



RESEARCH & ANALYSIS

Senior Financial Officer Survey Results

September 2025



BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM



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Background

In September 2025, the Federal Reserve conducted a Senior Financial Officer Survey (SFOS) to systematically gather views from a representative sample of banks on their reserve balance management strategies and practices, their expectations for potential changes in both the size and composition of their balance sheets, their deposit pricing strategies, their views regarding Federal Reserve facilities, and their expectations around stablecoins and digital assets.¹

The September SFOS was distributed to senior financial officers at 100 banks, representing a wide range of asset sizes and business models, on September 19, 2025, with replies due by September 29, 2025. This summary includes responses from 95 banks, comprising 60 domestic banks and 35 foreign banking organizations (FBOs). In aggregate, respondents held around three-fourths of total reserve balances in the banking system at the time of the survey.

Part 1: Questions about Balance Sheet Management

(Questions 1–5)

The questions in Part 1 asked respondents about their bank's recent reserve management strategy and its expectations for changes to the levels of various liability and asset categories over the next six months.

- More than half of respondents indicated that their bank has taken actions over the past few months intended to maintain the current amount of its reserves, a modest increase since the prior survey.
- More than 40 percent of respondents indicated that their bank had either adjusted its reserves or liquidity management strategy in response to recent and expected declines in aggregate reserves more frequently in light of these developments or had discussed adjusting its strategy. All other respondents indicated that their bank has not adjusted its strategy or discussed this topic more frequently.
 - The subset of seven respondents that indicated that their bank had adjusted its reserves and liquidity management strategy were then asked about which actions it had taken in the past few months. Within this small cohort of respondents, a majority of domestic bank respondents indicated that their bank had increased reserve holdings on a sustained basis, while all FBO respondents indicated that their bank had decreased reserves by reducing arbitrage activity that had been conducted to earn a spread between different money market rates.

¹ For the purpose of this summary, the term “banks” is used to encompass all types of depository institutions, including credit unions.

- Respondents from FBOs were asked about the factors driving their net borrowing from their parent organization over the last year. Domestic branch customer activity and supervisory guidance were rated as moderately important on average.
- When asked about the rationale that most closely aligns with their bank's deposit rate-setting strategy over the next six months, more than half of banks that offer retail deposits (excluding brokered retail deposits and brokered certificate of deposits (CDs)) indicated that rates will be set to increase this deposit type. The remaining banks reported that rates will be set to maintain this deposit type. For all other deposit types (brokered retail deposits, wholesale operational deposits, and wholesale non-operational deposits), the majority of banks reported that rates will be set to maintain deposit balances.

Part 2: Questions about Preferred Reserve Levels

(Questions 6–12)

The questions in Part 2 asked respondents about their bank's lowest comfortable level of reserves (LCLOR), which is defined in the survey as the lowest dollar level of reserves that their bank would feel comfortable holding before taking actions to maintain or increase its reserve balances.²

- A majority of respondents that responded to both this survey and the previous survey in March 2025 reported no material change to their LCLOR estimate.³
- Of the respondents that reported that their bank prefers to hold additional reserves above LCLOR (hereafter, additional reserves), the majority also reported no material change to their additional reserves estimate since the previous survey in March 2025.
- Respondents whose bank's average daily reserve balances over the past few months were above preferred reserve levels (the sum of its reported LCLOR and additional reserves) rated the relative or risk-adjusted rate of return between interest on reserves and other high-quality liquid assets (HQLA) as a mildly important factor resulting in their bank holding reserves above that level.
- When asked to provide an approximate forecast for their bank's reserve balances under hypothetical changes in the level of overnight interest rates relative to the interest rate on reserve balances (IORB), the share of respondents reporting that their reserves would decline from their current level grew as the level of overnight interest rates increased relative to IORB in each scenario. Just under half of respondents reported their reserves would decline from current levels when the constellation of overnight interest rates increased 4 basis points relative to IORB. If

² "Taking actions" is defined in the survey as taking active steps to intervene and raise funds to replenish reserves.

³ The surveys include a combined total of 92 respondents.

overnight rates increased 16 basis points relative to IORB, nearly two-thirds of respondents forecasted a decline in their reserves from current levels.

- Just over half of the respondents indicated that if their bank were to consider re-allocating a portion of their reserves into Treasury securities, they would do so on a hedged basis. Those respondents were then asked to provide an approximate forecast for the level of reserves that their bank would be willing to re-allocate and invest into Treasury securities under hypothetical Secured Overnight Financing Rate (SOFR) swap spreads. When the two-year SOFR swap spread narrowed (becomes more negative) either 8 or 16 basis points relative to current levels, about half of respondents indicated that their bank would decrease its current reserve level. When asked about SOFR swap spreads narrowing at the five-year tenor, by 5 or 10 basis points, over one-third to just over one-half of respondents reported that their bank would decrease its current reserve level.
- Respondents who indicated that their bank would re-allocate on an un-hedged basis were asked to provide an approximate forecast for the level of reserves that their bank would be willing to re-allocate and invest into Treasury securities under hypothetical rate scenarios. Similarly to the hedged scenario, a greater share of these respondents indicated they would re-allocate a portion of their reserves into unhedged Treasury positions at the two-year tenor than at the five-year tenor. If the spread between two-year Treasury securities and IORB increased by 25 or 50 basis points, more than half of this group of respondents would decrease their reserves. In the same scenarios at the five-year tenor, only about one-third to under one-half of respondents would decrease reserves.
- When asked about their bank’s activity in markets for repurchase agreements (repo), more than three-fourths of respondents reported operational capacity to lend reserves into these markets. Within this subset, respondents were nearly split between those reporting that their bank is an active lender in repo markets and those reporting that while their bank has the operational capacity to lend in repo markets, it has not done so in recent months.
 - Respondents with operational capacity to lend in repo markets rated their bank’s reserve levels as a moderately important factor in driving their decisionmaking around lending in repo at quarter-end.
 - Respondents with operational capacity to lend in repo were then asked to provide the smallest spread above the IORB rate, on a quarter-end date and on a non-quarter-end date, that they would actively consider lending in both cleared and uncleared repo segments, assuming their bank’s reserve balances are greater than their reported preferred reserve level. In both date scenarios, the median respondent reported a spread that is lower for cleared repo than for uncleared repo. In both segments, the median respondent reported spreads lower for a non-quarter-end date than for a quarter-end date.

Part 3: Questions about Federal Reserve Liquidity

(Questions 13–15)

The questions in Part 3 asked respondents about their bank's usage of and views regarding Federal Reserve facilities.

- When asked about which private sector liquidity source their bank would be most likely to use to meet an overnight funding need, a majority of respondents from domestic banks indicated a preference towards overnight Federal Home Loan Bank (FHLB) advances, while a majority of respondents from FBOs indicated a preference towards federal funds.
 - Respondents were then asked to provide the spread between their preferred funding source and the primary credit rate that would make their bank indifferent between borrowing from the discount window and that funding source. The median indifference spread reported for federal funds was lower than the median spread reported for overnight FHLB advances or Treasury repo agreements.
- Respondents were asked about the inclusion of the discount window and, for counterparties of the standing repo facility (SRF) only, the SRF in their bank's monetization assumptions when their bank tests its liquidity position against potential outflows. For both facilities, a majority of respondents indicated that their bank does include the discount window or the SRF in its monetization assumptions in its tests and a majority of those respondents then indicated that the inclusion does not affect their bank's preferred reserves level.

Part 4: Questions about Stablecoins and Digital Assets

(Questions 16–18)

The questions in Part 4 asked respondents about their bank's strategy and investment plans as they relate to stablecoins and digital assets.

- When asked to characterize their bank's current expectations about the prioritization of growth and development for several types of digital asset-related products and services over the next three years, more than 80 percent of respondents indicated that their bank does not intend to prioritize growth and development in that product or service or views it as a low priority.
- Respondents were asked about how their bank and the broader industry's development of stablecoin-related or digital-asset-related products and services may impact their bank over the next three years. On average, respondents indicated that they expect increases in systemwide payment activity during hours when the Fedwire Funds Service is not operating and in the settlement speeds of institution-level money market transactions.

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Results

The following results include the instructions provided to the survey respondents.¹ Please note that percentages are based on the number of financial institutions that gave responses other than “Not applicable (N/A).” Components may not sum to totals because of rounding.

Part 1: Balance Sheet Management

Question 1: This question asks about changes to the projected level of different categories on your institution’s balance sheet. For each of the categories listed, please indicate your institution’s expectation about its most likely strategy between September 2025 and March 2026. I expect my institution to do the following (*select one; please select “N/A” only if your institution does not or cannot have the asset or liability on its balance sheet*):

Liabilities

1. Term wholesale funding (brokered deposits, term repurchase agreements (repos), term commercial paper (CP), or certificates of deposit (CDs))

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Take actions intended to increase, or limit the decline in, the size of this item	18	18.9	6	10.0	12	34.3
Take actions intended to maintain the current size of this item	36	37.9	18	30.0	18	51.4
Take actions intended to decrease, or limit the growth in, the size of this item	24	25.3	23	38.3	1	2.9
Not take actions to affect the size of this item	15	15.8	11	18.3	4	11.4
N/A	2	2.1	2	3.3	0	.0
Total	95	100.0	60	100.0	35	100.0

¹ Beginning with this publication, the methodology for calculating quartiles has been updated. This change may result in small differences when comparing current quartile values with those in earlier publications.

2. Overnight wholesale funding (federal funds, overnight repos, overnight CP, or overnight CDs)

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Take actions intended to increase, or limit the decline in, the size of this item	4	4.2	2	3.3	2	5.7
Take actions intended to maintain the current size of this item	40	42.1	22	36.7	18	51.4
Take actions intended to decrease, or limit the growth in, the size of this item	6	6.3	6	10.0	0	.0
Not take actions to affect the size of this item	34	35.8	19	31.7	15	42.9
N/A	11	11.6	11	18.3	0	.0
Total	95	100.0	60	100.0	35	100.0

3. Federal Home Loan Bank (FHLB) advances

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Take actions intended to increase, or limit the decline in, the size of this item	8	8.4	8	13.3	0	.0
Take actions intended to maintain the current size of this item	24	25.3	24	40.0	0	.0
Take actions intended to decrease, or limit the growth in, the size of this item	14	14.7	14	23.3	0	.0
Not take actions to affect the size of this item	9	9.5	9	15.0	0	.0
N/A	40	42.1	5	8.3	35	100.0
Total	95	100.0	60	100.0	35	100.0

Assets

4. Reserves

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Take actions intended to increase, or limit the decline in, the size of this item	11	11.6	9	15.0	2	5.7
Take actions intended to maintain the current size of this item	63	66.3	38	63.3	25	71.4
Take actions intended to decrease, or limit the growth in, the size of this item	11	11.6	9	15.0	2	5.7
Not take actions to affect the size of this item	10	10.5	4	6.7	6	17.1
N/A	0	.0	0	.0	0	.0
Total	95	100.0	60	100.0	35	100.0

5. Level 1 high-quality liquid assets (HQLA) securities

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Take actions intended to increase, or limit the decline in, the size of this item	28	29.5	22	36.7	6	17.1
Take actions intended to maintain the current size of this item	53	55.8	30	50.0	23	65.7
Take actions intended to decrease, or limit the growth in, the size of this item	7	7.4	6	10.0	1	2.9
Not take actions to affect the size of this item	7	7.4	2	3.3	5	14.3
N/A	0	.0	0	.0	0	.0
Total	95	100.0	60	100.0	35	100.0

6. Level 2 HQLA securities

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Take actions intended to increase, or limit the decline in, the size of this item	13	13.7	11	18.3	2	5.7
Take actions intended to maintain the current size of this item	39	41.1	26	43.3	13	37.1
Take actions intended to decrease, or limit the growth in, the size of this item	16	16.8	13	21.7	3	8.6
Not take actions to affect the size of this item	15	15.8	8	13.3	7	20.0
N/A	12	12.6	2	3.3	10	28.6
Total	95	100.0	60	100.0	35	100.0

7. Loans

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Take actions intended to increase, or limit the decline in, the size of this item	58	61.1	42	70.0	16	45.7
Take actions intended to maintain the current size of this item	26	27.4	11	18.3	15	42.9
Take actions intended to decrease, or limit the growth in, the size of this item	4	4.2	4	6.7	0	.0
Not take actions to affect the size of this item	6	6.3	3	5.0	3	8.6
N/A	1	1.1	0	.0	1	2.9
Total	95	100.0	60	100.0	35	100.0

Question 2: Looking ahead to March 2026, please select the rationale that most closely aligns with your institution's deposit rate-setting strategy for each of the deposit types listed (select one):

1. Retail deposits (excluding brokered retail deposits or brokered retail CDs)

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Rate will be set to increase deposit balances	33	53.2	32	55.2	1	25.0
Rate will be set to maintain deposit balances	29	46.8	26	44.8	3	75.0
Rate will be set to decrease deposit balances	0	.0	0	.0	0	.0
Total	62	100.0	58	100.0	4	100.0

2. Brokered retail deposits or brokered retail CDs

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Rate will be set to increase deposit balances	4	7.5	4	7.8	0	.0
Rate will be set to maintain deposit balances	34	64.2	32	62.7	2	100.0
Rate will be set to decrease deposit balances	15	28.3	15	29.4	0	.0
Total	53	100.0	51	100.0	2	100.0

3. Wholesale operational deposits

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Rate will be set to increase deposit balances	21	31.3	18	36.7	3	16.7
Rate will be set to maintain deposit balances	45	67.2	30	61.2	15	83.3
Rate will be set to decrease deposit balances	1	1.5	1	2.0	0	.0
Total	67	100.0	49	100.0	18	100.0

4. Wholesale non-operational deposits

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Rate will be set to increase deposit balances	11	13.6	10	20.0	1	3.2
Rate will be set to maintain deposit balances	63	77.8	33	66.0	30	96.8
Rate will be set to decrease deposit balances	7	8.6	7	14.0	0	.0
Total	81	100.0	50	100.0	31	100.0

Note: Question 3 was shown only to foreign banking organizations.

Question 3: Please rate on a scale of 1 (not important or not applicable) to 5 (very important) the factors driving net borrowing from your parent organization over the last year:

	Average rating Foreign (n = 35)
i. Cross-currency basis spreads	2.8
ii. Nominal interest rate differentials between jurisdictions	2.0
iii. Domestic branch customer activity and/or funding needs	3.1
iv. Head office or other affiliate customer activity	2.3
v. Market volatility or stress	2.6
vi. Supervisory guidance	3.0
vii. Other (please elaborate in comment box)	1.3
Note: n represents the total number of respondents.	

Three respondents provided comments, excluding responses of N/A, but these responses did not have common themes.

Question 4: Which statement best characterizes your institution's reserve management strategy over the past few months? (Select one):

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
My institution has taken actions intended to increase, or limit the decline in, the amount of its reserves.	10	10.5	9	15.0	1	2.9
My institution has taken actions intended to maintain the current amount of its reserves.	53	55.8	34	56.7	19	54.3
My institution has taken actions intended to decrease, or limit the growth in, the amount of its reserves.	18	18.9	12	20.0	6	17.1
My institution has taken limited or no actions intended to affect the amount of its reserves.	14	14.7	5	8.3	9	25.7
Total	95	100.0	60	100.0	35	100.0

Question 5a: Aggregate reserves have declined from \$3.26 trillion to \$3.0 trillion between the start of July and mid-September. Moreover, the results of the July 2025 Survey of Market Expectations showed median dealer expectations for the average level of reserves declining \$205 billion between 2025:Q3 and 2025:Q4. Has your institution adjusted its reserves or liquidity management strategy in response to the recent and expected future decline in aggregate reserves or in anticipation of potentially higher funding costs? (Select one):

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	7	7.4	4	6.7	3	8.6
No	54	56.8	37	61.7	17	48.6
No, but my institution's reserves and liquidity management strategy has been discussed more frequently with management in light of these developments.	34	35.8	19	31.7	15	42.9
Total	95	100.0	60	100.0	35	100.0

Note: Question 5b was shown only to respondents that answered “Yes” in response to question 5a.

Question 5b: Which, if any, of the following actions has your institution pursued as part of the adjustments to its reserves or liquidity management strategy referenced in part A of this question? Please only specify changes that your institution in the past few months has taken in response to the declining trend in aggregate reserves. My institution has (select all that apply):

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
i. Increased its reserve holdings on a sustained basis	3	42.9	3	75.0	0	.0
ii. Increased its reserve holdings only ahead of high-payment flow days	0	.0	0	.0	0	.0
iii. Increased its holdings of non-reserve HQLA securities	2	28.6	1	25.0	1	33.3
iv. Increased its readiness to use contingent funding sources or considered adding new sources	2	28.6	2	50.0	0	.0
v. Increased the amount of collateral it has positioned at either FHLBs or the discount window	0	.0	0	.0	0	.0
vi. Decreased reserves by reducing arbitrage activity that had been conducted to earn a spread between different money market rates	3	42.9	0	.0	3	100.0
vii. Decreased reserves by lending in money markets at attractive rates	0	.0	0	.0	0	.0
viii. Other (please elaborate in comment box)	2	28.6	1	25.0	1	33.3

Two respondents provided comments, but these responses did not have a common theme.

Part 2: Preferred Reserve Levels

Question 6: Given the constellation of short-term interest rates relative to the interest on reserve balances (IORB) rate over the past month, what is the estimated lowest comfortable level of reserves (LCLOR) your institution would feel comfortable holding before it takes active steps to maintain or increase its reserve balance position?

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
LCLOR \$20 billion or more	19	20.0	13	21.7	6	17.1
LCLOR \$10 billion to less than \$20 billion	19	20.0	8	13.3	11	31.4
LCLOR \$5 billion to less than \$10 billion	14	14.7	9	15.0	5	14.3
LCLOR \$1 billion to less than \$5 billion	26	27.4	16	26.7	10	28.6
LCLOR less than \$1 billion	17	17.9	14	23.3	3	8.6
Total	95	100.0	60	100.0	35	100.0

Question 7: Given the constellation of short-term interest rates relative to the IORB rate over the past month, if your institution prefers to hold additional reserves above its LCLOR, please provide an estimated amount of preferred additional reserves. If your institution does not prefer to hold additional reserves above its LCLOR, please enter “0.”

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Additional reserves greater than 100 percent of LCLOR	11	11.6	1	1.7	10	28.6
Additional reserves 76 to 100 percent of LCLOR	8	8.4	4	6.7	4	11.4
Additional reserves 51 to 75 percent of LCLOR	7	7.4	7	11.7	0	.0
Additional reserves 26 to 50 percent of LCLOR	15	15.8	8	13.3	7	20.0
Additional reserves 11 to 25 percent of LCLOR	20	21.1	15	25.0	5	14.3
Additional reserves 0 to 10 percent of LCLOR	8	8.4	5	8.3	3	8.6
No additional reserves	26	27.4	20	33.3	6	17.1
Total	95	100.0	60	100.0	35	100.0

Note: Question 8 was shown only to respondents with a 10 percent or larger change in LCLOR and/or preferred additional reserves relative to March 2025.

Question 8: Please rate on a scale of 1 (not important) to 5 (very important) the factors that affected the change in your institution's LCLOR and/or preferred additional reserves level since March 2025 (please select "N/A" only if the factor does not apply to your institution):

1. Factors driving change in LCLOR

	Average rating		
	All respondents	Domestic	Foreign
i. Changes in liability outflow assumptions	2.6 (n = 23)	2.7 (n = 15)	2.4 (n = 8)
ii. Changes in assumptions for routine intraday payment or settlement needs	2.5 (n = 22)	2.4 (n = 14)	2.8 (n = 8)
iii. Changes in capacity to access liquidity in the market (or via FHLB advances)	2.2 (n = 22)	2.1 (n = 15)	2.3 (n = 7)
iv. Changes in capacity to access liquidity through Federal Reserve facilities like the standing repo facility (SRF) or discount window	1.6 (n = 22)	1.7 (n = 14)	1.4 (n = 8)
v. Changes in balance sheet composition	3.4 (n = 23)	3.7 (n = 15)	2.8 (n = 8)
vi. Changes in composition or level of off-balance-sheet exposures	1.8 (n = 21)	1.9 (n = 14)	1.6 (n = 7)
vii. Changes to balance sheet interest rate risk and/or duration of equity	2.1 (n = 22)	2.1 (n = 15)	2.0 (n = 7)
viii. Changes to broader market conditions (for example, level of volatility or stress)	2.6 (n = 23)	2.7 (n = 15)	2.4 (n = 8)
ix. Changes in the relative rate of return between reserves and other assets	2.4 (n = 23)	2.6 (n = 15)	2.0 (n = 8)
x. Changes to aggregate banking system reserve levels	2.0 (n = 23)	2.1 (n = 15)	1.9 (n = 8)
Note: n represents the total number of respondents.			

2. Factors driving change in preferred additional reserves

	Average rating		
	All respondents	Domestic	Foreign
i. Changes in liability outflow assumptions	3.0 (n = 31)	3.2 (n = 20)	2.6 (n = 11)
ii. Changes in assumptions for routine intraday payment or settlement needs	2.7 (n = 30)	2.9 (n = 19)	2.3 (n = 11)
iii. Changes in capacity to access liquidity in the market (or via FHLB advances)	2.1 (n = 26)	2.4 (n = 18)	1.4 (n = 8)
iv. Changes in capacity to access liquidity through Federal Reserve facilities like the standing repo facility (SRF) or discount window	1.7 (n = 27)	2.0 (n = 17)	1.3 (n = 10)
v. Changes in balance sheet composition	3.0 (n = 30)	3.1 (n = 20)	2.9 (n = 10)
vi. Changes in composition or level of off-balance-sheet exposures	1.6 (n = 27)	1.8 (n = 17)	1.4 (n = 10)
vii. Changes to balance sheet interest rate risk and/or duration of equity	1.8 (n = 28)	2.1 (n = 18)	1.4 (n = 10)
viii. Changes to broader market conditions (for example, level of volatility or stress)	2.7 (n = 28)	3.1 (n = 18)	2.1 (n = 10)
ix. Changes in the relative rate of return between reserves and other assets	2.8 (n = 27)	2.8 (n = 17)	2.9 (n = 10)
x. Changes to aggregate banking system reserve levels	2.2 (n = 29)	2.3 (n = 19)	2.0 (n = 10)
Note: n represents the total number of respondents.			

Note: Question 9 was shown only to respondents with surplus reserves (defined as holding, on average, at least 10 percent more reserves than their reported LCLOR plus preferred additional reserves).

Question 9: Your institution's average daily reserve balances over the past few months have been higher than the sum of the LCLOR plus preferred additional reserves as reported in questions 6 and 7. Please rate on a scale of 1 (not important or not applicable) to 5 (very important) the factors that have resulted in your institution holding reserves above its LCLOR plus preferred additional reserves.

	Average rating		
	All respondents	Domestic	Foreign
	(n = 63)	(n = 38)	(n = 25)
i. Relative or risk-adjusted rate of return between interest on reserves and other HQLA	2.6	2.8	2.3
ii. Spread between interest on reserves and overnight borrowings	2.3	1.6	3.3
iii. Low duration of reserves	1.7	1.2	2.5
iv. Differential in foreign exchange or cross-currency basis resulting in a preference for holding dollar reserves	2.0	2.2	1.6
v. Higher-than-expected uncertainty in your institution's deposit base	2.1	2.1	2.1
vi. Elevated economic uncertainty or market volatility	1.9	2.3	1.4
vii. Anticipation of an acceleration in future loan growth and/or capital markets activity	2.2	2.6	1.6
viii. Changes in your net due to and/or net due from position vis-a-vis your parent organization (intended for foreign banking organizations)	1.4	1.0	1.9
ix. Other (please elaborate in comment box)	1.8	1.9	1.7
Note: n represents the total number of respondents. Option "viii" was shown only to foreign banking organizations.			

Fourteen respondents provided comments, with most elaborating on the factors indicated in their survey responses.

Question 10: For each hypothetical change in the level of overnight interest rates relative to the IORB rate shown in the first column of the following table in basis points, please provide an approximate forecast of your institution's reserve balance.

Scenario 1: Relative to the IORB rate, the constellation of overnight interest rates is 4 basis points higher than it was over the past month.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Increase current reserve level	3	3.2	2	3.3	1	2.9
Decrease current reserve level by greater than 0 percent, up to 25 percent	27	28.4	12	20.0	15	42.9
Decrease current reserve level by greater than 25 percent, up to 50 percent	10	10.5	3	5.0	7	20.0
Decrease current reserve level by greater than 50 percent	4	4.2	1	1.7	3	8.6
No change from current reserve level	51	53.7	42	70.0	9	25.7
Total	95	100.0	60	100.0	35	100.0

Scenario 2: Relative to the IORB rate, the constellation of overnight interest rates is 8 basis points higher than it was over the past month.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Increase current reserve level	3	3.2	2	3.3	1	2.9
Decrease current reserve level by greater than 0 percent, up to 25 percent	28	29.5	15	25.0	13	37.1
Decrease current reserve level by greater than 25 percent, up to 50 percent	11	11.6	5	8.3	6	17.1
Decrease current reserve level by greater than 50 percent	13	13.7	2	3.3	11	31.4
No change from current reserve level	40	42.1	36	60.0	4	11.4
Total	95	100.0	60	100.0	35	100.0

Scenario 3: Relative to the IORB rate, the constellation of overnight interest rates is 12 basis points higher than it was over the past month.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Increase current reserve level	4	4.2	2	3.3	2	5.7
Decrease current reserve level by greater than 0 percent, up to 25 percent	24	25.3	18	30.0	6	17.1
Decrease current reserve level by greater than 25 percent, up to 50 percent	17	17.9	7	11.7	10	28.6
Decrease current reserve level by greater than 50 percent	15	15.8	2	3.3	13	37.1
No change from current reserve level	35	36.8	31	51.7	4	11.4
Total	95	100.0	60	100.0	35	100.0

Scenario 4: Relative to the IORB rate, the constellation of overnight interest rates is 16 basis points higher than it was over the past month.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Increase current reserve level	4	4.2	2	3.3	2	5.7
Decrease current reserve level by greater than 0 percent, up to 25 percent	21	22.1	15	25.0	6	17.1
Decrease current reserve level by greater than 25 percent, up to 50 percent	17	17.9	11	18.3	6	17.1
Decrease current reserve level by greater than 50 percent	19	20.0	2	3.3	17	48.6
No change from current reserve level	34	35.8	30	50.0	4	11.4
Total	95	100.0	60	100.0	35	100.0

Question 11a: Assume you are considering re-allocating a portion of your institution's reserves into Treasury securities and the relative or risk-adjusted rate of return is your only consideration for making this re-allocation. Do you expect that your institution would re-allocate reserves and invest in Treasury securities on either a hedged (for example, asset swap) or un-hedged basis? If you would expect to do both, please select the one that is most likely (select one):

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Hedged	55	57.9	28	46.7	27	77.1
Unhedged	40	42.1	32	53.3	8	22.9
Total	95	100.0	60	100.0	35	100.0

Note: Question 11b was shown only to respondents who selected "on a hedged basis" in response to question 11a.

Question 11b: For each of the following hypothetical Secured Overnight Financing Rate (SOFR) swap spreads, please estimate the amount of reserves you would be willing to re-allocate and invest in Treasury securities.

1. The two-year SOFR swap spread (U.S. Treasury yield - SOFR swap) is 8 basis points lower than current levels (–32 basis points).

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Decrease current reserve level by greater than 0 percent, up to 10 percent	21	38.2	9	32.1	12	44.4
Decrease current reserve level by greater than 10 percent, up to 25 percent	6	10.9	4	14.3	2	7.4
Decrease current reserve level by greater than 25 percent	2	3.6	0	.0	2	7.4
No change from current reserve level	26	47.3	15	53.6	11	40.7
Total	55	100.0	28	100.0	27	100.0

2. The two-year SOFR swap spread (U.S. Treasury yield - SOFR swap) is 16 basis points lower than current levels (–40 basis points).

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Decrease current reserve level by greater than 0 percent, up to 10 percent	16	29.1	8	28.6	8	29.6
Decrease current reserve level by greater than 10 percent, up to 25 percent	11	20.0	5	17.9	6	22.2
Decrease current reserve level by greater than 25 percent	7	12.7	4	14.3	3	11.1
No change from current reserve level	21	38.2	11	39.3	10	37.0
Total	55	100.0	28	100.0	27	100.0

3. The five-year SOFR swap spread (U.S. Treasury yield - SOFR swap) is 5 basis points lower than current levels (–41 basis points).

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Decrease current reserve level by greater than 0 percent, up to 10 percent	14	25.5	8	28.6	6	22.2
Decrease current reserve level by greater than 10 percent, up to 25 percent	5	9.1	2	7.1	3	11.1
Decrease current reserve level by greater than 25 percent	2	3.6	1	3.6	1	3.7
No change from current reserve level	34	61.8	17	60.7	17	63.0
Total	55	100.0	28	100.0	27	100.0

4. The five-year SOFR swap spread (U.S. Treasury yield - SOFR swap) is 10 basis points lower than current levels (–45 basis points).

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Decrease current reserve level by greater than 0 percent, up to 10 percent	18	32.7	8	28.6	10	37.0
Decrease current reserve level by greater than 10 percent, up to 25 percent	6	10.9	4	14.3	2	7.4
Decrease current reserve level by greater than 25 percent	5	9.1	3	10.7	2	7.4
No change from current reserve level	26	47.3	13	46.4	13	48.1
Total	55	100.0	28	100.0	27	100.0

Note: Question 11c was shown only to respondents who selected “on an un-hedged basis” in response to question 11a.

Question 11c: For each of the following hypothetical spreads between nominal Treasury yields and the IORB rate, please estimate the amount of reserves you would be willing to re-allocate and invest in Treasury securities.

1. The two-year U.S. Treasury yield - IORB rate spread is near 25 basis points.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Decrease current reserve level by greater than 0 percent, up to 10 percent	13	32.5	10	31.3	3	37.5
Decrease current reserve level by greater than 10 percent, up to 25 percent	5	12.5	5	15.6	0	.0
Decrease current reserve level by greater than 25 percent	3	7.5	3	9.4	0	.0
No change from current reserve level	19	47.5	14	43.8	5	62.5
Total	40	100.0	32	100.0	8	100.0

2. The two-year U.S. Treasury yield - IORB rate spread is near 50 basis points.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Decrease current reserve level by greater than 0 percent, up to 10 percent	10	25.0	6	18.8	4	50.0
Decrease current reserve level by greater than 10 percent, up to 25 percent	7	17.5	7	21.9	0	.0
Decrease current reserve level by greater than 25 percent	8	20.0	8	25.0	0	.0
No change from current reserve level	15	37.5	11	34.4	4	50.0
Total	40	100.0	32	100.0	8	100.0

3. The five-year U.S. Treasury yield - IORB rate spread is near 25 basis points.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Decrease current reserve level by greater than 0 percent, up to 10 percent	8	20.0	6	18.8	2	25.0
Decrease current reserve level by greater than 10 percent, up to 25 percent	4	10.0	4	12.5	0	.0
Decrease current reserve level by greater than 25 percent	2	5.0	2	6.3	0	.0
No change from current reserve level	26	65.0	20	62.5	6	75.0
Total	40	100.0	32	100.0	8	100.0

4. The five-year U.S. Treasury yield - IORB rate spread is near 50 basis points.

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Decrease current reserve level by greater than 0 percent, up to 10 percent	6	15.0	4	12.5	2	25.0
Decrease current reserve level by greater than 10 percent, up to 25 percent	5	12.5	5	15.6	0	.0
Decrease current reserve level by greater than 25 percent	6	15.0	6	18.8	0	.0
No change from current reserve level	23	57.5	17	53.1	6	75.0
Total	40	100.0	32	100.0	8	100.0

Question 11d: Please describe any assumptions behind your response to question 11b or question 11c.

Seventy-seven respondents provided comments. Some respondents noted that their bank had no plans to re-allocate into Treasuries and some noted that their bank would only re-allocate into Treasury securities with a duration of two years or less. Some respondents elaborated on the other assets they would invest in or elaborated on the general assumptions around those assets that they assumed in order to provide these estimates.

Question 12a: This question asks about your institution's activity in secured funding markets (repo markets). Is your institution an active lender in repo markets? *For the purposes of this question, consider an "active lender" as an institution that lends for non-test purposes at least once a month (select one):*

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes, my institution has been an active lender in repo markets.	35	36.8	17	28.3	18	51.4
No, while my institution currently has the operational capacity to lend in repo markets, it has not done so in recent months.	38	40.0	29	48.3	9	25.7
No, my institution currently does not have the operational capacity to lend in repo markets and has not been an active lender.	22	23.2	14	23.3	8	22.9
Total	95	100.0	60	100.0	35	100.0

Note: Question 12b was shown only to respondents who selected either "Yes, my institution has been an active lender in repo markets" or "No, while my institution currently has the operational capacity to lend in repo markets, it has not done so in recent months" in response to question 12a.

Question 12b: Please rate on a scale of 1 (not important or not applicable) to 5 (very important) the following nonprice factors that drive your institution's decisionmaking around lending in repo on a quarter-end date.

	Average rating		
	All respondents	Domestic	Foreign
	(n = 73)	(n = 46)	(n = 27)
i. Leverage capital constraints	2.2	2.3	2.2
ii. Risk-based capital ratio constraints	2.2	2.1	2.2
iii. Internal risk-management guidelines and/or limits (excluding those related to i and ii)	2.8	2.7	2.9
iv. My institution's reserve levels	3.2	3.3	3.1
v. Counterparty relationship management	2.3	2.3	2.3
vi. Other (please elaborate in comment box; if not applicable, select 1)	1.4	1.6	1.1
Note: n represents the total number of respondents.			

Ten respondents provided substantive comments. Most comments were in line with or elaborated on the survey responses.

Note: Question 12c was shown only to respondents who selected either "Yes, my institution has been an active lender in repo markets" or "No, while my institution currently has the operational capacity to lend in repo markets, it has not done so in recent months" in response to question 12a.

Question 12c: Under each of the scenarios outlined in the table below, what is the smallest spread above the IORB rate in the cleared and uncleared repo segments at which your institution would actively consider lending? Please consider lending activity through an affiliated dealer and/or lending directly to a client.

For this question, please assume your institution's reserve balances are greater than the amount you reported in questions 6 and 7 and that you would receive Treasury securities as collateral. If under no circumstances would you be willing to lend or if you do not have capacity to transact in either or both repo market segments, please type "N/A."

1. On a quarter-end date

	All respondents		
	1st Quartile	Median	3rd Quartile
Cleared repo (<i>n</i> = 37)	5	15	25
Uncleared repo (<i>n</i> = 37)	10	20	35
Note: <i>n</i> represents the total number of respondents who provided numeric responses.			

2. On a non-quarter-end date

	All respondents		
	1st Quartile	Median	3rd Quartile
Cleared repo (<i>n</i> = 44)	5	7	20
Uncleared repo (<i>n</i> = 45)	5	15	25
Note: <i>n</i> represents the total number of respondents who provided numeric responses.			

Part 3: Federal Reserve Liquidity

Question 13a: Do you include the discount window in your monetization assumptions when your institution stress tests your liquidity position against potential outflows? (Select one):

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	52	54.7	35	58.3	17	48.6
No	43	45.3	25	41.7	18	51.4
Total	95	100.0	60	100.0	35	100.0

Note: Question 13b was shown only to respondents who selected "Yes" in response to question 13a.

Question 13b: Does your institution's monetization assumptions for the discount window affect your estimated LCLOR plus preferred additional level of reserves? (Select one):

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	8	15.4	7	20.0	1	5.9
No	44	84.6	28	80.0	16	94.1
Total	52	100.0	35	100.0	17	100.0

Note: Question 13c was shown only to respondents who selected "Yes" in response to question 13b.

Question 13c: Please estimate your institution's LCLOR and preferred additional level of reserves given the following scenarios.

Scenario 1: Your institution assumes no monetization related to the discount window.

Scenario 2: Your institution's monetization assumptions related to the discount window double.

	Scenario 1		Scenario 2	
	Banks	Percent	Banks	Percent
No change from current level	2	25.0	7	87.5
Increase current level by greater than 0 percent, up to 50 percent	3	37.5	0	.0
Increase current level by greater than 50 percent	3	37.5	0	.0
Decrease current level by greater than 0 percent, up to 50 percent	0	.0	1	12.5
Decrease current level by greater than 50 percent	0	.0	0	.0
Total	8	100.0	8	100.0

Question 13d: Please provide any comments on this topic you would like to share, including whether there are any other ways outside of your monetization assumptions in which the discount window affects your LCLOR and/or preferred reserve level.

Three respondents provided comments that were in line with or elaborated on their survey responses.

Note: Question 14a was shown only to standing repo facility (SRF) counterparties.

Question 14a: Do you include the SRF in your monetization assumptions when your institution stress tests your liquidity position against potential outflows? (Select one):

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Yes	21	55.3	18	66.7	3	27.3
No	17	44.7	9	33.3	8	72.7
Total	38	100.0	27	100.0	11	100.0

Note: Question 14b was shown only to respondents who selected “Yes” in response to question 14a.

Question 14b: Does your institution's monetization assumptions for the SRF affect your estimated LCLOR plus preferred additional level of reserves? (Select one):

A very small number of respondents indicated that their bank's monetization assumptions for the SRF does affect their estimated LCLOR plus additional reserves level.

Note: Question 14c was shown only to respondents who selected “Yes” in response to question 14b.

Question 14c: Please estimate your institution's LCLOR and preferred additional level of reserves given the following scenarios.

Scenario 1: Your institution assumes no monetization related to the SRF.

Scenario 2: Your institution's monetization assumptions related to the SRF double.

This question was shown to a very small number of respondents. Those respondents most often reported a LCLOR and preferred additional reserves level that was up to 50 percent above their previously reported level.

Question 14d: Please provide any comments on this topic you would like to share, including whether there are any other ways outside of your monetization assumptions in which the SRF affects your LCLOR plus preferred additional reserve level.

Two respondents provided comments that were in line with or elaborated on their survey responses.

Question 15a: Which of the following private-sector liquidity sources would your institution be most likely to use to meet an overnight funding need? (Select one):

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Fed funds	31	32.6	9	15.0	22	62.9
Overnight FHLB advance	39	41.1	39	65.0	0	.0
Treasury repo	25	26.3	12	20.0	13	37.1
Total	95	100.0	60	100.0	35	100.0

Question 15b: At what spread between your chosen private-sector liquidity source from question 15a and the primary credit rate would your bank be indifferent between borrowing from the discount window and from that funding source? If applicable, please provide the spread between the effective FHLB rate that your institution would be charged (that is, the dividend adjusted rate) and the primary credit rate.

	All respondents		
	1st Quartile	Median	3rd Quartile
Fed funds (<i>n</i> = 24)	.5	25	100
Overnight FHLB advance (<i>n</i> = 35)	5	50	100
Treasury repo (<i>n</i> = 19)	25	50	100
Note: <i>n</i> represents the total number of respondents who provided numeric responses.			

Part 4: Stablecoins and Digital Assets

Question 16: For each of the stablecoin-related and digital-asset-related products and services listed in the table below, please select the statement that best characterizes your institution's current expectations about its prioritization of growth and development in that area over the next three years.

1. Issuing its own stablecoin

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Views growth and development in this area to be a high priority	1	1.1	0	.0	1	2.9
Views growth and development in this area to be a medium priority	5	5.3	4	6.7	1	2.9
Views growth and development in this area to be a low priority	15	15.8	12	20.0	3	8.6
Does not intend to prioritize growth and development	74	77.9	44	73.3	30	85.7
Other	0	.0	0	.0	0	.0
Total	95	100.0	60	100.0	35	100.0

2. Issuing tokenized deposits

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Views growth and development in this area to be a high priority	6	6.3	5	8.3	1	2.9
Views growth and development in this area to be a medium priority	4	4.2	4	6.7	0	.0
Views growth and development in this area to be a low priority	22	23.2	16	26.7	6	17.1
Does not intend to prioritize growth and development	63	66.3	35	58.3	28	80.0
Other	0	.0	0	.0	0	.0
Total	95	100.0	60	100.0	35	100.0

3. Holding reserve assets for other stablecoin issuers

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Views growth and development in this area to be a high priority	6	6.3	6	10.0	0	.0
Views growth and development in this area to be a medium priority	8	8.4	8	13.3	0	.0
Views growth and development in this area to be a low priority	22	23.2	15	25.0	7	20.0
Does not intend to prioritize growth and development	59	62.1	31	51.7	28	80.0
Other	0	.0	0	.0	0	.0
Total	95	100.0	60	100.0	35	100.0

4. Providing retail custodial or wallet services for stablecoins or other crypto assets issued by other entities

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Views growth and development in this area to be a high priority	4	4.2	4	6.7	0	.0
Views growth and development in this area to be a medium priority	10	10.5	10	16.7	0	.0
Views growth and development in this area to be a low priority	17	17.9	13	21.7	4	11.4
Does not intend to prioritize growth and development	64	67.4	33	55.0	31	88.6
Other	0	.0	0	.0	0	.0
Total	95	100.0	60	100.0	35	100.0

5. Other (please elaborate in comment box)

	All respondents		Domestic		Foreign	
	Banks	Percent	Banks	Percent	Banks	Percent
Views growth and development in this area to be a high priority	1	1.1	1	1.7	0	.0
Views growth and development in this area to be a medium priority	6	6.3	5	8.3	1	2.9
Views growth and development in this area to be a low priority	1	1.1	1	1.7	0	.0
Does not intend to prioritize growth and development	87	91.6	53	88.3	34	97.1
Other	0	.0	0	.0	0	.0
Total	95	100.0	60	100.0	35	100.0

Twelve respondents provided comments. Some respondents mentioned facilitating payments and some noted that their bank was just starting to assess this space.

Question 17: This question asks about how your institution's and the broader industry's development of stablecoin-related or digital-asset-related products and services, as listed in question 16, may impact your institution over the next three years. Please rate the below items on a scale of -2 (I expect a significant decrease) to +2 (I expect a significant increase). Please select "unsure" if you do not know, have no opinion, or view the item as not applicable to your institution.

	Average rating		
	All respondents	Domestic	Foreign
i. Payment activity during hours when the Fedwire Funds Service is not operating	.9 (n = 58)	1.0 (n = 46)	.7 (n = 12)
ii. Volume of your institution's payment flows over the Fedwire Funds Service	.0 (n = 58)	.0 (n = 46)	-.2 (n = 12)
iii. Settlement speed of your institution's money market transactions	.6 (n = 53)	.6 (n = 38)	.7 (n = 15)
iv. Predictability of your institution's payments flows over the Fedwire Funds Service	-.1 (n = 51)	-.1 (n = 39)	-.3 (n = 12)
v. Funding cost of your institution's liabilities	.2 (n = 56)	.3 (n = 42)	.1 (n = 14)
vi. Outflow rates associated with your institution's deposits	.5 (n = 53)	.5 (n = 41)	.3 (n = 12)
vii. Level of deposits at your institution	.1 (n = 55)	.1 (n = 42)	.0 (n = 13)
viii. Level of your institution's reserves holdings	.3 (n = 56)	.4 (n = 43)	.0 (n = 13)
ix. Duration of your institution's HQLA	-.2 (n = 57)	-.2 (n = 45)	.0 (n = 12)
Note: n represents the total number of respondents who provided numeric responses. Respondents who selected "unsure" are not counted in the averages.			

Question 18: If there is any other information relevant to your institution's approach to stablecoin-related products and services and digital assets that you would like to provide, please do so in the comment box.

Seventeen respondents provided more context on their survey responses. Some respondents indicated that their bank is following these developments but does not have plans to pursue any changes related to this space at this time.

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