest	1,051	276	(276)	–	1,051	(7,062)	(6,011)
Balance at December 31, 2023 (721,291,939 shares of Reserve Bank capital stock)	$ 36,065	$ 8,021	$ (1,236)	$ 6,785	$ 42,850	$ 8,529	$ 51,379
Net change in capital stock issued (5,855,260 shares)	292	–	–	–	292	–	292
Comprehensive income:							
Reserve Bank net income after providing for remittances to the Treasury	–	442	–	442	442	–	442
Consolidated variable interest entities: Loss, net	–	(22)	–	(22)	(22)	(141)	(163)
Other comprehensive loss	–	–	(21)	(21)	(21)	–	(21)
Dividends on capital stock	–	(399)	–	(399)	(399)	–	(399)
Consolidated variable interest entities: Non-controlling interest–capital contribution (distribution)	–	–	–	–	–	–	–
Consolidated variable interest entities: Non-controlling interest–(earnings distribution)	–	–	–	–	–	(233)	(233)
Net change in Reserve Bank capital and non-controlling interest	292	21	(21)	–	292	(374)	(82)
Balance at March 31, 2024 (727,147,199 shares of Reserve Bank capital stock)	**$ 36,357**	**$ 8,042**	**$ (1,257)**	**$ 6,785**	**$ 43,142**	**$ 8,155**	**$ 51,297**

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Supplemental Financial Information

(1) Loans

Loans to Depository Institutions

The Board of Governors authorized the Reserve Banks to offer primary, secondary, and seasonal credit extensions to eligible borrowers under section 10B of the Federal Reserve Act (FRA). Primary loans provide discount window credit for periods up to 90 days, secondary loans are extended on a short-term basis, typically overnight, and seasonal loans may be extended for a period of up to nine months.

Other Loans

The Board of Governors authorized the Bank Term Funding Program (BTFP) under section 13(3) of the FRA to offer advances up to one year in length to banks, savings associations, credit unions, and other eligible depository institutions that pledged any collateral eligible for purchase in open market operations, such as Treasury securities, government-sponsored enterprise (GSE) debt, and federal agency and GSE MBS, to help assure eligible institutions had the ability to meet the needs of all their depositors. The Treasury, using the Exchange Stabilization Fund, made available $25 billion as credit protection to the BTFP. The BTFP's authority to extend new loans ended March 11, 2024.

The Board of Governors authorized the Paycheck Protection Program Liquidity Facility (PPPLF) under section 13(3) of the FRA to support the flow of credit to households and businesses. The PPPLF program extended credit to eligible financial institutions that participate in the Small Business Administration's (SBA) Paycheck Protection Program, taking the loans as collateral at face value. The PPPLF's authority to extend new loans ended July 30, 2021.

The amounts outstanding at March 31, 2024, and December 31, 2023, for loans to depository institutions and other loans were as follows (in millions):

Table 1. Loans to depository institutions and other loans
(in millions)

	March 31, 2024	December 31, 2023
Loans to depository institutions		
Primary, secondary, and seasonal credit	$ 6,781	$ 3,473
Other loans		
BTFP	130,872	129,178
PPPLF	3,049	3,450
Total other loans	**133,921**	**132,628**
Total loans	**$ 140,702**	**$ 136,101**

The remaining maturity distribution of loans to depository institutions and other loans outstanding as of March 31, 2024, and December 31, 2023, was as follows:

Table 2. Maturity distribution of loans to depository institutions and other loans
(in millions)

	Performing and past due	Remaining maturity: Within 15 days	Remaining maturity: 16 days to 90 days	Remaining maturity: 91 days to 1 year	Remaining maturity: Over 1 year to 5 years	Total
March 31, 2024						
Loans to depository institutions						
Primary, secondary, and seasonal credit	$ –	$ 2,208	$ 4,573	$ –	$ –	$ 6,781
Other loans						
BTFP	–	4,193	15,931	110,748	–	130,872
PPPLF[1]	3	–	–	–	3,046	3,049
Total other loans	**3**	**4,193**	**15,931**	**110,748**	**3,046**	**133,921**
Total loans	**$ 3**	**$ 6,401**	**$ 20,504**	**$ 110,748**	**$ 3,046**	**$ 140,702**
December 31, 2023						
Loans to depository institutions						
Primary, secondary, and seasonal credit	$ –	$ 1,821	$ 1,652	$ –	$ –	$ 3,473
Other loans						
BTFP	–	269	41,593	87,316	–	129,178
PPPLF[1]	4	–	–	–	3,446	3,450
Total loans	**$ 4**	**$ 2,090**	**$ 43,245**	**$ 87,316**	**$ 3,446**	**$ 136,101**

[1] Balances presented in the performing and past due category have reached maturity and are recognized as performing loans based upon the underlying guarantee of the collateral by the SBA.

Effective January 1, 2023, the Board adopted the current expected credit losses (CECL) methodology in accordance with the *FASB ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit losses on Financial Instruments*. Loans to depository institutions and other loans are within the scope of the zero-loss assumption under CECL. At March 31, 2024, and December 31, 2023, the Reserve Banks had no loans that were past due and determined to be non-performing, or on non-accrual status. No allowance for credit losses was required.

(2) System Open Market Account (SOMA) Holdings

Treasury securities, federal agency and GSE MBS, and GSE debt securities are reported at amortized cost in the Combined statements of condition. SOMA portfolio holdings at March 31, 2024, and December 31, 2023, were as follows:

Table 3. Domestic SOMA portfolio holdings
(in millions)

	March 31, 2024			December 31, 2023		
	Amortized cost	Fair value	Cumulative unrealized gains (losses), net	Amortized cost	Fair value	Cumulative unrealized gains (losses), net
Treasury securities						
Bills	$ 192,881	$ 192,883	$ 2	$ 214,231	$ 214,361	$ 130
Notes	2,735,835	2,533,202	(202,633)	2,891,337	2,695,476	(195,861)
Bonds	1,883,375	1,450,175	(433,200)	1,882,759	1,493,246	(389,513)
Total Treasury securities	**$ 4,812,091**	**$ 4,176,260**	**$ (635,831)**	**$ 4,988,327**	**$ 4,403,083**	**$ (585,244)**
Federal agency and GSE MBS						
Residential	$ 2,427,812	$ 2,018,416	$ (409,396)	$ 2,472,419	$ 2,110,439	$ (361,980)
Commercial	8,857	7,437	(1,420)	8,917	7,552	(1,365)
Total federal agency and GSE MBS	**$ 2,436,669**	**$ 2,025,853**	**$ (410,816)**	**$ 2,481,336**	**$ 2,117,991**	**$ (363,345)**
GSE debt securities	2,550	2,656	106	2,557	2,703	146
Total domestic SOMA portfolio securities holdings	**$ 7,251,310**	**$ 6,204,769**	**$ (1,046,541)**	**$ 7,472,220**	**$ 6,523,777**	**$ (948,443)**
Memorandum—Commitments for purchases of:						
Treasury securities[1]	$ 798	$ 798	$ –	$ 1,109	$ 1,109	$ –
Federal agency and GSE MBS[1]	20	20	–	–	–	–
Memorandum—Commitments for sales of:						
Treasury securities[2]	$ –	$ –	$ –	$ –	$ –	$ –
Federal agency and GSE MBS[2]	(53)	(53)	–	–	–	–

[1] The amortized cost columns present unsettled purchase costs.

[2] The amortized cost columns present unsettled sales proceeds.

The following table provides additional information on the amortized cost and fair values of the federal agency and GSE MBS portfolio at March 31, 2024, and December 31, 2023:

Table 4. Detail of federal agency and GSE MBS holdings: distribution of MBS holdings by coupon rate
(in millions)

	March 31, 2024		December 31, 2023	
	Amortized cost	Fair value	Amortized cost	Fair value
Residential				
1.50%	$ 151,663	$ 124,191	$ 154,792	$ 128,765
2.00%	946,997	755,614	962,071	790,360
2.50%	677,246	554,835	689,649	580,166
3.00%	283,696	246,051	290,035	258,706
3.50%	186,369	167,402	190,382	175,155
4.00%	116,196	107,263	118,593	111,917
4.50%	48,690	46,509	49,673	48,326
5.00%	14,447	14,055	14,741	14,552
5.50%	1,967	1,954	1,990	1,994
6.00%	409	409	372	375
6.50%	132	133	121	123
Total	**$ 2,427,812**	**$ 2,018,416**	**$ 2,472,419**	**$ 2,110,439**
Commercial				
1.00%-1.50%	$ 90	$ 72	$ 91	$ 72
1.51%-2.00%	428	333	432	340
2.01%-2.50%	987	801	995	814
2.51%-3.00%	1,342	1,120	1,350	1,135
3.01%-3.50%	2,830	2,379	2,842	2,412
3.51%-4.00%	2,927	2,521	2,953	2,564
4.01%-4.50%	253	211	254	215
Total	**$ 8,857**	**$ 7,437**	**$ 8,917**	**$ 7,552**
Total MBS	**$ 2,436,669**	**$ 2,025,853**	**$ 2,481,336**	**$ 2,117,991**

The Federal Reserve Bank of New York (FRBNY) may engage in purchases of securities under agreements to resell (repurchase agreements) with primary dealers and eligible counterparties (repo operations) and foreign official account holders under the Foreign and International Monetary Authorities (FIMA) Repo Facility. The FRBNY may also engage in sales of securities under agreements to repurchase (reverse repurchase agreements) with primary dealers and with a set of expanded counterparties that includes banks, savings associations, GSEs, and domestic money market funds. Reverse repurchase agreements may also be executed with foreign official and international account holders as part of a service offering. Financial information related to repurchase agreements and reverse repurchase agreements at March 31, 2024, and December 31, 2023, was as follows:

Table 5. Repurchase agreements and reverse repurchase agreements
(in millions)

	March 31, 2024	December 31, 2023
Repurchase agreements conducted with		
Primary dealers and expanded counterparties:		
Contract amount outstanding, end of period	$ 3	$ –
FIMA Repo Facility:		
Contract amount outstanding, end of period	–	–
Total repurchase agreement contract amount outstanding, end of period	**$ 3**	**$ –**
Reverse repurchase agreements conducted with		
Primary dealers and expanded counterparties:		
Contract amount outstanding, end of period	$ 594,428	$ 1,018,483
Securities pledged (par value), end of period	666,877	1,098,844
Securities pledged (fair value), end of period	587,443	1,008,344
Foreign official and international accounts:		
Contract amount outstanding, end of period	382,337	372,188
Securities pledged (par value), end of period	404,339	451,042
Securities pledged (fair value), end of period	382,420	372,278
Total reverse repurchase agreement contract amount outstanding, end of period	**$ 976,765**	**$ 1,390,671**

The remaining maturity distribution of Treasury securities, federal agency and GSE MBS, GSE debt securities, repurchase agreements, and reverse repurchase agreements at March 31, 2024, and December 31, 2023, was as follows:

Table 6. Maturity distribution of SOMA domestic portfolio securities, securities purchased under agreements to resell, and securities sold under agreements to repurchase
(in millions)

	Within 15 days	16 days to 90 days	91 days to 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years	Total
March 31, 2024:							
Treasury securities (par value)	$ 97,888	$ 229,430	$ 557,183	$ 1,520,154	$ 701,225	$ 1,508,461	$ 4,614,341
Federal agency and GSE residential MBS (par value)[1]	–	–	29	2,986	27,074	2,350,151	2,380,240
Federal agency and GSE commercial MBS (par value)[1]	–	–	–	2,535	3,081	2,579	8,195
GSE debt securities (par value)	–	–	–	–	2,347	–	2,347
Securities purchased under agreements to resell (contract amount)	3	–	–	–	–	–	3
Securities sold under agreements to repurchase (contract amount)	976,765	–	–	–	–	–	976,765
December 31, 2023:							
Treasury securities (par value)	$ 79,323	$ 219,514	$ 594,436	$ 1,614,977	$ 771,726	$ 1,505,162	$ 4,785,138
Federal agency and GSE residential MBS (par value)[1]	–	–	23	2,920	28,909	2,391,693	2,423,545
Federal agency and GSE commercial MBS (par value)[1]	–	–	–	1,975	3,441	2,812	8,228
GSE debt securities (par value)	–	–	–	–	2,347	–	2,347
Securities purchased under agreements to resell (contract amount)	–	–	–	–	–	–	–
Securities sold under agreements to repurchase (contract amount)	1,390,671	–	–	–	–	–	1,390,671

[1] The par amount shown for federal agency and GSE residential MBS and commercial MBS is the remaining principal balance of the securities.

Federal agency and GSE residential MBS (RMBS) and commercial MBS (CMBS) are reported at stated maturity in table 6. The estimated weighted-average life of these securities differs from the stated maturity in table 6 primarily because it factors in scheduled payments and prepayment assumptions. The estimated weighted-average life of RMBS and CMBS as of March 31, 2024, and December 31, 2023, was as follows:

Table 6a. Estimated weighted-average life of residential and commercial MBS
(in years)

	March 31, 2024	December 31, 2023
RMBS	8.7	8.7
CMBS	6.4	6.6

Information about transactions related to Treasury securities, federal agency and GSE MBS, and GSE debt securities held in the SOMA during the three months ended March 31, 2024, and during the year ended December 31, 2023, is summarized as follows:

Table 7a. Domestic portfolio transactions of SOMA securities—bills, notes, and bonds
(in millions)

	Bills	Notes	Bonds	Total Treasury securities
Balance at December 31, 2022	**$ 286,585**	**$ 3,564,863**	**$ 1,877,799**	**$ 5,729,247**
Purchases[1]	644,351	167,315	35,904	847,570
Sales[1]	–	(175)	(76)	(251)
Realized gains (losses), net[2]	–	(9)	(22)	(31)
Principal payments and maturities	(729,215)	(834,160)	(26,907)	(1,590,282)
Amortization of premiums and accretion of discounts, net	12,510	(14,708)	(10,907)	(13,105)
Inflation adjustment on inflation-indexed securities	–	8,211	6,968	15,179
Subtotal of activity	(72,354)	(673,526)	4,960	(740,920)
Balance at December 31, 2023	**$ 214,231**	**$ 2,891,337**	**$ 1,882,759**	**$ 4,988,327**
Purchases[1]	113,250	14,483	2,919	130,652
Sales[1]	–	(30)	(16)	(46)
Realized gains (losses), net[2]	–	(6)	(1)	(7)
Principal payments and maturities	(137,329)	(167,576)	–	(304,905)
Amortization of premiums and accretion of discounts, net	2,729	(2,973)	(2,827)	(3,071)
Inflation adjustment on inflation-indexed securities	–	600	541	1,141
Subtotal of activity	(21,350)	(155,502)	616	(176,236)
Balance at March 31, 2024	**$ 192,881**	**$ 2,735,835**	**$ 1,883,375**	**$ 4,812,091**
Year-ended December 31, 2023				
Supplemental information—par value of transactions				
Purchases[3]	$ 656,660	$ 168,024	$ 36,482	$ 861,166
Sales	–	(184)	(94)	(278)
Three months ended March 31, 2024				
Supplemental information—par value of transactions				
Purchases[3]	$ 115,502	$ 14,536	$ 2,978	$ 133,016
Sales	–	(35)	(15)	(50)

[1] Purchases and sales may include payments and receipts related to principal, premiums, discounts, and inflation compensation adjustments to the basis of inflation-indexed securities.
[2] Realized gains (losses), net is the offset of the amount of realized gains and losses included in the reported sales amount.
[3] Includes inflation compensation.

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Table 7b. Domestic portfolio transactions of SOMA securities—residential and commercial MBS and GSE debt securities
(in millions)

	Residential MBS	Commercial MBS	Total federal agency and GSE MBS	GSE debt securities
Balance at December 31, 2022	**$ 2,688,280**	**$ 9,303**	**$ 2,697,583**	**$ 2,584**
Purchases[1]	600	–	600	–
Sales[1]	(359)	–	(359)	–
Realized gains (losses), net[2]	(56)	–	(56)	–
Principal payments and maturities	(209,687)	(266)	(209,953)	–
Amortization of premiums and accretion of discounts, net	(6,359)	(120)	(6,479)	(27)
Subtotal of activity	(215,861)	(386)	(216,247)	(27)
Balance at December 31, 2023	**$ 2,472,419**	**$ 8,917**	**$ 2,481,336**	**$ 2,557**
Purchases[1]	130	–	130	–
Sales[1]	–	–	–	–
Realized gains (losses), net[2]	–	–	–	–
Principal payments and maturities	(43,434)	(33)	(43,467)	–
Amortization of premiums and accretion of discounts, net	(1,303)	(27)	(1,330)	(7)
Subtotal of activity	(44,607)	(60)	(44,667)	(7)
Balance at March 31, 2024	**$ 2,427,812**	**$ 8,857**	**$ 2,436,669**	**$ 2,550**
Year-ended December 31, 2023				
Supplemental information—par value of transactions				
Purchases	$ 600	$ –	$ 600	$ –
Sales	(276)	–	(276)	–
Three months ended March 31, 2024				
Supplemental information—par value of transactions				
Purchases	$ 129	$ –	$ 129	$ –
Sales	–	–	–	–

[1] Purchases and sales may include payments and receipts related to principal, premiums, and discounts. The amount reported as sales includes the realized gains and losses on such transactions. Purchases and sales exclude MBS TBA transactions that are settled on a net basis.
[2] Realized gains (losses), net is the offset of the amount of realized gains and losses included in the reported sales amount.

Information about foreign currency denominated investments recorded at amortized cost and valued at foreign currency market exchange rates held in the SOMA at March 31, 2024, and December 31, 2023, was as follows:

Table 8. Foreign currency denominated investments
(in millions)

	March 31, 2024	December 31, 2023
Euro:		
Foreign currency deposits	$ 8,596	$ 8,388
French government debt instruments	1,733	1,829
Dutch government debt instruments	1,041	1,070
German government debt instruments	357	668
Japanese yen:		
Foreign currency deposits	5,757	6,333
Japanese government debt instruments	423	299
Total	**$ 17,907**	**$ 18,587**

The remaining maturity distribution of foreign currency denominated investments at March 31, 2024, and December 31, 2023, was as follows:

Table 9. Maturity distribution of foreign currency denominated investments
(in millions)

	Within 15 days	16 days to 90 days	91 days to 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Total
March 31, 2024						
Euro	$ 8,525	$ 100	$ 100	$ 2,785	$ 217	$ 11,727
Japanese yen	5,757	72	349	2	–	6,180
Total	**$ 14,282**	**$ 172**	**$ 449**	**$ 2,787**	**$ 217**	**$ 17,907**
December 31, 2023						
Euro	$ 8,624	$ 113	$ 61	$ 2,935	$ 222	$ 11,955
Japanese yen	6,333	–	297	2	–	6,632
Total	**$ 14,957**	**$ 113**	**$ 358**	**$ 2,937**	**$ 222**	**$ 18,587**

At March 31, 2024, and December 31, 2023, the fair value of foreign currency denominated investments held in the SOMA was $17,693 million and $18,389 million, respectively.

Because of the global character of bank funding markets, the Federal Reserve System has, at times, coordinated with other central banks to provide liquidity. The Federal Open Market Committee (FOMC) authorized and directed the FRBNY to maintain standing U.S. dollar liquidity swap arrangements with the Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, and the Swiss National Bank in order to provide U.S. dollar liquidity to foreign markets. Effective March 20, 2023, the Bank of Canada, the Bank of England, the European Central Bank, the Swiss National Bank, and the Federal Reserve announced a coordinated effort to enhance the provision of liquidity through the standing U.S. dollar liquidity lines that increased the frequency of seven day maturity operations from weekly to daily. At the end of April 2023, the daily operations reverted back to weekly.

Euros of $187 million and $1,357 million held in the SOMA under U.S. dollar liquidity swaps matured within 15 days at March 31, 2024 and December 31, 2023, respectively.

The following table presents the realized gains (losses) and the change in the cumulative unrealized gains (losses) related to SOMA domestic securities holdings held in the SOMA during the periods ended March 31, 2024, and March 31, 2023:

Table 10. Realized gains (losses) and change in unrealized gain (loss) position
(in millions)

	Three months ended March 31, 2024		Three months ended March 31, 2023	
	Realized gains (losses), net[1, 2]	Change in cumulative unrealized gains (losses)[3]	Realized gains (losses), net[1, 2]	Change in cumulative unrealized gains (losses)[3]
Treasury securities	$ (7)	$ (50,587)	$ (6)	$ 130,814
Federal agency and GSE MBS				
Residential	–	(47,416)	(1)	38,535
Commercial	–	(55)	–	179
Total federal agency and GSE MBS	–	(47,471)	(1)	38,714
GSE debt securities	–	(40)	–	50
Total	**$ (7)**	**$ (98,098)**	**$ (7)**	**$ 169,578**

1 Realized gains (losses) for Treasury securities are reported in "Other items of income (loss): System Open Market Account: Treasury securities (losses), net" in the Combined statements of operations.
2 Realized gains (losses) for federal agency and GSE MBS are reported in "Other items of income (loss): System Open Market Account: Federal agency and government-sponsored enterprise mortgage-backed securities (losses), net" in the Combined statements of operations.
3 Because SOMA securities are recorded at amortized cost, the change in the cumulative unrealized gains (losses) is not reported in the Combined statements of operations.

(3) Consolidated Variable Interest Entities (VIEs)

In response to the coronavirus pandemic that began in 2020, the Board of Governors authorized several lending facilities under section 13(3) of the FRA to support the flow of credit to households and businesses. The combined financial statements include the accounts and result of operations of the consolidated VIEs formed to administer certain lending facilities. A Reserve Bank consolidates a VIE if it has a controlling financial interest. The Reserve Bank that is a controlling member extended a loan to the VIE under the authority of section 13(3) of the FRA. Intercompany balances and transactions are eliminated in consolidation. Pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Treasury provided credit protection to a limited liability company (LLC) and is a non-controlling member of MS Facilities LLC (Main Street). The assets of the VIE and the amounts provided by the Treasury as credit protection are used to secure the loan from the Reserve Bank.

Main Street supported small and medium-sized businesses and nonprofit organizations in sound financial condition before the onset of the pandemic through the purchase of loan participations. Main Street's authority to purchase assets ended on January 8, 2021. Semiannually, Main Street returns a portion of the Treasury's equity investment, as reported in tables 13a and 13b.

Municipal Liquidity Facility LLC (MLF) purchased municipal notes to support lending to state, city, and county governments, certain multistate entities, and other issuers of municipal securities. Term Asset-Backed Securities Loan Facility II (TALF II) supported the flow of credit to consumers and businesses by enabling issuance of asset-backed securities that were backed by student loans, auto loans, credit card loans, loans guaranteed by the SBA, and certain other assets. The authority for MLF and TALF II to purchase assets ended December 31, 2020. At December 31, 2023, there were no municipal note holdings in MLF and all loans were repaid in TALF II. As of February 23, 2024, all holdings of MLF and TALF II were liquidated, final obligations were satisfied, and final distributions of proceeds were made to the FRBNY and the Treasury. On March 4, 2024, MLF and TALF II were terminated.

The classification of assets and liabilities of the consolidated VIEs as of March 31, 2024, and December 31, 2023, respectively, are as follows:

Table 11a. Net portfolio assets and liabilities of the consolidated VIE
(in millions)

	Main Street
As of March 31, 2024:	
Assets	
Cash and cash equivalents[1]	$ 1,522
Short-term investments in non-marketable securities[2]	6,733
Loan participations[3]	6,035
Total assets, net	**$ 14,290**
Liabilities	**34**
Net assets and liabilities	**$ 14,256**

[1] Includes $222 million of cash equivalents and $1,300 million of cash at March 31, 2024.
[2] Represents the portion of the Treasury preferred equity contribution to the credit facilities, which are held as short-term investments in non-marketable securities at amortized cost and the related earnings on those investments.
[3] Reported at principal amount outstanding, net of allowance, charge-offs, and recoveries and including interest.

Table 11b. Net portfolio assets and liabilities of consolidated VIEs
(in millions)

	Main Street	MLF	TALF II	Total
As of December 31, 2023:				
Assets				
Cash and cash equivalents[1]	$ 1,981	$ 213	$ 46	$ 2,240
Short-term investments in non-marketable securities[2]	6,791	–	–	6,791
Loan participations[3]	7,067	–	–	7,067
Total assets, net	**$ 15,839**	**$ 213**	**$ 46**	**$ 16,098**
Liabilities	**52**	**–**	**–**	**52**
Net assets and liabilities	**$ 15,787**	**$ 213**	**$ 46**	**$ 16,046**

[1] Includes $1,006 million of cash equivalents and $1,234 million of cash at December 31, 2023.
[2] Represents the portion of the Treasury preferred equity contribution to the credit facilities, which are held as short-term investments in non-marketable securities at amortized cost and the related earnings on those investments.
[3] Reported at principal amount outstanding, net of allowance, charge-offs, and recoveries and including interest.

Effective January 1, 2023, Main Street adopted the CECL methodology in accordance with *FASB ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* and an immaterial amount was recorded to increase credit losses. Under the CECL methodology, loan participations with similar risks are collectively assessed for expected credit losses whereas loan participations with different risks are individually assessed. The principal exposure of loan participations in non-accrual status as of March 31, 2024, and December 31, 2023, was $1.7 billion and $1.3 billion, respectively. The evaluation of loan participations purchased by Main Street, including those in non-accrual status, resulted in recording a credit loss allowance of $1.1 billion and $0.8 billion as of March 31, 2024, and December 31, 2023, respectively. Main Street realized principal and interest losses, net of subsequent recoveries, of $126.6 million and $23.4 million for charge-offs during the periods ended March 31, 2024, and March 31, 2023, respectively. In certain cases, when a borrower experiences significant financial difficulties and is unable to meet its financial obligations, modifications to contractual terms may be approved that would not otherwise have been approved if the loan were performing. The balance of modified loan participations totaled $668.8 million and $460.0 million as of March 31, 2024, and December 31, 2023, respectively.

The maturity distribution of major asset categories in the consolidated VIEs net portfolio holdings, which have set maturity terms is as follows:

Table 12. Maturity distribution of major asset categories of consolidated VIEs
(in millions)

	Remaining maturity				Total
	Within 15 days	16 days to 90 days	91 days to 1 year	Over 1 year to 5 years	
March 31, 2024					
Cash equivalents	$ 222	$ –	$ –	$ –	$ 222
Short-term investments in non-marketable securities	6,733	–	–	–	6,733
Loan participations		–	–	6,035	6,035
Total	**$ 6,955**	**$ –**	**$ –**	**$ 6,035**	**$ 12,990**
December 31, 2023					
Cash equivalents	$ 1,006	$ –	$ –	$ –	$ 1,006
Short-term investments in non-marketable securities	6,791	–	–	–	6,791
Loan participations	–	–	–	7,067	7,067
Total	**$ 7,797**	**$ –**	**$ –**	**$ 7,067**	**$ 14,864**

The following tables present information related to the portfolio holdings of the VIEs and the funding provided by the Reserve Bank and Treasury, as of March 31, 2024, and December 31, 2023, respectively.

Table 13a. Analysis of Reserve Bank funding and Treasury non-controlling interests of VIEs
(in millions)

	March 31, 2024			
	Main Street	MLF	TALF II	Total
Outstanding amount of facility assets	$ 6,035	$ –	$ –	$ 6,035
Treasury contribution, including deposits and non-marketable Treasury securities[1]	8,002	–	–	8,002
Other assets and liabilities, net	219	–	–	219
Unconsolidated variable interest entities: Assets available to pay Reserve Bank loans and Treasury non-controlling interests, net	**$ 14,256**	**$ –**	**$ –**	**$ 14,256**
Reserve Bank funding:				
Loans outstanding	$ 6,070	$ –	$ –	$ 6,070
Plus: Outstanding interest accrued	21	–	–	21
Total controlling interests outstanding	**$ 6,091**	**$ –**	**$ –**	**$ 6,091**
Non-controlling interest:				
Non-controlling interest–capital contribution	$ 37,500	$ 17,500	$ 10,000	$ 65,000
Return of non-controlling interest–capital contribution	(30,062)	(17,500)	(10,000)	(57,562)
Non-controlling interest–Treasury capital contributions	**$ 7,438**	**$ –**	**$ –**	**$ 7,438**
Excess of net unconsolidated VIE assets	**$ 727**	**$ –**	**$ –**	**$ 727**
Allocated to non-controlling Treasury interest	717	–	–	717
Allocated to Reserve Banks	10	–	–	10
Consolidated variable interest entities: Non-controlling interest	**$ 8,155**	**$ –**	**$ –**	**$ 8,155**
Memo: Earnings distribution[2]	**$ –**	**$ 213**	**$ 46**	**$ 259**
Non-controlling Treasury interest	–	192	41	233
Reserve Banks	–	21	5	26

[1] Includes earnings on non-marketable Treasury securities and deposits from the Treasury.

[2] Represents distribution of cumulative LLC earnings upon wind down in accordance with the LLC's legal agreements.

Table 13b. Analysis of Reserve Bank funding and Treasury non-controlling interests of VIEs
(in millions)

	December 31, 2023			
	Main Street	MLF	TALF II	Total
Outstanding amount of facility assets	$ 7,067	$ –	$ –	$ 7,067
Treasury contribution, including deposits and non-marketable Treasury securities[1]	7,977	–	–	7,977
Other assets and liabilities, net	743	213	46	1,002
Unconsolidated variable interest entities: Assets available to pay Reserve Bank loans and Treasury non-controlling interests, net	**$ 15,787**	**$ 213**	**$ 46**	**$ 16,046**
Reserve Bank funding:				
Loans outstanding	$ 7,434	$ –	$ –	$ 7,434
Plus: Outstanding interest accrued	23	–	–	23
Total controlling interests outstanding	**$ 7,457**	**$ –**	**$ –**	**$ 7,457**
Non-controlling interest:				
Non-controlling interest–capital contribution	$ 37,500	$ 17,500	$ 10,000	$ 65,000
Return of non-controlling interest–capital contribution	(30,062)	(17,500)	(10,000)	(57,562)
Non-controlling interest–Treasury capital contributions	**$ 7,438**	**$ –**	**$ –**	**$ 7,438**
Excess of net unconsolidated VIE assets	**$ 892**	**$ 213**	**$ 46**	**$ 1,151**
Allocated to non-controlling Treasury interest	858	192	41	1,091
Allocated to Reserve Banks	34	21	5	60
Consolidated variable interest entities: Non-controlling interest	**$ 8,296**	**$ 192**	**$ 41**	**$ 8,529**
Memo: Earnings distribution[2]	**$ –**	**$ 144**	**$ 48**	**$ 192**
Non-controlling Treasury interest	–	144	48	192
Reserve Banks	–	–	–	–

[1] Includes earnings on non-marketable Treasury securities and deposits from the Treasury.

[2] Represents distribution of cumulative LLC earnings upon wind down in accordance with the LLC's legal agreements.

The allocation of the excess of net unconsolidated VIE assets is determined in accordance with the limited liability company agreement for each entity. The hypothetical liquidation basis of valuation (HLBV) is applied in determining the allocation. Under the HLBV, the hypothetical liquidation of the VIE at book value forms the basis for allocating income or loss and net assets between its controlling and non-controlling interest holders.

(4) Federal Reserve Notes

Federal Reserve notes are the circulating currency of the United States. These notes, which are identified as issued to a specific Reserve Bank, must be fully collateralized. All of the Reserve Banks’ assets are eligible to be pledged as collateral. At March 31, 2024, and December 31, 2023, all Federal Reserve notes, net, were fully collateralized.

(5) Depository Institution Deposits

Depository institutions' deposits primarily represents balances maintained in master accounts and excess balance accounts held by the depository institutions at the Reserve Banks.

(6) Treasury Deposits

The Treasury holds deposits at the Reserve Banks in a general account pursuant the Reserve Banks' role as fiscal agent and depositary of the United States.

(7) Capital and Surplus

The FRA requires that each member bank subscribe to the capital stock of the Reserve Bank in an amount equal to 6 percent of the capital and surplus of the member bank. These shares have a par value of $100 and may not be transferred or hypothecated. As a member bank's capital and surplus changes, its holdings of Reserve Bank stock must be adjusted. Currently, only one-half of the subscription is paid in, and the remainder is subject to call. A member bank is liable for Reserve Bank liabilities up to twice the par value of stock subscribed by it.

The FRA requires each Reserve Bank to pay each member bank an annual dividend on paid-in capital stock. By law member banks with more than $10 billion of total consolidated assets, adjusted annually for inflation, receive a dividend on paid-in capital stock equal to the smaller of 6 percent or the rate equal to the high yield of the 10-year Treasury note auctioned at the last auction held prior to the payment of the dividend. Member banks with $10 billion or less of total consolidated assets, adjusted annually for inflation, receive a dividend on paid-in capital stock equal to 6 percent. The dividend is paid semiannually and is cumulative.

The FRA limits aggregate Reserve Bank surplus to $6.785 billion.

The Treasury equity contribution to the consolidated VIEs is reported as an element of "Consolidated variable interest entities formed to administer credit and liquidity facilities: Non-controlling interest" in the Combined statements of condition. The reported amount also includes Treasury's allocated portion of undistributed net VIE assets as of March 31, 2024, determined in accordance with VIE agreements and accounting policies adopted by the VIEs.

(8) Income and Expense

(A) Loans to Depository Institutions and Other Loans

Interest income on primary, secondary, and seasonal loans is accrued using the applicable rate for each loan type established at least every 14 days by the Reserve Banks' boards of directors, subject to review and determination by the Board of Governors. For other credit extensions, which included outstanding loans to depository institutions that were subsequently placed in FDIC receivership (including depository institutions established by the FDIC), interest income was accrued at 100 basis points above the primary credit rate. Interest income on advances made under the BTFP and PPPLF is accrued using the applicable rate as outlined by the term sheets of the respective programs. Interest income on outstanding BTFP loans extended to a depository institution that was subsequently placed in FDIC receivership is accrued at 100 basis points above the applicable BTFP rate. Prior to December 31, 2023, all loans extended to depository institutions that were subsequently placed in FDIC receivership (including depository institutions established by the FDIC) were fully repaid.

Supplemental information on interest income on loans and other loans is as follows:

Table 14. Interest income on loans to depository institutions and other loans
(in millions)

	Three months ended March 31, 2024	Three months ended March 31, 2023
Interest income:		
Primary, secondary, seasonal, and other credit	$ 38	$ 778
BTFP[1]	1,857	94
PPPLF[2]	3	9
Total interest income	**$ 1,898**	**$ 881**
Average daily loan balance:		
Primary, secondary, seasonal, and other credit	$ 2,837	$ 65,250
BTFP[1]	157,872	43,538
PPPLF[2]	3,240	10,884
Average interest rate:		
Primary, secondary, seasonal, and other credit	5.50 %	4.84 %
BTFP[1]	4.77 %	4.13 %
PPPLF[2]	0.35 %	0.35 %

[1] BTFP commenced extending loans on March 12, 2023 and ceased extending loans on March 11, 2024.

[2] PPPLF ceased extending loans on July 30, 2021.

(B) SOMA Holdings

The amount reported as interest income on SOMA portfolio holdings includes the amortization of premiums and discounts. Supplemental information on interest income on SOMA portfolio holdings is as follows:

Table 15. Interest income on SOMA portfolio
(in millions)

	Three months ended March 31, 2024		Three months ended March 31, 2023	
Interest income:				
Securities purchased under agreements to resell		*	$	99
Treasury securities, net		23,120		23,979
Federal agency and GSE MBS, net		13,742		14,852
GSE debt securities, net		33		33
Foreign currency denominated investments, net[1]		84		41
Central bank liquidity swaps		3		5
Total interest income	**$**	**36,982**	**$**	**39,009**
Average daily balance:				
Securities purchased under agreements to resell	$	3	$	8,170
Treasury securities, net[2]		4,878,712		5,612,072
Federal agency and GSE MBS, net[3]		2,463,027		2,677,270
GSE debt securities, net[2]		2,553		2,581
Foreign currency denominated investments, net[4]		18,157		18,644
Central bank liquidity swaps[5]		244		406
Average interest rate:				
Securities purchased under agreements to resell		5.50 %		4.85 %
Treasury securities, net		1.90 %		1.73 %
Federal agency and GSE MBS, net		2.23 %		2.22 %
GSE debt securities, net		5.11 %		5.10 %
Foreign currency denominated investments, net		1.85 %		0.90 %
Central bank liquidity swaps		5.58 %		4.79 %

[1] As a result of negative interest rates on certain foreign currency denominated investments held in the SOMA, interest income on foreign currency denominated investments, net contains negative interest of $2 million and $2 million for the three months ended March 31, 2024 and 2023, respectively.

[2] Face value, net of unamortized premiums and discounts.

[3] Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. Current face value of the securities, which is the remaining principal balance of the securities, net of premiums and discounts.

[4] Foreign currency denominated investments are revalued daily at market exchange rates.

[5] Dollar value of foreign currency held under these agreements valued at the exchange rate to be used when the foreign currency is returned to the foreign central bank. This exchange rate equals the market exchange rate used when the foreign currency was acquired from the foreign central bank.

* Less than $500 thousand.

Supplemental information on interest expense on securities sold under agreement to repurchase (reverse repurchase agreements) is as follows:

Table 16. Interest expense on securities sold under agreement to repurchase
(in millions)

	Three months ended March 31, 2024		Three months ended March 31, 2023	
Interest expense:				
Primary dealers and expanded counterparties[1]	$	7,402	$	24,015
Foreign official and international accounts[2]		4,621		4,043
Total interest expense	**$**	**12,023**	**$**	**28,058**
Average daily balance:				
Primary dealers and expanded counterparties[1]	$	552,473	$	2,140,887
Foreign official and international accounts[2]		344,930		360,481
Average interest rate:				
Primary dealers and expanded counterparties[1]		5.30 %		4.49 %
Foreign official and international accounts[2]		5.30 %		4.49 %

[1] Overnight and term reverse repurchase agreements arranged as open market operations are settled through a set of expanded counterparties that includes banks, savings associations, GSEs, and domestic money market funds.

[2] Reverse repurchase agreements are entered into as part of a service offering to foreign official and international account holders.

(C) Consolidated Variable Interest Entities (VIEs)

The combined financial statements include the accounts and results of operations of consolidated VIEs formed under the authority of section 13(3) of the FRA (note 3). Net income and losses from operations of the consolidated VIEs are reported as “Consolidated variable interest entities: (Loss) income, net” in the Combined statements of operations. The portion of consolidated VIE net income and loss that is allocated to the non-controlling interests is reported as “Consolidated variable interest entities: Non-controlling interest loss (income), net” in the Combined statements of operations. Prior to the liquidation of MLF and TALF II holdings on February 23, 2024, an immaterial amount of interest income was earned on the cash equivalents.

Supplemental information on consolidated VIE income is as follows:

Table 17a. Net operating income (loss) of the consolidated VIE
(in millions)

	Main Street
Three months ended March 31, 2024	
Interest income[1]	$ 236
Other items of income (loss):	
Fees	7
Provision for loan losses	(390)
Realized (loss) on sale of portfolio investments	(5)
Total other items of income (loss)	(388)
Less: Expenses[2]	11
Net income (loss) attributable to consolidated VIEs	**$ (163)**
Allocated to non-controlling Treasury interest	$ (141)
Allocated to Reserve Bank	$ (22)

[1] Recorded when earned and includes amortization of premiums and accretion of discounts.
[2] Includes fees, participation loan servicing costs, and other expenses.

Table 17b. Net operating income (loss) of consolidated VIEs
(in millions)

	Main Street	MLF	TALF II	Total
Three months ended March 31, 2023				
Interest income[1]	$ 286	$ 33	$ 22	$ 341
Other items of income (loss):				
Fees	10	–	–	10
Provision for loan losses	33	–	–	33
Realized (loss) on sale of portfolio investments	(18)	–	–	(18)
Total other items of income (loss)	25	–	–	25
Less: Expenses[2]	12	–	–	12
Net income (loss) attributable to consolidated VIEs	**$ 299**	**$ 33**	**$ 22**	**$ 354**
Allocated to non-controlling Treasury interest	$ 297	$ 31	$ 10	$ 338
Allocated to Reserve Banks	$ 2	$ 2	$ 12	$ 16

[1] Recorded when earned and includes amortization of premiums and accretion of discounts.
[2] Includes fees, participation loan servicing costs, and other expenses.

(D) Depository Institution Deposits

Depository institutions earn interest at the interest of reserve balance (IORB) rate. The Board of Governors sets the IORB rate at a rate not to exceed the general level of short-term interest rates and has the discretion to change the IORB rate at any time. Effective March 23, 2023, May 4, 2023, and July 27, 2023, the FOMC increased the established target range for the federal funds rate.

The Reserve Banks also offer term deposits through the Term Deposit Facility, and all depository institutions that are eligible to receive interest on their balances at the Reserve Banks may participate in the term deposit program. The interest rate paid on these deposits is determined by auction.

(E) Operating Expenses

The Reserve Banks have established procedures for budgetary control and monitoring of operating expenses as part of their efforts to ensure appropriate stewardship and accountability. Reserve Bank and Board governance bodies provide budget guidance for major functional areas for the upcoming budget year. The Board's Committee on Federal Reserve Bank Affairs (BAC) reviews the Banks' budgets, and the BAC chair submits the budgets to Board members for review and final action. Throughout the year, Reserve Bank and Board staff monitor actual performance and compare it with approved budgets and forecasts.

Additional information regarding Reserve Bank operating expenses is available each year in the Annual Report of the Board of Governors of the Federal Reserve System at https://www.federalreserve.gov/publications/annual-report.htm, and on the Audit webpage of the Board's website at https://www.federalreserve.gov/regreform/audit.htm.

(F) Reconciliation of Total Distribution of Comprehensive Income and Treasury Remittances

The Reserve Banks remitted excess earnings to the Treasury periodically during 2023 and during the first quarter of 2024. At March 31, 2024, Treasury remittances are reported as "Earnings remittances to the Treasury, net" in the Combined statements of operations. In the fall of 2022, the Reserve Banks first suspended weekly remittances to the Treasury because earnings shifted from excess to less than the costs of operations, payment of dividends, and reservation of surplus. The Reserve Banks began accumulating a deferred asset, which represents the net accumulation of costs in excess of earnings and is reported as "Deferred asset—remittances to the Treasury" in the Combined statements of condition. The deferred asset is the amount of net excess earnings the Reserve Banks will need to realize in the future before remittances to the Treasury resume. This deferred asset is periodically reviewed for impairment and no impairment existed as of March 31, 2024.

The following table presents the distribution of the System's total comprehensive income as of March 31, 2024, and March 31, 2023:

Table 18. Reconciliation of total distribution of comprehensive income (loss) and Treasury remittances
(in millions)

	March 31, 2024	March 31, 2023
Reserve Bank and consolidated variable interest entity net loss before providing for remittances to the Treasury	$ (26,369)	$ (27,713)
Other comprehensive loss	(21)	(10)
Total comprehensive loss—available for distribution	$ (26,390)	$ (27,723)
Distribution of comprehensive income (loss):		
Dividends	$ 399	$ 335
Remittances transferred to the Treasury	272	73
Deferred asset increase[1]	(27,061)	(28,131)
Earnings remittances to the Treasury, net	(26,789)	(28,058)
Total distribution of comprehensive loss	$ (26,390)	$ (27,723)

[1] The change in deferred asset is measured from prior year end.

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