



# Federal Reserve Balance Sheet Developments

November 2025



## Federal Reserve Balance Sheet Actions and Activities

The Federal Reserve prepares this balance sheet report to help further its commitment to transparency about actions taken in connection with two of its key functions: conducting monetary policy to meet its congressional mandate of maximum employment and price stability as well as promoting financial stability. The report contains a snapshot of Federal Reserve actions and activity in managing its balance sheet, including

- an [overview of the Federal Reserve's balance sheet trends](#),
- a review of [changes in key Federal Reserve assets](#), and
- a review of [changes in key Federal Reserve liabilities](#).

## The Role of the Balance Sheet in Meeting the Federal Reserve's Monetary Policy Mandate

The Federal Reserve conducts monetary policy in accordance with its mandate from Congress: to promote maximum employment and stable prices in the U.S. economy. Because sustainably achieving maximum employment and price stability depends on a stable financial system and because smooth financial market functioning facilitates the transmission of monetary policy, the Federal Reserve monitors financial stability risks and takes appropriate actions to help ensure that financial institutions and financial markets can efficiently support the flow of credit to households, communities, and businesses. The Federal Reserve's policy actions in support of its goals may have implications for the size and composition of its balance sheet.

The Federal Reserve considers transparency about the goals, conduct, and stance of monetary policy to be fundamental to the effectiveness of monetary policy. Transparency about monetary policy also helps promote the accountability of the Federal Reserve to Congress and the public. As a result, and in accordance with the Federal Reserve Act, the Federal Reserve publishes each week the H.4.1 statistical release, "Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks."<sup>1</sup> Additionally, each year the Federal Reserve

<sup>1</sup> See the Federal Reserve's website at <https://www.federalreserve.gov/releases/h41/>.

publishes its audited financial statements, “Federal Reserve Banks Combined Financial Statements,” and its *Annual Report of the Board of Governors of the Federal Reserve System*.<sup>2</sup>

## General Balance Sheet Trends

Since the previous report, the size of the Federal Reserve’s balance sheet decreased \$132 billion, from about \$6.7 trillion on March 26, 2025, to about \$6.6 trillion as of September 24, 2025, as shown in table 1.

<b>Table 1. Assets, liabilities, and capital of the Federal Reserve System</b> (\$ billions)			
	September 24, 2025	March 26, 2025	Change from March 26, 2025
<b>Total assets</b>	<b>6,608</b>	<b>6,740</b>	<b>-132</b>
Securities held outright	6,303	6,429	-126
U.S. Treasury securities	4,201	4,237	-36
Federal agency debt securities	2	2	0
Agency mortgage-backed securities	2,099	2,189	-90
Repurchase agreements	0	0	0
Foreign official	0	0	0
Other	0	0	0
Loans	9	4	5
Discount window	8	2	6
Paycheck Protection Program Liquidity Facility	1	2	-1
Other loans	0	0	0
Net portfolio holdings of Main Street Facilities LLC	4	7	-3
Central bank liquidity swaps	0	0	0
Other assets	293	300	-7
<b>Total liabilities</b>	<b>6,563</b>	<b>6,696</b>	<b>-133</b>
Federal Reserve notes	2,359	2,322	37
Deposits held by depository institutions other than term deposits	3,000	3,451	-451
Reverse repurchase agreements	409	629	-220
Foreign official and international accounts	380	387	-7
Others	29	241	-212
U.S. Treasury, General Account	758	316	442
Treasury contributions to credit facilities	2	3	-1
Other liabilities	34	-25	59
<b>Total capital</b>	<b>46</b>	<b>44</b>	<b>2</b>
Note: Components may not sum to totals because of rounding.			
Source: Federal Reserve Board.			

<sup>2</sup> See the Federal Reserve’s website at <https://www.federalreserve.gov/aboutthefed/audited-annual-financial-statements.htm> and <https://www.federalreserve.gov/publications/annual-report.htm>.

On the asset side of the Federal Reserve's balance sheet, securities held outright continued to decline, consistent with the Federal Open Market Committee's (FOMC's) "Plans for Reducing the Size of the Federal Reserve's Balance Sheet" announced at its May 2022 policy meeting.<sup>3</sup> In addition, loans made by the Federal Reserve increased slightly on net, with a \$6 billion increase in discount window loans outstanding.

On the liability side of the Federal Reserve's balance sheet, take-up at the Federal Reserve's overnight reverse repurchase agreement (ON RRP) facility decreased, while balances in the U.S. Treasury's General Account increased markedly. Reserve balances decreased on net.

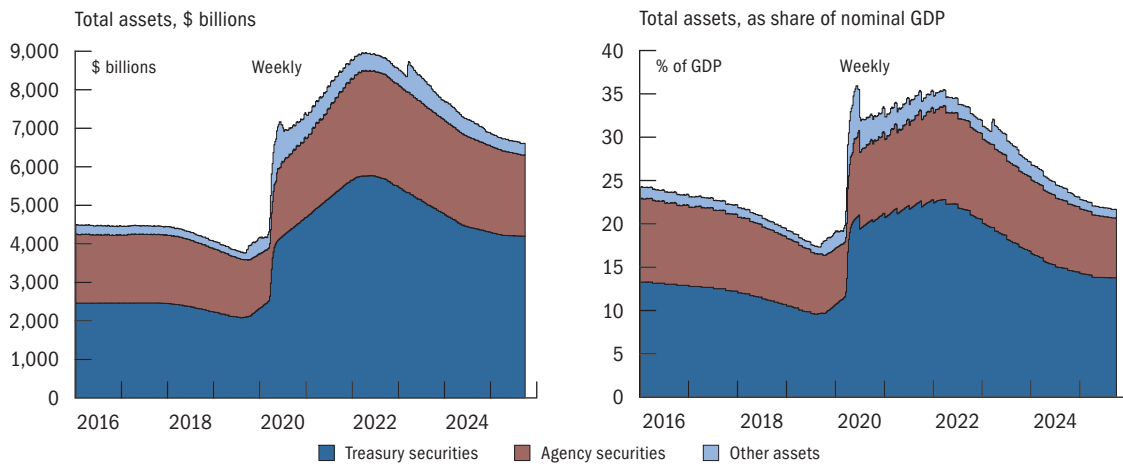
## Changes in Federal Reserve Assets

As shown in [figure 1](#), total assets on the Federal Reserve's balance sheet declined \$132 billion over the past two quarters, to stand at \$6.6 trillion, or 22 percent of nominal gross domestic product (GDP), as of September 24, 2025. Securities held outright fell \$126 billion, mostly reflecting runoff of agency mortgage-backed securities and to a lesser extent Treasury securities. The Federal Reserve's securities holdings have declined about \$2.2 trillion since the beginning of balance sheet runoff in June of 2022.

## Changes in Federal Reserve Liabilities

As shown in [figure 2](#), the Federal Reserve's liabilities decreased \$133 billion since March 2025 to a total of \$6.6 trillion as of September 24, 2025. Take-up at the ON RRP facility fell \$212 billion, reaching close to zero, reflecting the overall decline in the size of the balance sheet and greater availability of higher-yielding alternative money market instruments such as Treasury bills and repurchase agreements (repos). Balances in the Treasury General Account grew \$442 billion, mostly following the resolution of the debt limit on July 4, 2025. These changes, along with the reduction in security holdings, contributed to a \$451 billion net decline in reserve balances.

<sup>3</sup> See Board of Governors of the Federal Reserve System, "Plans for Reducing the Size of the Federal Reserve's Balance Sheet," news release, May 4, 2022, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20220504b.htm>. Beginning in April 2025, the Federal Reserve slowed the pace of decline of its securities holdings. See Board of Governors of the Federal Reserve System, "Federal Reserve Issues FOMC Statement," news release, March 19, 2025, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20250319a.htm>. The Federal Reserve Had Previously Slowed the Pace of Decline of Its Securities Holdings in June 2024, news release, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20240501a.htm>. At its October 2025 meeting, the FOMC announced that it would cease the runoff of securities holdings starting on December 1, 2025. See Board of Governors of the Federal Reserve System, "Federal Reserve Issues FOMC Statement," news release, October 29, 2025, <https://www.federalreserve.gov/newsevents/pressreleases/monetary20251029a.htm>.

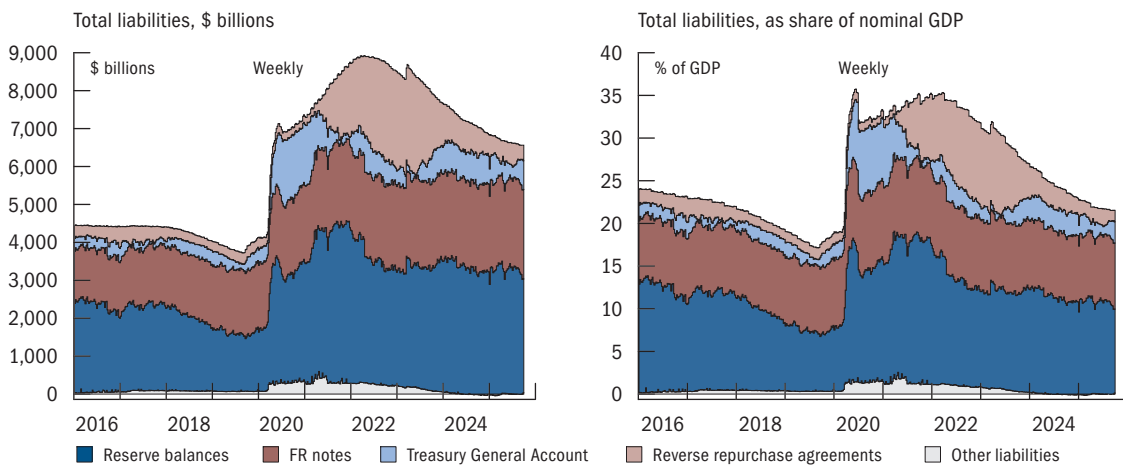
**Figure 1. Balance sheet assets, 2016–25**

Note: Asset values are weekly Wednesday.

Source: Federal Reserve Board.

Note: Asset values are weekly Wednesday; nominal GDP data are quarterly averages. Because of data limitations, GDP from 2025:Q2 is used for 2025:Q3.

Source: Federal Reserve Board; Bureau of Economic Analysis.

**Figure 2. Balance sheet liabilities, 2016–25**

Note: Liability values are weekly Wednesday.

Source: Federal Reserve Board.

Note: Liability values are weekly Wednesday; nominal GDP data are quarterly averages. Because of data limitations, GDP from 2025:Q2 is used for 2025:Q3.

Source: Federal Reserve Board; Bureau of Economic Analysis.

Consolidated net income across the Federal Reserve System remained negative on net since March 2025.<sup>4</sup> As of September 24, 2025, the Federal Reserve System reported a consolidated deferred asset of \$242 billion in connection with accumulated negative net income.<sup>5</sup> Negative net income, and the corresponding creation of a deferred asset, do not affect the Federal Reserve's ability to conduct monetary policy or meet its financial obligations.

### **Box 1. FOMC Ends Balance Sheet Runoff**

On October 29, 2025, the FOMC announced that the Committee would conclude the reduction of its aggregate securities holdings, consistent with its Plans for Reducing the Size of the Federal Reserve's Balance Sheet. Those Plans indicated that in order to ensure a smooth transition from abundant to ample reserve balances, the Committee would slow and then stop the decline in the size of the balance sheet when reserve balances were somewhat above the level it judged to be consistent with ample reserves. With developments in money markets indicating that reserve balances had moved close to ample levels, the Committee judged it appropriate to end balance sheet runoff at its October 2025 meeting. Beginning December 1, 2025, the Committee will rollover at auction all principal payments from Treasury securities and reinvest all principal payments from agency securities into Treasury bills. Since the beginning of balance sheet runoff in June 2022, the Federal Reserve's total securities holdings have declined more than \$2.2 trillion.

<sup>4</sup> Negative net income appears in the H.4.1 statistical release in table 6 as a negative entry in "Earnings remittances due to the U.S. Treasury" for each individual Federal Reserve Bank. The sum of these entries across Reserve Banks reflects the consolidated net income of the Federal Reserve; see <https://www.federalreserve.gov/releases/h41/>.

<sup>5</sup> Weekly remittances to the Treasury were made for the week of September 24, 2025, as net income at two Federal Reserve Banks was positive.