



Federal Reserve Banks Combined Quarterly Financial Report

Unaudited



September 30, 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 September 30, 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)			
		September 30, 2025	December 31, 2024
Assets			
Gold certificates		\$ 11,037	\$ 11,037
Special drawing rights certificates		15,200	15,200
Coin		1,483	1,478
Loans:	Note 1		
Loans to depository institutions		8,149	3,255
Other loans		81	6,373
System Open Market Account:	Note 2		
Securities purchased under agreements to resell		6,000	—
Treasury securities, net (of which \$43,213 and \$44,632 is lent as of September 30, 2025, and December 31, 2024, respectively)		4,363,545	4,473,035
Federal agency and government-sponsored enterprise mortgage-backed securities, net		2,125,844	2,277,127
Government-sponsored enterprise debt securities, net (of which \$0 and \$0 is lent as of September 30, 2025, and December 31, 2024, respectively)		2,506	2,529
Foreign currency denominated investments, net		19,577	17,422
Central bank liquidity swaps		40	1,120
Accrued interest receivable		30,121	29,941
Consolidated variable interest entity: Assets held, net (including \$261 and \$647 measured at fair value as of September 30, 2025, and December 31, 2024, respectively)	Note 3	4,006	7,996
Prepaid pension benefit costs		1,146	1,269
Other accrued interest receivable		11	231
Bank premises and equipment, net		3,253	3,168
Items in process of collection		78	88
Deferred asset—remittances to the Treasury		242,616	215,955
Other assets		1,432	1,489
Total assets		\$ 6,836,125	\$ 7,068,713
Liabilities and capital			
Federal Reserve notes outstanding, net	Note 4	\$ 2,360,904	\$ 2,322,532
System Open Market Account:			
Securities sold under agreements to repurchase	Note 2	425,284	888,395
Other liabilities		49	105
Deposits:			
Depository institutions	Note 5	2,858,504	2,892,363
Treasury, general account	Note 6	890,825	721,892
Other deposits		242,955	188,599
Interest payable to depository institutions and others		4,809	2,416
Consolidated variable interest entity: Other liabilities	Note 3	14	28
Accrued benefit costs		2,469	2,359
Deferred credit items		753	1,178
Other liabilities		1,104	524
Total liabilities		6,787,670	7,020,391
Reserve Bank capital	Note 7		
Capital paid-in		\$ 38,966	\$ 37,182
Surplus (including accumulated other comprehensive loss of \$1,130 and \$1,096 at September 30, 2025, and December 31, 2024, respectively)		6,785	6,785
Total Reserve Bank capital		45,751	43,967
Consolidated variable interest entity formed to administer credit and liquidity facilities: Non-controlling interest	Note 3	2,704	4,355
Total Reserve Bank capital and consolidated variable interest entity non-controlling interest		48,455	48,322
Total liabilities and capital		\$ 6,836,125	\$ 7,068,713

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Combined statements of operations				
(in millions)				
	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Interest income				
Loans:	Note 8(A)			
Loans to depository institutions	\$ 61	\$ 52	\$ 128	\$ 179
Other loans	2	1,215	13	4,473
System Open Market Account:	Note 8(B)			
Securities purchased under agreements to resell	1	1	4	1
Treasury securities, net	26,719	23,650	79,038	76,557
Federal agency and government-sponsored enterprise mortgage-backed securities, net	11,776	12,918	36,446	39,932
Government-sponsored enterprise debt securities, net	33	33	97	98
Foreign currency denominated investments, net	72	87	218	256
Central bank liquidity swaps	—	2	3	7
Total interest income	\$ 38,664	\$ 37,958	\$ 115,947	\$ 121,503
Interest expense				
System Open Market Account:	Note 8(B)			
Securities sold under agreements to repurchase	\$ 4,953	\$ 10,223	\$ 16,363	\$ 33,139
Deposits:	Note 8(D)			
Depository institutions and others	38,550	46,942	116,191	145,653
Total interest expense	\$ 43,503	\$ 57,165	\$ 132,554	\$ 178,792
Net interest income (expense)	\$ (4,839)	\$ (19,207)	\$ (16,607)	\$ (57,289)
Other items of income (loss)				
System Open Market Account:	Note 8(E)			
Treasury securities losses, net	\$ (25)	\$ (20)	\$ (39)	\$ (33)
Federal agency and government-sponsored enterprise mortgage-backed securities losses, net	(21)	(23)	(48)	(53)
Foreign currency translation (losses) gains, net	(205)	1,195	1,928	(11)
Other	11	11	22	31
Income from services	136	132	406	392
Reimbursable services to government agencies	227	215	674	633
Other components of net benefit costs	21	93	99	278
Other	14	10	46	31
Total other items of income	\$ 158	\$ 1,613	\$ 3,088	\$ 1,268
Operating expenses				
Salaries and benefits	\$ 1,086	\$ 969	\$ 3,302	\$ 2,919
System pension service cost	151	159	433	466
Occupancy	92	88	256	249
Equipment	69	68	205	189
Other	305	344	873	978
Assessments:	Note 8(E)			
Board of Governors operating expenses and currency costs	607	634	1,943	1,902
Bureau of Consumer Financial Protection	—	25	245	414
Total operating expenses	\$ 2,310	\$ 2,287	\$ 7,257	\$ 7,117
Reserve Bank net loss from operations	(6,991)	(19,881)	(20,776)	(63,138)
Consolidated variable interest entity: (Loss) income, net	(96)	146	(233)	164
Consolidated variable interest entity: Non-controlling interest loss (income), net	96	(135)	219	(161)
Reserve Bank and consolidated variable interest entity net loss before providing remittances to the Treasury	(6,991)	(19,870)	(20,790)	(63,135)
Earnings remittances to the Treasury, net	(7,441)	(20,306)	(22,116)	(64,439)
Net income after providing for remittances to the Treasury	450	436	1,326	1,304
Change in prior service costs related to benefit plans	(11)	(11)	(31)	(34)
Change in actuarial losses related to benefit plans	—	(10)	(3)	(30)
Total other comprehensive loss	(11)	(21)	(34)	(64)
Comprehensive income	\$ 439	\$ 415	\$ 1,292	\$ 1,240

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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 (35,687,105 shares)	1,784	—	—	—	1,784	—	1,784	
Comprehensive income:								
Reserve Bank net income after providing for remittances to the Treasury	—	1,340	—	1,340	1,340	—	1,340	
Consolidated variable interest entity: Loss, net	—	(14)	—	(14)	(14)	(219)	(233)	
Other comprehensive loss	—	—	(34)	(34)	(34)	—	(34)	
Dividends on capital stock	—	(1,292)	—	(1,292)	(1,292)	—	(1,292)	
Consolidated variable interest entity: Non-controlling interest—capital contribution (distribution)	—	—	—	—	—	(1,432)	(1,432)	
Consolidated variable interest entity: Non-controlling interest—(earnings distribution)	—	—	—	—	—	—	—	
Net change in Reserve Bank capital and non-controlling interest	1,784	34	(34)	—	1,784	(1,651)	133	
Balance at September 30, 2025								
(779,318,369 shares of Reserve Bank capital stock)	\$ 38,966	\$ 7,915	\$ (1,130)	\$ 6,785	\$45,751	\$ 2,704	\$ 48,455	

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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 September 30, 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)				
	September 30, 2025		December 31, 2024	
Loans to depository institutions				
Primary, secondary, and seasonal credit	\$	8,149	\$	3,255
Other loans				
BTFP		—		4,412
PPPLF		81		1,961
Total other loans		81		6,373
Total loans	\$	8,230	\$	9,628

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The remaining maturity distribution of loans to depository institutions and other loans outstanding as of September 30, 2025, and December 31, 2024, was as follows:

Table 2. Maturity distribution of loans to depository institutions and other loans						
(in millions)						
	Remaining maturity				Total	
	Within 15 days	16 days to 90 days	91 days to 1 year	Over 1 year to 5 years		
September 30, 2025						
Loans to depository institutions						
Primary, secondary, and seasonal credit	\$ 2,585	\$ 5,564	\$ —	\$ —	\$	8,149
Other loans						
PPPLF ¹	11	—	70	—		81
Total loans	\$ 2,596	\$ 5,564	\$ 70	\$ —	\$	8,230
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

¹ A component of PPPLF loans presented in the "Within 15 days" column has reached contractual maturity and collection is expected based upon the terms of the PPPLF.

The Reserve Banks estimate the allowance for credit losses using the current expected credit loss (CECL) methodology. At September 30, 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 September 30, 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 September 30, 2025, and December 31, 2024, were as follows:

	September 30, 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	\$ 193,844	\$ 193,940	\$ 96	\$ 193,310	\$ 193,456	\$ 146
Notes	2,260,822	2,174,293	(86,529)	2,381,058	2,221,327	(159,731)
Bonds	1,908,879	1,462,691	(446,188)	1,898,667	1,405,089	(493,578)
Total Treasury securities	\$ 4,363,545	\$ 3,830,924	\$ (532,621)	\$ 4,473,035	\$ 3,819,872	\$ (653,163)
Federal agency and GSE MBS						
Residential	\$ 2,117,455	\$ 1,795,181	\$ (322,274)	\$ 2,268,501	\$ 1,859,187	\$ (409,314)
Commercial	8,389	7,417	(972)	8,626	7,303	(1,323)
Total federal agency and GSE MBS	\$ 2,125,844	\$ 1,802,598	\$ (323,246)	\$ 2,277,127	\$ 1,866,490	\$ (410,637)
GSE debt securities	2,506	2,643	137	2,529	2,602	73
Total domestic SOMA portfolio securities holdings	\$ 6,491,895	\$ 5,636,165	\$ (855,730)	\$ 6,752,691	\$ 5,688,964	\$ (1,063,727)
Memorandum—Commitments for purchases of:						
Treasury securities ¹	\$ 16,408	\$ 16,406	\$ (2)	\$ 9,105	\$ 9,104	\$ (1)
Federal agency and GSE MBS ¹	72	72	—	—	—	—
Memorandum—Commitments for sales of:						
Treasury securities ²	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Federal agency and GSE MBS ²	—	—	—	—	—	—

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 September 30, 2025, and December 31, 2024:

	September 30, 2025		December 31, 2024	
	Amortized cost	Fair value	Amortized cost	Fair value
Residential				
1.50%	\$ 130,607	\$ 109,613	\$ 141,045	\$ 113,849
2.00%	839,385	683,484	891,859	700,349
2.50%	589,563	491,807	632,021	511,360
3.00%	242,032	214,590	262,141	224,430
3.50%	159,796	146,540	172,654	152,970
4.00%	99,843	93,947	107,868	98,342
4.50%	41,581	40,586	45,138	42,595
5.00%	12,270	12,203	13,368	12,920
5.50%	1,755	1,777	1,852	1,816
6.00%	490	499	413	413
6.50%	133	135	142	143
Total	\$ 2,117,455	\$ 1,795,181	\$ 2,268,501	\$ 1,859,187
Commercial				
1.00%-1.50%	\$ 89	\$ 76	\$ 90	\$ 72
1.51%-2.00%	404	330	419	327
2.01%-2.50%	926	779	963	781
2.51%-3.00%	1,277	1,116	1,308	1,098
3.01%-3.50%	2,675	2,374	2,755	2,336
3.51%-4.00%	2,774	2,526	2,843	2,479
4.01%-4.50%	244	216	248	210
Total	\$ 8,389	\$ 7,417	\$ 8,626	\$ 7,303
Total MBS	\$ 2,125,844	\$ 1,802,598	\$ 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 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 September 30, 2025, and December 31, 2024, was as follows:

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

	September 30, 2025	December 31, 2024
Repurchase agreements conducted with		
Primary dealers and eligible counterparties:		
Contract amount outstanding, end of period	\$ 6,000	\$ —
FIMA Repo Facility:		
Contract amount outstanding, end of period	—	—
Total repurchase agreement contract amount outstanding, end of period	\$ 6,000	\$ —
Reverse repurchase agreements conducted with		
Primary dealers and expanded counterparties:		
Contract amount outstanding, end of period	\$ 49,071	\$ 473,460
Securities pledged (par value), end of period	54,721	553,934
Securities pledged (fair value), end of period	49,085	472,664
Foreign official and international accounts:		
Contract amount outstanding, end of period	376,213	414,935
Securities pledged (par value), end of period	422,185	485,767
Securities pledged (fair value), end of period	376,058	414,967
Total reverse repurchase agreement contract amount outstanding, end of period	\$ 425,284	\$ 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 September 30, 2025, and December 31, 2024, 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
September 30, 2025:							
Treasury securities (par value)	\$ 33,241	\$ 166,462	\$ 489,166	\$ 1,414,640	\$ 505,973	\$ 1,586,864	\$ 4,196,346
Federal agency and GSE residential MBS (par value) ¹	—	—	—	649	27,627	2,049,817	2,078,093
Federal agency and GSE commercial MBS (par value) ¹	—	—	95	3,418	3,346	1,032	7,891
GSE debt securities (par value)	—	—	—	1,436	911	—	2,347
Securities purchased under agreements to resell (contract amount)	6,000	—	—	—	—	—	6,000
Securities sold under agreements to repurchase (contract amount)	425,284	—	—	—	—	—	425,284
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 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 it factors in scheduled payments and prepayment assumptions. The estimated weighted-average lives of RMBS and CMBS are reported in table 6a as of September 30, 2025, and December 31, 2024, respectively:

Table 6a. Estimated weighted-average life of RMBS and CMBS		
(in years)		
	September 30, 2025	December 31, 2024
RMBS	8.0	8.3
CMBS	5.0	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 nine months ended September 30, 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	428,765	299,652	46,867	775,284
Sales ¹	—	(41)	(56)	(97)
Realized gains (losses), net ²	—	(6)	(33)	(39)
Principal payments and maturities	(434,487)	(419,219)	(33,617)	(887,323)
Amortization of premiums and accretion of discounts, net	6,256	(5,534)	(7,853)	(7,131)
Inflation adjustment on inflation-indexed securities	—	4,912	4,904	9,816
Subtotal of activity	534	(120,236)	10,212	(109,490)
Balance at September 30, 2025	\$ 193,844	\$ 2,260,822	\$ 1,908,879	\$ 4,363,545
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)
Nine months ended September 30, 2025				
Supplemental information—par value of transactions				
Purchases ³	\$ 434,637	\$ 300,531	\$ 47,713	\$ 782,881
Sales ³	—	(45)	(90)	(135)
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	298	—	298	—
Sales ¹	(247)	—	(247)	—
Realized gains (losses), net ²	(48)	—	(48)	—
Principal payments and maturities	(147,131)	(156)	(147,287)	—
Amortization of premiums and accretion of discounts, net	(3,918)	(81)	(3,999)	(23)
Subtotal of activity	(151,046)	(237)	(151,283)	(23)
Balance at September 30, 2025	\$ 2,117,455	\$ 8,389	\$ 2,125,844	\$ 2,506
Year-ended December 31, 2024				
Supplemental information—par value of transactions				
Purchases	\$ 447	\$ —	\$ 447	\$ —
Sales	(429)	—	(429)	—
Nine months ended September 30, 2025				
Supplemental information—par value of transactions				
Purchases	\$ 298	\$ —	\$ 298	\$ —
Sales	(290)	—	(290)	—

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.

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Information about foreign currency denominated investments recorded at amortized cost and valued at foreign currency market exchange rates held in the SOMA at September 30, 2025, and December 31, 2024, was as follows:

Table 8. Foreign currency denominated investments				
(In millions)				
	September 30, 2025		December 31, 2024	
Euro:				
Foreign currency deposits	\$	10,611	\$	4,970
Dutch government debt instruments		502		498
French government debt instruments		1,748		4,665
German government debt instruments		377		1,347
Japanese yen:				
Foreign currency deposits	\$	3,611	\$	5,940
Japanese government debt instruments		2,728		2
Total	\$	19,577	\$	17,422

The remaining maturity distribution of foreign currency denominated investments at September 30, 2025, and December 31, 2024, 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
September 30, 2025						
Euro	\$ 10,612	\$ —	\$ 1,301	\$ 1,176	\$ 149	\$ 13,238
Japanese yen	3,611	—	1,168	1,560	—	6,339
Total	\$ 14,223	\$ —	\$ 2,469	\$ 2,736	\$ 149	\$ 19,577
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 September 30, 2025, and December 31, 2024, the fair value of foreign currency denominated investments held in the SOMA was \$19,518 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 September 30, 2025, and December 31, 2024, were \$40 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 domestic securities held in the SOMA during the periods ended September 30, 2025, and September 30, 2024:

	Nine months ended September 30, 2025		Nine months ended September 30, 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	\$ (39)	\$ 120,542	\$ (33)	\$ 81,585
Federal agency and GSE MBS				
Residential	(48)	87,040	(53)	48,141
Commercial	—	351	—	271
Total federal agency and GSE MBS	(48)	87,391	(53)	48,412
GSE debt securities	—	64	—	29
Total	\$ (87)	\$ 207,997	\$ (86)	\$ 130,026

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 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 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 September 30, 2025, and December 31, 2024, respectively, are as follows:

	September 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents ¹	\$ 589	\$ 1,250
Short-term investments in non-marketable securities ²	1,796	3,262
Loan participations ³	1,620	3,482
Other assets	1	2
Total assets, net	\$ 4,006	\$ 7,996
Liabilities	14	28
Net assets and liabilities	\$ 3,992	\$ 7,968

¹ Includes \$261 million and \$647 million of cash equivalents and \$328 million and \$603 million of cash, as of September 30, 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 \$358 million and \$277 million in loan participations that were 90 days or greater past due as of September 30, 2025, and December 31, 2024, respectively. The principal exposure of loan participations in non-accrual status as of September 30, 2025, and December 31, 2024, was \$0.6 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 \$0.7 billion and \$0.7 billion as of September 30, 2025, and December 31, 2024, respectively. Main Street realized principal and interest losses, net of subsequent recoveries, of \$191 million and \$583 million for charge-offs during the nine months ended September 30, 2025, and September 30, 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 \$386 million and \$711 million loan participations that were modified, \$304 million and \$326 million were on non-accrual status as of September 30, 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		
September 30, 2025						
Cash equivalents	\$ 261	\$ –	\$ –	\$ –	\$ 261	
Short-term investments in non-marketable securities	1,796	–	–	–	1,796	
Loan participations, at principal amount outstanding ¹	232	1,953	59	15	2,259	
Total	<u>\$ 2,289</u>	<u>\$ 1,953</u>	<u>\$ 59</u>	<u>\$ 15</u>	<u>\$ 4,316</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, and collectability is assessed in accordance with the MS Facilities 2020 LLC policy.						

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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 September 30, 2025, and December 31, 2024, respectively.

Table 13. Analysis of Reserve Bank funding and Treasury non-controlling interests of Main Street		
(In millions)		
	September 30, 2025	December 31, 2024
Outstanding amount of facility assets	\$ 1,620	\$ 3,482
Treasury contribution, including deposits and non-marketable Treasury securities ¹	2,112	3,824
Other assets and liabilities, net	260	662
Unconsolidated VIE: Assets available to pay Reserve Bank loans and Treasury non-controlling interests, net	\$ 3,992	\$ 7,968
Reserve Bank funding:		
Loans outstanding	\$ 1,281	\$ 3,583
Plus: Outstanding interest accrued	7	15
Total controlling interests outstanding	\$ 1,288	\$ 3,598
Non-controlling interest:		
Non-controlling interest—capital contribution	\$ 37,500	\$ 37,500
Return of non-controlling interest—capital contribution	(35,472)	(34,040)
Non-controlling interest—Treasury capital contributions	\$ 2,028	\$ 3,460
Excess of net unconsolidated VIE assets	\$ 676	\$ 910
Allocated to non-controlling Treasury interest	676	895
Allocated to Reserve Banks	—	15
Consolidated VIE: Non-controlling interest	\$ 2,704	\$ 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 September 30, 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 September 30, 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)				
	Nine months ended September 30, 2025		Nine months ended September 30, 2024	
Interest income:				
Primary, secondary, and seasonal	\$	128	\$	179
BTFP ¹		8		4,465
PPPLF ²		5		8
Total interest income	\$	141	\$	4,652
Average daily loan balance:				
Primary, secondary, and seasonal	\$	3,851	\$	4,336
BTFP ¹		901		123,764
PPPLF ²		1,642		2,919
Average interest rate:				
Primary, secondary, and seasonal		4.46%		5.52%
BTFP ¹		5.29%		4.82%
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)

	Nine months ended September 30, 2025		Nine months ended September 30, 2024	
Interest income:				
Securities purchased under agreements to resell	\$	4	\$	1
Treasury securities, net		79,038		76,557
Federal agency and GSE MBS, net		36,446		39,932
GSE debt securities, net		97		98
Foreign currency denominated investments, net ¹		218		256
Central bank liquidity swaps		3		7
Total interest income	\$	115,806	\$	116,851
Average daily balance:				
Securities purchased under agreements to resell	\$	129	\$	19
Treasury securities, net ²		4,400,153		4,724,699
Federal agency and GSE MBS, net ³		2,208,397		2,412,653
GSE debt securities, net ²		2,517		2,546
Foreign currency denominated investments, net ⁴		18,904		18,157
Central bank liquidity swaps ⁵		95		177
Average interest rate:				
Securities purchased under agreements to resell		4.47%		5.24%
Treasury securities, net		2.40%		2.16%
Federal agency and GSE MBS, net		2.20%		2.21%
GSE debt securities, net		5.05%		5.05%
Foreign currency denominated investments, net		1.54%		1.88%
Central bank liquidity swaps		4.58%		5.56%

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 \$5 million for the nine months ended September 30, 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.

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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)				
	Nine months ended September 30, 2025		Nine months ended September 30, 2024	
Interest expense:				
Primary dealers and expanded counterparties ¹	\$	4,363	\$	18,131
Foreign official and international accounts ²		12,000		15,008
Total interest expense	\$	16,363	\$	33,139
Average daily balance:				
Primary dealers and expanded counterparties ¹	\$	135,466	\$	451,088
Foreign official and international accounts ²		373,350		373,810
Average interest rate:				
Primary dealers and expanded counterparties ¹		4.25%		5.28%
Foreign official and international accounts ²		4.24%		5.28%
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 a 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) 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 entity: Non-controlling interest loss (income), net" in the Combined statements of operations.

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Supplemental information on consolidated VIE income is as follows:

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Interest income	\$ 257	\$ 593
Other items of income (loss):		
Fees	7	18
Provision for credit losses	(157)	(366)
Realized loss on sale of portfolio investments	(309)	(48)
Total other items of loss	(459)	(396)
Less: Expenses ¹	31	33
Net (loss) income attributable to consolidated VIE	\$ (233)	\$ 164
Allocated to non-controlling Treasury interest	\$ (219)	\$ 161
Allocated to Reserve Bank	\$ (14)	\$ 3

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. The FOMC decreased the established target range for the federal funds rate effective September 19, November 8, and December 19, 2024, and September 18, 2025.

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 nine months of 2025. At September 30, 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 September 30, 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)		
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Reserve Bank and consolidated variable interest entity net loss before providing for remittances to the Treasury	\$ (20,790)	\$ (63,135)
Other comprehensive loss	(34)	(64)
Total comprehensive loss—available for distribution	<u>\$ (20,824)</u>	<u>\$ (63,199)</u>
Distribution of comprehensive income (loss):		
Dividends	\$ 1,292	\$ 1,240
Remittances transferred to the Treasury	4,545	2,589
Deferred asset increase ¹	(26,661)	(67,028)
Earnings remittances to the Treasury, net	(22,116)	(64,439)
Total distribution of comprehensive loss	<u>\$ (20,824)</u>	<u>\$ (63,199)</u>

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

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