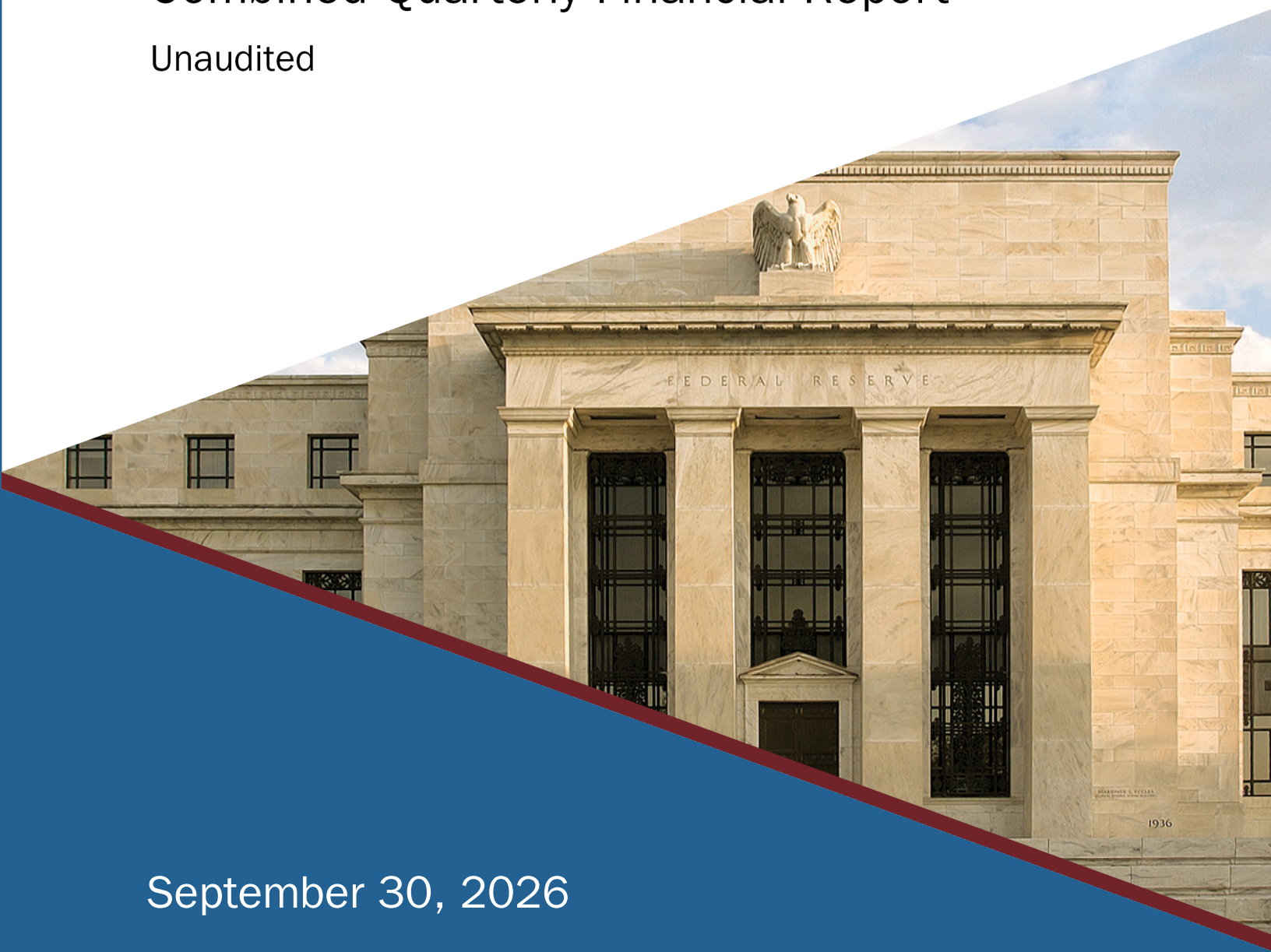
Federal Reserve Banks
Combined Quarterly Financial Report

Unaudited



September 30, 2026

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



The Federal Reserve System is the central bank of the United States. It performs five general 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 the 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 the 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
- 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, 2026—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, 2026	December 31, 2025
Assets			
Gold certificates		$ 11,037	$ 11,037
Special drawing rights certificates		15,200	15,200
Coin		1,328	1,481
Loans:	Note 1		
Loans to depository institutions		8,796	9,677
Other loans		7	63
System Open Market Account:	Note 2		
Securities purchased under agreements to resell		1,200	74,600
Treasury securities, net (of which $53,539 and $49,685 is lent as of September 30, 2026, and December 31, 2025, respectively)		4,711,818	4,390,203
Federal agency and government-sponsored enterprise mortgage-backed securities, net		1,933,014	2,077,623
Government-sponsored enterprise debt securities, net (of which $0 is lent as of September 30, 2026 and December 31, 2025)		2,475	2,499
Foreign currency denominated investments, net		18,974	19,211
Central bank liquidity swaps		207	481
Accrued interest receivable		32,083	30,677
Consolidated variable interest entity: Assets held, net (including $612 and $224 measured at fair value as of September 30, 2026, and December 31, 2025, respectively)	Note 3	872	1,368
Prepaid pension benefit costs		888	1,119
Other accrued interest receivable		9	13
Bank premises and equipment, net		3,567	3,360
Items in process of collection		57	92
Deferred asset–remittances to the Treasury		233,146	243,481
Other assets		1,502	1,706
Total assets		**$ 6,976,180**	**$ 6,883,891**
Liabilities and capital			
Federal Reserve notes outstanding, net	Note 4	$ 2,430,978	$ 2,394,465
System Open Market Account:			
Securities sold under agreements to repurchase	Note 2	361,883	462,198
Other liabilities		39	45
Deposits:			
Depository institutions	Note 5	2,881,691	2,853,441
Treasury, general account	Note 6	984,046	872,853
Other deposits		259,247	246,378
Interest payable to depository institutions and others		4,838	2,259
Consolidated variable interest entity: Other liabilities	Note 3	4	12
Accrued benefit costs		3,537	3,321
Deferred credit items		239	1,186
Other liabilities		1,121	484
Total liabilities		6,927,623	6,836,642
Reserve Bank capital	Note 7		
Capital paid-in		$ 40,931	$ 39,152
Surplus (including accumulated other comprehensive loss of $1,917 and $1,892 at September 30, 2026, and December 31, 2025, respectively)		6,785	6,785
Total Reserve Bank capital		47,716	45,937
Consolidated variable interest entity formed to administer credit and liquidity facility: Non-controlling interest	Note 3	841	1,312
Total Reserve Bank capital and consolidated variable interest entity non-controlling interest		48,557	47,249
Total liabilities and capital		**$ 6,976,180**	**$ 6,883,891**

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Combined statements of operations
(in millions)

		Three months ended		Nine months ended	
		September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Interest income					
Loans:	Note 8(A)				
Loans to depository institutions		$ 56	$ 61	$ 161	$ 128
Other loans		–	2	–	13
System Open Market Account:	Note 8(B)				
Securities purchased under agreements to resell		–	1	23	4
Treasury securities, net		30,657	26,719	92,628	79,038
Federal agency and government-sponsored enterprise mortgage-backed securities, net		10,687	11,776	33,121	36,446
Government-sponsored enterprise debt securities, net		31	33	95	97
Foreign currency denominated investments, net		90	72	248	218
Central bank liquidity swaps		1	–	3	3
Total interest income		**$ 41,522**	**$ 38,664**	**$ 126,279**	**$ 115,947**
Interest expense					
System Open Market Account:	Note 8(B)				
Securities sold under agreements to repurchase		$ 3,137	$ 4,953	$ 8,880	$ 16,363
Deposits:					
Depository institutions and others	Note 8(D)	30,482	38,550	90,110	116,191
Total interest expense		**$ 33,619**	**$ 43,503**	**$ 98,990**	**$ 132,554**
Net interest income (expense)		**$ 7,903**	**$ (4,839)**	**$ 27,289**	**$ (16,607)**
Other items of income (loss)					
System Open Market Account:					
Treasury securities losses, net		$ –	$ (25)	$ (1)	$ (39)
Federal agency and government-sponsored enterprise mortgage-backed securities losses, net		(38)	(21)	(54)	(48)
Foreign currency translation gains (losses), net		114	(205)	(466)	1,928
Other		16	11	32	22
Income from services		137	136	408	406
Reimbursable services to government agencies		232	227	693	674
Other components of net benefit costs		20	21	65	99
Other		19	14	50	46
Total other items of income		**$ 500**	**$ 158**	**$ 727**	**$ 3,088**
Operating expenses	Note 8(E)				
Salaries and benefits		$ 1,108	$ 1,086	$ 3,354	$ 3,302
System pension service cost		137	151	453	433
Occupancy		93	92	262	256
Equipment		82	69	231	205
Other		308	305	906	873
Assessments:					
Board of Governors operating expenses and currency costs		219	607	2,062	1,943
Bureau of Consumer Financial Protection		52	–	273	245
Total operating expenses		**$ 1,999**	**$ 2,310**	**$ 7,541**	**$ 7,257**
Reserve Bank net income (loss) from operations		6,404	(6,991)	20,475	(20,776)
Consolidated variable interest entity: Income (loss), net	Note 8(C)	387	(96)	614	(233)
Consolidated variable interest entity: Non-controlling interest (income) loss, net	Note 8(C)	(360)	96	(587)	219
Reserve Bank and consolidated variable interest entity net income (loss) before providing remittances to the Treasury		6,431	(6,991)	20,502	(20,790)
Earnings remittances to the Treasury, net		5,921	(7,441)	19,080	(22,116)
Net income after providing for remittances to the Treasury		510	450	1,422	1,326
Change in prior service costs related to benefit plans		(51)	(11)	(64)	(31)
Change in actuarial gains (losses) related to benefit plans		15	–	39	(3)
Total other comprehensive loss		(36)	(11)	(25)	(34)
Comprehensive income		**$ 474**	**$ 439**	**$ 1,397**	**$ 1,292**

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Combined statements of changes in capital

(in millions, except share data)

	Reserve Bank capital					Consolidated variable interest entity: Non-controlling interest	Total Reserve Bank capital and consolidated variable interest entity non-controlling interest
		Surplus					
	Capital paid-in	Net income retained	Accumulated other comprehensive income (loss)	Total surplus	Total Reserve Bank capital		
Balance at December 31, 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 (39,408,868 shares)	1,970	–	–	–	1,970	–	1,970
Comprehensive income:							
Reserve Bank net income after providing for remittances to the Treasury	–	2,498	–	2,498	2,498	–	2,498
Consolidated variable interest entity: Loss, net	–	(14)	–	(14)	(14)	(403)	(417)
Other comprehensive loss	–	–	(796)	(796)	(796)	–	(796)
Dividends on capital stock	–	(1,688)	–	(1,688)	(1,688)	–	(1,688)
Consolidated variable interest entity: Non-controlling interest–capital contribution (distribution)	–	–	–	–	–	(2,640)	(2,640)
Net change in Reserve Bank capital and non-controlling interest	1,970	796	(796)	–	1,970	(3,043)	(1,073)
Balance at December 31, 2025 (783,040,132 shares of Reserve Bank capital stock)	**$ 39,152**	**$ 8,677**	**$ (1,892)**	**$ 6,785**	**$ 45,937**	**$ 1,312**	**$ 47,249**
Net change in capital stock issued (35,583,714 shares)	1,779	–	–	–	1,779	–	1,779
Comprehensive income:							
Reserve Bank net income after providing for remittances to the Treasury	–	1,395	–	1,395	1,395	–	1,395
Consolidated variable interest entity: Income, net	–	27	–	27	27	587	614
Other comprehensive loss	–	–	(25)	(25)	(25)	–	(25)
Dividends on capital stock	–	(1,397)	–	(1,397)	(1,397)	–	(1,397)
Consolidated variable interest entity: Non-controlling interest–capital contribution (distribution)	–	–	–	–	–	(820)	(820)
Consolidated variable interest entity: Non-controlling interest–(earnings distribution)	–	–	–	–	–	(238)	(238)
Net change in Reserve Bank capital and non-controlling interest	1,779	25	(25)	–	1,779	(471)	1,308
Balance at September 30, 2026 (818,623,846 shares of Reserve Bank capital stock)	**$ 40,931**	**$ 8,702**	**$ (1,917)**	**$ 6,785**	**$ 47,716**	**$ 841**	**$ 48,557**

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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 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 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 for loans to depository institutions and other loans at September 30, 2026, and December 31, 2025, were as follows (in millions):

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

	September 30, 2026	December 31, 2025
Loans to depository institutions		
Primary, secondary, and seasonal credit	$ 8,796	$ 9,677
Other loans		
PPPLF	7	63
Total loans	**$ 8,803**	**$ 9,740**

The remaining maturity distribution of loans to depository institutions and other loans outstanding as of September 30, 2026, and December 31, 2025, was as follows:

Table 2. Maturity distribution of loans to depository institutions and other loans

	Performing and past due	Remaining maturity			Total
		Within 15 days	16 days to 90 days	91 days to 1 year	
September 30, 2026					
Loans to depository institutions					
Primary, secondary, and seasonal credit	$ –	$ 5,206	$ 3,590	$ –	$ 8,796
Other loans					
PPPLF[1]	7	–	–	–	7
Total loans	**$ 7**	**$ 5,206**	**$ 3,590**	**$ –**	**$ 8,803**
December 31, 2025					
Loans to depository institutions					
Primary, secondary, and seasonal credit	$ –	$ 6,583	$ 3,094	$ –	$ 9,677
Other loans					
PPPLF[1]	7	–	30	26	63
Total loans	**$ 7**	**$ 6,583**	**$ 3,124**	**$ 26**	**$ 9,740**

[1] Balances presented in the performing and past due category have 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, 2026, and December 31, 2025, 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, 2026, and December 31, 2025.

(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, 2026, and December 31, 2025, were as follows:

Table 3. Domestic SOMA portfolio holdings
(in millions)

	September 30, 2026			December 31, 2025		
	Amortized cost	Fair value	Cumulative unrealized gains (losses), net	Amortized cost	Fair value	Cumulative unrealized gains (losses), net
Treasury securities						
Bills	$ 556,079	$ 555,833	$ (246)	$ 231,485	$ 231,604	$ 119
Notes	2,225,806	2,097,070	(128,736)	2,242,469	2,165,444	(77,025)
Bonds	1,929,933	1,342,614	(587,319)	1,916,249	1,457,894	(458,355)
Total Treasury securities	**$ 4,711,818**	**$ 3,995,517**	**$ (716,301)**	**$ 4,390,203**	**$ 3,854,942**	**$ (535,261)**
Federal agency and GSE MBS						
Residential	$ 1,925,245	$ 1,522,881	$ (402,364)	$ 2,069,402	$ 1,761,250	$ (308,152)
Commercial	7,769	6,692	(1,077)	8,221	7,306	(915)
Total federal agency and GSE MBS	**$ 1,933,014**	**$ 1,529,573**	**$ (403,441)**	**$ 2,077,623**	**$ 1,768,556**	**$ (309,067)**
GSE debt securities	2,475	2,474	(1)	2,499	2,634	135
Total domestic SOMA portfolio securities holdings	**$ 6,647,307**	**$ 5,527,564**	**$ (1,119,743)**	**$ 6,470,325**	**$ 5,626,132**	**$ (844,193)**
Memorandum—Commitments for purchases of:						
Treasury securities[1]	$ 33,467	$ 33,472	$ 5	$ 14,680	$ 14,679	$ (1)
Federal agency and GSE MBS[1]	69	68	(1)	–	–	–
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.

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, 2026, and December 31, 2025:

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

	September 30, 2026		December 31, 2025	
	Amortized cost	Fair value	Amortized cost	Fair value
Residential				
1.50%	$ 117,081	$ 93,038	$ 127,183	$ 107,567
2.00%	771,385	584,812	822,544	671,232
2.50%	536,565	416,648	576,283	482,261
3.00%	216,715	180,217	235,658	210,132
3.50%	143,632	123,244	155,681	143,898
4.00%	89,614	78,795	97,319	92,175
4.50%	37,110	33,754	40,478	39,704
5.00%	10,973	10,272	11,931	11,913
5.50%	1,683	1,622	1,737	1,767
6.00%	399	391	472	482
6.50%	88	88	116	119
Total	**$ 1,925,245**	**$ 1,522,881**	**$ 2,069,402**	**$ 1,761,250**
Commercial				
1.00%-1.50%	$ 81	$ 67	$ 88	$ 76
1.51%-2.00%	344	272	402	329
2.01%-2.50%	837	672	912	772
2.51%-3.00%	1,187	1,004	1,253	1,101
3.01%-3.50%	2,574	2,224	2,649	2,364
3.51%-4.00%	2,508	2,248	2,674	2,448
4.01%-4.50%	238	205	243	216
Total	**$ 7,769**	**$ 6,692**	**$ 8,221**	**$ 7,306**
Total MBS	**$ 1,933,014**	**$ 1,529,573**	**$ 2,077,623**	**$ 1,768,556**

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, 2026, and December 31, 2025, was as follows:

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

	September 30, 2026	December 31, 2025
Repurchase agreements conducted with		
Primary dealers and eligible counterparties:		
Contract amount outstanding, end of period	$ 1,200	$ 74,600
FIMA Repo Facility:		
Contract amount outstanding, end of period	–	–
Total repurchase agreement contract amount outstanding, end of period	**$ 1,200**	**$ 74,600**
Reverse repurchase agreements conducted with		
Primary dealers and expanded counterparties:		
Contract amount outstanding, end of period	$ 11,539	$ 105,993
Securities pledged (par value), end of period	13,330	113,820
Securities pledged (fair value), end of period	11,531	105,858
Foreign official and international accounts:		
Contract amount outstanding, end of period	350,344	356,205
Securities pledged (par value), end of period	416,650	412,137
Securities pledged (fair value), end of period	350,559	356,234
Total reverse repurchase agreement contract amount outstanding, end of period	**$ 361,883**	**$ 462,198**

The remaining maturity distribution of Treasury securities, federal agency and GSE MBS, GSE debt securities, repurchase agreements, and reverse repurchase agreements at September 30, 2026, and December 31, 2025, 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, 2026:							
Treasury securities (par value)	$ 107,411	$ 372,603	$ 540,933	$ 1,435,999	$ 482,108	$ 1,625,107	$ 4,564,161
Federal agency and GSE residential MBS (par value)[1]	–	–	1	1,286	101,799	1,787,620	1,890,706
Federal agency and GSE commercial MBS (par value)[1]	–	8	162	3,778	2,613	823	7,384
GSE debt securities (par value)	–	–	–	2,134	213	–	2,347
Securities sold under agreements to repurchase (contract amount)	361,883	–	–	–	–	–	361,883
December 31, 2025:							
Treasury securities (par value)	$ 70,296	$ 209,307	$ 450,169	$ 1,401,276	$ 500,438	$ 1,596,314	$ 4,227,800
Federal agency and GSE residential MBS (par value)[1]	–	–	–	1,182	46,679	1,983,411	2,031,272
Federal agency and GSE commercial MBS (par value)[1]	–	28	36	3,592	3,183	913	7,752
GSE debt securities (par value)	–	–	–	1,818	529	–	2,347
Securities purchased under agreements to resell (contract amount)	74,600	–	–	–	–	–	74,600
Securities sold under agreements to repurchase (contract amount)	462,198	–	–	–	–	–	462,198

[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, 2026, and December 31, 2025, respectively:

Table 6a. Estimated weighted-average life of RMBS and CMBS
(in years)

	September 30, 2026	December 31, 2025
RMBS	8.1	8.0
CMBS	4.3	4.8

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, 2026, and during the year ended December 31, 2025, 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, 2024	**$ 193,310**	**$ 2,381,058**	**$ 1,898,667**	**$ 4,473,035**
Purchases[1]	631,036	373,533	55,147	1,059,716
Sales[1]	–	(110)	(59)	(169)
Realized gains (losses), net[2]	–	(9)	(33)	(42)
Principal payments and maturities	(601,123)	(511,569)	(33,618)	(1,146,310)
Amortization of premiums and accretion of discounts, net	8,262	(6,976)	(10,458)	(9,172)
Inflation adjustment on inflation-indexed securities	–	6,542	6,603	13,145
Subtotal of activity	38,175	(138,589)	17,582	(82,832)
Balance at December 31, 2025	**$ 231,485**	**$ 2,242,469**	**$ 1,916,249**	**$ 4,390,203**
Purchases[1]	1,257,260	357,452	42,501	1,657,213
Sales[1]	–	(24)	–	(24)
Realized gains (losses), net[2]	–	(1)	–	(1)
Principal payments and maturities	(944,471)	(375,395)	(26,406)	(1,346,272)
Amortization of premiums and accretion of discounts, net	11,805	(3,189)	(7,533)	1,083
Inflation adjustment on inflation-indexed securities	–	4,494	5,122	9,616
Subtotal of activity	324,594	(16,663)	13,684	321,615
Balance at September 30, 2026	**$ 556,079**	**$ 2,225,806**	**$ 1,929,933**	**$ 4,711,818**
Year-ended December 31, 2025				
Supplemental information—par value of transactions				
Purchases[3]	$ 639,372	$ 374,637	$ 56,059	$ 1,070,068
Sales[3]	–	(117)	(93)	(210)
Nine months ended September 30, 2026				
Supplemental information—par value of transactions				
Purchases[3]	$ 1,271,090	$ 358,719	$ 43,232	$ 1,673,041
Sales[3]	–	(25)	–	(25)

[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.

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, 2024	**$ 2,268,501**	**$ 8,626**	**$ 2,277,127**	**$ 2,529**
Purchases[1]	447	–	447	–
Sales[1]	(370)	–	(370)	–
Realized gains (losses), net[2]	(72)	–	(72)	–
Principal payments and maturities	(193,955)	(295)	(194,250)	–
Amortization of premiums and accretion of discounts, net	(5,149)	(110)	(5,259)	(30)
Subtotal of activity	(199,099)	(405)	(199,504)	(30)
Balance at December 31, 2025	**$ 2,069,402**	**$ 8,221**	**$ 2,077,623**	**$ 2,499**
Purchases[1]	373	–	373	–
Sales[1]	(316)	–	(316)	–
Realized gains (losses), net[2]	(54)	–	(54)	–
Principal payments and maturities	(140,576)	(369)	(140,945)	–
Amortization of premiums and accretion of discounts, net	(3,584)	(83)	(3,667)	(24)
Subtotal of activity	(144,157)	(452)	(144,609)	(24)
Balance at September 30, 2026	**$ 1,925,245**	**$ 7,769**	**$ 1,933,014**	**$ 2,475**
Year-ended December 31, 2025				
Supplemental information—par value of transactions				
Purchases	$ 447	$ –	$ 447	$ –
Sales	(436)	–	(436)	–
Nine months ended September 30, 2026				
Supplemental information—par value of transactions				
Purchases	$ 373	$ –	$ 373	$ –
Sales	(364)	–	(364)	–

[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.

Foreign currency denominated investments are recorded at amortized cost and valued at foreign currency market exchange rates held in the SOMA at September 30, 2026, and December 31, 2025, was as follows:

Table 8. Foreign currency denominated investments
(in millions)

	September 30, 2026	December 31, 2025
Euro:		
Foreign currency deposits	$ 7,757	$ 5,772
Dutch government debt instruments	482	501
French government debt instruments	4,349	6,275
German government debt instruments	380	674
Japanese yen:		
Foreign currency deposits	$ 3,121	$ 3,044
Japanese government debt instruments	2,885	2,945
Total	**$ 18,974**	**$ 19,211**

The remaining maturity distribution of foreign currency denominated investments at September 30, 2026, and December 31, 2025, 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, 2026						
Euro	$ 7,757	$ 4	$ 997	$ 2,564	$ 1,646	$ 12,968
Japanese yen	3,280	208	1,100	1,418	–	6,006
Total	**$ 11,037**	**$ 212**	**$ 2,097**	**$ 3,982**	**$ 1,646**	**$ 18,974**
December 31, 2025						
Euro	$ 1,233	$ –	$ 6,595	$ 2,765	$ 2,629	$ 13,222
Japanese yen	3,044	364	1,106	1,475	–	5,989
Total	**$ 4,277**	**$ 364**	**$ 7,701**	**$ 4,240**	**$ 2,629**	**$ 19,211**

At September 30, 2026, and December 31, 2025, the fair value of foreign currency denominated investments held in the SOMA was $18,724 million and $19,156 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.

The remaining maturity distribution of U.S. dollar liquidity swaps at September 30, 2026, and December 31, 2025, was as follows:

Table 10. Maturity distribution of U.S. dollar liquidity swaps
(in millions)

	September 30, 2026	December 31, 2025
	Within 15 days	
British pound	$ 10	$ –
Euro	197	481
Total	**$ 207**	**$ 481**

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, 2026, and September 30, 2025:

Table 11. Realized gains (losses) and change in unrealized gain (loss) position
(in millions)

	Nine months ended September 30, 2026		Nine months ended September 30, 2025	
	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	$ (1)	$ (181,040)	$ (39)	$ 120,542
Federal agency and GSE MBS				
Residential	(54)	(94,212)	(48)	87,040
Commercial	–	(162)	–	351
Total federal agency and GSE MBS	(54)	(94,374)	(48)	87,391
GSE debt securities	–	(136)	–	64
Total	**$ (55)**	**$ (275,550)**	**$ (87)**	**$ 207,997**

[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 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. Upon consolidation, intercompany balances and transactions are eliminated. The Federal Reserve Bank of Boston (FRBB), the controlling member, extended loans to Main Street under the authority of section 13(3) of the FRA. 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 were used as eligible collateral for any applicable loan from the FRBB. Distributions of the Treasury's capital contribution are reported in table 14.

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. During the second quarter of 2026, Main Street reclassified all remaining loan participations to held for sale prior to completing an auction. Upon reclassification, the held-for-sale loan participations were measured at the lower of cost or fair value, where cost was reported at principal amount outstanding, net of charge-offs, and including capitalized interest. Prior to June 30, 2026, loan participations were reported at principal amount outstanding, net of allowance for credit losses, charge-offs, and including capitalized interest. In August 2026, the remaining held-for-sale loan participations, with principal amount outstanding, net of charge-offs, and including capitalized interest and interest receivable, of $582 million were sold at auction for cash proceeds of $516 million with a resulting loss on sale of $66 million.

The classification of assets and liabilities of the consolidated VIE as of September 30, 2026, and December 31, 2025, respectively, are as follows:

Table 12. Net portfolio assets and liabilities of Main Street
(in millions)

	September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents[1]	$ 664	$ 330
Short-term investments in non-marketable securities[2]	206	544
Loan participations held for investment[3]	–	492
Loan participations held for sale[4]	–	–
Other assets	2	2
Total assets, net	**$ 872**	**$ 1,368**
Liabilities	**4**	**12**
Net assets and liabilities	**$ 868**	**$ 1,356**

[1] Includes $612 million and $224 million of cash equivalents and $52 million and $106 million of cash, as of September 30, 2026, and December 31, 2025, respectively.

[2] Represents the portion of the Treasury preferred equity contribution to Main Street, 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 including capitalized interest.

[4] In August 2026, all remaining loan participations were sold at auction.

Upon transferring outstanding loan participations to held for sale, as of June 30, 2026, the $0.6 billion allowance for credit losses was reversed through "Other items of income (loss): Benefit (provision) for credit losses", as reported on table 18. Individual loan participations held for sale were measured at the lower of cost or fair value, which resulted in a valuation allowance of $0.5 billion as of June 30, 2026. The

valuation allowance represented held-for-sale loan participations' excess cost over their fair value. When all remaining loan participations were sold at auction, the valuation allowance was reversed through "Other items of income (loss): Provision for valuation allowance", as reported on table 18.

Prior to June 30, 2026, loan participations held for investment were evaluated under the CECL methodology. Loan participations with similar risks were collectively assessed for expected credit losses whereas loan participations with different risks were individually assessed. The evaluation of held-for-investment loan participations purchased by Main Street, including those in non-accrual status, resulted in recording a credit loss allowance of $0.8 billion as of December 31, 2025.

Loan participations were placed on non-accrual status if 90 days past due, or earlier, based on credit indicators. There were $212 million in loan participations at principal amount outstanding, net of charge-offs and capitalized interest that were 90 days or greater past due as of December 31, 2025. The principal exposure of loan participations in non-accrual status as of December 31, 2025, was $0.7 billion, respectively. Main Street realized principal and interest losses, net of subsequent recoveries, of $147 million and $191 million for charge-offs during the nine months ended September 30, 2026, and September 30, 2025, respectively.

In certain cases, when a borrower experienced significant financial difficulties and was unable to meet its financial obligations, modifications to contractual terms were approved that would not otherwise have been approved if the loan were performing. Of the $471 million loan participations that were modified, $297 million were on non-accrual status as of December 31, 2025.

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

Table 13. 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	
September 30, 2026				
Cash equivalents	$ 612	$ –	$ –	$ 612
Short-term investments in non-marketable securities	206	–	–	206
Total	**$ 818**	**$ –**	**$ –**	**$ 818**
December 31, 2025				
Cash equivalents	$ 224	$ –	$ –	$ 224
Short-term investments in non-marketable securities	544	–	–	544
Loan participations held for investment[1]	1,024	124	105	1,253
Total	**$ 1,792**	**$ 124**	**$ 105**	**$ 2,021**

[1] Reported at principal amount outstanding, net of charge-offs and including capitalized interest. A component of loan participations presented in the "Within 15 days" column reached contractual maturity and collectability was assessed in accordance with the LLC's credit policies.

The following table presents information related to the portfolio holdings of the VIE and the funding provided by the Reserve Bank and Treasury, as of September 30, 2026, and December 31, 2025, respectively.

Table 14. Analysis of Reserve Bank funding and Treasury non-controlling interests of Main Street
(in millions)

	September 30, 2026	December 31, 2025
Outstanding amount of facility assets[1]	$ –	$ 492
Treasury contribution, including deposits and non-marketable Treasury securities[2]	258	640
Other assets and liabilities, net	610	224
Unconsolidated VIE: Assets available to pay Reserve Bank loans and Treasury non-controlling interests, net	**$ 868**	**$ 1,356**
Reserve Bank funding:		
Loans outstanding[3]	$ –	$ 44
Plus: Outstanding interest accrued	–	–
Total controlling interests outstanding	**$ –**	**$ 44**
Non-controlling interest:		
Non-controlling interest–capital contribution	$ 37,500	$ 37,500
Return of non-controlling interest–capital contribution	(37,500)	(36,680)
Non-controlling interest–Treasury capital contributions	**$ –**	**$ 820**
Excess of net unconsolidated VIE assets	**$ 868**	**$ 492**
Allocated to non-controlling Treasury interest[4]	841	492
Allocated to Reserve Banks	27	–
Consolidated VIE: Non-controlling interest	**$ 841**	**$ 1,312**
Memo: Earnings distribution[5]	**$ 238**	**$ –**
Non-controlling Treasury interest	238	–
Reserve Banks	–	–

[1] As of December 31, 2025, loan participations were reported at principal amount outstanding, net of allowance, charge-offs, and including capitalized interest.
[2] Includes earnings on non-marketable Treasury securities and deposits from the Treasury.
[3] All outstanding loans extended by the FRBB to fund purchases of loan participations were repaid by January 5, 2026.
[4] The allocation of the excess net unconsolidated VIE assets includes interest earned on non-marketable Treasury securities in accordance with the LLC's legal agreements.
[5] Represents distribution of cumulative LLC earnings 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 using the hypothetical liquidation basis of valuation (HLBV) method. 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, 2026, and December 31, 2025, all Federal Reserve notes, net, were fully collateralized.

(5) Depository Institution Deposits

Depository institutions' deposits primarily represent 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 depositary of the United States.

(7) Capital and Surplus

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

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

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

The Treasury equity contribution to the consolidated VIE is reported as an element of "Consolidated variable interest entity formed to administer credit and liquidity facility: 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, 2026, 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 Bank Term Funding Program (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 15. Interest income on loans to depository institutions and other loans
(in millions)

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Interest income:		
Primary, secondary, and seasonal	$ 161	$ 128
BTFP[1]	–	8
PPPLF[2]	*	5
Total interest income	**$ 161**	**$ 141**
Average daily loan balance:		
Primary, secondary, and seasonal	$ 5,708	$ 3,851
BTFP[1]	–	901
PPPLF[2]	33	1,642
Average interest rate:		
Primary, secondary, and seasonal	3.77%	4.46%
BTFP[1]	–	5.29%
PPPLF[2]	0.35%	0.35%

[1] BTFP offered advances up to one year in length to help assure eligible institutions had the ability to meet the needs of all their depositors. 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.

* Less than $500 thousand.

(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 16. Interest income on SOMA portfolio
(in millions)

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Interest income:		
Securities purchased under agreements to resell	$ 23	$ 4
Treasury securities, net	92,628	79,038
Federal agency and GSE MBS, net	33,121	36,446
GSE debt securities, net	95	97
Foreign currency denominated investments, net[1]	248	218
Central bank liquidity swaps	3	3
Total interest income	**$ 126,118**	**$ 115,806**
Average daily balance:		
Securities purchased under agreements to resell	$ 806	$ 129
Treasury securities, net[2]	4,583,096	4,400,153
Federal agency and GSE MBS, net[3]	2,011,814	2,208,397
GSE debt securities, net[2]	2,487	2,517
Foreign currency denominated investments, net[4]	19,260	18,904
Central bank liquidity swaps[5]	108	95
Average interest rate:		
Securities purchased under agreements to resell	3.77%	4.47%
Treasury securities, net	2.70%	2.40%
Federal agency and GSE MBS, net	2.20%	2.20%
GSE debt securities, net	5.06%	5.05%
Foreign currency denominated investments, net	1.72%	1.54%
Central bank liquidity swaps	3.90%	4.58%

[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 $2 million and $2 million for the nine months ended September 30, 2026 and 2025, 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.

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

Table 17. Interest expense on securities sold under agreement to repurchase
(in millions)

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Interest expense:		
Primary dealers and expanded counterparties[1]	$ 71	$ 4,363
Foreign official and international accounts[2]	8,809	12,000
Total interest expense	**$ 8,880**	**$ 16,363**
Average daily balance:		
Primary dealers and expanded counterparties[1]	$ 2,680	$ 135,466
Foreign official and international accounts[2]	330,701	373,350
Average interest rate:		
Primary dealers and expanded counterparties[1]	3.51%	4.25%
Foreign official and international accounts[2]	3.51%	4.24%

[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: Income (loss), net" in the Combined statements of operations. The portion of consolidated VIE net income and loss that is allocated to the non-controlling interest is reported as "Consolidated variable interest entity: Non-controlling interest (income) loss, net" in the Combined statements of operations.

Supplemental information on consolidated VIE income is as follows:

Table 18. Net operating income (loss) of Main Street
(in millions)

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Interest income	$ 34	$ 257
Other items of income (loss):		
Fees	–	7
Benefit (provision) for credit losses	683	(157)
Realized gain (loss) on sale of portfolio investments	(47)	(309)
Provision for valuation allowance	(15)	–
Total other items of income (loss)	**$ 621**	**$ (459)**
Less: Expenses[1]	41	31
Net income (loss) attributable to consolidated VIE	**$ 614**	**$ (233)**
Allocated to non-controlling Treasury interest	$ 587	$ (219)
Allocated to Reserve Bank	$ 27	$ (14)

[1] Includes fees, participation loan servicing costs, and other expenses.

(D) Depository Institution Deposits

Depository institutions earn interest at the interest on 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 18, October 30, and December 11, 2025, and increased it effective September 17, 2026.

(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/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

Certain Reserve Banks remitted excess earnings to the Treasury during 2025 and the first nine months of 2026. At September 30, 2026, 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, 2026.

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

Table 19. Reconciliation of total distribution of comprehensive income (loss) and Treasury remittances
(in millions)

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Reserve Bank and consolidated variable interest entity net income (loss) before providing for remittances to the Treasury	$ 20,502	$ (20,790)
Other comprehensive loss	(25)	(34)
Total comprehensive income (loss)–available for distribution	$ 20,477	$ (20,824)
Distribution of comprehensive income (loss):		
Dividends	$ 1,397	$ 1,292
Remittances transferred to the Treasury	8,745	4,545
Deferred asset decrease (increase)[1]	10,335	(26,661)
Earnings remittances to the Treasury, net	19,080	(22,116)
Total distribution of comprehensive income (loss)	**$ 20,477**	**$ (20,824)**

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

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