Federal Reserve Balance Sheet Developments

November 2026



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 the Federal Reserve's actions in managing its balance sheet since the previous report, issued in May 2026, 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

In accordance with the Federal Reserve Act, each week the Federal Reserve publishes the H.4.1 statistical release, "Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks."[1] Additionally, each year the Federal Reserve 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."[2] All data presented in this report is drawn from the H.4.1 statistical release, "Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks."[3]

General Balance Sheet Trends

Since the previous report, the size of the Federal Reserve's balance sheet increased $86 billion, from about $6.657 trillion on March 25, 2026, to about $6.743 trillion as of September 30, 2026, as shown in table 1.

On the asset side of the Federal Reserve's balance sheet, securities held outright increased, consistent with the Federal Open Market Committee's (FOMC's) decision announced at its

[1] See the Federal Reserve's website at https://www.federalreserve.gov/releases/h41/.

[2] 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.

[3] See the Federal Reserve's website at https://www.federalreserve.gov/releases/h41/.

Table 1. Assets, liabilities, and capital of the Federal Reserve System
($ billions)

	September 30, 2026	March 25, 2026	Change from March 25, 2026
Total assets	**6,743**	**6,657**	**86**
Securities held outright	6,465	6,374	91
U.S. Treasury securities	4,564	4,375	189
Federal agency debt securities	2	2	0
Agency mortgage-backed securities	1,898	1,997	–99
Repurchase agreements	1	0	1
Foreign official	0	0	0
Other	1	0	1
Loans	9	5	4
Discount window	9	5	4
Paycheck Protection Program Liquidity Facility	0	0	0
Other loans	0	0	0
Net portfolio holdings of Main Street Facilities LLC	1	1	0
Central bank liquidity swaps	0	0	0
Other assets	267	276	–9
Total liabilities	**6,695**	**6,611**	**85**
Federal Reserve notes	2,431	2,395	36
Deposits held by depository institutions other than term deposits	2,882	3,036	–154
Reverse repurchase agreements	362	334	28
Foreign official and international accounts	350	333	17
Others	12	1	11
U.S. Treasury, General Account	984	837	147
Treasury contributions to credit facilities	0	1	–1
Other liabilities	37	7	30
Total capital	**48**	**46**	**1**

Note: Components may not sum to totals because of rounding. For end-of-year estimates of assets of SOMA holdings on a fair value basis, see the Federal Reserve Banks Combined Financial Statements.

Source: Federal Reserve Board, H.4.1 Statistical Release, https://www.federalreserve.gov/releases/h41/.

December 2025 policy meeting to purchase shorter-term Treasury securities as needed to maintain an ample supply of reserves on an ongoing basis.[4]

On the liability side of the Federal Reserve's balance sheet, total liabilities increased by $85 billion on net. Reserve balances decreased, offset by increases in the U.S. Treasury's General Account, U.S. currency (Federal Reserve notes), reverse repurchase agreements, and other liabilities. Reverse repurchase agreements were temporarily elevated around September 30 relative to the previous week, as is typical on month end and quarter end. The increase was reflected in

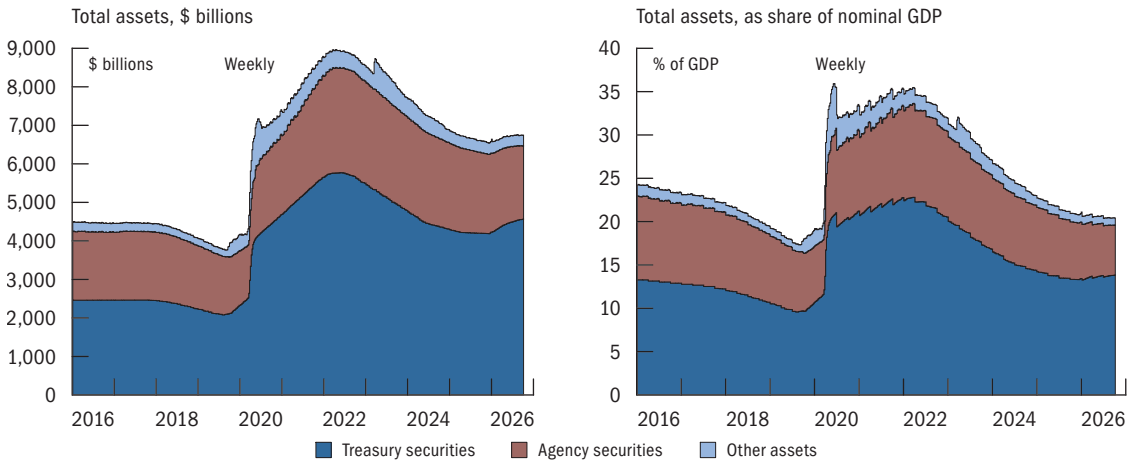
[4] See Board of Governors of the Federal Reserve System, "Federal Reserve issues FOMC statement," news release, December 10, 2025, https://www.federalreserve.gov/newsevents/pressreleases/monetary20251210a.htm.

higher usage of the foreign repo pool and take up at the Federal Reserve's overnight reverse repurchase agreement (ON RRP) facility. Total capital increased by $1 billion.

Changes in Federal Reserve Assets

As shown in figure 1, total assets on the Federal Reserve's balance sheet increased $86 billion over the past two quarters, to stand at $6.7 trillion, or 20 percent of nominal gross domestic product (GDP), as of September 30, 2026. Securities held outright rose $91 billion. The composition of securities holdings changed, reflecting an increase in U.S. Treasury securities and a decline in agency mortgage-backed securities (agency MBS), as agency MBS principal payments were reinvested into bills.[5] Reserve management purchases (RMPs) also contributed to the increase in Treasury securities. As of September 30, 2026, Treasury bills comprised 12.3 percent of the SOMA Treasury Portfolio, a 3.6 percentage point increase since March 25, 2026.

Figure 1. Balance sheet assets, 2016–26



Note: Other assets includes swaps, repo, loans, and liquidity and credit facility LLCs; Asset values are weekly Wednesday. Key identifies series from bottom to top.

Source: Federal Reserve Board.

Note: Asset values are weekly Wednesday; nominal GDP data are quarterly. Key identifies series from bottom to top.

Source: Federal Reserve Board; Bureau of Economic Analysis.

Table 2 reports the maturity distribution of SOMA holdings. Overall, holdings longer than five years in remaining maturity declined by $82 billion, while those shorter than five years rose by $173 billion. The weighted average maturity (WAM) of SOMA holdings of Treasury securities was 8.22 years as of September 30, down 0.35 years since March 25.

[5] See Federal Reserve Bank of New York, "Statement Regarding Reinvestment of Principal Payments from Treasury Securities and Agency Securities," operating policy, October 29, 2025, https://www.newyorkfed.org/markets/opolicy/operating_policy_251029.

Table 2. Maturity distribution of SOMA holdings
($ millions)

	Within 15 days	16 days to 90 days	91 days to 1 year	Over 1 year to 5 years	Over 5 year to 10 years	Over 10 years	All
U.S. Treasury securities							
Holdings as of September 30, 2026	107,411	372,603	540,933	1,436,000	482,108	1,625,107	4,564,161
Holdings as of March 25, 2026	68,978	304,017	520,514	1,390,885	496,314	1,594,357	4,375,064
Change since March 25, 2026	38,433	68,586	20,419	45,115	−14,206	30,750	189,097
Federal agency debt securities							
Holdings as of September 30, 2026	0	0	0	2,134	213	0	2,347
Holdings as of March 25, 2026	0	0	0	2,134	213	0	2,347
Change since March 25, 2026	0	0	0	0	0	0	0
Mortgage-backed securities							
Holdings as of September 30, 2026	0	8	163	5,064	104,412	1,788,443	1,898,089
Holdings as of March 25, 2026	0	19	14	4,798	79,972	1,911,878	1,996,680
Change since March 25, 2026	0	−11	149	266	24,440	−123,435	−98,591

Source: Federal Reserve Board, H.4.1 Statistical Release, https://www.federalreserve.gov/releases/h41/.

Changes in Federal Reserve Liabilities

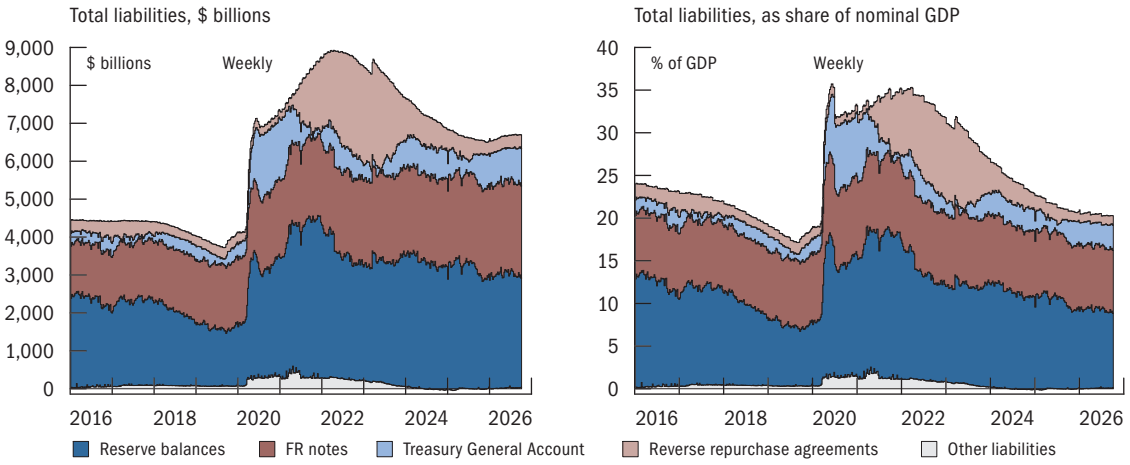
As shown in figure 2, the Federal Reserve's liabilities increased $85 billion since March 2026 to a total of $6.7 trillion as of September 30, 2026. Reverse repurchase agreements increased by $28 billion and balances in the Treasury General Account grew $147 billion. Federal Reserve notes (U.S. currency) increased by $36 billion and other liabilities increased by $30 billion. These changes contributed to a $154 billion net decline in reserve balances.

Consolidated net income across the Federal Reserve System has been positive since March 2026. As a result of this positive net income, the Federal Reserve's consolidated deferred asset declined to $233 billion as of September 30, 2026, and remittances to the Treasury have totaled approximately $7.4 billion from March 25, 2026, through September 30, 2026.

The current level of the deferred asset reflects negative consolidated net income across the Federal Reserve System since September 2022. The negative net income was driven by higher liability costs (i.e., interest expenses) as administered rates moved higher, while interest income on assets, including longer-term Treasury and mortgage-backed securities purchased when interest rates were lower, did not keep pace.

Having a deferred asset does not affect the Federal Reserve's ability to conduct monetary policy or meet its financial obligations.

Figure 2. Balance sheet liabilities, 2016–26



Note: Liability values are weekly Wednesday. Other liabilities series is at bottom of chart; key identifies remaining series from bottom to top.

Source: Federal Reserve Board.

Note: Liability values are weekly Wednesday; nominal GDP data are quarterly. Other liabilities series is at bottom of chart; key identifies remaining series from bottom to top.

Source: Federal Reserve Board; Bureau of Economic Analysis.

Box 1: Reserve Management Purchases

On December 10, 2025, the FOMC directed the Open Market Trading Desk at the Federal Reserve Bank of New York to conduct purchases of shorter-term Treasury securities as needed to maintain an ample supply of reserves. These purchases, known as reserve management purchases (RMPs), are sized to accommodate projected trend growth in the demand for Federal Reserve liabilities as well as seasonal fluctuations, such as those driven by tax payment dates. RMPs operate on a monthly, mid-month-to-mid-month basis and are announced by the Open Market Trading Desk on the ninth business day of the month, alongside a tentative schedule for purchase operations over that purchase period. As seen in Table 3, RMPs were set at $40 billion for four consecutive purchase periods (December 2025–January 2026 through March–April 2026), before declining to $25 billion in April–May 2026, and then $10 billion per month for 3 consecutive purchase periods (May–June 2026 through July–August 2026). Since mid-August, RMPs have been reduced to 0 as reserves were expected to remain in the ample range in the near-term without RMPs. Purchase amounts will be adjusted as appropriate based on the outlook for reserve supply and market conditions.[1]

Table 3. Reserve management purchases

Purchase period	12/12/25 to 1/14/26	1/15/26 to 2/12/26	2/13/26 to 3/12/26	3/13/26 to 4/13/26	4/14/26 to 5/13/26	5/14/26 to 6/11/26	6/12/26 to 7/13/26	7/14/26 to 8/13/26	8/14/26 to 9/14/26	9/15/26 to 10/14/26
Amount ($ billions)	40	40	40	40	25	10	10	10	0	0

[1] See Federal Reserve Bank of New York, "Statement Regarding Reserve Management Purchases Operations," operating policy, December 10, 2025, https://www.newyorkfed.org/markets/opolicy/operating_policy_251210a.