



Federal Reserve Banks Combined Quarterly Financial Report

Unaudited



March 31, 2025

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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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 a consolidated variable interest entity.

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, 2025—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, 2025	December 31, 2024
Assets		
Gold certificates	\$ 11,037	\$ 11,037
Special drawing rights certificates	15,200	15,200
Coin	1,555	1,478
Loans:	Note 1	
Loans to depository institutions	2,830	3,255
Other loans	1,843	6,373
System Open Market Account:	Note 2	
Securities purchased under agreements to resell	1,301	—
Treasury securities, net (of which \$31,078 and \$44,632 is lent as of March 31, 2025, and December 31, 2024, respectively)	4,395,512	4,473,035
Federal agency and government-sponsored enterprise mortgage-backed securities, net	2,231,605	2,277,127
Government-sponsored enterprise debt securities, net (of which \$0 and \$0 is lent as of March 31, 2025, and December 31, 2024)	2,521	2,529
Foreign currency denominated investments, net	18,244	17,422
Central bank liquidity swaps	95	1,120
Accrued interest receivable	29,389	29,941
Consolidated variable interest entity: Assets held, net (including \$239 and \$647 measured at fair value as of March 31, 2025, and December 31, 2024, respectively)	Note 3 7,024	7,996
Prepaid pension benefit costs	1,233	1,269
Other accrued interest receivable	30	231
Bank premises and equipment, net	3,163	3,168
Items in process of collection	72	88
Deferred asset—remittances to the Treasury	225,652	215,955
Other assets	1,411	1,489
Total assets	\$ 6,949,717	\$ 7,068,713
Liabilities and capital		
Federal Reserve notes outstanding, net	Note 4 \$ 2,323,607	\$ 2,322,532
System Open Market Account:		
Securities sold under agreements to repurchase	Note 2 804,604	888,395
Other liabilities	96	105
Deposits:		
Depository institutions	Note 5 3,144,051	2,892,363
Treasury, general account	Note 6 405,786	721,892
Other deposits	213,801	188,599
Interest payable to depository institutions and others	5,279	2,416
Consolidated variable interest entity: Other liabilities	Note 3 14	28
Accrued benefit costs	2,391	2,359
Deferred credit items	760	1,178
Other liabilities	903	524
Total liabilities	6,901,292	7,020,391
Reserve Bank capital	Note 7	
Capital paid-in	\$ 37,436	\$ 37,182
Surplus (including accumulated other comprehensive loss of \$1,107 and \$1,096 at March 31, 2025, and December 31, 2024, respectively)	6,785	6,785
Total Reserve Bank capital	44,221	43,967
Consolidated variable interest entity formed to administer credit and liquidity facilities: Non-controlling interest	Note 3 4,204	4,355
Total Reserve Bank capital and consolidated variable interest entity non-controlling interest	48,425	48,322
Total liabilities and capital	\$ 6,949,717	\$ 7,068,713

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Combined statements of operations		
(in millions)		
	Three months ended	Three months ended
	March 31, 2025	March 31, 2024
Interest income		
Loans:	Note 8(A)	
Loans to depository institutions	\$ 32	\$ 38
Other loans	10	1,860
System Open Market Account:	Note 8(B)	
Treasury securities, net	25,050	23,120
Federal agency and government-sponsored enterprise mortgage-backed securities, net	12,535	13,742
Government-sponsored enterprise debt securities, net	32	33
Foreign currency denominated investments, net	69	84
Central bank liquidity swaps	2	3
Total interest income	\$ 37,730	\$ 38,880
Interest expense		
System Open Market Account:	Note 8(B)	
Securities sold under agreements to repurchase	\$ 5,682	\$ 12,023
Depository institutions and others	38,252	50,461
Total interest expense	\$ 43,934	\$ 62,484
Net interest income (expense)	\$ (6,204)	\$ (23,604)
Other items of income (loss)		
System Open Market Account:		
Treasury securities losses, net	\$ (6)	\$ (7)
Foreign currency translation gains (losses), net	793	(747)
Other	5	10
Income from services	133	129
Reimbursable services to government agencies	225	207
Other components of net benefit costs	39	90
Other	16	10
Total other items of income (loss)	\$ 1,205	\$ (308)
Operating expenses	Note 8(E)	
Salaries and benefits	\$ 1,122	\$ 985
System pension service cost	141	153
Occupancy	83	79
Equipment	67	59
Other	273	309
Assessments:		
Board of Governors operating expenses and currency costs	629	565
Bureau of Consumer Financial Protection	245	285
Total operating expenses	\$ 2,560	\$ 2,435
Reserve Bank net loss from operations	(7,559)	(26,347)
Consolidated variable interest entity: Loss, net	(166)	(163)
Consolidated variable interest entity: Non-controlling interest loss, net	151	141
Reserve Bank and consolidated variable interest entity net loss before providing remittances to the Treasury	(7,574)	(26,369)
Earnings remittances to the Treasury, net	(7,991)	(26,789)
Net income after providing for remittances to the Treasury	417	420
Change in prior service costs related to benefit plans	(10)	(11)
Change in actuarial losses related to benefit plans	(1)	(10)
Total other comprehensive loss	(11)	(21)
Comprehensive income	\$ 406	\$ 399

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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	
	Capital paid-in	Surplus			Total Reserve Bank capital			
		Net income retained	Accumulated other comprehensive income (loss)	Total surplus				
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 (22,339,325 shares)	1,117	—	—	—	1,117	—		1,117
Comprehensive income:								
Reserve Bank net income after providing for remittances to the Treasury	—	1,498	—	1,498	1,498	—		1,498
Consolidated variable interest entity: Income, net	—	(15)	—	(15)	(15)	37		22
Other comprehensive income	—	—	140	140	140	—		140
Dividends on capital stock	—	(1,623)	—	(1,623)	(1,623)	—		(1,623)
Consolidated variable interest entities: Non-controlling interest—capital contribution (distribution)	—	—	—	—	—	(3,978)		(3,978)
Consolidated variable interest entities: Non-controlling interest—(earnings distribution)	—	—	—	—	—	(233)		(233)
Net change in Reserve Bank capital and non-controlling interest	1,117	(140)	140	—	1,117	(4,174)		(3,057)
Balance at December 31, 2024								
(743,631,264 shares of Reserve Bank capital stock)	\$ 37,182	\$ 7,881	\$ (1,096)	\$ 6,785	\$ 43,967	\$ 4,355	\$	48,322
Net change in capital stock issued (5,093,506 shares)	254	—	—	—	254	—		254
Comprehensive income:								
Reserve Bank net income after providing for remittances to the Treasury	—	432	—	432	432	—		432
Consolidated variable interest entity: Loss, net	—	(15)	—	(15)	(15)	(151)		(166)
Other comprehensive loss	—	—	(11)	(11)	(11)	—		(11)
Dividends on capital stock	—	(406)	—	(406)	(406)	—		(406)
Consolidated variable interest entity: Non-controlling interest—capital contribution (distribution)	—	—	—	—	—	—		—
Consolidated variable interest entity: Non-controlling interest—(earnings distribution)	—	—	—	—	—	—		—
Net change in Reserve Bank capital and non-controlling interest	254	11	(11)	—	254	(151)		103
Balance at March 31, 2025								
(748,724,770 shares of Reserve Bank capital stock)	\$ 37,436	\$ 7,892	\$ (1,107)	\$ 6,785	\$44,221	\$ 4,204	\$	48,425

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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 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, and all remaining loans were repaid on March 7, 2025.

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, 2025, and December 31, 2024, 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, 2025		December 31, 2024	
Loans to depository institutions					
Primary, secondary, and seasonal credit		\$	2,830	\$	3,255
Other loans					
BTFP			—		4,412
PPPLF			1,843		1,961
Total other loans			1,843		6,373
Total loans		\$	4,673	\$	9,628

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The remaining maturity distribution of loans to depository institutions and other loans outstanding as of March 31, 2025, and December 31, 2024, was as follows:

	Remaining maturity				Total
	Within 15 days	16 days to 90 days	91 days to 1 year	Over 1 year to 5 years	
March 31, 2025					
Loans to depository institutions					
Primary, secondary, and seasonal credit	\$ 1,664	\$ 1,166	\$ —	\$ —	\$ 2,830
Other loans					
PPPLF	—	113	339	1,391	1,843
Total loans	\$ 1,664	\$ 1,279	\$ 339	\$ 1,391	\$ 4,673
December 31, 2024					
Loans to depository institutions					
Primary, secondary, and seasonal credit	\$ 1,524	\$ 1,731	\$ —	\$ —	\$ 3,255
Other loans					
BTFP	2,098	2,314	—	—	4,412
PPPLF	—	—	364	1,597	1,961
Total other loans	2,098	2,314	364	1,597	6,373
Total loans	\$ 3,622	\$ 4,045	\$ 364	\$ 1,597	\$ 9,628

The Reserve Banks estimate the allowance for credit losses using the current expected credit loss (CECL) methodology. At March 31, 2025, and December 31, 2024, 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 recorded at March 31, 2025, and December 31, 2024.

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(2) System Open Market Account (SOMA) Holdings

Treasury securities, federal agency and government-sponsored enterprise (GSE) mortgage-backed securities (MBS), and GSE debt securities are reported at amortized cost in the Combined statements of condition. SOMA portfolio holdings at March 31, 2025, and December 31, 2024, were as follows:

	March 31, 2025			December 31, 2024		
	Amortized cost	Fair value	Cumulative unrealized gains (losses), net	Amortized cost	Fair value	Cumulative unrealized gains (losses), net
Treasury securities						
Bills	\$ 193,621	\$ 193,667	\$ 46	\$ 193,310	\$ 193,456	\$ 146
Notes	2,315,082	2,194,557	(120,525)	2,381,058	2,221,327	(159,731)
Bonds	1,886,809	1,443,969	(442,840)	1,898,667	1,405,089	(493,578)
Total Treasury securities	\$ 4,395,512	\$ 3,832,193	\$ (563,319)	\$ 4,473,035	\$ 3,819,872	\$ (653,163)
Federal agency and GSE MBS						
Residential	\$ 2,223,045	\$ 1,859,714	\$ (363,331)	\$ 2,268,501	\$ 1,859,187	\$ (409,314)
Commercial	8,560	7,426	(1,134)	8,626	7,303	(1,323)
Total federal agency and GSE MBS	\$ 2,231,605	\$ 1,867,140	\$ (364,465)	\$ 2,277,127	\$ 1,866,490	\$ (410,637)
GSE debt securities	2,521	2,639	118	2,529	2,602	73
Total domestic SOMA portfolio securities holdings	\$ 6,629,638	\$ 5,701,972	\$ (927,666)	\$ 6,752,691	\$ 5,688,964	\$ (1,063,727)
Memorandum—Commitments for purchases of:						
Treasury securities ¹	\$ 9,756	\$ 9,754	\$ (2)	\$ 9,105	\$ 9,104	\$ (1)
Federal agency and GSE MBS ¹	15	15	—	—	—	—
Memorandum—Commitments for sales of:						
Treasury securities ²	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Federal agency and GSE MBS ²	(59)	(59)	—	—	—	—

¹ The amortized cost columns present unsettled purchase costs.

² The amortized cost columns present unsettled sales proceeds.

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The following table provides additional information on the amortized cost and fair values of the federal agency and GSE MBS portfolio held in the SOMA at March 31, 2025, and December 31, 2024:

	March 31, 2025		December 31, 2024	
	Amortized cost	Fair value	Amortized cost	Fair value
Residential				
1.50%	\$ 137,860	\$ 113,683	\$ 141,045	\$ 113,849
2.00%	876,363	703,313	891,859	700,349
2.50%	619,364	510,981	632,021	511,360
3.00%	255,883	223,549	262,141	224,430
3.50%	168,663	152,815	172,654	152,970
4.00%	105,387	97,870	107,868	98,342
4.50%	44,062	42,298	45,138	42,595
5.00%	13,026	12,773	13,368	12,920
5.50%	1,818	1,806	1,852	1,816
6.00%	466	470	413	413
6.50%	153	156	142	143
Total	\$ 2,223,045	\$ 1,859,714	\$ 2,268,501	\$ 1,859,187
Commercial				
1.00%-1.50%	\$ 89	\$ 74	\$ 90	\$ 72
1.51%-2.00%	417	335	419	327
2.01%-2.50%	956	794	963	781
2.51%-3.00%	1,300	1,117	1,308	1,098
3.01%-3.50%	2,740	2,384	2,755	2,336
3.51%-4.00%	2,811	2,508	2,843	2,479
4.01%-4.50%	247	214	248	210
Total	\$ 8,560	\$ 7,426	\$ 8,626	\$ 7,303
Total MBS	\$ 2,231,605	\$ 1,867,140	\$ 2,277,127	\$ 1,866,490

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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 with 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 held in the SOMA at March 31, 2025, and December 31, 2024, was as follows:

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

	March 31, 2025	December 31, 2024
Repurchase agreements conducted with		
Primary dealers and expanded counterparties:		
Contract amount outstanding, end of period	\$ 1	\$ —
FIMA Repo Facility:		
Contract amount outstanding, end of period	1,300	—
Total repurchase agreement contract amount outstanding, end of period	\$ 1,301	\$ —
Reverse repurchase agreements conducted with		
Primary dealers and expanded counterparties:		
Contract amount outstanding, end of period	\$ 399,167	\$ 473,460
Securities pledged (par value), end of period	432,542	553,934
Securities pledged (fair value), end of period	394,712	472,664
Foreign official and international accounts:		
Contract amount outstanding, end of period	405,437	414,935
Securities pledged (par value), end of period	463,913	485,767
Securities pledged (fair value), end of period	406,596	414,967
Total reverse repurchase agreement contract amount outstanding, end of period	\$ 804,604	\$ 888,395

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The remaining maturity distribution of Treasury securities, federal agency and GSE MBS, GSE debt securities, repurchase agreements, and reverse repurchase agreements at March 31, 2025, and December 31, 2024, was as follows:

	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, 2025:							
Treasury securities (par value)	\$ 50,394	\$ 196,519	\$ 443,446	\$ 1,445,304	\$ 530,572	\$ 1,552,687	\$ 4,218,922
Federal agency and GSE residential MBS (par value) ¹	—	—	—	699	30,454	2,149,838	2,180,991
Federal agency and GSE commercial MBS (par value) ¹	—	—	71	3,269	3,412	1,255	8,007
GSE debt securities (par value)	—	—	—	1,151	1,196	—	2,347
Securities purchased under agreements to resell (contract amount)	1,301	—	—	—	—	—	1,301
Securities sold under agreements to repurchase (contract amount)	804,604	—	—	—	—	—	804,604
December 31, 2024:							
Treasury securities (par value)	\$ 61,662	\$ 236,055	\$ 442,471	\$ 1,465,857	\$ 548,993	\$ 1,536,068	\$ 4,291,106
Federal agency and GSE residential MBS (par value) ¹	—	—	4	701	21,559	2,202,952	2,225,216
Federal agency and GSE commercial MBS (par value) ¹	—	—	29	3,110	3,444	1,464	8,047
GSE debt securities (par value)	—	—	—	486	1,861	—	2,347
Securities purchased under agreements to resell (contract amount)	—	—	—	—	—	—	—
Securities sold under agreements to repurchase (contract amount)	888,395	—	—	—	—	—	888,395

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. Stated maturity differs from the estimated weighted-average life of RMBS and CMBS because scheduled payments and prepayment assumptions are factored in and reported in table 6a as of March 31, 2025, and December 31, 2024, respectively:

	March 31, 2025	December 31, 2024
RMBS	8.2	8.3
CMBS	5.4	5.6

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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, 2025, and during the year ended December 31, 2024, is summarized in tables 7a and 7b:

Table 7a. Domestic portfolio transactions of SOMA securities—bills, notes, and bonds				
(in millions)				
	Bills	Notes	Bonds	Total Treasury securities
Balance at December 31, 2023	\$ 214,231	\$ 2,891,337	\$ 1,882,759	\$ 4,988,327
Purchases ¹	477,269	164,580	27,435	669,284
Sales ¹	—	(102)	(83)	(185)
Realized gains (losses), net ²	—	(9)	(28)	(37)
Principal payments and maturities	(508,325)	(670,617)	(6,126)	(1,185,068)
Amortization of premiums and accretion of discounts, net	10,135	(10,297)	(11,078)	(11,240)
Inflation adjustment on inflation-indexed securities	—	6,166	5,788	11,954
Subtotal of activity	(20,921)	(510,279)	15,908	(515,292)
Balance at December 31, 2024	\$ 193,310	\$ 2,381,058	\$ 1,898,667	\$ 4,473,035
Purchases ¹	117,854	90,224	15,246	223,324
Sales ¹	—	(41)	(5)	(46)
Realized gains (losses), net ²	—	(6)	—	(6)
Principal payments and maturities	(119,661)	(155,485)	(25,788)	(300,934)
Amortization of premiums and accretion of discounts, net	2,118	(2,051)	(2,640)	(2,573)
Inflation adjustment on inflation-indexed securities	—	1,383	1,329	2,712
Subtotal of activity	311	(65,976)	(11,858)	(77,523)
Balance at March 31, 2025	\$ 193,621	\$ 2,315,082	\$ 1,886,809	\$ 4,395,512
Year-ended December 31, 2024				
Supplemental information—par value of transactions				
Purchases ³	\$ 486,699	\$ 165,033	\$ 27,562	\$ 679,294
Sales ³	—	(110)	(101)	(211)
Three months ended March 31, 2025				
Supplemental information—par value of transactions				
Purchases ³	\$ 119,661	\$ 90,675	\$ 15,751	\$ 226,087
Sales ³	—	(45)	(5)	(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. The amount reported as sales includes the realized gains and losses on such transactions.				
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, 2023	\$ 2,472,419	\$ 8,917	\$ 2,481,336	\$ 2,557
Purchases ¹	447	—	447	—
Sales ¹	(369)	—	(369)	—
Realized gains (losses), net ²	(69)	—	(69)	—
Principal payments and maturities	(198,346)	(182)	(198,528)	—
Amortization of premiums and accretion of discounts, net	(5,581)	(109)	(5,690)	(28)
Subtotal of activity	(203,918)	(291)	(204,209)	(28)
Balance at December 31, 2024	\$ 2,268,501	\$ 8,626	\$ 2,277,127	\$ 2,529
Purchases ¹	134	—	134	—
Sales ¹	—	—	—	—
Realized gains (losses), net ²	—	—	—	—
Principal payments and maturities	(44,358)	(39)	(44,397)	—
Amortization of premiums and accretion of discounts, net	(1,232)	(27)	(1,259)	(8)
Subtotal of activity	(45,456)	(66)	(45,522)	(8)
Balance at March 31, 2025	\$ 2,223,045	\$ 8,560	\$ 2,231,605	\$ 2,521
Year-ended December 31, 2024				
Supplemental information—par value of transactions				
Purchases	\$ 447	\$ —	\$ 447	\$ —
Sales	(429)	—	(429)	—
Three months ended March 31, 2025				
Supplemental information—par value of transactions				
Purchases	\$ 134	\$ —	\$ 134	\$ —
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, 2025, and December 31, 2024, was as follows:

Table 8. Foreign currency denominated investments

(in millions)

	March 31, 2025	December 31, 2024
Euro:		
Foreign currency deposits	\$ 5,185	\$ 4,970
Dutch government debt instruments	518	498
French government debt instruments	4,960	4,665
German government debt instruments	1,338	1,347
Japanese yen:		
Foreign currency deposits	\$ 4,316	\$ 5,940
Japanese government debt instruments	1,927	2
Total	\$ 18,244	\$ 17,422

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The remaining maturity distribution of foreign currency denominated investments at March 31, 2025, and December 31, 2024, was as follows:

	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, 2025						
Euro	\$ 1,438	\$ 1,241	\$ 6,893	\$ 2,292	\$ 137	\$ 12,001
Japanese yen	4,316	–	385	1,542	–	6,243
Total	\$ 5,754	\$ 1,241	\$ 7,278	\$ 3,834	\$ 137	\$ 18,244
December 31, 2024						
Euro	\$ 1,068	\$ 68	\$ 8,009	\$ 2,171	\$ 164	\$ 11,480
Japanese yen	5,940	–	2	–	–	5,942
Total	\$ 7,008	\$ 68	\$ 8,011	\$ 2,171	\$ 164	\$ 17,422

At March 31, 2025, and December 31, 2024, the fair value of foreign currency denominated investments held in the SOMA was \$18,186 million and \$17,360 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.

Euros held in the SOMA under U.S. dollar liquidity swaps at March 31, 2025, and December 31, 2024 were \$95 million and \$1,120 million, respectively, and matured within 15 days of each period.

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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, 2025, and March 31, 2024:

	Three months ended March 31, 2025		Three months ended March 31, 2024	
	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	\$ (6)	\$ 89,844	\$ (7)	\$ (50,587)
Federal agency and GSE MBS				
Residential	–	45,983	–	(47,416)
Commercial	–	189	–	(55)
Total federal agency and GSE MBS	–	46,172	–	(47,471)
GSE debt securities	–	45	–	(40)
Total	\$ (6)	\$ 136,061	\$ (7)	\$ (98,098)

¹ Realized gains (losses), net 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), net 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 gains, 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 Entity (VIE)

In response to the coronavirus pandemic that began in 2020, the Board of Governors authorized 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 results of operations of a consolidated VIE, MS Facilities 2020 LLC (Main Street). 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 Main Street 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 the limited liability company (LLC) and is a non-controlling member of 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 that were 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 table 13.

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The classification of assets and liabilities of the consolidated VIE as of March 31, 2025, and December 31, 2024, respectively, are as follows:

	March 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents ¹	\$ 961	\$ 1,250
Short-term investments in non-marketable securities ²	3,228	3,262
Loan participations ³	2,834	3,482
Other assets	1	2
Total assets, net	\$ 7,024	\$ 7,996
Liabilities	14	28
Net assets and liabilities	\$ 7,010	\$ 7,968
¹ Includes \$238 million and \$647 million of cash equivalents and \$723 million and \$603 million of cash, as of March 31, 2025, and December 31, 2024, respectively.		
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.		

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. A loan participation is placed on non-accrual status if it is 90 days past due, or earlier, based on credit indicators. There were \$914 million and \$277 million in loan participations that were 90 days or greater past due as of March 31, 2025, and December 31, 2024, respectively. The principal exposure of loan participations in non-accrual status as of March 31, 2025, and December 31, 2024, was \$1.3 billion and \$1.0 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 \$1.0 billion and \$0.7 billion as of March 31, 2025, and December 31, 2024, respectively. Main Street realized principal and interest losses, net of subsequent recoveries, of \$15 million and \$127 million for charge-offs during the three months ended March 31, 2025, and March 31, 2024, 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. Of the \$718 million and \$711 million loan participations that were modified, \$452 million and \$326 million were on non-accrual status as of March 31, 2025, and December 31, 2024, respectively.

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

Table 12. Maturity distribution of major asset categories of Main Street (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, 2025						
Cash equivalents	\$ 238	\$ –	\$ –	\$ –	\$ 238	
Short-term investments in non-marketable securities	3,228	–	–	–	3,228	
Loan participations, at principal amount outstanding ¹	45	–	3,711	12	3,768	
Total	<u>\$ 3,511</u>	<u>\$ –</u>	<u>\$ 3,711</u>	<u>\$ 12</u>	<u>\$ 7,234</u>	
December 31, 2024						
Cash equivalents	\$ 647	\$ –	\$ –	\$ –	\$ 647	
Short-term investments in non-marketable securities	3,262	–	–	–	3,262	
Loan participations, at principal amount outstanding ¹	45	–	4,097	13	4,155	
Total	<u>\$ 3,954</u>	<u>\$ –</u>	<u>\$ 4,097</u>	<u>\$ 13</u>	<u>\$ 8,064</u>	

¹ A component of loan participations presented in the "Within 15 days" column has reached contractual maturity.

¹ A component of loan participations presented in the "Within 15 days" column has reached contractual maturity.

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The following tables present information related to the portfolio holdings of the VIE and the funding provided by the Reserve Bank and Treasury, as of March 31, 2025, and December 31, 2024, respectively.

	March 31, 2025	December 31, 2024
Outstanding amount of facility assets	\$ 2,834	\$ 3,482
Treasury contribution, including deposits and non-marketable Treasury securities ¹	3,837	3,824
Other assets and liabilities, net	339	662
Unconsolidated VIE: Assets available to pay Reserve Bank loans and Treasury non-controlling interests, net	\$ 7,010	\$ 7,968
Reserve Bank funding:		
Loans outstanding	\$ 2,795	\$ 3,583
Plus: Outstanding interest accrued	11	15
Total controlling interests outstanding	\$ 2,806	\$ 3,598
Non-controlling interest:		
Non-controlling interest—capital contribution	\$ 37,500	\$ 37,500
Return of non-controlling interest—capital contribution	(34,040)	(34,040)
Non-controlling interest—Treasury capital contributions	\$ 3,460	\$ 3,460
Excess of net unconsolidated VIE assets	\$ 744	\$ 910
Allocated to non-controlling Treasury interest	744	895
Allocated to Reserve Banks	—	15
Consolidated VIE: Non-controlling interest	\$ 4,204	\$ 4,355
Memo: Earnings distribution²	\$ —	\$ —
Non-controlling Treasury interest	—	—
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 LLC 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, 2025, and December 31, 2024, all Federal Reserve notes, net, were fully collateralized.

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(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 to the Reserve Banks' role as fiscal agent and depository 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 VIE is reported as an element of "Consolidated variable interest entity 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, 2025, determined in accordance with VIE agreements and accounting policies adopted by the VIE.

(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. 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.

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, 2025		Three months ended March 31, 2024
Interest income:			
Primary, secondary, and seasonal	\$	32	\$ 38
BTFP ¹		8	1,857
PPPLF ²		2	3
Total interest income	\$	42	\$ 1,898
Average daily loan balance:			
Primary, secondary, and seasonal	\$	2,855	\$ 2,837
BTFP ¹		901	157,872
PPPLF ²		1,905	3,240
Average interest rate:			
Primary, secondary, and seasonal		4.51%	5.50%
BTFP ¹		5.29%	4.77%
PPPLF ²		0.35%	0.35%

¹ BTFP ceased extending loans on March 11, 2024, and all loans were repaid on March 7, 2025.

² PPPLF ceased extending loans on July 30, 2021.

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(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, 2025	Three months ended March 31, 2024
Interest income:		
Securities purchased under agreements to resell	*	*
Treasury securities, net	25,050	23,120
Federal agency and GSE MBS, net	12,535	13,742
GSE debt securities, net	32	33
Foreign currency denominated investments, net ¹	69	84
Central bank liquidity swaps	2	3
Total interest income	\$ 37,688	\$ 36,982
Average daily balance:		
Securities purchased under agreements to resell	\$ 23	\$ 3
Treasury securities, net ²	4,438,938	4,878,712
Federal agency and GSE MBS, net ³	2,258,185	2,463,027
GSE debt securities, net ²	2,525	2,553
Foreign currency denominated investments, net ⁴	17,903	18,157
Central bank liquidity swaps ⁵	190	244
Average interest rate:		
Securities purchased under agreements to resell	4.50%	5.50%
Treasury securities, net	2.29%	1.90%
Federal agency and GSE MBS, net	2.22%	2.23%
GSE debt securities, net	5.11%	5.11%
Foreign currency denominated investments, net	1.57%	1.85%
Central bank liquidity swaps	4.58%	5.58%

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 \$1 million and \$2 million for the three months ended March 31, 2025 and 2024, 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.

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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, 2025		Three months ended March 31, 2024
Interest expense:			
Primary dealers and expanded counterparties ¹	\$	1,594	\$ 7,402
Foreign official and international accounts ²		4,088	4,621
Total interest expense	\$	5,682	\$ 12,023
Average daily balance:			
Primary dealers and expanded counterparties ¹	\$	150,053	\$ 552,473
Foreign official and international accounts ²		384,691	344,930
Average interest rate:			
Primary dealers and expanded counterparties ¹		4.25%	5.30%
Foreign official and international accounts ²		4.25%	5.30%
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 Entity

The combined financial statements include the accounts and results of operations of consolidated VIE formed under the authority of section 13(3) of the FRA (note 3). Net income and losses from operations of the consolidated VIE are reported as "Consolidated variable interest entity: Loss, 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 entity: Non-controlling interest loss, net" in the Combined statements of operations.

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Supplemental information on consolidated VIE income is as follows:

	Three Months Ended March 31, 2025	Three months ended March 31, 2024
Interest income	\$ 107	\$ 236
Other items of income (loss):		
Fees	2	7
Provision for credit losses	(267)	(390)
Realized loss on sale of portfolio investments	—	(5)
Total other items of income (loss)	(265)	(388)
Less: Expenses ¹	8	11
Net income (loss) attributable to consolidated VIE	\$ (166)	\$ (163)
Allocated to non-controlling Treasury interest	\$ (151)	\$ (141)
Allocated to Reserve Bank	\$ (15)	\$ (22)

¹ 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. In 2024, the FOMC decreased the established target range for the federal funds rate effective September 19, November 8, and December 19.

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 Reserve 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/>

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[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 2024 and the first three months of 2025. At March 31, 2025, 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 represents 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, 2025.

The following table presents the distribution of the System's total comprehensive income (loss):

Table 18. Reconciliation of total distribution of comprehensive income (loss) and Treasury remittances		
(in millions)		
	Three months ended March 31, 2025	Three months ended March 31, 2024
Reserve Bank and consolidated variable interest entity net loss before providing for remittances to the Treasury	\$ (7,574)	\$ (26,369)
Other comprehensive loss	(11)	(21)
Total comprehensive loss—available for distribution	<u>\$ (7,585)</u>	<u>\$ (26,390)</u>
Distribution of comprehensive income (loss):		
Dividends	\$ 406	\$ 399
Remittances transferred to the Treasury	1,706	272
Deferred asset increase ¹	(9,697)	(27,061)
Earnings remittances to the Treasury, net	(7,991)	(26,789)
Total distribution of comprehensive loss	<u>\$ (7,585)</u>	<u>\$ (26,390)</u>

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

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