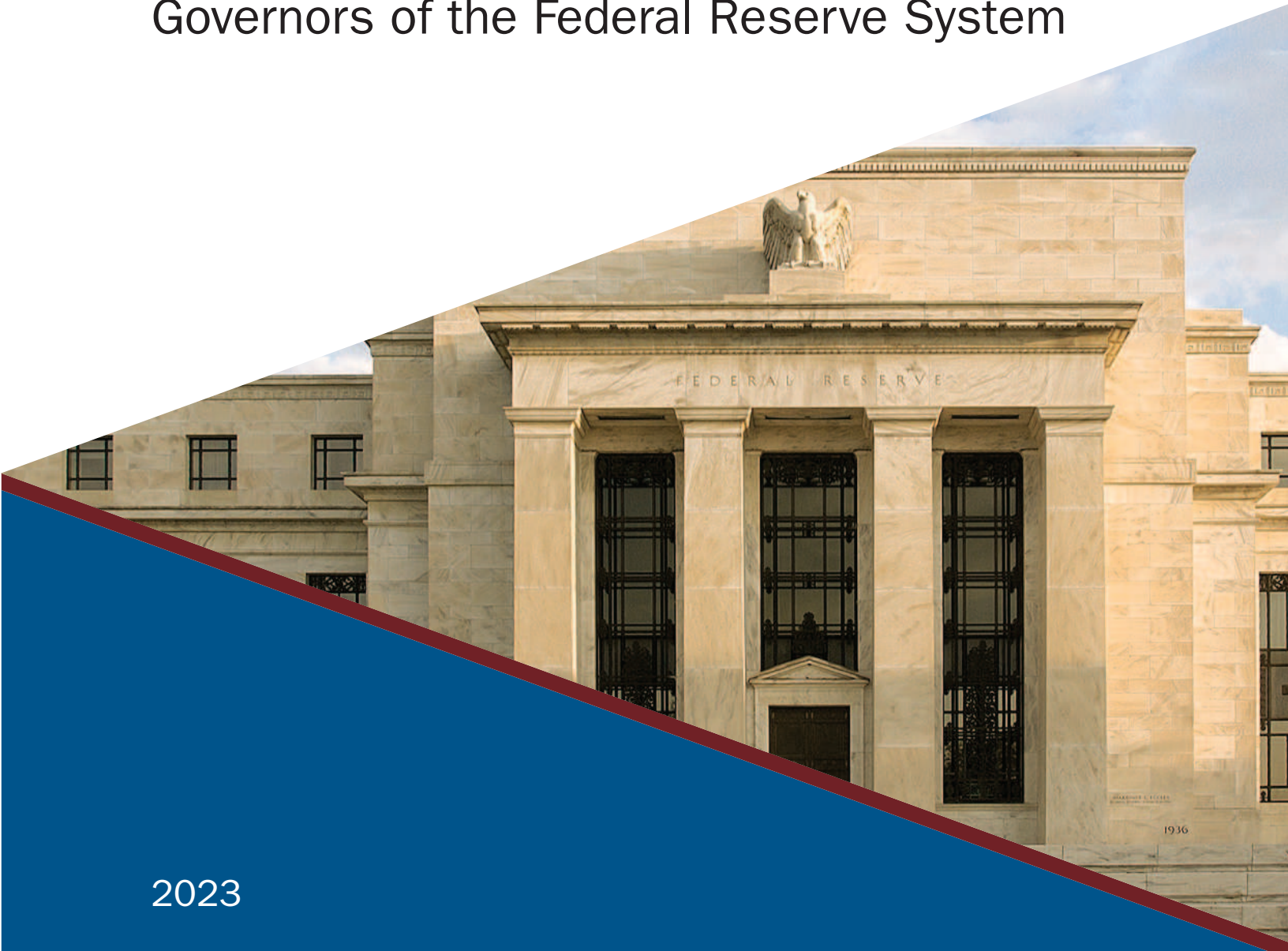




REPORT TO CONGRESS

110th
Annual Report of the Board of
Governors of the Federal Reserve System



2023

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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About the Federal Reserve

The Federal Reserve was created by an act of Congress on December 23, 1913, to provide the nation with a safer, more flexible, and more stable monetary and financial system. In establishing the Federal Reserve System, the United States was divided geographically into 12 Districts, each with a separately incorporated Reserve Bank.

For more information about the Federal Reserve Board and the Federal Reserve System, visit the Board's website at <https://www.federalreserve.gov/aboutthefed/default.htm>. Online versions of the Board's annual report are available at <https://www.federalreserve.gov/publications/annual-report/default.htm>.

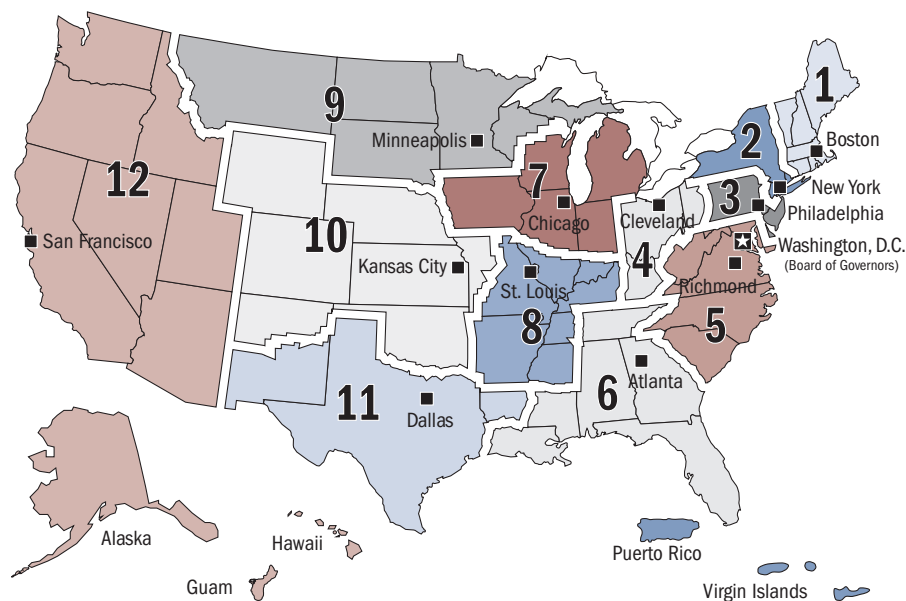
1 | Overview

This report covers the calendar-year 2023 operations and activities of the Federal Reserve, the central bank of the United States (see [figure 1.1](#)), categorized in the five key functional areas:

- **Conducting monetary policy and monitoring economic developments.** [Section 2](#) provides adapted versions of the Board’s semiannual Monetary Policy Reports to Congress.
- **Promoting financial system stability.** [Section 3](#) reviews Board and System activities and research undertaken to foster a resilient and stable financial system.
- **Supervising and regulating financial institutions and their activities.** [Section 4](#) summarizes the Board’s efforts related to financial institution oversight and examinations, supervisory policymaking, and regulatory activities and enforcement.
- **Fostering payment and settlement system safety and efficiency.** [Section 5](#) describes actions by the Board and Reserve Banks to promote the effectiveness of the nation’s payment systems, discusses initiatives to promote payment system safety, and provides data on Reserve Bank services and income.
- **Promoting consumer protection and community development.** [Section 6](#) provides information on the Board’s efforts to promote a fair and transparent financial services market for con-

Figure 1.1. The Federal Reserve System’s unique structure ensures broad perspective

The Federal Reserve System consists of 12 Reserve Banks located in major cities throughout the United States, along with a seven-member Board of Governors headquartered in Washington, D.C. See “Federal Reserve System Organization” in [appendix A](#) for more information on the Board and System leadership.



sumers, protect consumer rights, and ensure that Board policies and research take consumer and community perspectives into account.

Additional information for calendar-year 2023 on Federal Reserve leadership, policy actions, budgets as well as historical data and supporting activities can be found in the appendixes:

- [Appendix A](#) lists key officials across the Federal Reserve System
- [Appendix B](#) provides links to the minutes for each of the eight regularly scheduled meetings of the Federal Open Market Committee
- [Appendix C](#) contains information on the Federal Reserve's audited financial statements as well as reviews conducted by the Office of Inspector General and the Government Accountability Office
- [Appendix D](#) presents information on the budgets for the Board and Reserve Banks and on currency-related costs
- [Appendix E](#) summarizes policy actions of the Board of Governors
- [Appendix F](#) lists litigation, both pending and resolved, that the Board of Governors was a party in
- [Appendix G](#) includes statistical tables that provide updated historical data concerning Board and System operations and activities

2 | Monetary Policy and Economic Developments

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. This section reviews U.S. monetary policy and economic developments in 2023 by providing excerpts and select figures from the *Monetary Policy Report* published in [March 2024](#) and [June 2023](#).¹ The report, submitted semiannually to the Congress, is delivered concurrently with testimony from the Federal Reserve Board Chair.²

March 2024 Summary

While inflation remains above the Federal Open Market Committee's (FOMC) objective of 2 percent, it has eased substantially over the past year, and the slowing in inflation has occurred without a significant increase in unemployment. The labor market remains relatively tight, with the unemployment rate near historically low levels and job vacancies still elevated. Real gross domestic product (GDP) growth has also been strong, supported by solid increases in consumer spending.

The FOMC has maintained the target range for the federal funds rate at 5¼ to 5½ percent since its July 2023 meeting. The Committee views the policy rate as likely at its peak for this tightening cycle, which began in early 2022. The Federal Reserve has also continued to reduce its holdings of Treasury and agency mortgage-backed securities.

As labor market tightness has eased and progress on inflation has continued, the risks to achieving the Committee's employment and inflation goals have been moving into better balance. Even so, the Committee remains highly attentive to inflation risks and is acutely aware that high inflation imposes significant hardship, especially on those least able to meet the higher costs of essentials.

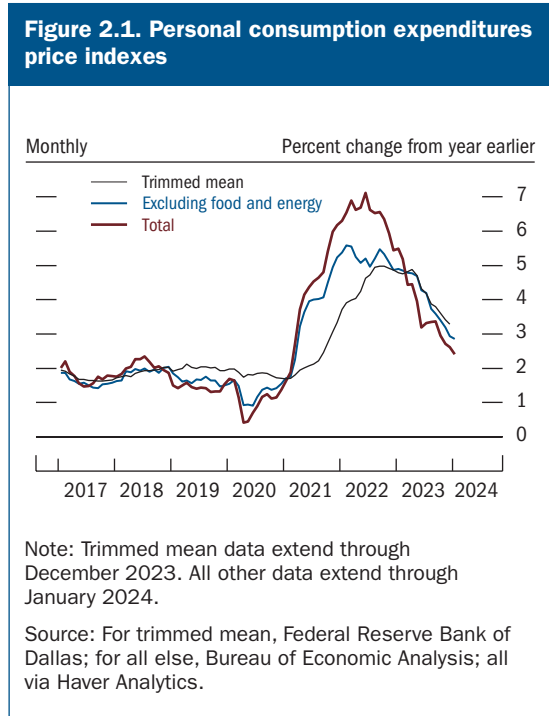
The FOMC is strongly committed to returning inflation to its 2 percent objective. In considering any adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2 percent.

¹ Those complete reports are available on the Board's website at https://www.federalreserve.gov/publications/files/20240301_mprfullreport.pdf (March 2024) and https://www.federalreserve.gov/monetarypolicy/files/20230616_mprfullreport.pdf (June 2023).

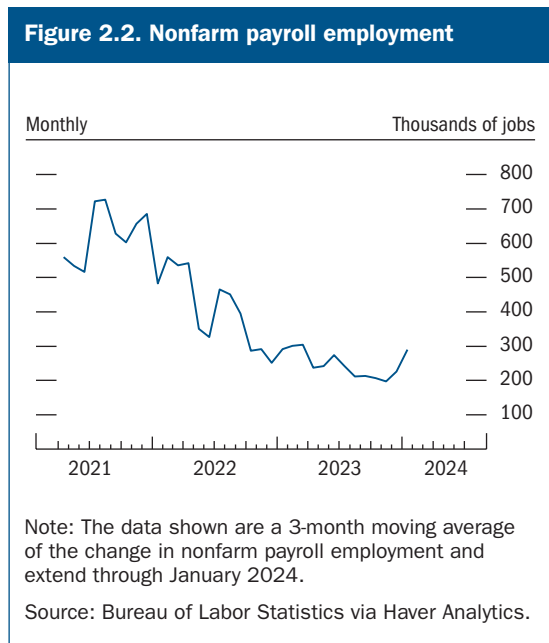
² As required by section 2B of the Federal Reserve Act, the Federal Reserve Board submits written reports to the Congress that contain discussions of "the conduct of monetary policy and economic developments and prospects for the future."

Recent Economic and Financial Developments

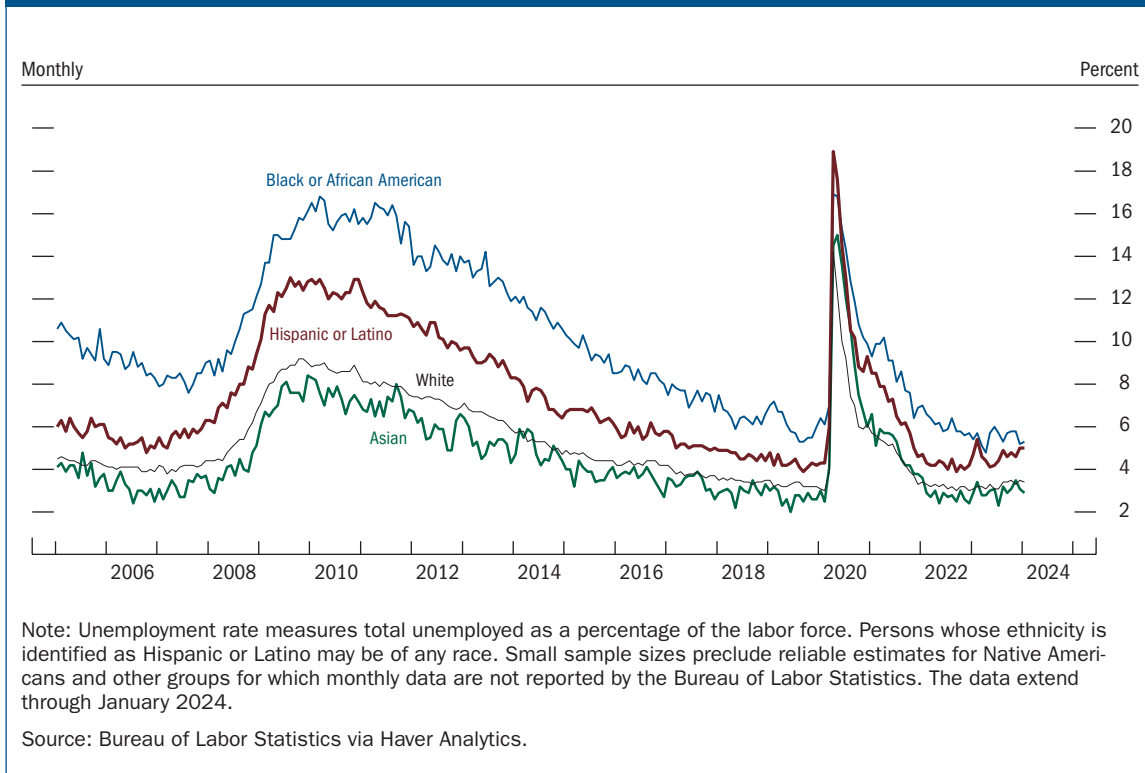
Inflation. Consumer price inflation has slowed notably but remains above 2 percent. The price index for personal consumption expenditures (PCE) rose 2.4 percent over the 12 months ending in January, down from a peak of 7.1 percent in 2022. The core PCE price index—which excludes



volatile food and energy prices and is generally considered a better guide to the direction of future inflation—rose 2.8 percent in the 12 months ending in January, and the slowing in inflation was widespread across both goods and services prices (figure 2.1). More recently, core PCE prices increased at an annual rate of 2.5 percent over the six months ending in January, though measuring inflation over relatively short periods risks exaggerating the influence of idiosyncratic or temporary factors. Measures of longer-term inflation expectations are within the range of values seen in the decade before the pandemic and continue to be broadly consistent with the FOMC’s longer-run objective of 2 percent.



The labor market. The labor market has remained relatively tight, with job gains averaging 239,000 per month since June and the unemployment rate near historical lows (figure 2.2). Labor demand has eased—as job openings have declined in many sectors of the economy—but continues to exceed the supply of available workers (figure 2.3). Labor supply has trended higher over the past year, reflecting a continued strong pace of immigration and increases in the labor force participation rate, particularly among prime-age workers. Reflecting the improved balance between labor demand and supply, nominal wage gains slowed in 2023, but they remain above a pace consistent with 2 percent inflation over the longer term, given prevailing trends in productivity growth.

Figure 2.3. Unemployment rate, by race and ethnicity

Economic activity. Real GDP increased 3.1 percent last year, notably faster than in 2022 despite tighter financial conditions, including elevated longer-term interest rates. Consumer spending grew at a solid pace, and housing market activity started to turn back up in the second half of last year after having declined since early 2021. However, real business fixed investment growth slowed, likely reflecting tighter financial conditions and downbeat business sentiment. In contrast to GDP, manufacturing output was little changed, on net, last year, a downshift following two years of robust post-pandemic gains.

Financial conditions. Conditions in financial markets tightened considerably further over the summer and early fall before reversing course toward the end of the year. The FOMC raised the target range for the federal funds rate a further 25 basis points at its meeting last July, bringing the overall increase in the target range for this tightening cycle to 525 basis points. The market-implied expected path of the federal funds rate has moved up, on net, since the middle of 2023, and yields on longer-term nominal Treasury securities are notably higher on balance. Credit remains generally available to most households and businesses but at elevated interest rates, which have weighed on financing activity. Lending by banks to households and businesses slowed notably since June as banks continued to tighten standards and demand for loans softened.

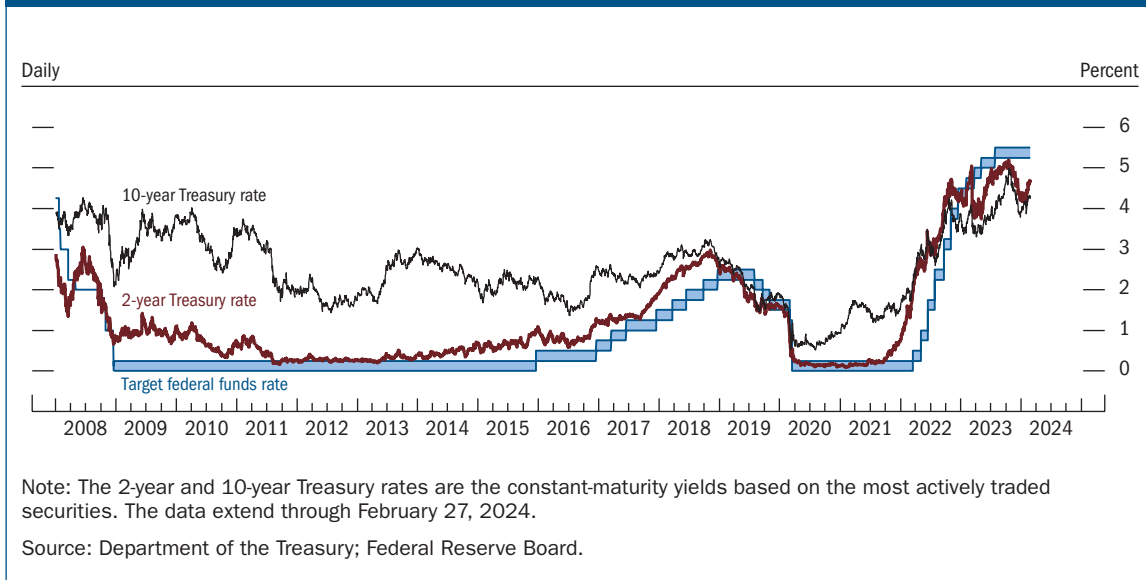
Financial stability. Overall, the banking system remains sound and resilient; although acute stress in the banking system has receded since last March, a few areas of risk warrant continued monitoring. Upward pressure on asset valuations continued, with real estate prices elevated relative to rents and high price-to-earnings ratios in equity markets. Borrowing from nonfinancial businesses and households continued to increase at a pace slower than that of nominal GDP, and the combined debt-to-GDP ratio now sits close to its 20-year low. Vulnerabilities from financial-sector leverage remain notable. While risk-based bank capital ratios stayed solid and increased broadly, declines in the fair values of fixed-rate assets have been sizable relative to the regulatory capital at some banks. Meanwhile, leverage at hedge funds has stabilized at high levels, and leverage at life insurers increased to values close to the historical averages but with a liability composition that has become more reliant on nontraditional sources of funding. Most banks maintained high liquidity and stable funding, while bank funding costs continue to increase. (See the box “[Developments Related to Financial Stability](#)” on pages 27–28 of the March 2024 *Monetary Policy Report*.)

International developments. Following a rebound in early 2023, growth in foreign economic activity was subdued in the second half of last year. Economic growth was particularly weak in advanced foreign economies (AFEs) as monetary policy tightening weighed on activity and high inflation eroded real household incomes. Structural adjustment to higher energy prices in Europe continued to hinder economic performance, while property-sector weakness and sluggish domestic demand restrained Chinese economic activity. Foreign headline inflation has fallen further, reflecting declines in core and food inflation. However, the pace of disinflation has varied across countries and sectors, with the moderation in goods inflation generally outpacing that in services inflation.

Most foreign central banks paused policy interest rate hikes in the second half of last year and have since held rates steady. Policy rate paths implied by financial market pricing suggest that central banks in many AFEs are expected to begin lowering their policy rates in 2024. Several central banks in emerging market economies have already begun easing monetary policy. The trade-weighted exchange value of the U.S. dollar has increased slightly, on net, since the middle of last year.

Monetary Policy

Interest rate policy. After significantly tightening the stance of monetary policy since early 2022, the FOMC has maintained the target range for the policy rate at 5¼ to 5½ percent since its meeting last July ([figure 2.4](#)). Although the FOMC judges that the risks to achieving its employment and inflation goals are moving into better balance, the Committee remains highly attentive to inflation risks. The Committee has indicated that it does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward

Figure 2.4. Selected interest rates

2 percent. In considering any adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks.

Balance sheet policy. The Federal Reserve has continued the process of significantly reducing its holdings of Treasury and agency securities in a predictable manner, contributing to the tightening of financial conditions.³ Beginning in June 2022, principal payments from securities held in the System Open Market Account have been reinvested only to the extent that they exceeded monthly caps. Under this policy, the Federal Reserve has reduced its securities holdings about \$640 billion since mid-June 2023, bringing the total reduction in securities holdings since the start of balance sheet runoff to about \$1.4 trillion. The FOMC has stated that it intends to maintain securities holdings at amounts consistent with implementing monetary policy efficiently and effectively in its ample-reserves regime. To ensure a smooth transition, the FOMC intends to slow and then stop reductions in its securities holdings when reserve balances are somewhat above the level that the FOMC judges to be consistent with ample reserves.

Special Topics

Employment and earnings across groups. An exceptionally tight labor market over the past two years has been especially beneficial for historically disadvantaged groups of workers. As a result, many of the long-standing disparities in employment and wages by sex, race, ethnicity, and education have narrowed, and some gaps reached historical lows in 2023. However, despite this nar-

³ See the May 4, 2022, press release regarding the Plans for Reducing the Size of the Federal Reserve's Balance Sheet, available on the Board's website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20220504b.htm>.

rowing, significant disparities in absolute levels across groups remain. (See the box “[Employment and Earnings across Demographic Groups](#)” on pages 10–12 of the March 2024 *Monetary Policy Report*.)

Housing sector. The rise in mortgage rates over the past two years has reduced housing demand, resulting in a steep drop in housing activity in 2022 and a marked slowing in house price growth from its historically high pace. Offsetting factors boosting housing demand, such as the robust job market and the increased prevalence of remote work, have prevented significant price declines. High mortgage rates have also discouraged some potential sellers with low rates on their current mortgages from moving, which has kept the existing home market unusually thin. The shortage of available existing homes has pushed some remaining homebuyers toward new homes and supported a modest rebound in construction of single-family homes later in 2023. In contrast, multifamily starts rose to historically high levels in 2022 but have more recently fallen back because of builders’ concerns about the effect of the significant amount of new multifamily supply on rents and property prices. (See the box “[Recent Housing Market Developments](#)” on pages 19–21 of the March 2024 *Monetary Policy Report*.)

Federal Reserve’s balance sheet and money markets. The size of the Federal Reserve’s balance sheet has decreased since June as the FOMC continued to reduce its securities holdings. Despite ongoing balance sheet runoff, reserve balances—the largest liability on the Federal Reserve’s balance sheet—edged up as declines in the usage of the overnight reverse repurchase agreement facility—another Federal Reserve liability—more than matched the decline in assets. (See the box “[Developments in the Federal Reserve’s Balance Sheet and Money Markets](#)” on pages 38–40 of the March 2024 *Monetary Policy Report*.)

Monetary policy rules. Simple monetary policy rules, which prescribe a setting for the policy interest rate in response to the behavior of a small number of economic variables, can provide useful guidance to policymakers. With inflation easing and supply and demand conditions in labor markets coming into better balance, the policy rate prescriptions of most simple monetary policy rules have decreased recently and now call for levels of the federal funds rate that are close to the current target range for the federal funds rate. (See the box “[Monetary Policy Rules in the Current Environment](#)” on pages 41–43 of the March 2024 *Monetary Policy Report*.)

June 2023 Summary

Although inflation has moderated somewhat since the middle of last year, it remains well above the Federal Open Market Committee's (FOMC) objective of 2 percent. The labor market continues to be very tight, with robust job gains and the unemployment rate near historically low levels, though nominal wage growth has shown some signs of easing and job vacancies have declined. Real gross domestic product (GDP) growth was modest in the first quarter, despite a pickup in consumer spending. Bringing inflation back to 2 percent will likely require a period of below-trend growth and some softening of labor market conditions.

In response to high inflation, the FOMC continued to increase interest rates and reduce its securities holdings. The FOMC has raised the target range for the federal funds rate a further 75 basis points since the start of the year, bringing the range to 5 to 5¼ percent. In determining the extent of additional policy firming that may be appropriate to return inflation to 2 percent over time, the FOMC indicated that it will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. The Federal Reserve also continued to reduce its holdings of Treasury and agency mortgage-backed securities; these holdings have declined by about \$420 billion since January, further tightening financial conditions.

The Federal Reserve is acutely aware that high inflation imposes significant hardship, especially on those least able to meet the higher costs of essentials. The FOMC is strongly committed to returning inflation to its 2 percent objective.

Recent Economic and Financial Developments

Inflation. Consumer price inflation, as measured by the 12-month change in the price index for personal consumption expenditures (PCE), was 4.4 percent in April, down from its peak of 7.0 percent last June but still well above the FOMC's 2 percent objective. Core PCE price inflation—which excludes volatile food and energy prices and is generally considered a better guide to the direction of future inflation—is also off its peak but was still 4.7 percent over the 12 months ending in April. As supply chain bottlenecks have eased and demand has stabilized, increases in core goods prices slowed considerably over the past year. Within core services prices, housing services inflation has been high, but the monthly changes have started to ease in recent months, consistent with the slower increases in rents for new tenants that have been observed since the second half of last year. For other core services, price inflation remains elevated and has not shown signs of easing, and prospects for slowing inflation may depend in part on a further easing of tight labor market conditions. Measures of longer-term inflation expectations are within the range of values seen in the decade before the pandemic and continue to be broadly consis-

tent with the FOMC's longer-run objective of 2 percent, suggesting that high inflation is not becoming entrenched.

The labor market. The labor market has remained very tight, with job gains averaging 314,000 per month during the first five months of the year and the unemployment rate remaining near historical lows. Labor demand has eased in many sectors of the economy but continues to exceed the supply of available workers, with job vacancies still elevated. Labor supply has improved, with a pickup in immigration and an improvement in the labor force participation rate, particularly among prime-age workers. Nominal wage gains continued to slow in the first half of 2023, but they remain above the pace consistent with 2 percent inflation over the longer term, given prevailing trends in productivity growth.

Economic activity. After the strong rebound in 2021 from the pandemic-induced recession, economic activity lost momentum last year, and growth in the first quarter of this year was modest as financial conditions continued to tighten. Real consumer spending grew at a solid pace in the first quarter but appears to be moderating as consumer financing conditions have tightened and consumer confidence has remained low. Real business fixed investment growth continued to slow in the first quarter, likely reflecting tighter financial conditions and weaker output growth, while manufacturing output has been roughly unchanged so far this year after having declined in the fourth quarter. Activity in the housing sector continued to contract in response to elevated mortgage rates, but several indicators appear to have bottomed out.

Financial conditions. Financial conditions have tightened further since January. The FOMC has raised the target range for the federal funds rate a further 75 basis points since January, and the market-implied expected path of the federal funds rate over the next year shifted up. Though yields on longer-term nominal Treasury securities were little changed, on net, over this period, the relatively high level of interest rates has weighed on financing activity. Business loans at banks grew since the start of 2023, but the pace of growth continued to slow as banks tightened standards and average borrowing costs rose. Investment-grade corporate bond issuance rebounded to a brisk pace in May, following a slowdown in March and April. Speculative-grade issuance rebounded as well but was still subdued by historical standards. While business credit quality remains strong, some indicators of future business defaults are somewhat elevated. For households, mortgage originations remained weak, although consumer loans (such as auto loans and credit cards) grew further. After having risen last year, delinquency rates leveled off in the first quarter for auto loans and continued to increase for credit card loans.

Financial stability. Despite concerns about profitability at some banks, the banking system remains sound and resilient. Most measures of valuation pressures in corporate securities markets remained near the middle of their historical distributions. By contrast, valuation pressures in

commercial and residential real estate markets continued to be elevated. Borrowing by households and businesses grew a bit more slowly than GDP, leaving vulnerabilities arising from household and business debt largely unchanged at moderate levels. In the banking sector, heavy reliance on uninsured deposits, declining fair values of long-duration fixed-rate assets associated with higher interest rates, and poor risk management led to the failure of three domestic banks. Broad bank equity prices fell sharply as market participants reassessed the strength of some banks with similar risk profiles to those that failed. However, the broader banking sector maintained substantial loss-absorbing capacity and ample liquidity. In the nonbank financial sector, leverage at hedge funds remained elevated, and structural vulnerabilities associated with funding risk persisted at some money market funds and certain mutual funds. (See the box “[Developments Related to Financial Stability](#)” on pages 31–32 of the June 2023 *Monetary Policy Report*.)

International developments. Following a slowdown at the end of 2022, foreign activity rebounded early this year. This rebound was driven in part by strong growth in China, as the lifting of COVID-19 restrictions unleashed pent-up demand, though recent indicators suggest that momentum is slowing. Europe showed resilience to the energy price shock stemming from Russia’s war against Ukraine. Foreign headline inflation continued to fall, driven by declines in retail energy prices. However, while energy inflation has moderated in many foreign economies, both food and core inflation remain elevated.

Since January, several major foreign central banks continued tightening their monetary policies, communicating concerns about elevated inflation and tight labor markets. That said, some central banks also emphasized the need to be cautious in their approach, given the lags of monetary policy and the uncertainty about the outlook for growth and inflation. The trade-weighted exchange value of the U.S. dollar is a touch lower.

Monetary Policy

In response to high inflation, the FOMC continued to increase the target range for the federal funds rate and reduce its securities holdings this year. Adjustments to both interest rates and the balance sheet are playing a role in firming the stance of monetary policy in support of the Federal Reserve’s maximum-employment and price-stability goals.

Interest rate policy. The FOMC continued to increase the target range for the federal funds rate, bringing it to the current range of 5 to 5¼ percent. In light of the cumulative tightening of monetary policy and the lags with which monetary policy affects economic activity and inflation, the FOMC slowed the pace of policy tightening relative to last year. The FOMC will determine meeting by meeting the extent of additional policy firming that may be appropriate to return inflation to 2 percent over time, based on the totality of incoming data and their implications for the outlook for economic activity and inflation.

Balance sheet policy. The Federal Reserve has continued the process of significantly reducing its holdings of Treasury and agency securities in a predictable manner.⁴ Beginning in June of last year, principal payments from securities held in the System Open Market Account (SOMA) have been reinvested only to the extent that they exceeded monthly caps. The Federal Reserve has reduced its securities holdings by about \$420 billion since January. This decrease in assets was partially offset by liquidity provisions to the banking system following the banking-sector stresses in March.

Special Topics

Employment and earnings across groups. Strong labor demand over the past two years has particularly benefited historically more disadvantaged workers. As a result, many of the disparities in employment and wages across racial, ethnic, sex, and education groups, which had been exacerbated by the pandemic, have narrowed—in some cases to historically narrow ranges. Despite this narrowing, there remain significant disparities in absolute levels of employment and wages across groups. (See the box “[Developments in Employment and Earnings across Demographic Groups](#)” on pages 11–13 of the June 2023 *Monetary Policy Report*.)

Bank stress and lending. Bank lending conditions have tightened notably over the past year, and bank loan growth has slowed, following the tightening of monetary policy that started in early 2022. Banking-sector strains in March 2023 reportedly led to further tightening in lending conditions at some banks. Results from the April 2023 Senior Loan Officer Opinion Survey on Bank Lending Practices show that banks expect to further tighten their lending standards over the remainder of 2023, with some banks reporting concerns about their liquidity positions, deposit outflows, and funding costs. Economic research suggests that tighter credit conditions at banks can have adverse effects on economic activity, but different studies find effects that vary in scope, magnitude, and timing. In terms of scope, the effects are also likely to differ across borrowers, economic sectors, and geographic areas, and they may be larger for sectors that depend more heavily on bank credit, such as the commercial real estate and the small business sectors. (See the box “[Recent Developments in Bank Lending Conditions](#)” on pages 21–23 of the June 2023 *Monetary Policy Report*.)

Federal Reserve’s balance sheet and money markets. The Federal Reserve continued to reduce the size of its SOMA portfolio. However, in March, amid banking-sector developments, borrowing from the discount window increased, and the Federal Reserve implemented a new facility, the Bank Term Funding Program (BTFP), to make additional funding available to eligible depository institutions. As a result of Federal Reserve lending through the BTFP, the discount window, and other credit extensions, the Federal Reserve’s total assets have increased since March. Take-up

⁴ See the May 4, 2022, press release regarding the Plans for Reducing the Size of the Federal Reserve’s Balance Sheet, available on the Board’s website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20220504b.htm>.

in the overnight reverse repurchase agreement (ON RRP) facility remained elevated, as low rates on repurchase agreements persisted amid still abundant liquidity and limited Treasury bill supply. The ON RRP facility continued to serve its intended purpose of helping to provide a floor under short-term interest rates and supporting effective implementation of monetary policy. (See the box [“Developments in the Federal Reserve’s Balance Sheet and Money Markets”](#) on pages 42–43 of the June 2023 *Monetary Policy Report*.)

Monetary policy rules. Simple monetary policy rules, which prescribe a setting for the policy interest rate based on a small number of other economic variables, can provide useful guidance to policymakers. Since 2021, inflation has run well above the FOMC’s 2 percent longer-run objective, and labor market conditions have been very tight over the past year. As a result, simple monetary policy rules have called for elevated levels of the federal funds rate. (See the box [“Monetary Policy Rules in the Current Environment”](#) on pages 44–46 of the June 2023 *Monetary Policy Report*.)

3 | Financial Stability

The Federal Reserve monitors financial system risks and engages at home and abroad to help ensure that the system supports a healthy economy for U.S. households, communities, and businesses.

In order to maintain a resilient financial system, the Federal Reserve monitors the potential buildup of risks to financial stability; uses such analyses to inform Federal Reserve responses, including the design of stress-test scenarios and decisions regarding other policy tools, such as the countercyclical capital buffer; works with other domestic agencies directly and through the Financial Stability Oversight Council (FSOC); and engages with the global community in monitoring, supervision, and regulation efforts that mitigate the risks and consequences of financial instability domestically and abroad.¹

This section discusses key financial stability activities undertaken by the Federal Reserve over 2023, which include the following:

1. [monitoring vulnerabilities](#) that affect financial stability (see [figure 3.1](#) for a summary of key vulnerabilities);
2. promoting a perspective on the supervision and regulation of large, complex financial institutions that accounts for the potential spillovers from distress at such institutions to the financial system and broader economy; and
3. engaging in [domestic and international cooperation and coordination](#).





Periodically, Federal Reserve Board staff assess potential vulnerabilities relevant for financial system stability. These monitoring efforts promote financial stability by informing broader policy discussions and stimulating additional research.

Some of these activities are also discussed elsewhere in this annual report. A broader set of economic and financial developments are discussed in [section 2](#), “Monetary Policy and Economic Developments,” with the discussion that follows concerning surveillance of economic and financial developments focused on financial stability. The full range of activities associated with supervision of systemically important financial institutions and designated financial market utilities is discussed in [section 4](#), “Supervision and Regulation.”

¹ For more information on how the Federal Reserve promotes a stable financial system, see the section “Promoting Financial System Stability” in *The Fed Explained: What the Central Bank Does*, available on the Board’s website at <https://www.federalreserve.gov/aboutthefed/files/the-fed-explained.pdf#page=50>.

Figure 3.1. The Federal Reserve assesses four key vulnerabilities in monitoring financial stability

Each quarter, Federal Reserve Board staff assess a set of four vulnerabilities relevant for financial system stability. These monitoring efforts promote financial stability by informing broader policy discussions and stimulating additional research.

 <p>Asset valuations</p>	 <p>Borrowing by businesses and households</p>	 <p>Leverage in the financial sector</p>	 <p>Funding risk</p>
<p>Why it matters:</p>	<p>Why it matters:</p>	<p>Why it matters:</p>	<p>Why it matters:</p>
<p>Overvalued assets are a vulnerability because the unwinding of high prices can be destabilizing.</p>	<p>Excessive borrowing by businesses and households leaves them vulnerable to distress if their incomes decline or the assets they own fall in value.</p>	<p>Excessive leverage within the financial sector increases the risk that financial institutions will not have the ability to absorb even modest losses when hit by adverse shocks.</p>	<p>Funding risks expose the financial system to the possibility that investors will “run” by quickly withdrawing their funds from a particular institution or sector.</p>

Monitoring Financial Vulnerabilities

This section describes the Federal Reserve’s monitoring of vulnerabilities in the financial system during 2023.

Financial institutions are linked together through a complex set of relationships, and their resilience depends on the economic condition of households and businesses. In turn, the condition of households and businesses hinges on the strength of financial institutions’ balance sheets, as the nonfinancial sector obtains funding through the financial sector. The Federal Reserve’s measures to monitor risks to financial stability are designed to better understand these complex linkages and have been an important part of the Federal Reserve’s efforts to achieve overall economic stability.

A stable financial system, when hit by adverse events, or “shocks,” is able to continue meeting demands for financial services from households and businesses, such as credit provision and payment services. By contrast, in an unstable system, these same shocks are likely to have much larger effects, disrupting the flow of credit and leading to declines in employment and economic activity.

Consistent with this view of financial stability, the Federal Reserve Board's monitoring framework distinguishes between shocks to and vulnerabilities of the financial system. Shocks, such as sudden changes to financial or economic conditions, are inherently hard to predict. Vulnerabilities tend to build up over time and are the aspects of the financial system that are most expected to cause widespread problems in times of stress.

Accordingly, the Federal Reserve maintains a flexible, forward-looking financial stability monitoring program focused on assessing how the level and configuration of those vulnerabilities affect the financial system's resilience to a wide range of potential adverse shocks.

Each quarter, Federal Reserve Board staff assess a set of vulnerabilities relevant for financial stability, including, but not limited to, asset valuation pressures, borrowing by households and businesses, leverage in the financial sector, and funding risk. These monitoring efforts inform discussions concerning policies to promote financial stability, such as supervision and regulatory policies as well as monetary policy. They also inform Federal Reserve interactions with broader monitoring efforts, such as those by the FSOC and the Financial Stability Board (FSB).

Since 2018, the Federal Reserve Board has also published its *Financial Stability Report*, which summarizes the Board's framework for assessing the resilience of the U.S. financial system and presents the Board's current assessment of financial system vulnerabilities.² It aims to promote public understanding about Federal Reserve views on this topic and thereby increase transparency and accountability. The report complements the annual report of the FSOC, which is chaired by the Secretary of the Treasury and includes the Federal Reserve Chair and other financial regulators.

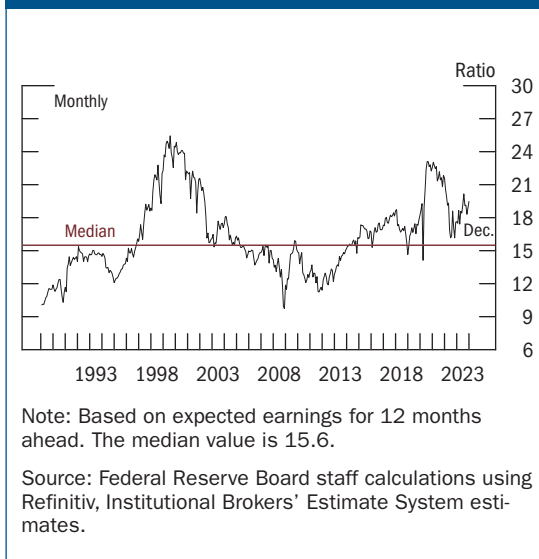
Asset Valuation Pressures

Overvalued assets are a vulnerability because the unwinding of high prices can be destabilizing, especially if the assets are widely held and the values are supported by excessive leverage, maturity transformation, or risk opacity. Moreover, stretched asset valuations may be an indicator of a broader buildup in risk-taking. Because it is very difficult to judge whether an asset price is overvalued relative to fundamentals, the Federal Reserve's analysis of asset valuation pressures typically tracks a broad range of measures, including price volatility, underwriting standards, and investor flows.

The economy remained strong over the year, and the economic outlook centered on continued growth. Against this backdrop, valuation pressures across different sectors remained notable.

² See Board of Governors of the Federal Reserve System, *Financial Stability Report* (Washington: Board of Governors, April 2024), <https://www.federalreserve.gov/publications/files/financial-stability-report-20240419.pdf>; and Board of Governors of the Federal Reserve System, *Financial Stability Report* (Washington: Board of Governors, October 2023), <https://www.federalreserve.gov/publications/files/financial-stability-report-20231020.pdf>.

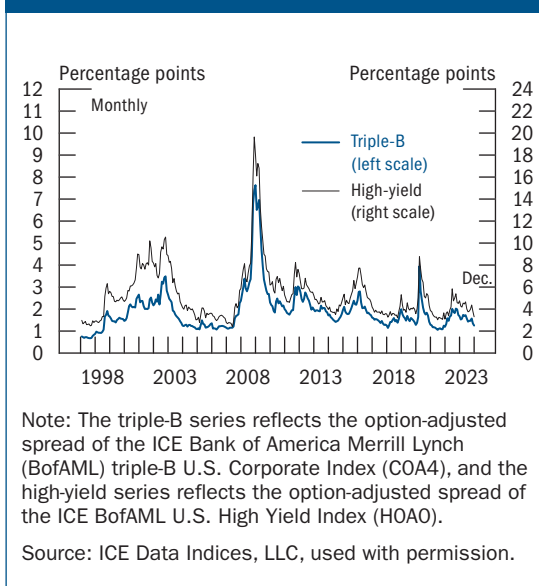
Figure 3.2. Aggregate forward price-to-earnings ratio of S&P 500 firms, 1989–2023



Equity prices were still high relative to earnings (figure 3.2). In addition, real estate prices continued to be high relative to fundamentals. Spreads on corporate bonds and loans ended 2023 at levels below those seen over most of 2022 and 2023 and similar to the levels seen in the late 2010s (figure 3.3).

Valuation pressures in the residential real estate sector remained elevated by historical standards. Despite high borrowing costs and tightening of lending standards, various house price indexes showed increases over the year. The price-to-rent ratio remained at the upper end of its historical distribution, supported by a tight inventory of homes for sale.

Figure 3.3. Corporate bond spreads to similar-maturity Treasury securities, 1997–2023



Commercial real estate (CRE) prices remained high relative to fundamentals despite the continued decline in prices in most segments. Amid low transaction volumes, transaction-based prices may not fully reflect the deterioration in CRE markets, because rather than realizing losses, owners could decide not to put their properties on the market and instead choose to wait for more favorable conditions. Finally, farmland prices continued to increase, supported by high commodity prices and limited farmland inventories.

Borrowing by Households and Businesses

Excessive borrowing by households and businesses has been an important contributor to past financial crises. When highly indebted

households and nonfinancial businesses are hit by negative shocks to incomes or asset values, they may be forced to curtail spending, which could then amplify the effects of financial shocks.

In turn, financial stress among households and businesses can lead to mounting losses at financial institutions, creating an adverse feedback loop in which weaknesses among households, non-financial businesses, and financial institutions cause further declines in income and accelerate financial losses, potentially leading to financial instability and a sharp contraction in economic activity.

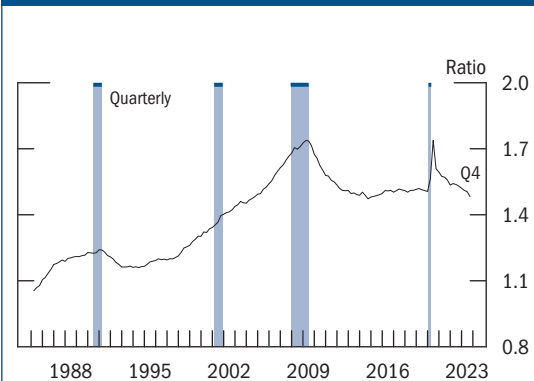
A commonly used measure of the financial position of households and businesses is the ratio of the combined total debt of nonfinancial businesses and households relative to gross domestic product (GDP). Total debt declined over the year, even as nominal GDP continued to grow in 2023, leaving the credit-to-GDP ratio close to its lowest level in 20 years (figure 3.4). This development suggests that, in the aggregate, households and businesses do not appear to have borrowed excessively.

Separate examination of business and household borrowing yields some additional insights. The gross leverage of large businesses—the ratio of debt to assets for all publicly traded nonfinancial firms—declined slightly but remained elevated by historical standards. Net leverage—the ratio of debt less cash to assets—showed a similar trend.

The ability of public firms to service their debt, as measured by the interest coverage ratio, remained high by historical standards, in part reflecting solid earnings. The adverse effect of rising interest rates on the ability of businesses to service their debt continued to be muted, as corporate bonds—which account for the majority of the debt of public firms—generally have fixed interest rates. Although businesses with floating-rate obligations experienced significant increases in interest expenses, earnings were sufficiently strong for most firms to handle these higher interest payments without stress.

Business credit quality declined slightly in 2023. The volume of downgrades exceeded the volume of upgrades, and default rates slightly increased. Nevertheless, both remained low by historical standards. Direct lending to nonfinancial businesses by private credit funds and other private

Figure 3.4. Private nonfinancial-sector credit-to-GDP ratio, 1985–2023



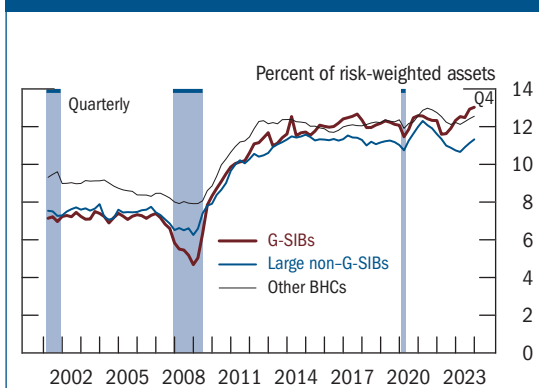
Note: The shaded bars with top caps indicate periods of business recession as defined by the National Bureau of Economic Research: July 1990 to March 1991, March 2001 to November 2001, December 2007 to June 2009, and February 2020 to April 2020. GDP is gross domestic product.

Source: Federal Reserve Board staff calculations based on Bureau of Economic Analysis, national income and product accounts, and Federal Reserve Board, Statistical Release Z.1, "Financial Accounts of the United States."

investors grew rapidly. While risks associated with private credit from investor redemption and leverage appeared limited, the sector remains opaque, making it difficult to assess vulnerabilities.

In the household sector, household debt relative to GDP declined in 2023. Mortgage debt accounts for roughly two-thirds of total household debt, with new mortgage extensions skewed toward prime borrowers in recent years. Most of the remaining one-third of household debt is consumer credit, which consists primarily of student loans, auto loans, and credit card debt. Although the strength of households' balance sheets held up through 2023, credit card and auto delinquency rates increased slightly. This increase was likely due to the unwinding of pandemic support programs rather than a significant deterioration in lending standards, which remain conservative. Student loan delinquencies were held down by pandemic-related debt relief. Although the extended pandemic forbearance has ended, the new forgiveness plan of a 12-month "on ramp" to repayment and the new Saving on a Valuable Education plan could temper rising future delinquencies.

Figure 3.5. Common equity tier 1 ratio of banks, 2001–23



Note: The data are seasonally adjusted by Federal Reserve Board staff. Before 2014:Q1, the numerator of the common equity tier 1 ratio is tier 1 common capital for advanced-approaches bank holding companies (BHCs) and intermediate holding companies (IHCs) (before 2015:Q1, for non-advanced-approaches BHCs). Afterward, the numerator is common equity tier 1 capital. The denominator is risk-weighted assets. G-SIBs are global systemically important U.S. banks. Large non-G-SIBs are BHCs and IHCs with greater than \$100 billion in total assets that are not G-SIBs. The shaded bars with top caps indicate periods of business recession as defined by the National Bureau of Economic Research: March 2001 to November 2001, December 2007 to June 2009, and February 2020 to April 2020.

Source: Federal Reserve Board, Form FR Y-9C, Consolidated Financial Statements for Holding Companies.

Leverage in the Financial System

The banking sector remained sound and resilient overall in 2023. Bank runs at Silicon Valley Bank (SVB) and other banks in March 2023 showed that the interaction of fair value losses on bank balance sheets and fragile funding structures could amplify a shock. The use of a systemic risk exception and the Bank Term Funding Program (BTFP) helped mitigate these vulnerabilities and stopped the contagion from bank runs at SVB in March 2023. Common equity tier 1 ratios—regulatory risk-based measures of bank capital adequacy—at the largest banks were near or above the top quartile of their range throughout the past decade (figure 3.5). Nonetheless, fair value losses on fixed-income assets remain sizable at some banks, and there is the potential for weakening loan performance associated with CRE lending to emerge at some lenders. The largest banks appear most resilient to these potential risks. Some smaller banks with less diversified portfolios may face greater challenges.

Outside the banking sector, leverage at large life insurance companies in 2023 remained near the middle of its historical range and well below its pandemic peak. However, life insurance companies continued to increase the share of assets allocated to risky instruments, which leaves their capital positions vulnerable to declines in the value of their investments. Based on a number of measures, leverage at hedge funds during 2023 stabilized at an elevated level as the Treasury cash-futures basis trade continued to grow, suggesting a risk of sudden deleveraging if volatility in Treasury markets increases unexpectedly.

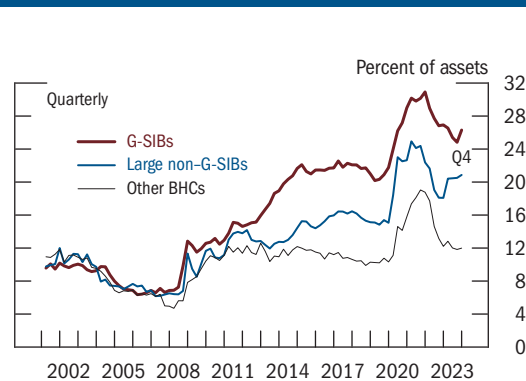
Funding Risk

Overall, banks' liquidity positions remained ample based on the risk of their funding structures. High-quality liquid assets held by banks declined mildly in 2023, driven by reductions in holdings of central bank reserves and by decreases in the market values of securities as interest rates increased. Still, the levels of high-quality liquid assets remained high by historical standards (figure 3.6). The BTFP was created to mitigate funding vulnerabilities of banks amid the stresses of mid-March 2023 and ended on March 11, 2024. A measure of the exposure of banks to interest rate risk—calculated as the difference between the timing of cash flows arising from bank assets and liabilities—declined over the year but remained well above historical levels.

Outside the banking sector, assets under management (AUM) of money market funds (MMFs) continued to increase in 2023.

Growth in prime MMFs likely reflects faster increases in their yields relative to the yields of other MMFs and deposit rates, as short-term interest rates have risen. Combined AUM in other cash-management vehicles—such as offshore prime MMFs, short-term investment funds, private liquidity funds, and ultrashort bond funds—continued to increase and remained at a historically high level. Rule changes for MMFs by the Securities and Exchange Commission that went into effect in July 2023 represent reforms to address the structural weaknesses in this sector.

Figure 3.6. Liquid assets held by banks, 2001–23



Note: Liquid assets are cash plus estimates of securities that qualify as high-quality liquid assets as defined by the liquidity coverage ratio requirement. Accordingly, Level 1 assets as well as discounts and restrictions on Level 2 assets are incorporated into the estimate. G-SIBs are global systemically important U.S. banks. Large non-G-SIBs are bank holding companies (BHCs) and intermediate holding companies with greater than \$100 billion in total assets that are not G-SIBs.

Source: Federal Reserve Board, Form FR Y-9C, Consolidated Financial Statements for Holding Companies.

After modest outflows in 2023, the total outstanding amount of corporate bonds held by mutual funds fell to its lowest level of the past decade. Bond mutual funds experienced net redemptions throughout the year, which they managed in an orderly manner.

Finally, stablecoin assets remained sizable at around \$125 billion. Given their footprint in money market instruments, runs on stablecoins could amplify strains in short-term funding markets. Stablecoins are also used as cash substitutes in crypto trading, which can amplify the risk of disruptive spillovers from the crypto ecosystem to the traditional financial system. The lack of regulatory oversight for stablecoins adds to their vulnerabilities.

Domestic and International Cooperation and Coordination

The Federal Reserve cooperated and coordinated with both domestic and international institutions in 2023 to promote financial stability.

Financial Stability Oversight Council Activities

As mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the FSOC was created in 2010. The FSOC is chaired by the Secretary of the Treasury and includes the Chair of the Board of Governors of the Federal Reserve System as a member. It established an institutional framework for identifying and responding to sources of systemic risk. Through collaborative participation in the FSOC, U.S. financial regulators monitor not only institutions, but also the financial system as a whole. The Federal Reserve, in conjunction with other participants, assists in monitoring financial risks, analyzing the implications of those risks for financial stability, and identifying steps that can be taken to mitigate those risks. In addition, when the FSOC designates an institution as systemically important, the Federal Reserve assumes responsibility for supervising that institution.

The FSOC continued to serve as a central venue for member agencies to collaborate as well as discuss and assess financial stability risks. In 2023, the council had four areas of priority: (1) non-bank financial intermediation, (2) Treasury market resilience, (3) climate-related financial risk, and (4) digital assets.³

The council continued to assess vulnerabilities associated with nonbank financial institutions. The Hedge Fund Working Group (HFWG) has developed an interagency risk-monitoring system to assess the financial stability risks associated with hedge funds. The Nonbank Mortgage Servicing Task Force continued monitoring the financial stability risks posed by nonbank mortgage servicers.

³ See Financial Stability Oversight Council, “Minutes of the Financial Stability Oversight Council” (Washington: FSOC, February 10, 2023), https://home.treasury.gov/system/files/261/FSOC_20230210_Minutes.pdf.

The council supported the work of the U.S. Treasury and the Inter-Agency Working Group on Treasury Market Surveillance (IAWG), of which the Federal Reserve is a member, to strengthen the resilience of U.S. Treasury markets. The work of the council's HFWG has informed the IAWG's assessment of how funds' leverage and liquidity risk-management practices affect the U.S. Treasury market.

The council's staff-level Climate-related Financial Risk Committee (CFRC) provided a forum for FSOC members to coordinate and build capacity to identify, measure, and assess climate-related financial stability risks. In July 2023, the CFRC issued a staff progress report providing an update on efforts to advance the recommendations included in the *2021 Report on Climate-Related Financial Risk*.⁴

Following the publication of its *Report on Digital Asset Financial Stability Risks and Regulation* in 2022, the council's Digital Assets Working Group continued to discuss and analyze developments and risks in the crypto-asset ecosystem.⁵

In 2023, the council issued a new proposed analytical framework for financial stability risks and proposed updated interpretative guidance for designating nonbank financial companies for Federal Reserve supervision and enhanced prudential standards. After releasing the two documents for public comment on April 23, 2023, the council finalized the two documents on November 3, 2023, with approval from the Federal Reserve as a member.⁶ The new framework and guidance aim to improve the council's ability to address risks to financial stability and to provide greater public transparency.

The council's 2023 annual report reviewed significant financial market developments, described potential emerging threats to U.S. financial stability, identified vulnerabilities in the financial system, and made recommendations to mitigate them.⁷ The report included boxes on the following topics: global economic conditions, household finance, the spring 2023 turmoil and policy responses, Treasury market resilience during March 2023, successful implementation of alterna-

⁴ See Financial Stability Oversight Council, *Climate-related Financial Risk: 2023 Staff Progress Report* (Washington: FSOC, July 28, 2023), <https://home.treasury.gov/system/files/261/FSOC-2023-Staff-Report-on-Climate.pdf>; and Financial Stability Oversight Council, *Report on Climate-Related Financial Risk* (Washington: FSOC, October 2021), <https://home.treasury.gov/system/files/261/FSOC-Climate-Report.pdf>.

⁵ See Financial Stability Oversight Council, *Report on Digital Asset Financial Stability Risks and Regulation* (Washington: FSOC, October 2022), <https://home.treasury.gov/system/files/261/FSOC-Digital-Assets-Report-2022.pdf>.

⁶ See Financial Stability Oversight Council, "Analytic Framework for Financial Stability Risk Identification, Assessment, and Response," 88 Fed. Reg. 218 (November 14, 2023): 78,026–37, <https://home.treasury.gov/system/files/261/Analytic-Framework-for-Financial%20Stability-Risk-Identification-Assessment-and-Response.pdf>; and Financial Stability Oversight Council, "Guidance on Nonbank Financial Company Determinations," 88 Fed. Reg. 221 (November 17, 2023): 80,110–31, <https://home.treasury.gov/system/files/261/Interpretive-Guidance-Regarding-Authority-to-Require-Supervision-and-Regulation-of-Certain-Nonbank-Financial-Companies.pdf>.

⁷ See Financial Stability Oversight Council, *Annual Report* (Washington: FSOC, 2023), <https://home.treasury.gov/system/files/261/FSOC2023AnnualReport.pdf>.

tive reference rates, speed of financial transactions and information transmission, and quantum computing.

Financial Stability Board Activities

In light of the interconnected global financial system and the global activities of large U.S. financial institutions, the Federal Reserve participates in international bodies, such as the FSB. The FSB monitors the global financial system and promotes international financial stability by coordinating with national financial authorities and international standard-setting bodies on information exchanges and work focused on developing strong global financial-sector policies.

In 2023, the FSB engaged in many issues related to global financial stability. Specific work included addressing structural vulnerabilities from liquidity mismatch in open-end funds, assessing the financial stability implications of multifunction crypto-asset intermediaries, and enhancing the resilience of nonbank financial intermediation.

4 | Supervision and Regulation

The Federal Reserve promotes a safe, sound, and efficient banking and financial system that supports the growth and stability of the U.S. economy. The Federal Reserve carries out its supervisory and regulatory responsibilities and supporting functions primarily by

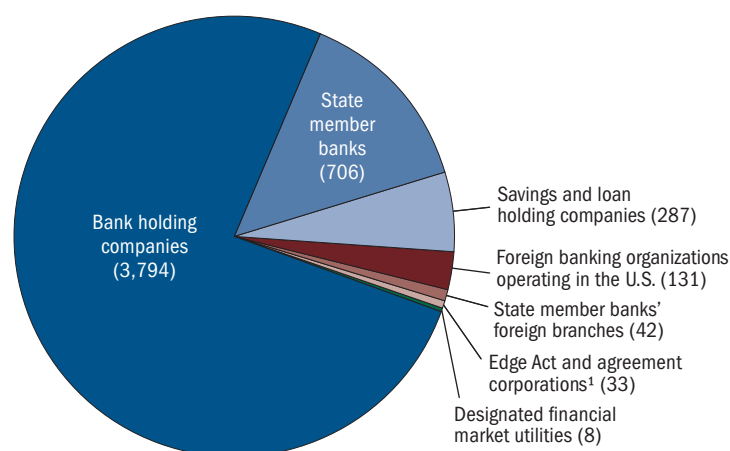
- supervising the activities of financial institutions to promote their safety and soundness (see figure 4.1);
- developing regulatory policy (rulemakings, supervision and regulation letters, policy statements, and guidance) and acting on applications filed by banking organizations; and
- monitoring trends in the banking sector by collecting and analyzing data (see box 4.1).

Box 4.1. Banking Sector Conditions

For information on banking sector conditions, see the *Supervision and Regulation Report*, which is submitted semiannually to the Senate Committee on Banking, Housing, and Urban Affairs and to the House Committee on Financial Services. The reports are available on the Board's website at <https://www.federalreserve.gov/publications/supervision-and-regulation-report.htm>.

Figure 4.1. The Federal Reserve oversees a broad range of financial entities

Bank holding companies constitute the largest segment of institutions supervised by the Federal Reserve, but the Federal Reserve also supervises state member banks, savings and loan holding companies, foreign banks operating in the United States, and other entities. See “Supervised and Regulated Institutions” in this section.



¹ Edge Act and agreement corporations are subsidiaries of banks or bank holding companies, organized to allow international banking and financial business.

Supervised and Regulated Institutions

The Federal Reserve categorizes banking organizations into portfolios by size and entity type, as described in [table 4.1](#).

State Member Banks

At year-end 2023, a total of 1,411 banks (excluding non-depository trust companies and private banks) were members of the Federal Reserve System, of which 706 were state chartered. Federal Reserve System member banks operated 47,166 branches and accounted for 34 percent of all commercial banks in the United States and 67 percent of all commercial banking offices. State-chartered commercial banks that are members of the Federal Reserve, commonly referred to as state member banks, represented approximately 17 percent of all insured U.S. commercial banks and held approximately 17 percent of all insured commercial bank assets in the United States.

Portfolio	Definition	Number of institutions	Total assets (\$ trillions)
Large Institution Supervision Coordinating Committee (LISCC)	Eight U.S. global systemically important banks (G-SIBs)	8	14.9
<i>State member banks (SMBs)</i>	SMBs within LISCC organizations	4	1.2
Large and foreign banking organizations (LFBOs)	Non-LISCC U.S. firms with total assets \$100 billion and greater and FBOs	170	10.5
<i>Large banking organizations (LBOs)</i>	Non-LISCC U.S. firms with total assets \$100 billion and greater	18	5.1
<i>Large FBOs (with IHC)</i>	FBOs with combined U.S. assets \$100 billion and greater	10	2.9
<i>Large FBOs (without IHC)</i>	FBOs with combined U.S. assets \$100 billion and greater	7	1.3
<i>Small FBOs (excluding rep offices)</i>	FBOs with combined assets less than \$100 billion	103	1.1
<i>Small FBOs (rep offices)</i>	FBO U.S. representative offices	32	0.0
<i>State member banks</i>	SMBs within LFBO organizations	9	1.1
Regional banking organizations (RBOs)	Total assets between \$10 billion and \$100 billion	105*	2.8
<i>State member banks</i>	SMBs within RBO organizations	39	1.0
Community banking organizations (CBOs)	Total assets less than \$10 billion	3,452**	3.0
<i>State member banks</i>	SMBs within CBO organizations	654	0.7
Insurance and commercial savings and loan holding companies (SLHCs)	SLHCs primarily engaged in insurance or commercial activities	5 insurance 4 commercial	0.5

* Includes 104 holding companies and 1 state member bank that does not have a holding company.
 ** Includes 3,401 holding companies and 51 state member banks that do not have holding companies.

Bank Holding Companies

At year-end 2023, a total of 3,794 U.S. bank holding companies (BHCs) were in operation, of which 3,407 were top-tier BHCs. These organizations controlled 3,486 insured commercial banks and held approximately 95 percent of all insured commercial bank assets in the United States.

BHCs that meet certain capital, managerial, and other requirements may elect to become financial holding companies (FHCs). FHCs can generally engage in a broader range of financial activities than other BHCs. As of year-end 2023, a total of 502 domestic BHCs and 45 foreign banking organizations had FHC status. Of the domestic FHCs, 23 had consolidated assets of \$100 billion or more; 62 between \$10 billion and \$100 billion; 191 between \$1 billion and \$10 billion; and 226 less than \$1 billion.

Savings and Loan Holding Companies

At year-end 2023, a total of 287 savings and loan holding companies (SLHCs) were in operation, of which 148 were top-tier SLHCs. These SLHCs controlled 160 depository institutions. Approximately 94 percent of SLHCs engage primarily in depository or broker-dealer activities. These firms hold approximately 62 percent (\$852.6 billion) of the total combined assets of all SLHCs. The Office of the Comptroller of the Currency (OCC) or the Federal Deposit Insurance Corporation (FDIC) is the primary federal regulator for subsidiary savings associations of SLHCs. Some SLHCs are engaged primarily in nonbanking activities, such as insurance underwriting (5 SLHCs) and commercial activities (4 SLHCs). The 25 largest SLHCs accounted for almost \$1.3 trillion of total combined assets.

At year-end 2023, the Federal Reserve supervised five companies that own depository institutions and are significantly engaged in insurance activities. All five of these institutions were SLHCs. As of December 31, 2023, they had approximately \$425 billion in total assets. Two of these firms have total assets greater than \$100 billion, and insured depository assets represent less than half of total assets for four of the five SLHCs.

In 2022, the Federal Reserve proposed and finalized a supervisory framework for insurance organizations that are overseen by the Board. The supervisory framework consists of a risk-based approach to supervisory expectations and activities; a unique supervisory ratings system; and reliance, to the fullest extent possible, on the work performed by other relevant supervisors, including the state insurance regulators. In 2023, the Federal Reserve made progress in implementing this framework, including by issuing ratings under the new system for four supervised insurance organizations.

Financial Market Utilities

Financial market utilities (FMUs) manage or operate multilateral systems for the purpose of transferring, clearing, or settling payments, securities, or other financial transactions among financial

institutions or between financial institutions and the FMU. The Federal Reserve supervises FMUs that are chartered as member banks or Edge Act corporations, and coordinates with other federal banking supervisors to supervise FMUs considered bank service providers under the Bank Service Company Act.

In July 2012, the Financial Stability Oversight Council (FSOC) voted to designate eight FMUs as systemically important under title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). As a result of these designations, the Board assumed an expanded set of responsibilities related to these designated FMUs that includes promoting uniform risk-management standards, playing an enhanced role in the supervision of designated FMUs, reducing systemic risk, and supporting the stability of the broader financial system. For certain designated FMUs, the Board established risk-management standards and expectations that are articulated in the Board's Regulation HH.

In addition to setting minimum risk-management standards, Regulation HH establishes advance notice requirements for proposed material changes to the rules, procedures, or operations of a designated FMU for which the Board is the supervisory agency under title VIII. Finally, Regulation HH also establishes minimum conditions and requirements for a Federal Reserve Bank to establish and maintain an account for, and provide services to, a designated FMU.¹ Where the Board is not the title VIII supervisory agency, the Federal Reserve works closely with the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission to promote robust FMU risk management and monitor systemic risks across the designated FMUs.

International Activities

Foreign operations of U.S. banking organizations. At the end of 2023, a total of 21 member banks were operating 251 branches in foreign countries and overseas areas of the United States. Ten national banks were operating 197 of these branches, 11 state member banks were operating 42 of these branches, and 5 nonmember banks were operating the remaining 12.

Edge Act and agreement corporations. At year-end 2023, out of 33 banking organizations chartered as Edge Act or agreement corporations, 3 operated 6 Edge Act and agreement branches. These corporations are examined annually.

U.S. activities of foreign banks. As of year-end 2023, a total of 131 foreign banks from 47 countries operated 139 state-licensed branches and agencies, of which 6 were insured by the FDIC, and 48 OCC-licensed branches and agencies, of which 4 were insured by the FDIC. These foreign banks also owned six Edge Act and agreement corporations. In addition, they held a controlling interest in 33 U.S. commercial banks. Altogether, the U.S. offices of these foreign banks controlled approximately 17.8 percent of U.S. commercial banking assets. These 131 foreign banks

¹ The Federal Reserve Banks maintain accounts for and provide services to several designated FMUs.

also operated 88 representative offices; an additional 32 foreign banks operated in the United States through a representative office.

The Federal Reserve conducted or participated with state and federal regulatory authorities in 684 examinations of foreign banks in 2023.

Supervisory Developments

Supervisory and Regulatory Initiatives

The Federal Reserve's supervision activities include examinations and inspections to help ensure that financial institutions operate in a safe and sound manner and comply with laws and regulations, including consumer protection. These include an assessment of a financial institution's risk-management systems, financial conditions, governance and controls, and compliance. The Federal Reserve tailors its supervisory approach based on the size and complexity of firms. Supervisory oversight ranges from a continuous supervisory presence with dedicated teams of examiners for large firms to regular point-in-time and targeted periodic examinations for small, non-complex firms.

Supervisory priorities are focused on both previously identified supervisory findings and emerging concerns arising from changing economic conditions. Examiners monitor and assess a supervised institution's remediation of supervisory findings in areas, such as independent risk management and controls, compliance, operational and cyber resilience, and information technology.

In 2023, the Federal Reserve conducted 316 examinations of state member banks, 2,894 inspections of bank holding companies, and 120 inspections of savings and loan holding companies.

Box 4.2. Failure of Silicon Valley Bank and the Federal Reserve's Response

Following the failures of Silicon Valley Bank (SVB) and Signature Bank in March 2023, the Federal Reserve took action to respond to the current banking conditions and contagion risk across the financial system, including enhancing monitoring of firms with similar risk profiles.

Immediately after SVB's failure, Chair Jerome Powell and Vice Chair for Supervision Michael Barr agreed that Vice Chair for Supervision Barr should lead a review of the failure, and on April 28, 2023, the results of that review were published. The report provided a review of the factors that contributed to the failure of SVB. The report showed that SVB was a highly vulnerable firm in ways that were not fully appreciated by the firm's board of directors, senior management, and Federal Reserve supervisors. These vulnerabilities—foundational and widespread managerial weaknesses, a highly concentrated business model, and a reliance on uninsured deposits—left SVB exposed to the specific combination of rising interest rates and slowing activity in the technology sector that materialized in 2022 and early 2023.

The failure of SVB and the ensuing stress in the banking system highlighted the need to improve the speed, force, and agility of supervision to align better with the risks, size, and complexity of supervised banks, as appropriate. The Federal Reserve has been working to ensure supervision intensifies at the right pace as a bank grows in size and complexity, to modify supervisory processes so that issues, once identified, are addressed more quickly by both banks and supervisors, and to find better ways to incorporate forward-looking analysis into supervision.

Tables 4.2 and 4.3 provide information on examinations and inspections conducted by the Federal Reserve during the past five years. Additionally, the Federal Reserve took a number of actions, including enhanced monitoring to stabilize the banking environment after two bank failures (box 4.2).

Table 4.2. Savings and loan holding companies, 2019–23

Entity/item	2023	2022	2021	2020	2019
Top-tier savings and loan holding companies					
<i>Assets of more than \$1 billion</i>					
Total number	48	50	47	50	53
Total assets (billions of dollars)	1,334	1,741	1,856	2,026	1,822
Number of inspections	51	50	63	55	52
By Federal Reserve System	51	50	63	55	52
<i>Assets of \$1 billion or less</i>					
Total number	100	102	107	119	134
Total assets (billions of dollars)	39	36	37	39	39
Number of inspections	69	74	78	91	102
By Federal Reserve System	69	74	78	91	102

Table 4.3. State member banks and bank holding companies, 2019–23

Entity/item	2023	2022	2021	2020	2019
State member banks					
Total number	706	701	705	734	754
Total assets (billions of dollars)	3,894	3,997	4,016	3,568	2,642
Number of examinations	559	524	471	502	554
By Federal Reserve System	316	289	288	263	327
By state banking agency	243	235	183	239	227
Top-tier bank holding companies					
<i>Assets of more than \$1 billion</i>					
Total number	824	809	795	746	631
Total assets (billions of dollars)	25,979	25,275	25,185	23,811	20,037
Number of inspections	1,051	966	996	875	805
By Federal Reserve System ¹	989	891	919	814	761
By state (or other) banking agency	62	75	77	61	44
<i>Assets of \$1 billion or less</i>					
Total number	2,613	2,672	2,762	2,887	3,094
Total assets (billions of dollars)	886	883	900	883	870
Number of inspections	1,694	1,768	1,801	1,967	2,122
By Federal Reserve System	1,589	1,699	1,727	1,890	2,033
By state (or other) banking agency	106	69	74	77	89
<i>Financial holding companies</i>					
Domestic	502	505	504	502	493
Foreign	45	46	45	44	44

¹ For bank holding companies subject to continuous, risk-focused supervision, includes multiple targeted reviews.

Specialized Examinations

The Federal Reserve conducts specialized examinations of supervised financial institutions in the areas of capital planning and stress testing, information technology, fiduciary activities, transfer agent activities, government and municipal securities dealing and brokering, and cybersecurity and critical infrastructure. The Federal Reserve also conducts specialized examinations of certain non-bank entities that extend credit subject to the Board's margin regulations.

Capital Planning and Stress Testing

Since the 2007–09 financial crisis, the Federal Reserve has instituted supervisory stress testing to strengthen capital positions of the largest banking organizations. In March 2020, the Board integrated the supervisory stress test with its non-stress capital requirements through the stress capital buffer to form one forward-looking and risk-sensitive capital framework.

In June 2023, the Federal Reserve conducted its annual stress test, which showed that the large banking firms tested had sufficient levels of capital and could continue lending to households and businesses during a severe recession. In July 2023, the Federal Reserve announced the individual capital requirements for large banks, which include the stress capital buffer requirement based on the results of the 2023 stress test. These requirements became effective as of October 1, 2023.

For the first time, the Federal Reserve also published an exploratory market shock that applied only to U.S. global systemically important banks and posed a different set of risks than the global market shock component.² Consistent with the nature of an exploratory exercise, the exploratory market shock did not contribute to the capital requirements set by the 2023 stress test. For stress testing publications released in 2023, see [box 4.3](#).

Box 4.3. Stress Testing Publications Released in 2023

More details on the 2023 stress test scenarios are available at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20230209a1.pdf>.

More details on the 2023 stress test model methodologies are available at <https://www.federalreserve.gov/publications/files/2023-june-supervisory-stress-test-methodology.pdf>.

More details on the 2023 stress test results are available at <https://www.federalreserve.gov/publications/files/2023-dfast-results-20230628.pdf>.

More details on the stress capital buffer requirements published in 2023 are available at <https://www.federalreserve.gov/publications/files/large-bank-capital-requirements-20230727.pdf>

² The global market shock applies to banks with large trading operations and stresses their trading, private equity, and certain other fair-valued positions. It consists of a set of hypothetical shocks to a large set of risk factors reflecting general market distress and heightened uncertainty. Banks with substantial trading or custodial operations are also tested against the default of their largest counterparty.

Fiduciary Activities

In 2023, Federal Reserve examiners conducted 73 fiduciary examinations of state member banks and non-depository trust companies.

Transfer Agents

During 2023, the Federal Reserve conducted transfer agent examinations at three state member banks and two BHCs that were registered as transfer agents.

Government and Municipal Securities Dealers and Brokers

The Federal Reserve is responsible for examining state member banks and foreign banks for compliance with the Government Securities Act of 1986 and with the U.S. Treasury regulations governing dealing and brokering in government securities. During 2023, the Federal Reserve conducted eight examinations of government securities activities at these organizations.

The Federal Reserve is also responsible for ensuring that state member banks and BHCs that act as municipal securities dealers comply with the Securities Act Amendments of 1975. Municipal securities dealers are examined, pursuant to the Municipal Securities Rulemaking Board's rule G-16, at least once every two calendar years. During 2023, the Federal Reserve examined six entities that dealt in municipal securities.

Securities Credit Lenders

Under the Securities Exchange Act of 1934, the Board is responsible for regulating credit in certain transactions involving the purchasing or carrying of securities. As part of its general examination program, the Federal Reserve examines the banks under its jurisdiction for compliance with the Board's Regulation U. In addition, the Federal Reserve maintains a registry of persons other than banks, brokers, and dealers who extend credit subject to Regulation U. Throughout the year, Federal Reserve examiners conducted specialized examinations of these lenders if they are not already subject to supervision by the Farm Credit Administration or the National Credit Union Administration.

Operational Resilience, Information Technology, and Cybersecurity

Effective operational risk management and resilience are vital to the safety and soundness of financial institutions and the stability of the U.S. financial system.³ The Federal Reserve provides guidance, tools, and educational resources to assist supervised institutions in managing such risks.

³ Operational risk management includes risk management of information technology, cyber, and third-party risks.

In June 2023, the Board, the FDIC, and the OCC issued the Interagency Guidance on Third-Party Relationships: Risk Management that describes principles and considerations for banking organizations' risk management of third-party relationships, including key considerations for cybersecurity and operational risks associated with such relationships.

In July 2023, staff from the Board and other federal banking agencies conducted an "Ask the Regulator" session to highlight key aspects of the third-party risk-management guidance and its application to banks. In November 2023, Board staff conducted an "Ask the Fed" session to address questions about the guidance from banks, including smaller banks.

The Federal Reserve examined and monitored supervised institutions for operational risks as part of its safety and soundness supervision:

- In 2023, Federal Reserve examiners, in close coordination with the other federal banking agencies, conducted examinations of IT activities (inclusive of cyber risk-management activities) and targeted cybersecurity assessments of the large financial institutions, and service providers.
- Federal Reserve examiners also conducted tailored cybersecurity assessments at community and regional banking organizations.
- Under the authority of the Bank Service Company Act, the federal banking agencies examined technology service providers that provide services for specific regulated financial institutions.

The Federal Reserve collaborated with other financial regulators, U.S. Treasury, and private industry to promote effective safeguards against operational and cyber risks to the financial services sector and its critical infrastructure. This included contributions to the Federal Financial Institutions Examination Council's (FFIEC's) IT Subcommittee and Cybersecurity and Critical Infrastructure Subcommittee, the Financial and Banking Information Infrastructure Committee, the Cybersecurity Forum for Independent and Executive Branch Regulator, the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency Cyber Incident Reporting Council, and Cyber Incident Reporting for Critical Infrastructure Act-related deliberations. The Federal Reserve, together with the other members of the Financial Banking Information Infrastructure Committee (FBIIIC) and the Financial Services Sector Coordinating Council, collaborated on financial sector resilience initiatives, including participation in the Cloud Executive Steering Group.⁴

The Board led or contributed to cybersecurity activities undertaken by various international groups. Board staff continued to participate in the work of the Financial Stability Board (FSB) to address

⁴ See U.S. Department of the Treasury, "U.S. Department of the Treasury Kicks Off Public-Private Executive Steering Group to Address Cloud Report Recommendations," news release, May 25, 2023, <https://home.treasury.gov/news/press-releases/jy1503>. The Federal Reserve and other members of the FBIIIC contributed to a Treasury report that assesses the opportunities and challenges the financial sector faces by adopting cloud-based technologies, in which this working group was first announced.

current and emerging operational risks. This resulted in the publication of the policy documents, “Enhancing Third-Party Risk Management and Oversight: A toolkit for financial institutions and financial authorities” and “Recommendations to Achieve Greater Convergence in Cyber Incident Reporting: Final Report.”⁵

Crypto-Asset Supervision

Novel Activities Supervision Program

In 2023, the Federal Reserve System launched the Novel Activities Supervision Program to enhance the supervision of novel activities conducted by banking organizations supervised by the Federal Reserve.⁶ The goal of the program is to foster innovation at banking organizations while recognizing and appropriately addressing risks to help ensure the safety and soundness of the banking system. The program focuses on novel activities related to crypto-assets; distributed ledger technology; and complex, technology-driven partnerships with nonbanks to deliver financial services to customers.

The Federal Reserve established this program with dedicated staff to maintain strong and consistent oversight of novel activities at supervised institutions, and to help ensure that the novel risks associated with innovation are appropriately addressed. By bringing together staff focused on novel activities, the Federal Reserve’s knowledge of these activities can grow more rapidly and continue to build upon and enhance technical expertise related to novel activities. The program will also inform the development of supervisory approaches and guidance for banking organizations engaging in novel activities, as warranted.

Crypto-Related Activities

In 2023, the Federal Reserve issued a number of statements with respect to banking organizations’ engagement in crypto-asset related activities and with the crypto-sector. On January 3, 2023, the Federal Reserve, the OCC, and the FDIC issued a joint statement of key risks associated with crypto-assets and crypto-asset sector participants that banking organizations should be aware of. The highlighted risks included fraud and scams; legal uncertainties; inaccurate or misleading representations and disclosures; volatility; runs on stablecoins; interconnectedness among crypto-asset participants; immature governance and risk management practices; and heightened risks associated with open, public, and/or decentralized networks, among others.

⁵ See Financial Stability Board, *Final Report on Enhancing Third-Party Risk Management and Oversight – A Toolkit for Financial Institutions and Financial Authorities* (Basel: FSB, December 2023), <https://www.fsb.org/2023/12/final-report-on-enhancing-third-party-risk-management-and-oversight-a-toolkit-for-financial-institutions-and-financial-authorities/> and *Recommendations to Achieve Greater Convergence in Cyber Incident Reporting: Final Report* (Basel: FSB, April 2023), <https://www.fsb.org/2023/04/recommendations-to-achieve-greater-convergence-in-cyber-incident-reporting-final-report/>.

⁶ See <https://www.federalreserve.gov/publications/files/202311-supervision-and-regulation-report.pdf>.

On February 23, the agencies issued a second statement focused on liquidity risk and the potential volatility of funding inflows and outflows associated with crypto-asset activity. On August 8, 2023, the Federal Reserve published SR letter 23-08/CA letter 23-08, “Supervisory Nonobjection Process for State Member Banks Seeking to Engage in Certain Activities Involving Dollar Tokens,” describing the process through which state member banks may seek a supervisory nonobjection before conducting certain activities involving “dollar tokens.”⁷ The supervisory nonobjection expectation was first articulated in the Board’s January 27, 2023, Policy Statement on section 9(13) of the Federal Reserve Act (Policy Statement).⁸ The SR letter does not create any new substantive expectations but lays out the process state member banks should follow to obtain such supervisory nonobjection. The letter notes that Federal Reserve staff will focus on operational, cyber security, liquidity, illicit finance, and consumer compliance risks.

Climate-Related Financial Risks

In 2023, the Board launched a pilot Climate Scenario Analysis exercise to learn about large banking organizations’ climate risk-management practices and challenges and to enhance the ability of both large banking organizations and supervisors to identify, measure, monitor, and manage climate-related financial risks. As described in the *Participant Instructions* released on January 17, 2023, the exercise considered the impact of physical and transition risk scenarios of varying levels of severity on participating banks’ balance sheets. The exercise was exploratory in nature and does not have consequences for bank capital or supervisory implications.⁹

On October 24, 2023, the Board, along with other federal banking regulatory agencies, finalized principles that provide a high-level framework for the safe and sound management of exposures to climate-related financial risks for large financial institutions.¹⁰ The principles are intended for institutions with \$100 billion or more in total assets and address physical and transition risks associated with climate change. General climate-related financial risk management principles are provided with respect to a financial institution’s governance; policies, procedures, and limits; strategic planning; risk management; data, risk measurement, and reporting; and scenario analysis. Additionally, the principles describe how climate-related financial risks can be addressed in the management of traditional risk areas, including credit, market, liquidity, operational, and legal risks.

Enforcement Actions

The Federal Reserve has enforcement authority over the financial institutions it supervises and their affiliated parties. Enforcement actions may be taken to address unsafe or unsound practices and violations of law or regulation. Formal enforcement actions include cease and desist orders,

⁷ See <https://www.federalreserve.gov/supervisionreg/srletters/SR2308.htm>.

⁸ See <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230127a.htm>.

⁹ See <https://www.federalreserve.gov/publications/climate-scenario-analysis-exercise-instructions.htm>.

¹⁰ See <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231024b.htm>.

written agreements, prompt corrective action directives, removal and prohibition orders, civil money penalties, and letters sent pursuant to 12 U.S.C. § 1829, known as Section 19 letters.

In 2023, the Federal Reserve completed 63 formal enforcement actions. Civil money penalties totaling \$542,329,952.20 were assessed. As directed by statute, all civil money penalties are remitted to either the U.S. Treasury or the Federal Emergency Management Agency. The Reserve Banks completed 99 informal enforcement actions. Informal enforcement actions include memoranda of understanding, commitment letters, supervisory letters, and board of directors' resolutions.

Enforcement orders and prompt corrective action directives, which are issued by the Board, and written agreements, which are executed by the Reserve Banks, are made public and are posted on the Board's website (<https://www.federalreserve.gov/apps/enforcementactions/search.aspx>).

The Federal Reserve's enforcement responsibilities also extend to the disclosure of financial information by state member banks and the use of credit to purchase and carry securities.

Financial Disclosures by State Member Banks

Under the Securities Exchange Act of 1934 and the Federal Reserve's Regulation H, certain state member banks are required to make financial disclosures to the Federal Reserve using the same reporting forms that are normally used by publicly held entities to submit information to the SEC.¹¹

In 2023, one state member bank was required to submit data to the Federal Reserve. These data are made available upon request and are primarily used for disclosure to the bank's shareholders and public investors.

Internal Appeals of Material Supervisory Determinations

The Board is committed to maintaining an independent, intra-agency process to review appeals of material supervisory determinations (MSD) that complies with section 309 of the Riegle Community Development and Regulatory Improvement Act of 1994.¹² The appeals process includes two levels of review. A panel of Reserve Bank staff who are not employed by the Reserve Bank with supervisory responsibility of the financial institution that issued the appealed MSD conducts the initial review. This panel determines whether the appealed MSD is consistent with applicable laws, regulations, and policy, and is supported by a preponderance of the evidence in the record. If the

¹¹ Under section 12(g) of the Securities Exchange Act, certain companies that have issued securities are subject to SEC registration and filing requirements that are similar to those that apply to public companies. Per section 12(i) of the Securities Exchange Act, the powers of the SEC over banking entities that fall under section 12(g) are vested with the appropriate banking regulator. Specifically, state member banks with 2,000 or more shareholders and more than \$10 million in total assets are required to register with, and submit data to, the Federal Reserve. For more information on the Board's Regulation H policy action, see [appendix E](#), "Record of Policy Actions."

¹² U.S.C. § 4806.

appealing institution is not satisfied with the initial review panel's decision, the institution may request a final review of the MSD. A panel of senior Board staff conducts the final review. The final review panel determines whether the decision of the initial review panel is reasonable. Additional information is available regarding the Federal Reserve Board's appeals process and Ombuds policy.¹³

In 2023, the Board received one MSD appeal from a state member community banking organization. The Board also granted one request for an extension to file an appeal from another state member community banking organization.

Assessments for Supervision and Regulation

BHCs and SLHCs with total consolidated assets of \$100 billion or more, as well as any nonbank financial companies designated by the FSOC for supervision by the Board, are subject to assessments for the cost of the Board's supervision and regulation. As a collecting entity, the Board does not recognize the supervision and regulation assessments as revenue nor does the Board use the collections to fund Board expenses; the funds are transferred to the U.S. Treasury. The Board collected and transferred to the U.S. Treasury \$771,050,870 from 53 institutions for the 2022 S&R Regulation TT assessment in 2023.

Training and Technical Assistance

The Federal Reserve provides training and technical assistance to foreign supervisors and minority-owned depository institutions as well as engages in industry outreach in connection with supervisory objectives.

International Training and Technical Assistance

In 2023, the Federal Reserve continued to provide training and technical assistance on supervisory matters to foreign central banks and supervisory authorities. Technical assistance normally involves visits by Federal Reserve staff members to foreign authorities as well as consultations with foreign supervisors who visit the Board of Governors or the Reserve Banks. The Federal Reserve organized 20 training seminars, held both onshore and overseas, for the benefit of foreign supervisory authorities. Approximately 900 financial institution supervisors from foreign central banks and supervisory agencies attended these training events during 2023.

Federal Reserve staff also collaborated with the International Monetary Fund and the World Bank to organize two training events for senior supervisory officials. Other training partners that collaborated with the Federal Reserve during 2023 to organize training events included the Association of

¹³ See <https://www.federalreserve.gov/supervisionreg/srletters/SR2028.htm> and <https://www.federalreserve.gov/aboutthefed/ombpolicy.htm>.

Bank Supervisors of the Americas, the National Banking and Securities Commission of Mexico, and the European Central Bank.

Efforts to Support Minority-Owned Depository Institutions

The Federal Reserve System implements its responsibilities under section 367 of the Dodd-Frank Act primarily through its Partnership for Progress (PFP) program.¹⁴ Established in 2008, this program promotes the viability of minority depository institutions (MDIs) by facilitating activities designed to strengthen their business strategies, maximize their resources, and increase their awareness and understanding of supervisory expectations. The program supports an inclusive financial system and helps facilitate access to credit and other financial services in traditionally underserved areas.

The Federal Reserve maintains the PFP website, which supports MDIs by providing them with technical information and links to useful resources.¹⁵ Representatives from each of the 12 Federal Reserve Districts, along with staff from the Divisions of Supervision & Regulation and Consumer & Community Affairs at the Board of Governors, continue to offer technical assistance tailored to MDIs by providing targeted supervisory guidance, identifying additional resources, and fostering mutually beneficial partnerships between MDIs and community organizations. As of year-end 2023, the Federal Reserve's MDI portfolio consisted of 16 state member banks.

Throughout 2023, the System supported MDIs and conducted a number of outreach initiatives, webinars, and conferences specific to MDIs, including the following:

- *2023 Interagency Minority Depository Institution and CDFI Bank Conference:* The Federal Reserve along with the FDIC and OCC, hosted the biennial interagency conference for MDI and Community Development Financial Institution (CDFI) banks on November 15–16, 2023, at the Federal Reserve Bank of Dallas. The conference theme was “MDI and CDFI Bank Partnership Exchange” and focused on collaboration, partnership, and promoting the mission of MDIs and CDFIs among leaders at these institutions.
- *September 2023 Minorities in Banking Forum:* The Federal Reserve Bank of Dallas hosted the System's annual Minorities in Banking Forum on September 27–28, 2023. This forum was for mid-level and senior banking leaders in the financial services industry and focused on leadership, diversity, and career enhancement.

¹⁴ Section 367 of the Dodd-Frank Act requires the Board to submit an annual report to Congress detailing the actions taken to fulfill the requirements outlined in section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989, as amended by the Dodd-Frank Act in 2010. In addition to the annual reporting requirement, FIRREA section 308 requires the Federal Reserve System to devote efforts toward preserving and promoting minority ownership of MDIs. See also “Annual Report on Promoting Minority Depository Institutions,” Board of Governors of the Federal Reserve System, last modified December 21, 2023, <https://www.federalreserve.gov/publications/preserving-minority-depository-institutions.htm>.

¹⁵ See <https://www.fedpartnership.gov>.

- *National Bankers Association*: Board staff represented PFP at the National Bankers Association conference in Washington, D.C. The conference focused on building partnerships, technology, capital, and deposits.
- *Bank Term Funding Program*: The PFP team hosted a special “Ask the Fed” webinar on the Bank Term Funding Program for MDIs and CDFIs.
- *Emergency Capital Investment Program (ECIP)*:¹⁶ The PFP, along with the FDIC and OCC, hosted an ECIP Interagency Webinar to provide MDIs with technical assistance on supervisory expectations for ECIP recipients.

International Engagement

As a member of the FSB and several international financial standard-setting bodies, the Federal Reserve actively participates in efforts to share information and advance sound supervisory policies for internationally active financial organizations and to enhance the strength, stability, and resilience of the international financial system.

Financial Stability Board

In 2023, the Federal Reserve continued its participation in a variety of activities of the FSB, an organization whose mission is to promote international financial stability. The FSB helps coordinate the work of national financial authorities and international standard-setting bodies and shares information on supervisory and regulatory practices. Priority areas for the year included enhancing cross-border payments, finalizing recommendations for regulating and supervising crypto-assets and stablecoins, revising recommendations to address vulnerabilities of open-ended funds, and developing a toolkit for enhancing third-party risk management and oversight. The full range of the Federal Reserve’s FSB activities is discussed in [section 3](#), “Financial Stability.”

The FSB also produces a variety of publications, including progress reports, monitoring reports, guidance, consultative documents, and compendia of better practice. Examples issued in 2023 include

- *The Financial Stability Risks of Decentralised Finance* (issued in February and available at <https://www.fsb.org/2023/02/the-financial-stability-risks-of-decentralised-finance/>)
- *The Financial Stability Aspects of Commodities Markets* (issued in February and available at <https://www.fsb.org/2023/02/the-financial-stability-aspects-of-commodities-markets/>)
- *High-level Recommendations for the Regulation, Supervision and Oversight of Crypto-Asset Activities and Markets: Final Report* (issued in July and available at <https://www.fsb.org/2023/07/high-level-recommendations-for-the-regulation-supervision-and-oversight-of-crypto-asset-activities-and-markets-final-report/>)

¹⁶ Established by the Consolidated Appropriations Act, 2021, the Emergency Capital Investment Program (ECIP) was created to encourage low- and moderate-income community financial institutions to augment their efforts to support small businesses and consumers in their communities. Under the program, the U.S. Treasury Department provided nearly \$9 billion in capital directly to depository institutions that are certified CDFIs or MDIs.

- *The Financial Stability Implications of Leverage in Non-Bank Financial Intermediation* (issued in September and available at <https://www.fsb.org/2023/09/the-financial-stability-implications-of-leverage-in-non-bank-financial-intermediation/>)
- *Annual Progress Report on Meeting the Targets for Cross-Border Payments: 2023 Report on Key Performance Indicators* (issued in October and available at <https://www.fsb.org/2023/10/annual-progress-report-on-meeting-the-targets-for-cross-border-payments-2023-report-on-key-performance-indicators/>)
- *Final Report on Enhancing Third-Party Risk Management and Oversight – A Toolkit for Financial Institutions and Financial Authorities* (issued in December and available at <https://www.fsb.org/2023/12/final-report-on-enhancing-third-party-risk-management-and-oversight-a-toolkit-for-financial-institutions-and-financial-authorities/>)
- *Revised Policy Recommendations to Address Structural Vulnerabilities from Liquidity Mismatch in Open-Ended Funds* (issued in December and available at <https://www.fsb.org/2023/12/revised-policy-recommendations-to-address-structural-vulnerabilities-from-liquidity-mismatch-in-open-ended-funds/>)

A comprehensive list of FSB publications is available at <https://www.fsb.org/publications>.

Basel Committee on Banking Supervision

During 2023, the Federal Reserve contributed to Basel Committee on Banking Supervision (BCBS) supervisory policy recommendations, reports, papers, and consultations designed to improve the supervision of banking organizations' practices.¹⁷ In 2023, the BCBS was particularly focused on supporting the implementation of Basel III reforms, reviewing the 2023 banking turmoil, analyzing the digitalization of finance, and tracking emerging risks to the banking system.

Examples of final BCBS documents issued in 2023 include

- *Progress in Adopting the Principles for Effective Risk Data Aggregation and Risk Reporting* (issued in November and available at <https://www.bis.org/bcbs/publ/d559.htm>)
- *Newsletter on the Implementation of the Principles for the Effective Management and Supervision of Climate-Related Financial Risks* (issued in November and available at https://www.bis.org/publ/bcbs_nl33.htm)
- *Finalisation of Various Technical Amendments* (issued in November and available at <https://www.bis.org/bcbs/publ/d557.htm>)
- *Report on the 2023 Banking Turmoil* (issued in October and available at <https://www.bis.org/bcbs/publ/d555.htm>)

¹⁷ The BCBS provides a forum for regular cooperation on banking supervisory matters. Its 45 members comprise central banks and bank supervisors from 28 jurisdictions.

- *Basel III Monitoring Report* (issued in September and available at <https://www.bis.org/bcbs/publ/d554.htm>)
- *Newsletter on Credit Risk Issues* (issued in July and available at https://www.bis.org/publ/bcbs_nl32.htm)

Examples of consultative BCBS documents issued in 2023 include

- *Recalibration of Shocks for Interest Rate Risk in the Banking Book* (issued in December and available at <https://www.bis.org/bcbs/publ/d561.htm>)
- *Disclosure of Climate-Related Financial Risks* (issued in November and available at <https://www.bis.org/bcbs/publ/d560.htm>)
- *Disclosure of Cryptoasset Exposures* (issued in October and available at <https://www.bis.org/bcbs/publ/d556.htm>)
- *Core Principles for Effective Banking Supervision* (final consultation issued in July and available at <https://www.bis.org/bcbs/publ/d551.htm>)

A comprehensive list of BCBS publications is available at <https://www.bis.org/bcbs/publications.htm>.

Committee on Payments and Market Infrastructures

In 2023, the Federal Reserve continued its active participation in the activities of the Committee on Payments and Market Infrastructures (CPMI), a forum in which central banks promote the safety and efficiency of payment, clearing and settlement activities, and related arrangements.

The CPMI continued to coordinate with the FSB to advance the G-20 priority to enhance global cross-border payments. In 2023, the program moved into a phase focused on practical improvements. In this phase, the CPMI's focus was to encourage and facilitate action by both the public and private sectors as well as facilitate collaboration and engagement with a broad group of stakeholders.

In addition, in conducting its work on financial market infrastructure and market-related reforms, the CPMI often coordinated with the International Organization of Securities Commissions (IOSCO). Over the course of 2023, CPMI-IOSCO advanced work on practices for addressing non-default losses at CCPs and margining practices. In addition, CPMI-IOSCO continued to monitor implementation of the Principles for Financial Market Infrastructures.

Some examples of 2023 CPMI publications include

- *Exploring Multilateral Platforms for Cross-Border Payments* (published by CPMI, the BIS Innovation Hub, the International Monetary Fund, and the World Bank in January and available at <https://www.bis.org/cpmi/publ/d213.pdf>)

- *Operational and Technical Considerations for Extending and Aligning Payment System Operating Hours for Cross-Border Payments: An Analytical Framework* (published by CPMI in February and available at <https://www.bis.org/cpmi/publ/d214.pdf>)
- *Facilitating Increased Adoption of Payment Versus Payment (PvP)* (published by CPMI in March and available at <https://www.bis.org/cpmi/publ/d216.pdf>)
- *Margin Dynamics in Centrally Cleared Commodities Markets in 2022* (published by CPMI, IOSCO, and BCBS in May and available at <https://www.bis.org/bcbs/publ/d550.pdf>)
- *Report on Current Central Counterparty Practices to Address Non-Default Losses* (published by CPMI and IOSCO in August and available at <https://www.bis.org/cpmi/publ/d217.pdf>)
- *Harmonised ISO 20022 Data Requirements for Enhancing Cross-Border Payments* (published by CPMI in October and available at <https://www.bis.org/cpmi/publ/d218.pdf>)
- *Considerations for the Use of Stablecoin Arrangements in Cross-Border Payments* (published by CPMI in October and available at <https://www.bis.org/cpmi/publ/d220.pdf>)

Example of a consultative CPMI document issued in 2023 include

- *Linking Fast Payment Systems Across Borders: Considerations for Governance and Oversight* (published by CPMI in October and available at <https://www.bis.org/cpmi/publ/d219.pdf>)

A comprehensive list of CPMI publications is available at https://www.bis.org/cpmi_publics/.

International Association of Insurance Supervisors

The Federal Reserve continued its participation in 2023 in the development of international supervisory standards for the insurance industry. The Federal Reserve participates actively in standard-setting at the International Association of Insurance Supervisors (IAIS) in consultation and collaboration with state insurance regulators, the National Association of Insurance Commissioners, and the Federal Insurance Office. The Federal Reserve's participation focuses on those aspects most relevant to financial stability and standards that have the potential to significantly impact the U.S. insurance market.

In 2023, the IAIS made progress on several initiatives. The IAIS finalized the criteria for assessing whether the Aggregation Method provides comparable outcomes to the Insurance Capital Standard (ICS), consulted on several associated ICPs, and progressed work on incorporating climate risk guidance into certain ICPs.

Examples of IAIS documents issued in 2023 include

- *Issues Paper on Roles and Functioning of Policyholder Protection Schemes (PPSs)* (issued in December and available at <https://www.iaisweb.org/2023/12/iais-publishes-issues-paper-on-roles-and-functioning-of-policyholder-protection-schemes-pps/>)

- *Public Consultation on Insurance Capital Standard as a Prescribed Capital Requirement* (issued in June and available at <https://www.iaisweb.org/uploads/2023/06/ICS-as-a-PCR-Public-consultation-document.pdf>)
- *Explanatory Note on the Final Criteria for the Aggregation Method Comparability Assessment* (issued in March and available at <https://www.iaisweb.org/uploads/2023/03/explanatory-note-on-the-final-criteria-for-the-aggregation-method-comparability-assessment.pdf>)
- *Public Consultation on ICP 14 (Valuation) and ICP 17 (Capital Adequacy)* (issued in June and available at <https://www.iaisweb.org/uploads/2023/06/Draft-Revised-ICP-14.pdf> and <https://www.iaisweb.org/uploads/2023/06/Draft-Revised-ICP-17.pdf>)
- *Public Consultation on Climate Risk Supervisory Guidance – Part One* (issued in March and available at <https://www.iaisweb.org/uploads/2023/03/climate-risk-supervisory-guidance-part-one.pdf>)

A comprehensive list of IAIS publications is available at <https://www.iaisweb.org/publications>.

The Federal Reserve's Insurance Policy Advisory Committee (IPAC) continued to provide advice to the Board in 2023 on various matters under consideration at the IAIS among other insurance issues. The IPAC was established by the Economic Growth, Regulatory Relief, and Consumer Protection Act to provide information, advice, and recommendations on international insurance capital standards and other insurance issues.¹⁸ In 2023, the IPAC commented on the IAIS's consultation on the ICS from a U.S. life insurance industry perspective. The IPAC also explored potential liquidity concerns for life insurers due to rising rates. The Working Group concluded that life insurers have strong liquidity positions and that the rising rates were unlikely to cause issues within the industry. Additionally, the IPAC established a Climate Working Group to advise the Board on the climate insurance issues in the United States.

Shared National Credit Program

The Shared National Credit (SNC) program is an interagency review and assessment of risk in the largest and most complex credits shared by multiple regulated financial institutions. The SNC program is governed by an interagency agreement among the Board, FDIC, and OCC. SNC reviews are completed in the first and third quarters of the calendar year. Large agent banks receive two reviews each year, while most other agent banks receive a single review each year.

More information on the 2023 Shared National Credit review is available at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230224a.htm>.

¹⁸ More information on the IPAC can be found at <https://www.federalreserve.gov/aboutthefed/ipac.htm>.

Bank Secrecy Act and Anti-Money-Laundering Compliance

The Federal Reserve is responsible for examining institutions for compliance with the Bank Secrecy Act (BSA) and applicable anti-money-laundering (AML) laws and regulations and conducts such examinations in accordance with the FFIEC's *Bank Secrecy Act/Anti-Money-Laundering Examination Manual*.

During 2023, the Federal Reserve continued to participate in an ongoing interagency effort to update this manual. Many of the revisions are designed to emphasize and enhance the risk-focused approach to BSA/AML supervision and to continue to provide transparency into the BSA/AML and Office of Foreign Assets Control examination process.

The Anti-Money-Laundering Act of 2020 (AML Act) amended the Bank Secrecy Act, resulting in the most significant revision of the United States' framework for anti-money-laundering and countering the financing of terrorism (AML/CFT) since 2001. The purpose of the act is to improve coordination and information sharing; modernize AML/CFT laws; encourage technological innovations and the adoption of new technology; reinforce the risk-based approach to compliance; and establish uniform beneficial ownership information reporting requirements with a secure, nonpublic database for beneficial ownership information. The Federal Reserve continues to work with the U.S. Treasury, federal banking, and other agencies to implement the relevant sections of the AML Act.

The Federal Reserve continued to participate in the U.S. Treasury-led BSA Advisory Group, which includes representatives of regulatory agencies, law enforcement, and the financial services industry.

International Coordination on Sanctions, Anti-Money-Laundering, and Counter-Terrorism Financing

The Federal Reserve participated in a number of international coordination initiatives related to sanctions, money laundering, and terrorism financing. The Federal Reserve continued to monitor and share information with relevant groups regarding the changing sanctions landscape and, in particular, the ongoing global sanctions resulting from Russia's invasion of Ukraine.

Additionally, the Federal Reserve has a long-standing role in the U.S. delegation to the intergovernmental Financial Action Task Force and its working groups, contributing a banking supervisory perspective to the formulation of international standards. The Federal Reserve also continued to participate in the work of the FSB that resulted in the publication of the October 2023 publication of the G-20 Roadmap for Enhancing Cross-border Payments Consolidated progress report for 2023.¹⁹

¹⁹ See <https://www.fsb.org/2023/10/g20-roadmap-for-enhancing-cross-border-payments-consolidated-progress-report-for-2023/>.

The Federal Reserve also continued to participate in committees and subcommittees through the Bank for International Settlements. Specifically, the Federal Reserve actively participated in the AML Experts Group under the BCBS that focuses on AML and CFT issues. The Federal Reserve participated in meetings and roundtables during the year to discuss AML/CFT issues with delegations from countries and regions, such as the European Union, Japan, Singapore, the United Kingdom, and Uzbekistan. Additionally, the Federal Reserve provided technical training regarding AML/CFT risks and examinations via seminars hosted by banking supervisors in the Caribbean and West African regions. These dialogues are designed to promote information sharing and understanding of AML/CFT issues between U.S. and country-specific financial sectors.

Regulatory Reports

The Federal Reserve, along with the other member FFIEC agencies, requires banking organizations to periodically submit reports that provide information about their financial condition and structure.

Federal Reserve Regulatory Reports

The Federal Reserve requires that U.S. holding companies periodically submit reports that provide information about their financial condition and structure.²⁰ This information is essential to formulating and conducting financial institution regulation and supervision. It is also used to respond to information requests by Congress and the public about holding companies and their nonbank subsidiaries. Foreign banking organizations and other entities are also required to submit reports periodically to the Federal Reserve. For more information on the various reporting forms, see <https://www.federalreserve.gov/apps/reportforms/>.

Effective during 2023, the following regulatory reporting forms had substantive revisions:

- **Capital and Asset Report for Foreign Banking Organizations (FR Y-7Q)**—The Board revised the FR Y-7Q report to (1) collect the total combined U.S. assets net of intercompany balances and transactions, based on a quarterly average, (2) require the three items that capture U.S. assets to be filed by all respondents on a calendar quarter-end or year-end basis, (3) as of December 31, 2023, change the due date for all FR Y-7Q filers that also file the Systemic Risk Report (FR Y-15; Office of Management and Budgets (OMB) No. 71000352) from 90 days to 70 days after the report date and as of December 31, 2024, change the due date for the remaining FR Y-7Q filers who are not eligible to file the FR Y-15, from 90 days to 70 days after the report date, and (4) make other minor clarifications and conforming edits to the form and instructions. The revisions were effective as of the December 31, 2023, report date for FR Y-7Q

²⁰ Holding companies are defined as BHCs, intermediate holding companies (IHCs), SLHCs, and securities holding companies.

respondents that are also required to file the FR Y-15 report. For all other FR Y-7Q respondents, the revisions will be effective as of the December 31, 2024, report date.²¹

- **Consolidated Financial Statements for Holding Companies (FR Y-9C)**—Section 604 of the Financial Services Regulatory Relief Act of 2006 requires the Board, OCC, and FDIC (the banking agencies) to perform every five years, a review of information collected in the FFIEC Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051) (statutorily mandated review) to reduce or eliminate information or schedules that the banking agencies determine are no longer necessary. The banking agencies completed the statutorily mandated review in 2023 and eliminated or consolidated certain line items from the Call Reports.²² To reduce burden, the Board made conforming revisions to the FR Y-9C.²³ The revisions were effective as of the September 30, 2023, report date.
- **Capital Assessments and Stress Testing (FR Y-14)**—The Board revised the FR Y-14Q in connection with a proposal finalized in 2022.²⁴ These revisions serve to better identify risks not currently captured in the supervisory stress test, facilitate data reconciliation, and mitigate ambiguity within the instructions. The revisions were effective as of the June 30, 2023, report date.
- **Consolidated Holding Company Report of Equity Investments in Nonfinancial Companies and Annual Report of Merchant Banking Investments Held for an Extended Period (FR Y-12 and FR Y-12A)**—The Board revised the FR Y-12 and FR Y-12A to (1) specify when respondents should submit their reports if the submission deadline falls on a weekend or holiday, (2) add a recordkeeping requirement that respondents must maintain a record of the data submitted for three years and maintain either a physical or an electronic scanned copy of the manually signed and attested submission, (3) clarify what is included in the amount of the aggregate nonfinancial equity investment, and (4) align the submission deadline of the FR Y-12A with that of the FR Y-12. The revisions were effective as of the December 31, 2023, report date.²⁵
- **Single-Counterparty Credit Limits (FR 2590)**—The Board revised the FR 2590 to (1) add a table for calculating derivative transaction exposures using the standardized approach for counterparty credit risk (SA-CCR) that captures collateral received, (2) clarify a respondent that is an FBO subject to a large exposure standard on a consolidated basis established by its home-country supervisor is not required to provide additional documentation as part of its submission, (3) clarify that respondents should use the tier 1 capital and total consolidated assets

²¹ 88 Fed. Reg. 85,886 (December 11, 2023), <https://www.govinfo.gov/content/pkg/FR-2023-12-11/pdf/2023-27055.pdf>.

²² 88 Fed. Reg. 38,592 (June 13, 2023), <https://www.govinfo.gov/content/pkg/FR-2023-06-13/pdf/2023-12553.pdf>.

²³ 88 Fed. Reg. 56,624 (August 18, 2023), <https://www.govinfo.gov/content/pkg/FR-2023-08-18/pdf/2023-17827.pdf>.

²⁴ 87 Fed. Reg. 52,560 (August 26, 2022), <https://www.govinfo.gov/content/pkg/FR-2022-08-26/pdf/2022-18396.pdf>.

²⁵ 88 Fed. Reg. 84,327 (December 5, 2023), <https://www.govinfo.gov/content/pkg/FR-2023-12-05/pdf/2023-26583.pdf>.

data that is concurrent with its FR 2590 submission, and (4) make other minor clarifications and conforming edits.²⁶ The revisions were finalized December 28, 2023, and will be effective as of the June 30, 2024, report date.

FFIEC Regulatory Reports

The Federal Reserve, along with the other FFIEC member agencies, requires financial institutions to submit various uniform regulatory reports.²⁷ This information is essential to formulating and conducting supervision and regulation and for the ongoing assessment of the overall soundness of the nation's financial system. For more information on FFIEC reporting forms, see https://www.ffiec.gov/ffiec_report_forms.htm.

During 2023, the FFIEC member agencies completed a statutorily mandated review of the FFIEC Call Reports and revised other reports to improve the monitoring of certain hedging activity and country exposures.

- **Consolidated Reports of Condition and Income (FFIEC 031, 041, 051)**—As noted above, every five years, section 604 of the Financial Services Regulatory Relief Act of 2006 requires the banking agencies to conduct a review of the information and schedules that are required to be filed by an insured depository institution on the Call Reports. Under the auspices of the FFIEC, the banking agencies completed the statutorily mandated review in 2022 and, following a request for public comment and approval by the OMB, the FFIEC member agencies eliminated or consolidated certain data items on the Call Reports effective as of the September 30, 2023, report date.²⁸
- **Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002)**—The FFIEC member agencies revised the FFIEC 002 to be consistent with changes made to the Call Reports resulting from the 2022 statutorily mandated review.²⁹ These changes were effective as of the September 30, 2023, report date.

Staff Development Programs

The Federal Reserve's staff development program supports the ongoing development of nearly 4,200 professional supervisory staff, ensuring that they have the requisite skills necessary to meet their evolving supervisory responsibilities. The Federal Reserve also provides course offerings to staff at state banking agencies. Training activities in 2023 are summarized in [table 4.4](#).

²⁶ 88 Fed. Reg. 89,691 (December 28, 2023), <https://www.govinfo.gov/content/pkg/FR-2023-12-28/pdf/2023-28683.pdf>.

²⁷ The law establishing the FFIEC and defining its functions requires the FFIEC to develop uniform reporting systems for federally supervised financial institutions. See 12 U.S.C. § 3305.

²⁸ 88 Fed. Reg. 38,592 (June 13, 2023), <https://www.govinfo.gov/content/pkg/FR-2023-06-13/pdf/2023-12553.pdf>.

²⁹ 88 Fed. Reg. 38,592 (June 13, 2023), <https://www.govinfo.gov/content/pkg/FR-2023-06-13/pdf/2023-12553.pdf>.

Table 4.4. Training for supervision and regulation, 2023

Course sponsor or type	Number of enrollments		Instructional time (approximate training days) ²	Number of course offerings
	Federal Reserve personnel	State and federal banking agency personnel ¹		
Federal Reserve System	732	1	6	2
FFIEC (virtual) ³	560	15543	492	128
FFIEC (in-person)	229	144	420	84
Rapid Response ⁴	23,635	1,068	4	43

¹ State personnel reflects total state attendees, sponsored by each federal agency.
² Training days are approximate. System courses were calculated using five days as an average, with FFIEC courses calculated using four days as an average.
³ Virtual training is offered through three alternative delivery methods: (1) virtual, instructor-led classes; (2) the FFIEC Examiner Exchange Program; and (3) self-study programs.
⁴ Rapid Response is a virtual program created by the Federal Reserve System as a means of providing information on emerging topics to Federal Reserve and state bank examiners.

Examiner Commissioning Program

An overview of the Federal Reserve System’s Examiner Commissioning Program for assistant examiners is set forth in SR letter 17-6/CA letter 17-1, “Overview of the Federal Reserve’s Supervisory Education Programs.” Three examiner commissioning tracks are available: (1) community banking organization, (2) consumer compliance, and (3) large financial institutions (LFI). On average, individuals move through a combination of in-person training, self-paced learning, virtual instruction, and on-the-job training over a period of about three to four years. Achievement is measured by completing the required course content, demonstrating on-the-job knowledge, and passing a professionally validated proficiency examination.

In 2023, 74 examiners passed the proficiency examination (35 in CBO, 6 in consumer compliance, and 33 in LFI).

Continuing Professional Development

The Federal Reserve provides supervisory staff (and, in many cases, state examiners through existing partnerships with the Conference of State Banking Supervisors and FFIEC) with opportunities to maintain job knowledge after commissioning, learn about emerging concepts and practices, and expand knowledge into highly specialized supervisory topics. A number of learning and communication solutions are developed or curated, including Rapid Response webinars, podcasts, self-guided learning plans on specialty topics, and other content produced for just-in-time communication to supervisory staff about emerging issues and regulatory policy.

Regulatory Developments

The Federal Reserve carries out its regulatory responsibilities by developing regulatory policy (rule-makings, supervision and regulation letters, policy statements, and guidance) and reviewing and acting on a variety of applications filed by banking organizations.

Rulemakings and Guidance

The Federal Reserve issues new regulations or revises existing regulations in response to laws enacted by Congress or because of evolving conditions in the financial marketplace. Over 2023, the Federal Reserve, working with the other federal banking agencies, announced a variety of policy actions to promote the safety and soundness, transparency, and efficiency of the financial system. The Federal Reserve issued the following rules and statements in 2023 (see [table 4.5](#)).

Date issued	Rulemaking/statement/guidance
1/3/2023	Agencies issue joint statement on crypto-asset risks to banking organizations. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230103a.htm
1/27/2023	Federal Reserve Board issues policy statement to promote a level playing field for all banks with a federal supervisor, regardless of deposit insurance status. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230127a.htm
2/9/2023	Federal Reserve Board releases hypothetical scenarios for its 2023 bank stress tests. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230209a.htm
2/23/2023	Agencies issue joint statement on liquidity risks resulting from crypto-asset market vulnerabilities. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230223a.htm
3/13/2023	Federal Reserve Board announces that Vice Chair for Supervision Michael S. Barr is leading a review of the supervision and regulation of Silicon Valley Bank, in light of its failure. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230313a.htm
4/25/2023	Federal Reserve Board announces that the review of the supervision and regulation of Silicon Valley Bank, led by Vice Chair for Supervision Barr, will be released on Friday, April 28, at 11:00 a.m. EDT. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230425a.htm
4/26/2023	SR-23-2/CA-23-3, "Joint statement on completing the LIBOR transition." Release: https://www.federalreserve.gov/supervisionreg/srletters/SR2302.htm
4/28/2023	Federal Reserve Board announces the results from the review of the supervision and regulation of Silicon Valley Bank, led by Vice Chair for Supervision Barr. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230428a.htm
5/8/2023	SR-23-3/CA-23-4, "One Agile Supervision Solution external portal to be utilized for information exchange during supervisory events." Release: https://www.federalreserve.gov/supervisionreg/srletters/SR2303.htm
5/19/2023	Agencies issue host state loan-to-deposit ratios. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230519a.htm
6/1/2023	Agencies request comment on quality control standards for automated valuation models proposed rule. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230601a.htm
6/6/2023	Agencies issue final guidance on third-party risk management. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230606a.htm
6/7/2023	SR-23-4, "Interagency Guidance on Third-Party Relationships: Risk Management." Release: https://www.federalreserve.gov/supervisionreg/srletters/SR2304.htm
6/8/2023	Agencies propose interagency guidance on reconsiderations of value for residential real estate valuations. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230608a.htm

(continued)

Table 4.5—continued	
Date issued	Rulemaking/statement/guidance
6/14/2023	Federal Reserve Board announces that results from its annual bank stress tests will be released on Wednesday, June 28, at 4:30 p.m. EDT. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230614a.htm
6/23/2023	Agencies release list of distressed or underserved nonmetropolitan middle-income geographies. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230623a.htm
6/28/2023	Federal Reserve Board releases results of annual bank stress test, which demonstrates that large banks are well positioned to weather a severe recession and continue to lend to households and businesses even during a severe recession. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230628a.htm
6/29/2023	Agencies finalize policy statement on commercial real estate loan accommodations and workouts. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230629a.htm
6/30/2023	SR-23-5, “Prudent Commercial Real Estate Loan Accommodations and Workouts.” Release: https://www.federalreserve.gov/supervisionreg/srletters/SR2305.htm
7/27/2023	Agencies request comment on proposed rules to strengthen capital requirements for large banks. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230727a.htm
7/27/2023	Federal Reserve Board announces the individual capital requirements for all large banks, effective on October 1. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230727b.htm
7/28/2023	Agencies update guidance on liquidity risks and contingency planning. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230728a.htm
8/2/2023	SR-23-6, “Release of Six Sections of the Federal Financial Institutions Examination Council’s Bank Secrecy Act/Anti-Money Laundering Examination Manual.” Release: https://www.federalreserve.gov/supervisionreg/srletters/SR2306.htm
8/8/2023	Federal Reserve Board provides additional information on its program to supervise novel activities in the banks it oversees. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230808a.htm
8/8/2023	SR-23-7, “Creation of Novel Activities Supervision Program.” Release: https://www.federalreserve.gov/supervisionreg/srletters/SR2307.htm
8/8/2023	SR-23-8/CA-23-5, “Supervisory Nonobjection Process for State Member Banks Seeking to Engage in Certain Activities Involving Dollar Tokens.” Release: https://www.federalreserve.gov/supervisionreg/srletters/SR2308.htm
8/29/2023	Agencies request comment on proposed rule to require large banks to maintain long-term debt to improve financial stability and resolution. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230829a.htm
8/29/2023	Agencies propose guidance to enhance resolution planning at large banks. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230829b.htm
9/20/2023	Agencies extend favorable Community Reinvestment Act consideration of revitalization activities in certain disaster areas affected by Hurricane Maria. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230920a.htm
10/6/2023	Federal Reserve Board finalizes a rule establishing capital requirements for insurers supervised by the Board. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231006a.htm
10/20/2023	Agencies extend comment period on proposed rules to strengthen large bank capital requirements. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231020a.htm
10/20/2023	Federal Reserve Board launches data collection to gather more information from the banks affected by the large bank capital proposal it announced earlier this year. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231020b.htm
10/24/2023	Agencies issue final rule to strengthen and modernize Community Reinvestment Act regulations. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231024a.htm
10/24/2023	Agencies issue principles for climate-related financial risk management for large financial institutions. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231024b.htm
10/24/2023	SR-23-9, “Principles for Climate-Related Financial Risk Management for Large Financial Institutions.” Release: https://www.federalreserve.gov/supervisionreg/srletters/SR2309.htm
10/25/2023	Federal Reserve Board requests comment on a proposal to lower the maximum interchange fee that a large debit card issuer can receive for a debit card transaction. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231025a.htm

(continued)

Table 4.5—continued

Date issued	Rulemaking/statement/guidance
11/13/2023	Agencies announce dollar thresholds for smaller loan exemption from appraisal requirements for higher-priced mortgage loans. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231113a.htm
11/13/2023	Agencies announce dollar thresholds for applicability of truth in lending and consumer leasing rules for consumer credit and lease transactions. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231113b.htm
11/17/2023	Federal Reserve Board announces pricing, effective January 2, 2024, for payment services the Federal Reserve Banks provide to banks and credit unions, such as the clearing of checks, ACH transactions, and wholesale payment settlement services. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231117a.htm
11/22/2023	Agencies extend comment period on proposed rule to require large banks to maintain long-term debt. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231122a.htm
11/27/2023	Federal Reserve Board announces annual indexing of reserve requirement exemption amount and low reserve tranche for 2024. Press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231127a.htm
12/15/2023	SR-23-10, “Status of Certain Investment Funds and their Portfolio Investments for Purposes of Regulation O and Reporting Requirements under Part 363 of FDIC Regulations.” Release: https://www.federalreserve.gov/supervisionreg/srletters/SR2310.htm
12/20/2023	Agencies release annual asset-size thresholds under Community Reinvestment Act regulations. Joint press release: https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231220a.htm
12/21/2023	SR-23-11, “Interagency Statement for Banks on the Issuance of the Beneficial Ownership Information Access Rule.” Release: https://federalreserve.gov/supervisionreg/srletters/SR2311.htm

Banking Applications

The Federal Reserve reviews applications submitted by BHCs, state member banks, SLHCs, foreign banking organizations, and other entities for approval to undertake various transactions and to engage in new activities. In 2023, the Federal Reserve acted on 752 applications filed under the six relevant statutes.

The Federal Reserve publishes the *Semiannual Report on Banking Applications Activity*, which provides aggregate information on proposals filed by banking organizations and reviewed by the Federal Reserve. The current report as well as historical reports are available at <https://www.federalreserve.gov/publications/semiannual-report-on-banking-applications-activity.htm>.

Public Notice of Federal Reserve Decisions and Filings Received

The Board’s website provides information on orders and announcements (<https://www.federalreserve.gov/newsevents/pressreleases.htm>) as well as a guide for U.S. and foreign banking organizations that wish to submit applications (<https://www.federalreserve.gov/bankinfo/afi/afi.htm>).

5 | Payment System and Reserve Bank Oversight

The Federal Reserve performs key functions to maintain the integrity of the U.S. payment and settlement system. These functions help keep cash, check, and electronic transactions moving reliably through the U.S. economy on behalf of households and businesses and the U.S. Treasury.

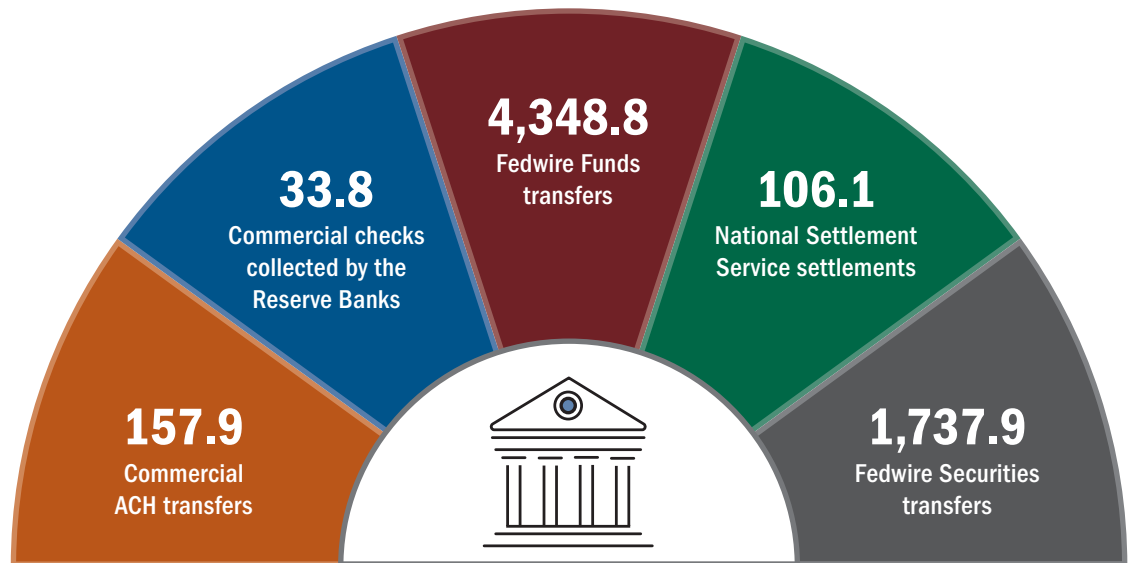
This section discusses the key payment system and Reserve Bank oversight activities undertaken by the Federal Reserve during 2023:

- providing [payment services to depository and certain other institutions](#), including the new FedNow® Service to support instant payments (see [figure 5.1](#))
- distributing the [nation's currency and coin to depository institutions](#)
- serving as [fiscal agents and depositories for the U.S. government and other entities](#)
- serving as a catalyst for [payment system improvements](#)
- conducting [Reserve Bank oversight](#) to ensure effective internal controls, operations, and management

Figure 5.1. Average daily value of Federal Reserve payment services to depository and other institutions

Billions of dollars

The Federal Reserve provides “priced services” to depository and other institutions (see “[Payments Services to Depository and Other Institutions](#)”). These payment and related services are operated as separate business lines and costs are tracked accordingly (see [box 5.1](#)).



Payment Services to Depository and Other Institutions

Reserve Banks provide a range of payment and related services to depository and certain other institutions; these “priced services” include collecting checks, operating an automated clearing-house (ACH) service, transferring funds and securities, providing a multilateral settlement service, and operating a round-the-clock payment and settlement service to support instant payments in the United States (see [box 5.1](#)).¹

In response to the changing financial services landscape and the launch of the FedNow® Service in July 2023, the Reserve Banks commenced a restructuring of payment services under one enterprise in 2021, led by a chief payments executive. Federal Reserve Financial Services is now an integrated organization within the Federal Reserve that is responsible for managing critical payment and securities services that foster the accessibility, integrity, and efficiency of the U.S. economy. This new governance and operating model will continue to enhance the agility and resiliency of Reserve Bank payment services and provide streamlined support for depository institution customers across all financial service offerings.

Commercial Check-Collection Service

The commercial check-collection service provides a suite of electronic and paper processing options for forward and return collections.

In 2023, the Reserve Banks recovered 102.9 percent of the total costs of their commercial check-collection service, including the related private-sector adjustment factor (PSAF). The Reserve Banks’ operating expenses and imputed costs totaled \$107.6 million. Revenue from operations totaled \$111.5 million, resulting in a net income of \$4.4 million. Reserve Banks handled 3.1 billion checks in 2023, a decrease of 6.7 percent from 2022 (see [table 5.1](#)). The average daily value of checks collected by the Reserve Banks in 2023 was approximately \$33.8 billion, a decrease of 5.6 percent from the previous year. The Reserve Banks expect volumes to continue to decline because of substitution away from checks to other payment instruments although uncertainty remains as to the rate of decline.

Commercial Automated Clearinghouse Service

The commercial ACH service provides domestic and cross-border batched payment options for same-day and next-day settlement, enabling depository institutions and their customers to process large volumes of payments through electronic batch processes.

¹ *Depository institutions* are defined as commercial banks, thrifts, and credit unions. Besides playing an important role in the broader economy by providing transaction accounts, such as checking accounts, to consumers, households, and businesses, these institutions play an important role in the Federal Reserve System’s payment and settlement system function.

Box 5.1. Priced Services and Cost Recovery

The Federal Reserve must (under the Monetary Control Act of 1980) establish fees for “priced services” to recover, over the long run, all the direct and indirect costs associated with its payment and settlement system services. Costs include those actually incurred as well as the imputed costs that would have been incurred—including financing costs, taxes, and certain other expenses—and the return on equity (profit) that would have been earned if a private business firm had provided the services.¹ The imputed costs and imputed profit are collectively referred to as the private-sector adjustment factor (PSAF).

From 2014 through 2023, the Reserve Banks recovered 102.6 percent of the total priced services costs, including the PSAF (see table A). In 2023, Reserve Banks recovered 106.7 percent of the total priced services costs, including the PSAF (see table A). The Reserve Banks’ operating expenses and imputed costs totaled \$467.1 million. Revenue from operations totaled \$507.3 million, resulting in a net income from priced services of \$40.1 million. In 2023, all services achieved full cost recovery. The FedNow® Service revenue and expenses were excluded from the overall performance projections, as new services may not initially have stable volumes, costs, and revenues.²

Table A. Priced services cost recovery, 2014–23

Millions of dollars, except as noted

Year	Revenue from services ¹	Operating expenses and imputed costs ²	Targeted return on equity	Total costs	Cost recovery (percent) ³
2014	433.1	418.7	5.5	424.1	102.1
2015	429.1	397.8	5.6	403.4	106.4
2016	434.1	410.5	4.1	414.7	104.7
2017	441.6	419.4	4.6	424.0	104.1
2018	442.5	428.1	5.2	433.3	102.1
2019	444.0	441.2	5.4	446.5	99.4
2020	446.9	434.0	5.9	439.9	101.6
2021	456.0	452.8	4.4	457.2	99.7
2022	466.8 ^r	462.8	7.2	470.0	99.3
2023	507.3	467.1	8.4	475.5	106.7
2014–23	4,501.7	4,332.4	56.3	4,388.7	102.6

Note: Here and elsewhere in this section, components may not sum to totals or yield percentages shown because of rounding. Excludes amounts related to development of the FedNow Service.

¹ For the 10-year period, includes revenue from services of \$4,498.2 million and other income and expense (net) of \$3.5 million.

² For the 10-year period, includes operating expenses of \$4,254.1 million, imputed costs of \$27.6 million, and imputed income taxes of \$50.8 million.

³ Revenue from services divided by total costs. For the 10-year period, cost recovery is 100.7 percent, including the effect of accumulated other comprehensive income (AOCI) reported by the priced services under ASC 715, Compensation—Retirement Benefits.

^r Revised.

¹ According to the Accounting Standards Codification (ASC) Topic 715 (ASC 715), Compensation—Retirement Benefits, the Reserve Banks recognized a \$548.6 million reduction in equity related to the priced services’ benefit plans through 2023. For details on how implementing ASC 715 affected the pro forma financial statements, refer to note 3 to the pro forma financial statements at the end of this section.

² The Board communicated in its 2019 Notice Federal Reserve Actions to Support Interbank Settlement of Instant Payments that it expects the FedNow Service to achieve its first instance of long-run cost recovery outside the 10-year time frame typically applied to mature services. See Federal Reserve Actions to Support Interbank Settlement of Instant Payments, 84 Fed. Reg. 39,297 (August 9, 2019), available at <https://www.govinfo.gov/content/pkg/FR-2019-08-09/pdf/2019-17027.pdf>.

Table 5.1. Activity in Federal Reserve priced services, 2021–23

Thousands of items, except as noted

Service	2023	2022	2021	Percent change	
				2022-23	2021-22
Commercial check	3,146,474	3,373,580	3,657,312	-6.7	-8
Commercial ACH	18,858,315	18,517,858	17,895,155	1.8	3
Fedwire funds transfer	193,317	196,052	204,491	-1	-4
National settlement	582	586	586	-1	0
Fedwire securities	25,373	3,410	4,200	644	-19

Note: Activity in commercial check is the total number of commercial checks collected, including processed and fine-sort items; in commercial ACH, the total number of commercial items processed; in Fedwire funds transfer and securities transfer, the number of transactions originated online and offline; and in national settlement, the number of settlement entries processed. Before 2023, the priced component of the Fedwire Securities Service consisted of revenues, expenses, and volumes associated with the transfer of all non-Treasury securities. Starting in 2023, the revenues, expenses, and volumes associated with the transfer of Treasury securities are also included in the priced component of this service.

In 2023, the Reserve Banks recovered 108.8 percent of the total costs of their commercial ACH services, including the related PSAF. The Reserve Banks' operating expenses and imputed costs totaled \$167.3 million. Revenue from operations totaled \$183.3 million, resulting in a net income of \$17.1 million. The Reserve Banks processed 18.9 billion commercial ACH transactions in 2023, an increase of nearly 1.8 percent from 2022 (see [table 5.1](#)). The average daily value of FedACH transfers in 2023 was approximately \$157.9 billion, an increase of 2.0 percent from the previous year.

FedNow Service

The FedNow® Service, which launched in July 2023, is a new interbank service for instant payments, or payments that can be made at any hour of the day, every day of the year, with immediate funds availability for receivers. Depository institutions that elect to join the service can offer new payment capabilities to their consumer and business customers, for a wide variety of needs. Instant payments provide tangible benefits for consumers and businesses, such as in cases where rapid access to funds is critical or where just-in-time payments help manage cash flows in bank accounts.

Within the first six months of its operation, by the end of 2023, over 300 diverse depository institutions across the country—including large banks, community banks, and credit unions—joined the service. As expected, volume on the service in 2023 was modest as the first participants adjusted to the new service. The number of participants and volume of transactions is expected to grow steadily, and it will likely take several years before most consumers and businesses across America have access to instant payment services. In the long run, instant payments will be a routine part of everyday commerce.

The Federal Reserve invested \$545 million to implement the FedNow Service. The number reflects all costs of implementation, including a new cloud-based design to support secure and resilient 24x7x365 processing, integration with existing Federal Reserve account management systems to enable ease of use for participants, and industry education and outreach to prepare stakeholders who decide to adopt instant payments. In time, the Federal Reserve will regularly publish transaction volume information.

Fedwire Funds and National Settlement Services

In 2023, the Reserve Banks recovered 103.1 percent of their costs of the Fedwire Funds and National Settlement Services, including the related PSAF. The Reserve Banks' operating expenses and imputed costs totaled \$154.5 million. Revenue from operations totaled \$161.5 million, resulting in a net income of \$9.1 million.

Fedwire Funds Service

The Fedwire Funds Service allows depository institutions and their customers to send or receive domestic time-critical, and often high-value, payments using their balances at Reserve Banks to transfer funds interbank in real time.

From 2022 to 2023, the number of Fedwire funds transfers originated by depository institutions decreased 1.4 percent, to approximately 193 million (see [table 5.1](#)). The average daily value of Fedwire funds transfers in 2023 was \$4.3 trillion, an increase of 2.5 percent from the previous year.

National Settlement Service

The National Settlement Service (NSS) is a multilateral settlement system that allows participants in private-sector clearing arrangements to settle transactions using their balances at Reserve Banks.

In 2023, the service processed settlement files for 13 local and national private-sector arrangements. The Reserve Banks processed 8,569 files that contained about 582,000 settlement entries (see [table 5.1](#)). Settlement file activity in 2023 decreased 2.2 percent from 2022, while settlement entry activity decreased 0.8 percent from 2022. The total value of settlement processed by NSS increased 0.4 percent, to \$26.5 trillion.

Fedwire Securities Service

The Fedwire Securities Service is a central securities depository and real-time securities settlement system that allows its participants to transfer electronically to other service participants certain securities issued by the U.S. Department of the Treasury, federal government agencies, government-sponsored enterprises, and certain international organizations. It also provides for the

issuance, safekeeping, and maintenance of those securities. The Reserve Banks provide transfer services for securities issued by the U.S. Treasury, federal government agencies, government-sponsored enterprises, and certain international institutions. Before 2023, the priced component of this service consisted of revenues, expenses, and volumes associated with the transfer of all non-Treasury securities. Starting in 2023, the revenues, expenses, and volumes associated with the transfer of Treasury securities are also included in the priced component of this service.

In 2023, the Reserve Banks recovered 122.3 percent of the costs of their Fedwire Securities Service, including the related PSAF. The Reserve Banks' operating expenses and imputed costs totaled \$39.8 million. Revenue from operations totaled \$49.0 million, resulting in a net income of \$9.4 million. In 2023, the number of securities transfers processed via the service increased approximately 644.2 percent from 2022, to approximately 25.4 million (see [table 5.1](#)).² The average daily value of all Fedwire Securities transfers in 2023 was more than \$1.73 trillion, an increase of approximately 27.1 percent from the previous year.

The Reserve Banks, as fiscal agents for Fedwire Securities issuers, facilitate the principal and interest payments to the Fedwire Securities Service participants holding securities. In 2023, the total cash value of principal and interest payments was \$30.2 trillion (an increase of 18.6 percent from 2022).

The Fedwire Securities Service is the central securities depository for securities issued over the Fedwire Securities Service. At the end of 2023, there was approximately \$110 trillion (par value) of Fedwire securities held in securities accounts maintained by the Reserve Banks as part of the service, a 3.5 percent increase from 2022. At the end of 2023, there were 1.51 million unique securities outstanding on the service, an increase of 3.8 percent from 2022.

FedLine Solutions: Access to Reserve Bank Services

The Reserve Banks' FedLine Solutions provide depository institutions with a variety of connections for accessing the Reserve Banks' payment and information services.

For priced services, the Reserve Banks charge fees for these connections and allocate the associated costs and revenue to the various services. There are currently six FedLine Solutions through which customers can access the Reserve Banks' priced services. These FedLine Solutions are designed to meet the individual connectivity, security, and contingency requirements of depository institution customers. In 2023, the Reserve Banks migrated customers toward more-contemporary

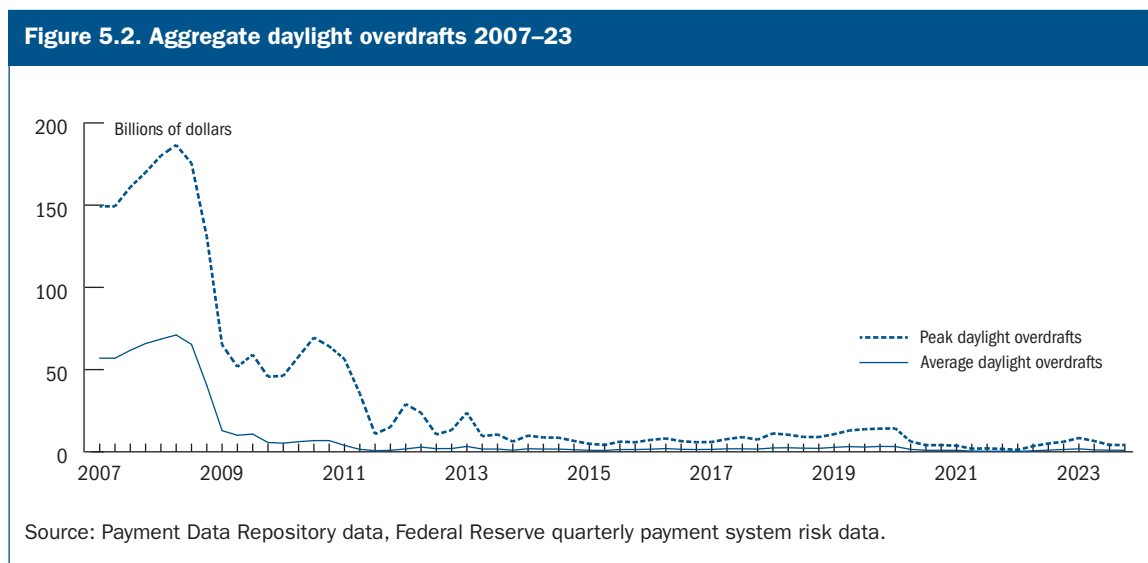
² The large percentage increase as compared to 2022 is primarily due to the transfer of Treasury securities being included in the priced component of this service for 2023 as described above. The inclusion creates some distortion when comparing Fedwire Securities Service priced services activity before and after January 1, 2023, the date when Treasury securities started being included in the priced component of the Fedwire Securities Service.

solutions through legacy product price increases and discontinuation of certain legacy products such as FedMail Fax.

Federal Reserve Intraday Credit

The Federal Reserve Board governs the use of Federal Reserve Bank intraday credit, also known as daylight overdrafts.³ A daylight overdraft occurs when an institution's account activity creates a negative balance in the institution's Federal Reserve account at any time in the operating day. Daylight overdrafts enable an institution to send payments more freely throughout the day than if it were limited strictly by its available intraday funds balance, increasing efficiency and reducing payment system risk.

Given the high level of overnight balances institutions hold at the Federal Reserve Banks, daylight overdrafts have remained relatively low, as shown in [figure 5.2](#).⁴



Fees collected for daylight overdrafts are also at low levels. Fees as well as the use of intraday credit are expected to remain relatively low given the high levels of overnight balances under the ample reserves regime. Additionally, a 2011 policy revision that eliminated fees for collateralized daylight overdrafts has further contributed to the decrease in fees.

³ See the Payment System Risk policy: https://www.federalreserve.gov/paymentsystems/psr_about.htm. The Payment System Risk policy recognizes explicitly the role of the central bank in providing intraday balances and credit to healthy institutions; under the policy, the Reserve Banks provide collateralized intraday credit at no cost.

⁴ Increases in the overnight balances institutions held at the Reserve Banks have decreased the demand for intraday credit. Use of intraday credit is expected to remain low given the FOMC's decision to continue to implement monetary policy within a regime of ample reserves.

Currency and Coin

The Federal Reserve Board issues the nation's currency (in the form of Federal Reserve notes) to 28 Federal Reserve Bank offices. The Reserve Banks, in turn, distribute Federal Reserve notes to depository institutions in response to public demand and the needs of commerce. Together, the Board and Reserve Banks work to maintain the integrity of and confidence in Federal Reserve notes.

In 2023, Board staff continued to work with the Reserve Banks and Bureau of Engraving and Printing on several strategic initiatives to modernize the U.S. Currency Program over the next decade. These updates are crucial to ensuring the ongoing security and availability of U.S. currency to meet public demand (see [box 5.2](#)).

The Reserve Banks distributed 30.9 billion Federal Reserve notes into circulation in 2023, a 1.0 percent decrease from 2022, and received 30.3 billion Federal Reserve notes from circulation, a 0.1 percent decrease from 2022. The decrease in payments and receipts resulted in a decrease in net payments of 0.3 billion notes, or a 35.0 percent decrease from 2022. This decrease was primarily attributable to lower net payments of \$100 notes, resulting in the lowest level of net payments since 2009. However, net payments were still positive, contributing to the continued growth of currency in circulation. The value of Federal Reserve notes issued and outstanding at year-end 2023 totaled \$2.3 trillion, a 1.7 percent increase from 2022. The year-over-year increase is primarily attributable to demand for \$100 notes.

The Reserve Banks also distribute coin to depository institutions on behalf of the U.S. Mint.⁵ In 2023, Reserve Banks distributed 44.4 billion coins into circulation, a 3.1 percent increase from 2022, and received 37.0 billion coins from circulation, a 16.0 percent increase from 2022.

Banknote Development

During 2023, Federal Reserve Board staff continued to support efforts related to the development of the next family of U.S. currency. For example, the Advanced Counterfeit Deterrence Steering Committee, composed of the Treasury, the U.S. Secret Service, and Federal Reserve System staff, provided advice on currency design changes to the Secretary of the Treasury, who has sole statutory authority to approve the final currency design.

Over the past year, Federal Reserve Board staff, alongside other U.S. Currency Program partners (the Bureau of Engraving and Printing, Federal Reserve Financial Services, and the U.S. Secret Service), collaborated on banknote and technology development. Banknote development focuses on

⁵ The Federal Reserve Board is the issuing authority for Federal Reserve notes, while the U.S. Mint, a bureau of the U.S. Treasury, is the issuing authority for coin.

Box 5.2. U.S. Currency Program Initiatives

As the issuing authority for Federal Reserve notes, Board staff works closely with the Bureau of Engraving and Printing (BEP) to ensure that the production of U.S. currency remains secure and that the notes produced are high quality and in a quantity sufficient to meet public demand, supporting the Board's mission to provide a variety of safe and secure payment methods for the public.¹

The Federal Reserve and BEP have several strategic initiatives in process that, over the next 5 to 10 years, will modernize the U.S. Currency Program through new machinery and software, large facilities construction and upgrades, and a new family of banknotes with improved security features. These improvements will ensure the public continues to have confidence in the security and availability of U.S. currency and that the Federal Reserve can respond to a range of demand scenarios.

The NextGen Program is a multiphase, multiyear program to replace the current fleet of Reserve Bank banknote-processing equipment that is over 30 years old, with next-generation processing machines and improved sensors for authenticating currency deposited at Reserve Banks. This equipment plays a critical role in the Federal Reserve's ability to maintain currency quality and integrity. As part of implementing the new machines, the Federal Reserve is assessing the potential strategic benefits of regionalizing some cash processing activities, which could offer increased resiliency, sustainability, and efficiency in operations.

Long-term planning for vault and processing capacities with a regional and national perspective is also driving updates to individual facilities. The Federal Reserve Bank of New York's East Rutherford Operations Center is being replaced because the facility is undersized for the scope of necessary operations. The facility serves the New York metro area market, processes the highest volume of currency in the Federal Reserve System, and is one of two key offices that services international distribution and circulation of U.S. currency and coin.

Further, the Miami Branch of the Federal Reserve Bank of Atlanta is the third-largest cash operation in the System and serves as a contingency partner for the Federal Reserve Bank of New York's international cash function. Despite its prominent role, Miami's vault is original to the building, which opened in 1980; it is undergoing expansion and modernization to better meet current and future volume.

The current BEP Washington, D.C., production facility was built in 1913 and will be replaced with a modern facility where the BEP intends to streamline production, keep building support costs low, and meet physical security standards. The BEP will build a new production facility in the Washington, D.C., region to meet modern production requirements critical to the future of the U.S. Currency Program. The new facility will be equipped with modern equipment to produce the current designs of banknotes and new types of equipment to add security features for the next family of banknotes.

Finally, the U.S. Currency Program is developing the next family of U.S. banknotes. The goal of the development process is to produce banknotes that are secure, manufacturable, and functional in commerce for each denomination. The notes must be secure against identified and anticipated counterfeiting threats with easily recognizable security features that are authenticatable by domestic and international users and must be manufacturable to meet anticipated demand. The first denomination planned for production will be the \$10 note, with targeted issuance in 2026.

¹ Currency issuance is a mission essential function of the Board, and U.S. currency is the dominant reserve currency in the world. The Federal Reserve Act requires the Board to reimburse the BEP for the expenses necessarily incurred by producing U.S. currency.

meeting requirements based on user needs, security needs, and manufacturing capabilities. Technology development focuses on security features that can further bolster the counterfeit resistance of U.S. currency. To support these efforts, and like many other central banks, the Federal Reserve Board led an adversarial analysis program to increase the counterfeit resilience of U.S. currency and research counterfeit deterrence technologies. These activities work in concert to meet the goal of developing the next family of banknotes with new, robust security features effectively integrated into the design, which is easy to authenticate and difficult for counterfeiters to simulate.

Currency Education

The Federal Reserve Board's U.S. Currency Education Program (CEP) is responsible for building confidence in U.S. currency by providing education, training, and information about Federal Reserve notes to the global public. The CEP works closely with the U.S. Secret Service, the U.S. Department of State, and the U.S. Department of the Treasury's Bureau of Engraving and Printing to raise awareness about the designs and security features of Federal Reserve notes.

In 2023, the CEP's resources and outreach initiatives expanded engagement with stakeholders through professional education and training. Coverage on both traditional and social media contributed to increased web traffic and mobile app downloads, marking it as a year of significant growth and engagement. These key stakeholder groups play a critical role in blocking counterfeit notes from entering circulation. Given the international prominence of U.S. currency abroad, the CEP hosted over 10 virtual outreach programs and five in-person events, garnering over 2,000 attendees from four continents (North America, South America, Asia, and Africa).

Uscurrency.gov ended 2023 with over 2.5 million web visitors and over 7.8 million pages viewed on the website. Over 280,000 resources were downloaded from the website. In addition to website resource downloads, 2.3 million print resources were shipped out to the global public. CEP's mobile application was downloaded 216,445 times, a 643 percent increase from 2022.

External Engagements

Federal Reserve Board staff continued to serve on the Central Bank Counterfeit Deterrence Group and the Five Nations and chaired the United States Cash Machine Group. The Central Bank Counterfeit Deterrence Group is a group of central banks that collaborate to develop and deploy measures to combat digital counterfeiting. The Five Nations is a group of central banks, including the Board, that work on common projects and share lessons learned in banknote development, distribution, public education, and circulation. The United States Cash Machine Group works closely with manufacturers of cash authentication machines to ensure that new and existing banknotes function in commerce. The Board collaborates with these domestic and international partners to maintain worldwide confidence in U.S. currency.

Fiscal Agency and Government Depository Services

The Federal Reserve Banks, upon the direction of the Secretary of the Treasury, act as fiscal agents of the U.S. government.⁶ The Reserve Banks, in their role as fiscal agents, provide services such as payment services, debt financing and securities services, and financial accounting and reporting services, as well as maintain the Treasury's operating cash account.

To support further the Treasury's mission, the Reserve Banks develop, operate, and maintain a number of automated systems and provide associated technology infrastructure services. The Reserve Banks also provide certain fiscal agency and depository services to other entities.

Reserve Bank expenses for providing fiscal agency and depository services totaled \$770.4 million, a decrease of \$50.5 million, or 6.2 percent (see table 5.2), which is primarily attributable to a decrease in pension expenses. The Treasury and other entities reimburse the Reserve Banks for the expense of providing fiscal agency and depository services. Costs for Treasury-related programs accounted for 98.1 percent of expenses, and costs for other entities accounted for the remaining 1.9 percent.

Agency and service	2023	2022	2021
Department of the Treasury			
Payment services	336,377	375,606	353,030
Financing and Treasury securities services	194,413	207,805	184,535
Financial accounting and reporting services	81,136	73,481	76,970
Technology infrastructure services	143,598	147,856	129,339
Total, Treasury	755,524	804,748	743,874
Other entities	14,849	16,130	24,595
Total reimbursable expenses	770,374	820,878	768,469
Note: Service costs include reimbursable pension costs, where applicable. Previous versions of the <i>Annual Report</i> provided a separate line item for pension expenses.			

Payment Services

The Reserve Banks support the Treasury's payment services by developing, operating, and maintaining electronic systems that allow the public to receive payments from and authorize payments to federal agencies and allow the government to prevent and detect improper payments and collect past-due debts. The Reserve Banks also provide operational and customer support, agency

⁶ In accordance with section 15 of the Federal Reserve Act. See <https://www.federalreserve.gov/aboutthefed/section15.htm>.

outreach efforts, and data analytics. The Reserve Banks process payments such as federal payroll, Social Security benefits, and veterans' benefits from the Treasury's account at the Federal Reserve and process payments made to the Treasury's account at the Federal Reserve, which include collections such as fees owed to the federal government.

Reserve Bank expenses for providing Treasury payment services were \$336.4 million in 2023, a decrease of \$39.2 million, or 10.4 percent. This is primarily attributable to Fiscal Service's decision to discontinue the electronic tax collection program in September 2022. The programs that contributed most to Reserve Bank expenses in 2023 were the Stored Value Card program and the Pay.gov program.

The Reserve Banks work with the Treasury to support the Stored Value Card program, which comprises three military cash-management services: EagleCash, EZpay, and Navy Cash. These programs provide electronic payment methods for goods and services on military bases and Navy ships. Stored-value cards are in use on more than 90 military bases and installations in 20 countries (including the United States) and on board more than 135 ships.

The Reserve Banks also work with the Treasury to expand the use of electronic payment services for payments made to the Treasury's account at the Federal Reserve. The Reserve Banks operate and maintain Pay.gov, an application that allows the public to use the internet to initiate and authorize payments to the federal government using a U.S.-held bank account (through ACH debit), a credit or debit card, or a digital wallet through services such as PayPal or Amazon Pay. In 2023, Pay.gov processed 97.8 million online payments valued at \$215.5 billion. In addition, the Reserve Banks operated applications that facilitated the movement of \$32.2 billion in commercial deposits from financial institutions to the Treasury's account at the Federal Reserve. The Reserve Banks also processed and settled 186 million electronic payment transactions from private citizens and businesses to pay U.S. government agencies, valued at \$770.8 billion.

Financing and Securities Services

The Reserve Banks work closely with the Treasury to support its ability to raise the financing needed to operate the federal government, which includes functions such as cash forecasting, as well as auctioning, issuing, settling, maintaining, and redeeming marketable Treasury securities (bills, notes, and bonds). The Reserve Banks also support the Treasury by issuing, maintaining, and redeeming U.S. savings bonds, as well as providing related operations and fulfillment services. The Reserve Banks provide customer service and operate the automated systems that support marketable Treasury securities and savings bonds.

In 2023, the Treasury, supported by the Reserve Banks, conducted 428 auctions that resulted in the Treasury awarding \$22.0 trillion in wholesale Treasury marketable securities to investors. The

Reserve Banks also supported the issuance and servicing of \$427.5 billion in savings bonds and marketable securities to investors.⁷

Reserve Bank expenses for financing and securities services were \$194.4 million in 2023, a decrease of \$13.4 million, or 6.4 percent. This decrease is primarily attributable to a change in approach, starting in 2023, whereby the revenues, expenses, and volumes associated with the transfer of Treasury securities are now included in the priced component of the Fedwire Securities Service.⁸

Accounting and Reporting Services

The Reserve Banks support the Treasury's accounting and reporting functions by forecasting, monitoring, and managing the government's overall cash requirements, cash flow, and government-wide accounting services. The Reserve Banks also support the Treasury's publication of the daily and monthly Treasury statements; the Combined Statement of Receipts, Outlays, and Balances of the United States Government; and the *Financial Report of the United States Government*.⁹

Reserve Bank expenses for financial accounting and reporting services were \$81.1 million in 2023, an increase of \$7.6 million, or 10.3 percent, primarily attributable to expanded efforts to remediate technical debt, support cybersecurity measures, and migrate applications to a cloud platform. The programs that contributed most to Reserve Bank expenses in 2023 were the Cash Accounting Reporting System and G-Invoicing.

The Reserve Banks operate and maintain the Cash Accounting Reporting System, which handles accounting and reporting for all federal agencies and is the electronic system of record for the government's financial data. In addition, the Reserve Banks operate and maintain the G-Invoicing application, which allows federal agencies to manage intragovernmental financial transactions.

Infrastructure and Technology Services

The Reserve Banks design, build, and maintain the technology infrastructures and environments that host the majority of applications that the Reserve Banks develop, operate, or maintain on behalf of the Treasury.

⁷ Demand for Treasury products increased approximately 164.0 percent in 2023, primarily because of higher interest rates for marketable securities.

⁸ This change is also noted in "[Fedwire Securities Service](#)" above.

⁹ The Daily Treasury Statement summarizes the U.S. Treasury's cash and debt operations for the federal government on a modified cash basis and can be found at <https://fiscal.treasury.gov/reports-statements/dts/>. The Monthly Treasury Statement summarizes the financial activities of the federal government and off-budget federal entities and can be found at <https://www.fiscal.treasury.gov/reports-statements/mts/>. The Combined Statement of Receipts, Outlays, and Balances of the United States Government is recognized as the official publication of the government's receipts and outlays and can be found at <https://fiscal.treasury.gov/reports-statements/combined-statement/>. The Financial Report of the United States Government provides the President, Congress, and the American people with a comprehensive view of the federal government's finances and can be found at <https://fiscal.treasury.gov/reports-statements/financial-report/>.

In 2023, the Reserve Banks continued to build out and migrate applications to a cloud platform in alignment with the Treasury's cloud computing strategy.¹⁰ The Reserve Banks continued to effectively operate infrastructures, plan for end-of-life issues, increase automation, and strengthen their systems against a host of new and evolving cybersecurity threats.

Reserve Bank expenses for infrastructure and technology services were \$143.6 million in 2023, a decrease of \$4.3 million, or 2.9 percent, primarily attributable to lower investment in on-premise hosting environments as the Reserve Banks continue their efforts to migrate applications to a cloud platform.

Services Provided to Other Entities

The Reserve Banks, when permitted by federal statute or when required by the Secretary of the Treasury, also provide other domestic and international entities with U.S.-dollar-denominated banking services, which include funds, securities, and gold safekeeping; securities clearing, settlement, and investment; and correspondent banking.

The Reserve Banks also issue and maintain, in electronic form, many federal agency, government-sponsored enterprise, and certain international organizations securities. The majority of securities services are performed for the Government National Mortgage Association (Ginnie Mae).

Reserve Bank expenses for services provided to other entities were \$14.9 million in 2023, a decrease of \$1.2 million, or 7.5 percent, primarily attributable to a change in a Federal Reserve Financial Service fee.

Evolutions and Improvements to the System

In addition to its role as payment system operator, the Federal Reserve performs several other functions in the payment system, including supervisor and regulator of financial institutions and systemically important financial market utilities, researcher, and catalyst for payment system improvements.

Payment System Research and Analysis

The Federal Reserve conducts research on a wide range of topics related to the design and activities of payment, clearing, and settlement systems and financial market infrastructures, as well as the role of these systems in the commercial activities of consumers, businesses, and governments.

¹⁰ The Federal Cloud Computing Strategy—Cloud Smart—is a long-term, high-level strategy to drive Federal agency cloud adoption. Additional information can be found at <https://www.cio.gov/policies-and-priorities/cloud-smart/>.

In 2023, topics examined in Federal Reserve research included the following:

- measurement and analysis of short-run developments and long-run trends in the use of new and established payment methods¹¹
- drivers and potential effects of innovations in the payment system, particularly those related to new and emerging technologies, such as instant payments and digital assets
- design, oversight, and regulation of financial market infrastructures
- developments related to payments fraud

For more information, see the Board's Payments Research website at https://www.federalreserve.gov/paymentsystems/payres_about.htm.

Digital Innovations Research

Federal Reserve staff conducts policy and technical research to provide perspectives on the future of money and payments. Staff research covers digital assets, including stablecoins, crypto-assets, and central bank digital currencies (CBDCs), as well as new technologies and business models to improve cross-border payments or to facilitate the settlement of wholesale payment transactions. Staff research and experimentation examines technological innovations and their associated policy benefits, risks, and tradeoffs, as well as implications for Federal Reserve payment infrastructures.

The Federal Reserve collaborates closely with international counterparts on issues related to payments innovation. This collaboration includes engagement with multilateral institutions, such as the Bank for International Settlements, G7, and Financial Stability Board, and bilateral engagements with other central banks. The Federal Reserve also engages with a wide variety of domestic stakeholders, such as those from government, academia, and the private sector, to gather perspectives and expertise on innovations topics such as tokenization, distributed ledger technology, application programming interfaces, and digital payments.

Payment System Regulation

Congress has assigned to the Board responsibility for implementing the [Federal Reserve Act](#) and certain other laws pertaining to a wide range of banking and financial activities, including those related to the payment and settlement system. The Board implements those laws in part through its regulations (see the Board's website at <https://www.federalreserve.gov/supervisionreg/reglisting.htm>).

¹¹ In particular, see information about recent releases by the Federal Reserve Payments Study, available at <https://www.federalreserve.gov/paymentsystems/fr-payments-study.htm>.

In October 2023, the Board requested comment on proposed revisions to Regulation II. Pursuant to the Durbin Amendment to the Dodd-Frank Act, Regulation II is the Board's rule concerning debit card transactions. The proposal would lower the maximum interchange fee that a large debit card issuer can receive for a debit card transaction. The proposal would also establish a regular process for updating the maximum amount every other year going forward.

In December 2022, Congress passed legislation requiring the Board to create and maintain a public database of entities with access to Reserve Bank master accounts and services as well as entities that submit requests for access moving forward. In June 2023, the Federal Reserve Board introduced the [Master Account and Services Database](#), a comprehensive and searchable resource that discloses information on financial institutions' access to master accounts and financial services provided by the Federal Reserve Banks. Detailed information on the guidelines used by Reserve Banks in evaluating access requests can be found in the associated [FAQ](#).

Other Improvements and Efforts

In addition to implementing the FedNow Service to support instant payments in 2023, the Reserve Banks have been engaged in a number of multiyear technology initiatives that will modernize their priced-services processing platforms. These investments are expected to enhance efficiency, the overall quality of operations, and the Reserve Banks' ability to offer additional services, consistent with the long-standing principles of fostering efficiency and safety, to depository institutions. The Reserve Banks continued to enhance the resiliency and information security posture of wholesale payment systems through Reserve Bank-led cyber initiatives to respond to environmental threats and cyberthreats. In 2023, the Reserve Banks advanced the safety and security of FedLine Solutions by making progress on key infrastructure upgrades and network modernization, as well as through proactive monitoring of an evolving threat environment.

During 2021, the Federal Reserve continued work to replace the aging high-speed currency-processing equipment and sensors at the Reserve Banks for deployment through 2028. In 2021, the Federal Reserve began the production development phase of the project to develop the high-speed currency-processing equipment for delivery beginning in 2025. In advance of the production rollout, prototype and preliminary equipment will be installed and tested at pilot offices through 2024. A system integration effort was initiated to prepare currency sensors and develop software for compatibility with the equipment.

The improvement of the efficiency, effectiveness, and security of information technology (IT) services and operations continued to be a central focus of the Reserve Banks. Under the leadership of the Federal Reserve System chief information officer, and in collaboration with leaders across the System, the System IT Strategic Plan was refreshed in 2023 for 2024–26 to set priorities, align IT direction and resources, and ensure that IT leaders and team members are working toward

a common set of goals. The highest-level goals of the plan—security, agility, and value—guide a set of priorities focused on operating secure and reliable systems, accelerating business outcomes, and enhancing the business-driven digital experience and collaboration. A key enabler in achieving these goals is a multiyear datacenter modernization effort formalized and launched in 2023, which aims to modernize both infrastructure and application delivery.

The Reserve Banks remained vigilant with respect to cybersecurity posture, investing in risk-mitigation initiatives and programs and continuously monitoring and assessing cybersecurity risks to operations and protecting systems and data. The Federal Reserve System’s overall security posture continues to be strengthened through several high-priority information security initiatives such as application and endpoint multifactor authentication, implementation of key ransomware protection and recovery technologies, and a focus on aligning with the pillars of zero-trust architecture. Through these efforts, the Reserve Banks continue to work together and with business partners to further enhance the state of information security across the Federal Reserve System.

Several Reserve Banks took action in 2023 to maintain and renovate their facilities. Major multi-year facility programs at several Reserve Bank offices continued, focused on updating obsolescent building systems to ensure infrastructure resiliency and continuity of operations. The Philadelphia Reserve Bank continued construction activities for its multiyear program to replace its entire mechanical and electrical infrastructure. The Miami Branch of the Federal Reserve Bank of Atlanta is in the planning stages for an extensive vault addition and remodel. The Federal Reserve Bank of New York is assessing options for replacing the existing East Rutherford Operations Center. Other programs addressed the need to update office and operations areas in support of efficiency and working environment.

For more information on the acquisition costs and net book value of the Reserve Banks and Branches, see [table G.13](#) in appendix G (“Statistical Tables”) of this annual report.

Oversight of Federal Reserve Banks

The combined financial statements of the Reserve Banks and the financial statements of each of the 12 Reserve Banks are audited annually by an independent public accounting firm retained by the Board of Governors.¹² In addition, the Reserve Banks are subject to oversight by the Board of Governors, which performs its own reviews.

The Reserve Banks use the 2013 framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to assess their internal controls over financial

¹² See “Federal Reserve Banks Combined Financial Statements” at <https://www.federalreserve.gov/aboutthefed/audited-annual-financial-statements.htm>.

reporting, including the safeguarding of assets. The management of each Reserve Bank annually provides an assertion letter to its board of directors that confirms adherence to COSO standards.

The Federal Reserve Board engaged KPMG LLP (KPMG) to audit the 2023 combined and individual financial statements of the Reserve Banks and the financial statements of the three limited liability companies (LLCs) that are associated with the Board of Governors' actions to address the coronavirus pandemic, of which two LLCs are consolidated in the statements of the Federal Reserve Bank of New York and one LLC is consolidated in the statements of the Federal Reserve Bank of Boston.¹³

In 2023, KPMG also conducted audits of internal controls over financial reporting for each of the Reserve Banks. Fees for KPMG services totaled \$9.2 million, of which approximately \$0.7 million was for the audits of the LLCs.¹⁴ To ensure auditor independence, the Board of Governors requires that KPMG be independent in all matters relating to the audits. Specifically, KPMG may not perform services for the Reserve Banks or affiliated entities that would place it in a position of auditing its own work, making management decisions on behalf of the Reserve Banks, or in any other way impairing its audit independence. In 2023, the Reserve Banks did not engage KPMG for significant non-audit services.

The Board's reviews of the Reserve Banks include a wide range of oversight activities, conducted primarily by its Division of Reserve Bank Operations and Payment Systems. Division personnel monitor, on an ongoing basis, the activities of each Reserve Bank, National Information Technology, and Federal Reserve Financial Services. The oversight program identifies the most strategically important Reserve Bank current and emerging risks and defines specific approaches to achieve a comprehensive evaluation of the Reserve Banks' controls, operations, and management effectiveness.

The comprehensive reviews include an assessment of the internal audit function's effectiveness and its conformance to the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing, applicable policies and guidance, and the IIA's code of ethics.

¹³ In February 2024, all holdings within the two LLCs consolidated in the statements of the Federal Reserve Bank of New York were liquidated, final obligations were satisfied, and final distributions of proceeds were made. The two entities were subsequently terminated in March 2024.

In addition, KPMG audited the Retirement Plan for Employees of the Federal Reserve System (System Plan), and the Thrift Plan for Employees of the Federal Reserve System (Thrift Plan). The System Plan and the Thrift Plan provide retirement benefits to employees of the Board, the Federal Reserve Banks, and the Consumer Financial Protection Bureau.

¹⁴ Each LLC will reimburse the Board of Governors for the fees related to the audit of its financial statements from the entity's available assets.

The Board also reviews the System Open Market Account (SOMA) and foreign currency holdings annually to

- determine whether the Federal Reserve Bank of New York, while conducting the related transactions and associated controls, complies with the policies established by the Federal Open Market Committee (FOMC); and
- assess the SOMA-related IT project management and application development, vendor management, and system resiliency and contingency plans.

In addition, KPMG audits the year-end schedule of the SOMA participated asset and liability accounts and the related schedule of participated income accounts. The FOMC is provided with the external audit reports and a report on the Board review.

Income and Expenses

Annually, the Board releases the Combined Reserve Banks financial statements with financial information as of December 31 and includes the accounts and results of operations of each of the 12 Reserve Banks.

In 2023, income was \$175.1 billion, compared with \$170.7 billion in 2022; expenses totaled \$289.5 billion, compared with \$111.9 billion in 2022; and net loss before providing remittances to the Treasury totaled \$114.3 billion, compared with net income of \$58.8 billion in 2022.

In accordance with the Federal Reserve Act, the Reserve Banks remit excess earnings to the Treasury after providing for the cost of operations, payment of dividends, and reservation of an amount necessary to maintain aggregate surplus. During a period when earnings are not sufficient to provide for those costs, a deferred asset is recorded and represents the amount of net excess earnings Reserve Banks will need to realize in the future before remittances to the Treasury resume. In the fall of 2022, most Reserve Banks suspended weekly remittances to the Treasury and began to accumulate a deferred asset during 2022 and continued through 2023. As Reserve Banks determine weekly remittances on an individual basis, some continued to periodically remit excess earnings to the Treasury during 2022 and 2023.¹⁵ A deferred asset represents the shortfall in earnings from the most recent point that remittances were suspended and is the amount of net excess earnings Reserve Banks will need to realize in the future before remittances to the Treasury resume.

[Table 5.3](#) summarizes the income, expenses, and distributions of the Reserve Banks for 2023 and 2022. [Appendix G](#) of this report, “Statistical Tables,” provides more detailed information on

¹⁵ During 2023, the Reserve Banks transferred \$670 million to the Treasury.

the Reserve Banks, including the consolidated LLCs.¹⁶ Additionally, appendix G summarizes the Reserve Banks' 2022 budget performance and 2023 budgets, budgeting processes, and trends in expenses and employment.

¹⁶ [Table G.8A](#) is a statement of condition for each Reserve Bank, [table G.9](#) details the income and expenses of each Reserve Bank for 2023, [table G.10](#) shows a condensed statement for each Reserve Bank for the years 1914 through 2023, and [table G.12](#) gives the number and annual salaries of officers and employees for each Reserve Bank.

Table 5.3. Income, expenses, and distribution of net earnings of the Federal Reserve Banks, 2023 and 2022

Millions of dollars

Item	2023	2022
Current income	175,136	170,684
Loan interest income	10,438	154
SOMA interest income	164,087	169,979
Other current income ¹	611	551
Net expenses	286,480	107,850
Operating expenses	5,648	5,373
Reimbursements	-812	-846
System pension service cost	548	946
Interest paid on depository institutions deposits and others	176,755	60,405
Interest expense on securities sold under agreements to repurchase	104,341	41,967
Other expenses	0	5
Current net income	-111,344	62,834
Net additions to (deductions from) current net income	-130	-1,248
Treasury securities (losses), net	-32	-5
Federal agency and government-sponsored enterprise mortgage-backed securities (losses), net	-56	-234
Foreign currency translation (losses), net	-67	-1,762
Other additions or deductions	25	753
Assessments by the Board of Governors ²	2,912	2,791
For Board expenditures	1,144	1,015
For currency costs	1,047	1,054
For Consumer Financial Protection Bureau costs ³	721	722
Reserve Bank net (loss) income from operations	-114,386	58,795
Consolidated variable interest entities: Income, net	1,124	1,742
Consolidated variable interest entities: Non-controlling interest (income), net	-1,038	-1,701
Reserve Bank and consolidated variable interest entities net income (loss) before providing for remittances to the Treasury	-114,300	58,836
Earnings remittances to the Treasury	-116,063	59,446
Net income (loss) after providing for remittances to the Treasury	1,763	-610
Other comprehensive (loss) gain	-276	1,819
Comprehensive income	1,487	1,209
Total distribution of net income (loss)	-114,576	60,655
Dividends on capital stock	1,487	1,209
Remittances transferred to the Treasury ⁴	670	76,031
Deferred asset (increase) decrease	-116,733	-16,585
Earnings remittances to the Treasury, net	-116,063	59,446

¹ Includes income from priced services and securities lending fees.

² A detailed account of the assessments and expenditures of the Board of Governors appears in the Board of Governors Financial Statements (see <https://www.federalreserve.gov/aboutthefed/audited-annual-financial-statements.htm>).

³ The Board of Governors assesses the Reserve Banks to fund the operations of the Consumer Financial Protection Bureau.

⁴ Represents excess earnings remitted to the Treasury after providing for the cost of operations, payment of dividends, and reservation of surplus. On a weekly basis, if earnings become less than the cost of operations, payment of dividends, and any amount necessary to maintain surplus, the Reserve Banks suspend weekly remittances to the Treasury and record a deferred asset.

SOMA Holdings

The FOMC has authorized and directed the Federal Reserve Bank of New York to execute open market transactions to the extent necessary to carry out the domestic policy directive adopted by the FOMC. The Federal Reserve Bank of New York, on behalf of the Reserve Banks, holds in the SOMA the resulting securities, which include U.S. Treasuries, federal agency and government-sponsored enterprise debt securities, federal agency and government-sponsored enterprise mortgage-backed securities, investments denominated in foreign currencies, and commitments to buy or sell related securities.¹⁷

Table 5.4 summarizes the average daily assets (liabilities), current income (expenses), and average interest rate of the SOMA holdings for 2023 and 2022.

Lending

In 2023, the average daily balance and the average rate of interest earned for Reserve Bank lending programs were as follows:

- Primary, secondary, and seasonal credit extended was \$104,657 million and 6.00 percent.
- Bank Term Funding Program (BTFP) was \$108,723 million and 4.71 percent.
- Paycheck Protection Program Liquidity Facility (PPPLF) was \$7,329 million and 0.35 percent.

In addition, the Reserve Banks provided loans to special purpose vehicles (SPVs) that were established to administer liquidity programs created in response to the coronavirus pandemic. These SPVs provided liquidity to market participants through the purchase of assets in accordance with the terms of each liquidity program.

¹⁷ See table G.2 in appendix G for a list of Federal Reserve holdings of U.S. Treasuries and federal agency securities.

Table 5.4. System Open Market Account holdings of the Federal Reserve Banks, 2023 and 2022								
Millions of dollars, except as noted								
Item	Average daily assets (+)/liabilities (-)			Current income (+)/expense (-)			Average interest rate (percent)	
	2023	2022	Year-over-year change	2023	2022	Year-over-year change	2023	2022
System Open Market Account (SOMA) holdings								
Securities purchased under agreements to resell	3,925	1	3,924	195	0	195	4.96	2.25
U.S. Treasury securities, net ¹	5,335,243	5,937,386	-602,143	106,479	115,872	-9,393	2.00	1.95
Federal agency and government-sponsored enterprise (GSE) mortgage-backed securities, net ²	2,593,972	2,760,954	-166,982	57,017	53,959	3,058	2.20	1.95
Government-sponsored enterprise debt securities, net ¹	2,570	2,597	-27	131	133	-2	5.11	5.11
Foreign currency denominated investments ³	18,399	18,504	-105	246	-3	249	1.34	-0.01
Central bank liquidity swaps ⁴	354	666	-312	19	18	1	5.32	2.68
Other SOMA assets ⁵	1	21	-20	*	*	*	0.00	0.00
Total SOMA assets	7,954,464	8,720,129	-765,665	164,087	169,979	-5,892	2.06	1.95
Securities sold under agreements to repurchase: primary dealers and expanded counterparties	-1,747,804	-1,997,187	249,383	-87,341	-36,655	-36,318	5.00	1.84
Securities sold under agreements to repurchase: foreign official and international accounts	-336,897	-290,553	-46,344	-17,000	-5,312	-5,235	5.05	1.83
Total securities sold under agreements to repurchase	-2,084,701	-2,287,740	203,039	-104,341	-41,967	-41,553	5.01	1.83
Other SOMA liabilities ⁶	-2	-834	832	n/a	n/a	n/a	n/a	n/a
Total SOMA liabilities	-2,084,703	-2,288,574	203,871	-104,341	-41,967	-41,553	5.01	1.83
Net SOMA holdings	5,869,761	6,431,555	-561,794	59,746	128,011	-47,445	1.02	1.99
¹ Face value, net of unamortized premiums and discounts. ² Face value, which is the remaining principal balance of the securities, net of unamortized premiums and discounts. Does not include unsettled transactions. ³ Foreign currency denominated assets are revalued daily at market exchange rates. ⁴ 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. ⁵ Cash and short-term investments related to the federal agency and government-sponsored enterprise mortgage-backed securities (GSE MBS) portfolio. ⁶ Represents the obligation to return cash margin posted by counterparties as collateral under commitments to purchase and sell federal agency and GSE MBS, as well as obligations that arise from the failure of a seller to deliver securities on the settlement date. n/a Not applicable. * Less than \$500,000.								

Pro Forma Financial Statements for Federal Reserve Priced Services

Table 5.5. Pro forma balance sheet for Federal Reserve priced services, December 31, 2023 and 2022
Millions of dollars

Item	2023	2022 ¹
Short-term assets (note 1)		
Imputed investments	556.3	539.0
Receivables	47.2	44.0
Inventory	0.1	0.6
Prepaid expenses	37.8	44.8
Items in process of collection	<u>67.6</u>	<u>72.3</u>
Total short-term assets	709.0	700.8
Long-term assets (note 2)		
Premises	94.7	103.2
Furniture and equipment	34.9	35.4
Leases, leasehold improvements, and long-term prepayments	72.5	80.3
Prepaid pension costs	115.1	61.0 ^r
Deferred tax asset	<u>130.4</u>	<u>149.5</u>
Total long-term assets	<u>447.6</u>	<u>429.5^r</u>
Total assets	1,156.6	1,130.3 ^r
Short-term liabilities (note 3)		
Deferred-availability items	623.8	611.3
Short-term debt	36.2	52.2
Short-term payables	<u>48.9</u>	<u>37.3</u>
Total short-term liabilities	709.0	700.8
Long-term liabilities (note 3)		
Long-term debt	102.2	85.3 ^r
Accrued benefit costs	<u>274.7</u>	<u>283.6^r</u>
Total long-term liabilities	<u>376.9</u>	<u>368.9^r</u>
Total liabilities	1,085.9	1,069.7 ^r
Equity (including accumulated other comprehensive loss of \$548.6 million and \$590.0 million at December 31, 2023 and 2022, respectively)	70.7	60.6 ^r
Total liabilities and equity (note 3)	<u>1,156.6</u>	<u>1,130.3^r</u>

Note: Components may not sum to totals because of rounding. The accompanying notes are an integral part of these pro forma priced services financial statements.

¹ The pro forma balance sheet for 2022 has been revised to acknowledge the pension balance as an asset. This was incorrectly identified as a liability in 2022.

r Revised.

Table 5.6. Pro forma income statement for Federal Reserve priced services, 2023 and 2022

Millions of dollars

Item	2023	2022
Revenue from services provided to depository institutions (note 4)	505.3	466.7
Operating expenses (note 5)	462.7	461.4
Income from operations	42.5	5.3
Imputed costs (note 6)		
Interest on debt	1.2	0.0
Interest on float	-11.6	-3.5
Sales taxes	<u>5.3</u>	<u>-5.1</u>
Income from operations after imputed costs	47.7	4.9
Other income and expenses (note 7)		
Investment income	2.0	0.1
Income before income taxes	49.7	5.0
Imputed income taxes (note 6)	<u>9.6</u>	<u>1.0</u>
Net income	40.1	4.0
Memo: Targeted return on equity (note 6)	8.4	7.2

Note: Components may not sum to totals because of rounding. The accompanying notes are an integral part of these pro forma priced services financial statements.

Table 5.7. Pro forma income statement for Federal Reserve priced services, by service, 2023

Millions of dollars

Item	Total	Commercial check collection	Commercial ACH	Fedwire funds	Fedwire securities
Revenue from services (note 4)	505.3	111.5	183.3	161.5	49.0
Operating expenses (note 5) ¹	462.7	102.6	174.2	149.1	36.9
Income from operations	42.5	8.9	9.1	12.4	12.1
Imputed costs (note 6)	-5.1	3.7	-11.5	2.1	0.5
Income from operations after imputed costs	47.7	5.2	20.6	10.3	11.6
Other income and expenses, net (note 7)	2.0	0.3	0.5	1.0	0.1
Income before income taxes	49.7	5.5	21.2	11.3	11.7
Imputed income taxes (note 6)	9.6	1.1	4.1	2.2	2.3
Net income	40.1	4.4	17.1	9.1	9.4
Memo: Targeted return on equity (note 6)	8.4	1.3	2.3	4.3	0.5
Cost recovery (percent) (note 8)	106.7	102.9	108.8	103.1	122.3

Note: Components may not sum to totals because of rounding. Excludes amounts related to development of the FedNow Service. The accompanying notes are an integral part of these pro forma priced services financial statements.

¹ Operating expenses include pension costs, Board expenses, and reimbursements for certain nonpriced services.

Notes to Pro Forma Financial Statements for Priced Services

(1) Short-Term Assets

Receivables are composed of fees due the Reserve Banks for providing priced services and the share of suspense- and difference-account balances related to priced services.

Items in process of collection are gross Federal Reserve cash items in process of collection (CIPC), stated on a basis comparable to that of a commercial bank. They reflect adjustments for intra-Reserve Bank items that would otherwise be double-counted on the combined Federal Reserve balance sheet and adjustments for items associated with nonpriced items (such as those collected for government agencies). Among the costs to be recovered under the Monetary Control Act is the cost of float, or net CIPC during the period (the difference between gross CIPC and deferred-availability items, which is the portion of gross CIPC that involves a financing cost), valued at the federal funds rate. Investments of excess financing derived from credit float are assumed to be invested in federal funds.

(2) Long-Term Assets

Long-term assets consist of long-term assets used solely in priced services and the priced-service portion of long-term assets shared with nonpriced services, including a deferred tax asset related to the priced services pension and postretirement benefits obligation. The tax rate associated with the deferred tax asset was 19.3 percent for 2023 and 20.3 percent for 2022.

Long-term assets also consist of an estimate of the assets of the Board of Governors used in the development of priced services.

(3) Liabilities and Equity

Under the matched-book capital structure for assets, short-term assets are financed with short-term payables and imputed short-term debt, if needed. Long-term assets are financed with long-term liabilities, imputed long-term debt, and imputed equity, if needed. To meet the Federal Deposit Insurance Corporation (FDIC) requirements for a well-capitalized institution, in 2023 equity is imputed at 6.1 percent of total assets and 11.4 percent of risk-weighted assets, and 2022 equity is imputed at 5.4 percent of total assets and 10.0 percent of risk-weighted assets.¹⁸

The Board's Payment System Risk policy reflects the international standards for financial market infrastructures developed by the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions in the Principles for Financial Market Infrastructures. The policy outlines the expectation that the Fedwire Services will

¹⁸ The 2022 imputed equity has been revised from 5.1 to 5.4.

meet or exceed the applicable risk-management standards. Although the Fedwire Funds Service does not face the risk that a business shock would cause the service to wind down in a disorderly manner and disrupt the stability of the financial system, in order to foster competition with private-sector financial market infrastructures, the Reserve Banks' priced services will hold six months of the Fedwire Funds Service's current operating expenses as liquid net financial assets and equity on the pro forma balance sheet and, if necessary, impute additional assets and equity to meet the requirement. The imputed assets held as liquid net financial assets are cash items in process of collection, which are assumed to be invested in federal funds. In 2023 and 2022, there were sufficient assets and equity such that additional imputed balances were not required.

In accordance with ASC 715, *Compensation-Retirement Benefits*, the Reserve Banks record the funded status of pension and other benefit plans on their balance sheets. To reflect the funded status of their benefit plans, the Reserve Banks recognize the deferred items related to these plans, which include prior service costs and actuarial gains or losses, on the balance sheet. This results in an adjustment to the pension and other benefit plan liabilities related to priced services and the recognition of an associated deferred tax asset with an offsetting adjustment, net of tax, to accumulated other comprehensive income (AOCI), which is included in equity. The Reserve Bank priced services recognized a pension asset, which is a component of accrued benefit costs, of \$115.1 million in 2023 and \$61.0 million in 2022.¹⁹ The change in the funded status of the pension and other benefit plans resulted in a corresponding increase in accumulated other comprehensive loss of \$41.5 million in 2023.

(4) Revenue

Revenue represents fees charged to depository institutions for priced services and is realized from each institution through direct charges to an institution's account.

(5) Operating Expenses

Operating expenses consist of the direct, indirect, and other general administrative expenses of the Reserve Banks for priced services (that is, Check, ACH, Fedwire Funds, and Fedwire Securities) and the expenses of the Board related to the development of priced services. Board expenses were \$6.8 million in 2023 and \$6.2 million in 2022. Operating expenses exclude amounts related to the development of the FedNow Service.

In accordance with ASC 715, the Reserve Bank priced services recognized qualified pension-plan service costs of \$30.3 million in 2023 and \$64.1 million in 2022. Operating expenses also include the nonqualified service costs of \$2.1 million in 2023 and \$4.6 million in 2022. In 2019 Reserve Banks adopted an update to ASC 715 requiring disaggregation of other components of

¹⁹ The prior year pension asset has been restated from \$68.2 million to \$61.0 million to include Board pension asset amounts, which were inadvertently omitted.

net benefit expense from service costs. The adoption of ASC 715 does not change the systematic approach required by generally accepted accounting principles to recognize the expenses associated with the Reserve Banks' benefit plans in the income statement. As a result, these expenses do not include amounts related to changes in the funded status of the Reserve Banks' benefit plans, which are reflected in AOCI.

The income statement by service reflects revenue, operating expenses, imputed costs, other income and expenses, and cost recovery. The tax rate associated with imputed taxes was 19.3 percent for 2023 and 20.3 percent for 2022.

(6) Imputed Costs

Imputed costs consist of income taxes, return on equity, interest on debt, sales taxes, and interest on float. Many imputed costs are derived from the PSAF model. The 2023 cost of short-term debt imputed in the PSAF model is based on nonfinancial commercial paper rates; the cost of imputed long-term debt is based on Merrill Lynch Corporate and High Yield Index returns; and the effective tax rate is derived from U.S. publicly traded firm data, which serve as the proxy for the financial data of a representative private-sector firm. The after-tax rate of return on equity is based on the returns of the equity market as a whole.²⁰

Interest is imputed on the debt assumed necessary to finance priced-service assets. These imputed costs are allocated among priced services according to the ratio of operating expenses for each service to the total expenses for all services.

Interest on float is derived from the value of float to be recovered for the check and ACH services, Fedwire Funds Service, and Fedwire Securities Service through per-item fees during the period. Float income or cost is based on the actual float incurred for each priced service.

The following shows the daily average recovery of actual credit float by the Reserve Banks for 2023 and 2022, in millions of dollars:²¹

Daily average recovery of actual float	2023	2022
Total float	-239.9	-219.4
Float not related to priced services ¹	-1.9	-15.4
Float subject to recovery through per-item fees	-228.0	-204.0

¹ Float not related to priced services includes float generated by services to government agencies and by other central bank services.

²⁰ See Federal Reserve Bank Services Private-Sector Adjustment Factor, 77 Fed. Reg. 67,007 (November 8, 2012), <https://www.gpo.gov/fdsys/pkg/FR-2012-11-08/pdf/2012-26918.pdf>, for details regarding the PSAF methodology.

²¹ Credit float occurs when the Reserve Banks debit the paying bank for checks and other items before providing credit to the depositing bank.

Float that is created by account adjustments due to transaction errors and the observance of non-standard holidays by some depository institutions was recovered from the depository institutions through charging institutions directly. Float subject to recovery is valued at the federal funds rate. Certain ACH funding requirements and check products generate credit float; this float has been subtracted from the cost base subject to recovery in 2023 and 2022.

(7) Other Income and Expenses

Other income consists of income on imputed investments. Excess financing resulting from additional equity imputed to meet the FDIC well-capitalized requirements is assumed to be invested and earning interest at the 3-month Treasury bill rate.

(8) Cost Recovery

Annual cost recovery is the ratio of revenue, including other income, to the sum of operating expenses, imputed costs, imputed income taxes, and after-tax targeted return on equity.

6 | Consumer and Community Affairs

The Federal Reserve is committed to promoting fair and transparent financial service markets, protecting consumers' rights, and ensuring that its policies and research benefit from consumer and community perspectives. The Board promotes consumer protection, financial inclusion, and community development through targeted work in supervision, regulatory policy, research and analysis, and public engagement (see [figure 6.1](#)). This section discusses the Federal Reserve's key consumer and community affairs activities during 2023:

- [formulating and carrying out supervision and examination policy](#) in collaboration with the Federal Reserve System to ensure financial institutions comply with consumer protection laws and regulations
- [writing and reviewing regulations](#) that implement consumer protection and community reinvestment laws
- [conducting research, analysis, and data collection](#) to identify and assess emerging consumer and community development issues and risks to inform policy decisions
- [identifying issues and advancing effective community development](#) by engaging, convening, and informing key stakeholders

To better understand consumer financial circumstances, the Federal Reserve conducted the yearly Survey on Household Economics and Decisionmaking (SHED) in October 2023. For more information on our consumer and community research, see "[Consumer Research and Analysis of Emerging Issues and Policy](#)" later in this section.

Consumer Compliance Supervision

The Federal Reserve's consumer protection supervision program assesses compliance by state member banks with a wide range of consumer protection laws and regulations including, but not limited to, the Truth in Lending Act (TILA), the Electronic Fund Transfer Act, the Equal Credit Opportunity Act (ECOA), the Fair Housing Act (FHA), and the prohibition on unfair or deceptive acts or practices (UDAP) in the Federal Trade Commission Act (FTC Act). The program also enforces these laws and regulations and reviews state member banks' performance under the Community Reinvestment Act (CRA).

The Board's Division of Consumer and Community Affairs develops policies that govern and establish requirements for oversight of the Reserve Banks' programs for consumer compliance and CRA

Figure 6.1. The Federal Reserve advances consumer and community mandates through inclusive rulemaking, research, and engagement

See [box 6.1](#) for more information on how the Federal Reserve prioritized financial inclusion through responsive regulation and timely research, events, and outreach.



Note: *CRA* refers to the Community Reinvestment Act. *SHED* refers to the Board's annual Survey of Household Economics and Decisionmaking. *LMI* refers to low- and moderate-income levels.

supervision and examination of state member banks and bank holding companies (BHCs), as well as participating in some Large Institution Supervision Coordinating Committee initiatives.

In addition, the Board works with the prudential regulators and the Consumer Financial Protection Bureau (CFPB) as part of the supervisory coordination requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and ensures that consumer compliance risk is appropriately incorporated into financial institutions' consolidated risk-management programs.

The Board also oversees the development and delivery of examiner training and supervision-related budget and technology efforts; analyzes bank and BHC applications related to consumer protection, convenience and needs, and the CRA; and oversees the handling of certain types of consumer complaints by the Reserve Banks and directly processes certain consumer complaints such as congressional complaints and appeals.

Consumer Compliance Examinations

Examinations are the Federal Reserve's primary method of ensuring compliance with consumer protection laws and assessing the adequacy of consumer compliance risk-management systems within regulated entities.¹

In 2023, the Board's regulatory efforts supported financial institutions by clarifying examination guidelines and procedures.² In April, the Federal Reserve and its Federal Financial Institutions Examination Council (FFIEC) partners revised the guide to Home Mortgage Disclosure Act (HMDA) reporting.³ The updated guide summarizes key requirements to assist financial institutions complying with HMDA as implemented by the CFPB's Regulation C.

The Federal Reserve continued to monitor financial institutions for regulatory compliance. The Reserve Banks completed 365 examinations in 2023. The breakdown of consumer compliance examinations completed by Reserve Banks in 2023 included 184 consumer compliance examinations of state member banks and seven examinations of foreign banking organizations. There were no consumer compliance examinations of Edge Act corporations or agreement corporations in 2023.⁴

¹ The Federal Reserve has examination and enforcement authority for federal consumer financial laws and regulations for insured depository institutions with assets of \$10 billion or less that are state member banks and not affiliates of covered institutions, as well as for conducting CRA examinations for all state member banks regardless of size. The Federal Reserve also has examination and enforcement authority for certain federal consumer financial laws and regulations for insured depository institutions that are state member banks regardless of asset size, while the CFPB has examination and enforcement authority for many federal consumer financial laws and regulations for insured depository institutions with over \$10 billion in assets and their affiliates (covered institutions), as mandated by the Dodd-Frank Act. For data on state member banks and other institutions supervised by the Federal Reserve (including number and assets of), see section 4, "Supervision and Regulation."

² See <https://www.federalreserve.gov/supervisionreg/caletters/caletters.htm> for consumer compliance supervisory guidance issued in 2023.

³ See consumer affairs (CA) letter 22-4, "Revised 'A Guide to HMDA Reporting: Getting It Right!,'" <https://www.federalreserve.gov/supervisionreg/caletters/caltr2204.htm>.

⁴ Agency and branch offices of foreign banking organizations, Edge Act corporations, and agreement corporations fall under the Federal Reserve's purview for consumer compliance activities. An agreement corporation is a type of bank chartered by a state to engage in international banking. The bank agrees with the Federal Reserve Board to limit its activities to those allowed by an Edge Act corporation. An Edge Act corporation is a banking institution with a special charter from the Federal Reserve to conduct international banking operations and certain other forms of business without complying with state-by-state banking laws. By setting up or investing in Edge Act corporations, U.S. banks can gain portfolio exposure to financial investing operations not available under standard banking laws.

Community Reinvestment Act Performance Evaluation and Regulations

The CRA requires that the Federal Reserve Board and the other federal banking agencies assess a bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations. To carry out this mandate and to encourage banks to help meet the credit needs of the local communities in which they are chartered, the Federal Reserve

- examines state member banks and certain other financial institutions to assess their performance under the CRA,
- considers banks' CRA performance in context with other supervisory information when analyzing applications for mergers and acquisitions, and
- disseminates information about community development practices to bankers and the public through community development offices at the Reserve Banks.⁵

The Federal Reserve assesses and rates the CRA performance of state member banks and certain other institutions during performance evaluations conducted by staff at the 12 Reserve Banks. During the 2023 reporting period, the Reserve Banks completed 174 CRA examinations of state member banks. Of those banks examined, 23 were rated "Outstanding," 151 were rated "Satisfactory," none were rated "Needs to Improve," and none were rated "Substantial Non-Compliance."

In addition to CRA examinations, the Board and other federal banking agencies continued ongoing efforts to modernize the CRA regulations. After analyzing public comments on the interagency notice of proposed rulemaking issued in May 2022, the agencies issued a final rule in October 2023.⁶ See [box 6.1](#) for more information about the CRA final rule.

Consumer Compliance Enforcement Activities

Fair Lending and UDAP Enforcement

The Federal Reserve is committed to ensuring that the institutions it supervises comply fully with the federal fair lending and consumer protection laws, including ECOA, the FHA, and the FTC Act, which prohibits unfair or deceptive acts or practices. The ECOA prohibits creditors from discriminating against any applicant, in any aspect of a credit transaction, on the basis of race, color, religion, national origin, sex, marital status, or age. In addition, creditors may not discriminate against an applicant because the applicant receives income from a public assistance program or has exer-

⁵ For more information on various community development activities of the Federal Reserve System, see <https://www.fedcommunities.org/>.

⁶ See <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231024a.htm> and Community Reinvestment Act, 89 Fed. Reg. 6,574 (February 1, 2024), <https://www.govinfo.gov/content/pkg/FR-2024-02-01/pdf/2023-25797.pdf>. Additional information about the final rule is available on the Board's website at <https://www.federalreserve.gov/consumerscommunities/community-reinvestment-act-final-rule.htm>.

cised, in good faith, any right under the Consumer Credit Protection Act. The FHA prohibits discrimination in residential real estate–related transactions, including the making and purchasing of mortgage loans, on the basis of race, color, religion, sex, handicap, familial status, or national origin.

The Federal Reserve supervises all state member banks for compliance with the FHA. The Federal Reserve and the CFPB have supervisory authority for compliance with the ECOA. For state member banks with assets of \$10 billion or less, the Board has the authority to enforce ECOA. For state member banks with assets over \$10 billion, the CFPB has this authority.

With respect to the FTC Act, the Federal Reserve has supervisory and enforcement authority over all state member banks, regardless of asset size, and consults with the CFPB with regard to state member banks over \$10 billion in assets. An act or practice may be found to be unfair if it causes or is likely to cause substantial injury to consumers that is not reasonably avoidable by consumers and not outweighed by countervailing benefits to consumers or to competition. A representation, omission, or practice is deceptive if it is likely to mislead a consumer acting reasonably under the circumstances and is material, and thus likely to affect a consumer's conduct or decision regarding a product or service.

When examiners find evidence of potential discrimination or potential UDAP violations, they work closely with the Board's Fair Lending or UDAP Enforcement staff, who provide additional legal and statistical expertise and ensure that fair lending and UDAP laws are enforced consistently and rigorously throughout the Federal Reserve System.

With respect to fair lending, if the Board has reason to believe that a creditor has engaged in a pattern or practice of discrimination in violation of ECOA, the matter must be referred to the Department of Justice (DOJ). The DOJ reviews the referral and determines whether further investigation is warranted. A DOJ investigation may result in a public civil enforcement action. Alternatively, the DOJ may decide to return the matter to the Board for administrative action. If a matter is returned to the Board, staff ensure that the institution takes all appropriate corrective action.

In 2023, the Board referred one fair lending matter to the DOJ. The matter involved a pattern or practice of discrimination on the basis of marital status in violation of ECOA and Regulation B.

If there is a fair lending violation that does not constitute a pattern or practice of discrimination under ECOA or if there is a UDAP violation, the Federal Reserve takes action to ensure that the violation is remedied by the bank. The Federal Reserve uses a range of supervisory and enforcement tools, including nonpublic and public enforcement actions, to resolve any ECOA, FHA, or UDAP violations and ensure that the institution takes appropriate corrective action. For example, the Fed-

eral Reserve often uses informal supervisory tools such as memoranda of understanding between banks' boards of directors and the Reserve Banks, or board resolutions to ensure that violations are corrected. When necessary, the Board can bring public enforcement actions.

Given the complexity of this area of supervision, the Federal Reserve seeks to provide transparency on its perspectives and processes to the industry and the public. Fair Lending and UDAP Enforcement staff meet with supervised institutions, consumer advocates, and industry representatives to discuss fair lending and UDAP issues and receive feedback. Through this outreach, the Board can address emerging fair lending and UDAP issues and promote sound fair lending and UDAP compliance. This includes staff participation in numerous meetings, conferences, and training events.

The Federal Reserve's outreach included the annual Board-sponsored Fair Lending Interagency Webinar, which attracted more than 6,300 registrants in 2023. See [box 6.1](#) for more information about fair lending topics covered at the event.⁷ The Federal Reserve also published an article in *Consumer Compliance Outlook* sharing information about the most frequent compliance violations in 2022, as well as supervisory observations regarding the assessment of nonsufficient funds fees on represented transactions.⁸

Flood Insurance Enforcement

The National Flood Insurance Act imposes certain requirements on loans secured by buildings or mobile homes located in, or to be located in, areas determined to have special flood hazards. Under the Federal Reserve's Regulation H, which implements the act, state member banks are generally prohibited from making, extending, increasing, or renewing any such loan unless the building or mobile home, as well as any personal property securing the loan, are covered by flood insurance for the term of the loan. The law requires the Board and other federal financial institution regulatory agencies to impose civil money penalties when they find a pattern or practice of violations of the regulation.

In 2023, the Federal Reserve issued one order, assessing approximately \$2,945,500 in civil money penalties against a state member bank to address flood insurance regulatory violations as well as unsafe and unsound practices in its flood insurance compliance program.⁹ In accordance with statutory requirements, the state member bank paid a \$58,000 civil money penalty to the Federal Emergency Management Agency for deposit into the National Flood Mitigation Fund and a \$2,887,500 civil money penalty to the U.S. Department of the Treasury.

⁷ To view the webinar, see <https://consumercomplianceoutlook.org/outlook-live/archives/>.

⁸ For more information and to access the publications, see <https://consumercomplianceoutlook.org/>.

⁹ To view press releases for enforcement actions, see <https://www.federalreserve.gov/newsevents/pressreleases.htm>.

Mergers and Acquisitions

The Board is required by law to consider specific factors when evaluating proposed mergers and acquisitions, including competitive considerations, financial condition, managerial resources (including compliance with laws and regulations), convenience and needs of the community to be served (including the record of performance under the CRA), and financial stability.

In evaluating bank applications, the Federal Reserve relies on the banks' overall compliance record, including recent fair lending examinations. In addition, the Federal Reserve considers the CRA records of the relevant depository institutions, assessments of other relevant supervisors, the supervisory views of examiners, and information provided by the applicant and public commenters. If warranted, the Federal Reserve will also conduct pre-membership exams for a transaction in which an insured depository institution will become a state member bank or in which the surviving entity of a merger would be a state member bank.¹⁰

The Board provides information on its actions associated with these merger and acquisition transactions, issuing press releases and Board Orders for each.¹¹ The Federal Reserve also publishes semiannual reports that provide pertinent information on applications and notices filed with the Federal Reserve.¹² The reports include statistics on the number of proposals that were approved, denied, and withdrawn as well as general information about the length of time taken to process proposals. Additionally, the reports discuss common reasons that proposals have been withdrawn from consideration. Furthermore, the reports compare processing times for merger and acquisition proposals that received adverse public comments and those that did not.

Coordination with Other Agencies

Coordination with the Consumer Financial Protection Bureau

During 2023, staff continued to coordinate on supervisory matters with the CFPB in accordance with the Interagency Memorandum of Understanding on Supervision Coordination. The agreement is intended to establish arrangements for coordination and cooperation among the CFPB and the Board of Governors, the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Association (NCUA). The agreement strives to minimize unnecessary regulatory burden and to avoid unnecessary duplication of effort and conflicting supervisory directives among the prudential regulators and the CFPB. The regulators work cooperatively to share exam schedules for covered institutions and covered activities to plan

¹⁰ In October 2015, the Federal Reserve issued guidance providing further explanation on its criteria for waiving or conducting such pre-merger or pre-membership examinations. For more information, see <https://www.federalreserve.gov/supervisionreg/srletters/SR1511.htm>.

¹¹ To access the Board's Orders on Banking Applications, see <https://www.federalreserve.gov/newsevents/pressreleases.htm>.

¹² For these reports, see <https://www.federalreserve.gov/supervisionreg/semiannual-reports-banking-applications-activity.htm>.

Box 6.1. Supporting Consumer Protection and Community Development

During 2023, economic developments posed unique opportunities and challenges for communities and financial institutions. The termination of the COVID-19 public health emergency in May concluded some federal and state benefit programs, and consumers grappled with higher prices caused by recent inflation. Meanwhile, ongoing changes in the banking industry—investment in machine learning and third-party fintech partnerships—continued to shape how many financial institutions deliver products and services.

The Board's Division of Consumer and Community Affairs (DCCA) developed regulations and policy guidance to support consumer protection and financial inclusion. DCCA staff also engaged in research, policy analysis, and outreach that provided insight into economic and financial developments and key consumer topics, including housing, small-dollar loans, and auto lending.

Modernizing the Community Reinvestment Act Regulations

In October, the Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency jointly issued a final rule to strengthen and modernize Community Reinvestment Act (CRA) regulations to better achieve the purposes of the law.¹ The CRA is a landmark law enacted in 1977 to address systemic inequities in access to credit by encouraging banks to help meet the credit needs of the communities in which they do business, with a focus on low- and moderate-income (LMI) communities, consistent with safe and sound operations. The CRA final rule accomplishes key objectives by adapting regulations to changes in the banking industry, including the expanded role of mobile and online banking; providing greater clarity and consistency in the application of the regulations; and tailoring performance standards to account for differences in bank size and business models.

Promoting Sound Consumer Risk-Management Practices among Banks

DCCA's consumer protection activities emphasized fair lending as a key aspect of consumer compliance and provided practical tips to support sound risk-management practices. At the 2023 Fair Lending Interagency Webinar, the Board discussed legal protections against disability discrimination and ways to identify instances of disability discrimination.² The event also included information about algorithmic bias, redlining, appraisal discrimination, and other topics. To increase transparency and foster compliance, the Board launched an annual feature in *Consumer Compliance Outlook* to provide information about the most frequent violations of consumer law cited by the Federal Reserve. DCCA also published articles that discuss the root causes of those violations and provide examples of sound practices institutions can use to mitigate compliance risk.³

Conducting Research and Analysis of Emerging Consumer Issues

With household finances facing challenging headwinds from rising costs and other factors, the Board offered insight into trends in consumer data and products. Released in May, the *Economic Well-Being of U.S. Households in 2022* report analyzed responses to the 10th annual Survey of Household Economics and Decisionmaking (SHED).⁴ This year, SHED included questions about emergency expenses, the labor market, inflation experiences, returns to education, housing situations, and retirement savings. Board staff also participated in a Federal Reserve Connecting Communities webinar discussing SHED findings.⁵

(continued)

¹ See <https://www.federalreserve.gov/consumerscommunities/community-reinvestment-act-final-rule.htm> for materials related to the CRA final rule, including a fact sheet, interagency summary of key objectives, Board member statements, and additional resources.

² See <https://www.consumercomplianceoutlook.org/Outlook-Live/2023/2023-Fair-Lending-Interagency-webinar/>.

³ See <https://www.consumercomplianceoutlook.org/>.

⁴ See <https://www.federalreserve.gov/consumerscommunities/shed.htm>.

⁵ See <https://fedcommunities.org/connecting-communities-economic-well-being-households-2022/>.

Box 6.1—continued

Other publications focused on whether and how credit products serve consumers' needs. A *Consumer & Community Context* article released in July explored how new data sources and technologies have enabled some banks and nonbanks to offer small-dollar loan products to consumers. A subsequent issue in November delved into auto finance, considering the post-pandemic state of the market and potential consumer risks.⁶ DCCA economists also published papers exploring current concerns such as workers' financial well-being, student debt, economic hardships related to the termination of emergency food assistance, income trends through the pandemic, and women's exits from the workforce during COVID-19.⁷

Engaging with Consumer and Community Perspectives

The Board hosted outreach meetings and events to assess the post-pandemic economy and issues affecting consumers, including credit access for small businesses and housing costs. The Board's Community Advisory Council provided insight into how LMI communities fared as COVID-19 benefits wound down and lending conditions tightened.⁸ In October, the Board and the Federal Reserve Bank of Richmond held a *Fed Listens* event in which business, civic, and nonprofit leaders shared perspectives on how the local economy has fared since the pandemic.⁹ The Federal Reserve's 2023 Community Development Research Seminar Series, *Keys to Opportunity in the Housing Market*, explored evidence-based approaches to promoting an inclusive housing market, including a session that examined challenges and opportunities in the affordable housing rental market.¹⁰

⁶ See <https://www.federalreserve.gov/publications/consumer-community-context.htm>.

⁷ See Kabir Dasgupta and Zofsha Merchant, "Understanding Workers' Financial Wellbeing in States with Right-to-Work Laws," FEDS Notes (Washington: Board of Governors of the Federal Reserve System, September 8, 2023), <https://doi.org/10.17016/2380-7172.3372>; Jacob Lockwood and Douglas Webber, "Non-Completion, Student Debt, and Financial Well-Being: Evidence from the Survey of Household Economics and Decisionmaking," FEDS Notes (Washington: Board of Governors of the Federal Reserve System, August 21, 2023), <https://doi.org/10.17016/2380-7172.3371>; Kabir Dasgupta and Alexander Plum, "Termination of SNAP Emergency Allotments, Food Sufficiency, and Economic Hardships," Finance and Economics Discussion Series 2023-046 (Washington: Board of Governors of the Federal Reserve System, July 2023), <https://doi.org/10.17016/FEDS.2023.046>; Katherine Lim and Mike Zabek, "Women's Labor Force Exits during COVID-19: Differences by Motherhood, Race, and Ethnicity," Finance and Economics Discussion Series 2021-067r1 (Washington: Board of Governors of the Federal Reserve System, July 2023), <https://doi.org/10.17016/FEDS.2021.067r1>; and Jeff Larrimore, Jacob Mortenson, and David Splinter, "Earnings Business Cycles: The Covid Recession, Recovery, and Policy Response," Finance and Economics Discussion Series 2023-004 (Washington: Board of Governors of the Federal Reserve System, January 2023), <https://doi.org/10.17016/FEDS.2023.004>.

⁸ See <https://www.federalreserve.gov/aboutthefed/cac.htm> for more information about the Community Advisory Council.

⁹ See <https://www.federalreserve.gov/fedlistens.htm>.

¹⁰ See <https://fedcommunities.org/community-development-research-seminar-series/2023-keys-opportunity-housing-market/>.

simultaneous exams, provide final drafts of examination reports for comment, and share supervisory information.

Coordination with Other Federal Banking Agencies

The Board regularly coordinates with other federal banking agencies, including through the development of interagency guidance, to clearly communicate supervisory expectations. The Federal Reserve also works with the other member agencies of the FFIEC to develop consistent examination principles, standards, procedures, and report formats.¹³ In addition, the Federal Reserve participates in the Joint Task Force on Fair Lending, composed of all the prudential regulators, the

¹³ For more information, see <https://www.ffiec.gov/>.

CFPB, the DOJ, the Federal Housing Finance Agency, the Federal Trade Commission, and the Department of Housing and Urban Development. Staff also participate in the Interagency Task Force on Property Appraisal and Valuation Equity, an initiative to address bias in home appraisals.

In January 2023, the Board issued a statement in coordination with the FDIC, the OCC, the CFPB, and the NCUA stating that, in response to a 2022 U.S. District Court for the District of Columbia decision vacating a portion of a May 2020 Regulation C rulemaking, the Board did not intend to cite HMDA violations or take enforcement action for not collecting or reporting closed-end mortgage loan data originated in 2022, 2021, or 2020 by Federal Reserve-supervised financial institutions that meet Regulation C's other coverage requirements and originated at least 25 closed-end mortgage loans in each of the two preceding calendar years but fewer than 100 closed-end mortgage loans in either or both of the two preceding calendar years.¹⁴ In April 2023, the Board joined the FDIC, the OCC, the CFPB, and the NCUA in an interagency statement reminding supervised institutions that U.S. dollar (USD) LIBOR panels would end on June 30, 2023, and reiterating expectations that institutions with USD LIBOR exposure should complete their transition of remaining LIBOR contracts away from LIBOR as soon as practicable.¹⁵ The Board, the OCC, and the FDIC issued a final rule modernizing the CRA regulations in October 2023.

Outreach

The Federal Reserve maintains a comprehensive public outreach program to promote consumer protection, financial inclusion, and community reinvestment. During 2023, the Board continued to enhance its program, delivering timely, relevant compliance information to the banking industry, experienced examiners, and other regulatory personnel.

In 2023, two issues of *Consumer Compliance Outlook* were released, discussing regulatory and supervisory topics of interest to compliance professionals.¹⁶ This publication is distributed to state member banks as well as to BHCs and savings and loan holding companies supervised by the Federal Reserve, among other subscribers. In addition, the Federal Reserve offered one Outlook Live seminar, the 2023 Fair Lending Interagency Webinar, discussed in [box 6.1](#).¹⁷

Examiner Training

The Federal Reserve's Examiner Training program supports the ongoing professional development of consumer compliance supervisory staff, from an initial introduction to the Federal Reserve System through the development of proficiency in consumer compliance topics sufficient to earn

¹⁴ See <https://www.federalreserve.gov/supervisionreg/caletters/caltr2301.htm>.

¹⁵ See <https://www.federalreserve.gov/supervisionreg/srletters/SR2302.htm>.

¹⁶ See <https://www.consumercomplianceoutlook.org/2023/second-third-issue/top-compliance-violations/>.

¹⁷ For more information and to access the webinar, see <https://consumercomplianceoutlook.org/outlook-live/archives/>.

an examiner's commission and beyond. The goal of these efforts is to ensure that examiners have the skills necessary to meet their supervisory responsibilities now and in the future.

Consumer Compliance Examiner Commissioning Program

The Consumer Compliance Examiner Commissioning Program is designed to provide an examiner with (1) a foundation for supervision in the Federal Reserve System and (2) the skills necessary to effectively perform examiner-in-charge responsibilities at a noncomplex community bank.¹⁸ On average, examiners progress through a combination of self-paced online learning, classroom offerings, virtual instruction, and on-the-job training over a period of two to three years. Achievement is measured by completing the required course content, demonstrating adequate on-the-job knowledge, and passing a professionally validated proficiency examination.

In 2023, six examiners passed the Consumer Compliance Proficiency Examination. The combination of multiple training delivery channels offers learners and Reserve Banks an ability to customize learning and meet training demands more individually and cost effectively.

Continuing Professional Development

In addition to providing core examiner training, continuing, career-long learning is offered. Opportunities for continuing professional development (CPD) include online learning modules, special projects and assignments, self-study programs, rotational assignments, instruction at System schools, mentoring programs, and the Consumer Compliance Senior Forum held every 18 months. Staff have access to CPD resources on a variety of topics, including learning assets for examiners moving into examiner responsibilities at larger financial institutions and other curated learning content.

In 2023, the System continued to offer Rapid Response and similar sessions to provide timely training to examiners through webinars and case studies on emerging issues or to address urgent training needs that result from, for example, the implementation of new laws or regulations. Four Rapid Response sessions with an exclusive consumer compliance focus were designed, developed, and presented to System staff during 2023. An additional 14 CPD offerings were delivered that addressed a broader range of supervisory issues, including consumer compliance topics.

Responding to Consumer Complaints and Inquiries

The Federal Reserve investigates complaints against state member banks and selected nonbank subsidiaries of BHCs (Federal Reserve-regulated entities), and forwards complaints against other creditors and businesses to the agency with relevant authority. Each Reserve Bank investigates

¹⁸ An overview of the Federal Reserve System's Examiner Commissioning Program for assistant examiners is set forth in supervision and regulation (SR) letter 17-6/CA 17-1, "Overview of the Federal Reserve's Supervisory Education Programs." See <https://www.federalreserve.gov/supervisionreg/srletters/sr1706.htm>.

Table 6.1. Complaints against state member banks and selected nonbank subsidiaries of bank holding companies by product and subject of complaint, 2023

Product/subject of complaint	Percent
Deposit/bank products	50
Funds availability not as expected	31
Deposit error resolution	19
Fraud/forgery	19
Restricted/blocked accounts	9
Other	22
Credit card accounts	20
Inaccurate credit reporting	27
Fraud/forgery	25
Account closure	9
Request to validate the debt owed	6
Other	33
Prepaid accounts	24
Inability to withdraw funds on the card	33
Restricted/blocked accounts	32
Fraud/forgery	15
Error resolution	14
Other	6
Nondeposit & bank services	3
Other products	2
Real estate loans	1
Note: Other products include commercial products, nondeposit products, vehicle loans, customer service, and bank services. Real estate loans include adjustable-rate mortgages, residential construction loans, open-end home equity lines of credit, home improvement loans, home purchase loans, home refinance/closed-end loans, and reverse mortgages.	

complaints against Federal Reserve-regulated entities in its District. The Federal Reserve also responds to consumer inquiries on a broad range of banking topics, including consumer protection questions.

Federal Reserve Consumer Help (FRCH) processes consumer complaints and inquiries centrally. In 2023, FRCH processed 31,279 cases. Of these cases, 18,804 were inquiries and the remainder (12,475) were complaints, with most cases received directly from consumers and involving financial institutions other than state member banks supervised by the Federal Reserve. Approximately 18 percent of cases were referred to the Federal Reserve from other federal and state agencies.

Consumers contacted FRCH by a variety of different channels: 59 percent of the FRCH consumer contacts occurred by telephone, and 39 percent of complaint and inquiry submissions were made electronically (via email, online submissions, and fax). The online form page received 49,172 visits during the year.

Consumer Complaints

Complaints against Federal Reserve-regulated entities totaled 6,115 in 2023. Of the total,

95 percent (5,790) were closed, and 5 percent were still under investigation.

Approximately 3 percent of the closed complaints were pending the receipt of additional information from consumers, referred to another regulatory agency, or withdrawn by the consumer.

Complaints about Products and Practices

During 2023, the Federal Reserve monitored consumer complaints by product and common subjects of complaint (see [table 6.1](#)).

The Board also tracked complaints that cite discrimination. Twenty-seven complaints alleging credit discrimination based on prohibited borrower traits or rights were received in 2023. Twenty-two dis-

crimination complaints were related to the race, color, national origin, or ethnicity of the applicant or borrower. Three discrimination complaints were related to either the age or sex of the applicant or borrower. The remainder were related to handicap and public assistance income. Of the closed complaints alleging credit discrimination based on a prohibited basis in 2023, there was one with a violation specific to the adverse action notice and one specific to credit reporting. However, they were not related to illegal credit discrimination.

In 46 percent of investigated complaints against Federal Reserve-regulated entities, evidence reviewed did not reveal an error or violation. Of the remaining 54 percent of investigated complaints, 13 percent were deemed regulatory concerns or violations of law; 12 percent were identified errors that were corrected by the bank; and the remainder included matters involving litigation, externally and internally referred complaints, complaints resolved by the bank after the consumer filed the complaint with FRCH, or information was provided to the consumer.

Consumer Laws and Regulations

Throughout 2023, the Board continued to administer its regulatory responsibilities with respect to certain entities and specific statutory provisions of the consumer financial services and fair lending laws. This included drafting regulations and issuing compliance guidance for the industry and the Reserve Banks and fulfilling its role in consulting with the CFPB on consumer financial services and fair lending regulations for which the CFPB has rulemaking responsibility.

Updating Annual Indexes for Consumer Regulations

Annual Indexing of Exempt Consumer Credit and Lease Transactions

In November 2023, the Board and the CFPB announced that the dollar thresholds in Regulation Z (Truth in Lending) and Regulation M (Consumer Leasing) that will apply in 2024 for determining exempt consumer credit and lease transactions will increase from \$66,400 in 2023 to \$69,500 for 2024. These thresholds are set pursuant to statutory changes enacted by the Dodd-Frank Act that require adjusting these thresholds annually based on the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Transactions at or below the thresholds are subject to the protections of the regulations.¹⁹

Annual Indexing of Threshold for Small Loan Exemption from Appraisal Requirements for Higher-Priced Mortgage Loans

In November 2023, the Board, the CFPB, and the OCC announced that the threshold for exempting loans from special appraisal requirements for higher-priced mortgage loans would increase from \$31,000 for 2023 to \$32,400 for 2024.²⁰ The Dodd-Frank Act amended TILA to add special

¹⁹ For more information, see <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231113b.htm>.

²⁰ For more information, see <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231113a.htm>.

appraisal requirements for higher-priced mortgage loans, including a requirement that creditors obtain a written appraisal based on a physical visit to the home's interior before making a higher-priced mortgage loan. The rules implementing these requirements contain an exemption for loans of \$25,000 or less and also provide that the exemption threshold will be adjusted annually to reflect increases in the CPI-W.

Annual Adjustment to Community Reinvestment Act Asset-Size Thresholds for Small and Intermediate Small Banks

In December 2023, the Board and the FDIC announced the annual adjustment to the asset-size thresholds used to define *small bank* and *intermediate small bank* under the CRA regulations.²¹

Financial institutions are evaluated under different CRA examination procedures based on their asset-size classification. Those meeting the small and intermediate small bank asset-size thresholds are not subject to the reporting requirements applicable to large banks unless they choose to be evaluated as a large bank.

Annual adjustments to these asset-size thresholds are based on the change in the average of the CPI-W, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

As a result of the 4.06 percent increase in the CPI-W for the period ending in November 2023, the definitions of small bank and intermediate small bank for CRA examinations were changed as follows:

- *Small bank* means a bank that, as of December 31 of either of the prior two calendar years, had assets of less than \$1.564 billion.
- *Intermediate small bank* means a small bank with assets of at least \$391 million as of December 31 of both of the prior two calendar years and less than \$1.564 billion as of December 31 of either of the prior two calendar years.

These asset-size threshold adjustments took effect on January 1, 2024.

Consumer Research and Analysis of Emerging Issues and Policy

Throughout 2023, the Board analyzed emerging issues in consumer financial services practices in order to understand their implications for consumers and the Federal Reserve's responsibilities.

²¹ For more information, see <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20231220a.htm>.

Researching Issues Affecting Consumers and Communities

In 2023, the Board explored various issues related to consumers and communities by convening experts, conducting original research, and fielding surveys as part of its continuing commitment to gain insights into consumers' financial and communities' economic development experiences. This work was essential to identifying emerging issues and understanding the progress of economic recovery after the COVID-19 pandemic.

Household Economics and Decisionmaking

The Board conducts an annual survey of consumers to gather data on their experiences and perspectives through the Survey of Household Economics and Decisionmaking. The SHED collects information to better understand household financial activity and perceptions.

Results of the Board's 10th annual SHED were published in the *Economic Well-Being of U.S. Households in 2022* report, released in May 2023.²² The survey results reflected the self-reported financial conditions of over 11,000 respondents at the end of 2022.

The survey asked respondents about specific aspects of their financial lives, including:

- employment
- expenses and experiences with inflation
- income and savings
- economic preparedness
- banking and credit
- housing and living arrangements
- higher education and student loans
- retirement

The 2022 survey results illustrated the challenges experienced by U.S. families from the elevated rate of inflation at that time. It found that self-reported financial well-being had fallen sharply and was among the lowest observed since 2016. Similarly, the share of adults who said that they spent less than their income in the month before the survey fell in 2022 from the prior year, while the share who said that their credit card debt increased rose. Among adults who were not retired, the survey also showed a decline in the share who felt that their retirement savings plan was on track, suggesting some concerns about people's future financial security.

²² For the report and related data from the Survey of Household Economics and Decisionmaking, see <https://www.federalreserve.gov/consumerscommunities/shed.htm>.

The report also highlights several new topics added to the survey in 2022, such as actions taken in response to higher prices, financial buffers, and worker autonomy. These new questions provide additional context on the experiences of U.S. adults in navigating higher prices in the marketplace. Additionally, the report continued to include information on emerging financial products including cryptocurrencies and “Buy Now, Pay Later” products.

The survey and report also provided insights into long-standing issues related to individuals’ personal financial circumstances, including returns to education, housing situations, and retirement savings. In many cases, the survey found that disparities by education, race and ethnicity, and income persisted in 2022.

In addition to fielding and analyzing these surveys, researchers in the Division of Consumer and Community Affairs published articles throughout the year in various publications and journals, contributing to a body of research exploring issues impacting consumers and communities. In 2023, research staff published seven working papers and notes in the Board’s Finance and Economics Discussion Series, had 12 papers accepted for publication at economics journals, and released several additional working papers in the International Finance Discussion Papers series.²³ See [box 6.1](#) for more insight into Board research publications.

Community Development Research Seminar Series

In 2023, the Board and the Reserve Banks continued the Federal Reserve System Community Development Research Seminar Series with the theme, “Keys to Opportunity in the Housing Market.” This series convenes researchers, policymakers, and practitioners across sectors to consider important issues that low- to moderate-income people and communities face, exploring the latest research to inform effective strategies to advance opportunity for economically vulnerable households and areas.

²³ For working papers by Division of Consumer and Community Affairs researchers in the Finance and Economics Discussion Series, see Alex Combs, John Foster, and Erin Troland, “The Role of Property Assessment Oversight in School Finance Inequality,” Finance and Economics Discussion Series 2023-024 (Washington: Board of Governors of the Federal Reserve System, May 2023), <https://doi.org/10.17016/FEDS.2023.024>; Kabir Dasgupta and Zofsha Merchant, “Understanding Workers’ Financial Wellbeing in States with Right-to-Work Laws,” FEDS Notes (Washington: Board of Governors of the Federal Reserve System, September 8, 2023), <https://doi.org/10.17016/2380-7172.3372>; Kabir Dasgupta and Alexander Plum, “Termination of SNAP Emergency Allotments, Food Sufficiency, and Economic Hardships,” Finance and Economics Discussion Series 2023-046 (Washington: Board of Governors of the Federal Reserve System, July 2023), <https://doi.org/10.17016/FEDS.2023.046>; Jacob Lockwood and Douglas Webber, “Non-Completion, Student Debt, and Financial Well-Being: Evidence from the Survey of Household Economics and Decisionmaking,” FEDS Notes (Washington: Board of Governors of the Federal Reserve System, August 21, 2023), <https://doi.org/10.17016/2380-7172.3371>; Zofsha Merchant and Erin Troland, “Did the Pandemic Change Who Became Behind on Rent? Characteristics of Renters Behind on Rent Before and After the Pandemic Onset,” FEDS Notes (Washington: Board of Governors of the Federal Reserve System, April 18, 2023), <https://doi.org/10.17016/2380-7172.3292>; Ben Ost, Weixiang Pan, and Douglas Webber, “College Networks and Re-employment of Displaced Workers,” Finance and Economics Discussion Series 2023-043 (Washington: Board of Governors of the Federal Reserve System, June 2023), <https://doi.org/10.17016/FEDS.2023.043>; and Daniel Gorin, Sarah Gosky, and Michael Suher, “Empirical Assessment of SR/CA Small-Dollar Lending Letter Impact,” FEDS Notes (Washington: Board of Governors of the Federal Reserve System, July 28, 2023), <https://doi.org/10.17016/2380-7172.3329>.

The seminars featured keynote remarks by Governor Michelle Bowman and Federal Reserve Bank of Boston Assistant Vice President Beth Mattingly. See [box 6.1](#) for more information about the 2023 Community Development Research Seminar Series.

Analysis of Emerging Issues

Board staff analyze data and anticipate trends, monitor legislative activity, form working groups, and organize expert roundtables to identify emerging consumer risks and inform supervision, research, and policy.

In 2023, the Board analyzed a broad range of issues in financial services markets that potentially pose risks to consumers. Topics of interest included

- assessing consumer risk during and after the pandemic,
- understanding the effects of inflation on low-income families,
- tracking housing trends, and
- monitoring credit for small businesses.

The Board convened a consumer risk-focused workshop series for staff from the Board, Reserve Banks, and other federal agencies in September. The discussion considered new consumer financial products in the context of product design, consumer risk, financial inclusion, and supervisory insights. In addition, subject matter experts published two new issues of the Board's *Consumer and Community Context* article series examining small-dollar consumer credit products and the auto finance market.²⁴ See [box 6.1](#) for more information about *Consumer & Community Context* and other Board publications.

Community Development

The Federal Reserve System's community development function promotes economic growth and financial stability for underserved households and communities through research and public outreach. Community development is largely a decentralized function within the Federal Reserve System, and the Community Affairs Officers at each of the 12 Reserve Banks design strategies to respond to the specific needs and interests of community development stakeholders in their respective Districts. Board staff provide oversight for alignment with Board objectives and coordination of System priorities.

²⁴ See "Meeting Small-Dollar Consumer Credit Needs: Old and New Choices," <https://www.federalreserve.gov/publications/files/consumer-community-context-20230728.pdf> and "Nuts and Bolts of Today's Auto Finance Market," <https://www.federalreserve.gov/publications/files/consumer-community-context-20231128.pdf>. For more information about *Consumer & Community Context*, see <https://www.federalreserve.gov/publications/consumer-community-context.htm>.

Understanding Outcomes in the Labor Market

The community development function works to ensure that the voices of consumers and communities inform policy and research and solicits diverse views on issues affecting the economy and financial markets. These perspectives help improve research, policies, and transparency.

During 2023, the Board's community development initiatives provided insight into post-pandemic employment and workforce development across demographics. Board staff analyzed how childcare and family obligations affected women's participation in the labor force during and after the pandemic.²⁵ The Board also collaborated with Federal Reserve System partners to promote *Worker Voices: Shifting Perspectives and Expectations on Employment*, a report about job conditions and hiring trends in the context of economic recovery.²⁶

In addition to monitoring the impact of employment disparities, the Federal Reserve also assessed the ways in which post-pandemic economic conditions affected the viability of minority depository institutions (MDIs). In December 2023, the Board released *Preserving and Promoting Minority Depository Institutions*, an annual report informing the public about Federal Reserve research, events, and other initiatives to preserve and support MDIs.²⁷ During the semiannual Community Advisory Council (CAC) meetings, council members noted how the end of some types of pandemic relief created a greater demand for small business loans from MDIs and community development financial institutions. The Council also shared perspectives on local credit and economic conditions in housing, labor markets, and small businesses.²⁸

²⁵ See <https://fedcommunities.org/what-driving-continued-womens-labor-force-shortage/>.

²⁶ See <https://fedcommunities.org/research/worker-voices/2023-shifting-perspectives-expectations-employment/>.

²⁷ See <https://www.federalreserve.gov/publications/files/promoting-minority-depository-institutions-2023.pdf>.

²⁸ Records of the meetings of the CAC are available at <https://www.federalreserve.gov/aboutthefed/cac.htm>.

Appendixes

A | Federal Reserve System Organization

Congress designed the Federal Reserve System to give it a broad perspective on the economy and on economic activity in all parts of the nation. As such, the System is composed of a central, governmental agency—the Board of Governors—in Washington, D.C., and 12 regional Federal Reserve Banks. This section lists key officials across the System, including the Board of Governors, [its officers](#), [Federal Open Market Committee members](#), [several System councils](#), and [Federal Reserve Bank and Branch directors and officers](#) for 2023.

Board of Governors

Members

The Board of Governors of the Federal Reserve System is composed of seven members, who are nominated by the President and confirmed by the Senate. The Chair and the Vice Chair of the Board are named by the President from among the members and are confirmed by the Senate. This section lists Board members who served in 2023. For a full list of Board members from 1914 through the present, see www.federalreserve.gov/aboutthefed/bios/board/boardmembership.htm.

Jerome H. Powell

Chair

Lael BrainardVice Chair (through
February 20, 2023)**Philip N. Jefferson**Vice Chair (as of
September 13, 2023)**Michael S. Barr**

Vice Chair for Supervision

Michelle W. Bowman**Lisa D. Cook****Adriana D. Kugler** (as of
September 13, 2023)**Christopher J. Waller**

Divisions and Officers

Fifteen divisions support and carry out the mission of the Board of Governors, which is based in Washington, D.C.

Division of Board Members

Michelle A. SmithAssistant to the Board
and Director**Jennifer C. Gallagher**

Assistant to the Board

Linda L. RobertsonAssistant to the Board (through
May 1, 2023)**Terrence E. Fischer**Special Assistant to Board
for Public Information**Jon Faust**Senior Special Adviser
to the Chair

Legal Division

Mark E. Van Der Weide
General Counsel

Jean C. Anderson
Deputy General Counsel

Richard M. Ashton
Deputy General Counsel

Charles C. Gray
Deputy General Counsel

Reena Sahni
Senior Associate
General Counsel

Alvin D. Williams
Senior Associate
General Counsel

Alicia S. Foster
Associate General Counsel

Jason A. Gonzalez
Deputy Associate
General Counsel

Asad L. Kudiya
Deputy Associate
General Counsel

Jay R. Schwartz
Deputy Associate
General Counsel

Dafina V. Stewart
Deputy Associate
General Counsel

Alison M. Thro
Deputy Associate
General Counsel (through
June 1, 2023)

Evan H. Winerman
Deputy Associate
General Counsel

Lucy O. Chang
Assistant General Counsel (as of
August 27, 2023)

Sean D. Croston
Assistant General Counsel

Office of the Secretary

Ann Misback
Secretary of the Board

Margaret M. Shanks
Deputy Secretary (through
August 31, 2023)

Yao-Chin Chao
Deputy Associate Secretary

Michele T. Fennell
Deputy Associate Secretary

Erin M. Cayce
Assistant Secretary (as of
April 23, 2023)

Division of International Finance

Beth Anne Wilson
Director

Shaghil Ahmed
Deputy Director

Stephanie E. Curcuru
Deputy Director

Sally M. Davies
Deputy Director (through
February 1, 2023)

Brian M. Doyle
Deputy Director

James A. Dahl
Senior Associate Director

Matteo Iacoviello
Senior Associate Director

Paul R. Wood
Senior Associate Director

Etienne Gagnon
Associate Director

Luca Guerrieri
Associate Director

Jason J. Wu
Associate Director (through Janu-
ary 21, 2023)

Daniel Beltran
Deputy Associate Director

Andrea De Michelis
Deputy Associate Director

Jasper J. Hoek
Deputy Associate Director

Viktors Stebunovs
Deputy Associate Director

Emre Yoldas
Deputy Associate Director

Dario Caldara
Assistant Director

Deepa Datta
Assistant Director (as of Decem-
ber 17, 2023)

Andrea Pastore
Assistant Director (as of May 7, 2023)

Brett D. Berger
Senior Adviser

Carol C. Bertaut
Senior Adviser

Ricardo Correa
Senior Adviser

Martin R. Bodenstein
Adviser

Division of Financial Stability

Andreas W. Lehnert

Director

Michael T. Kiley

Deputy Director

William F. Bassett

Senior Associate Director

Elizabeth C. Klee

Senior Associate Director

John W. SchindlerSenior Associate Director (through
February 1, 2023)**Namirembe E. Mukasa**Associate Director and
Chief of Staff**Skander J. Van den Heuvel**

Associate Director

Seung Jung Lee

Deputy Associate Director

Chiara ScottiDeputy Associate Director (through
February 16, 2023)**David Arseneau**

Assistant Director

Jose BerrospideAssistant Director (as of
July 30, 2023)**Fang Cai**Assistant Director (as of
July 30, 2023)**Ceyhun Durdu**

Assistant Director

Alfonso VentosoAssistant Director (as of
March 26, 2023)**Adele Cecile Morris**

Senior Adviser

Todd Vermilyea

Senior Adviser

Andrew M. Cohen

Adviser

Division of Monetary Affairs

Trevor A. Reeve

Director

James A. Clouse

Deputy Director

Rochelle M. Edge

Deputy Director

Nellisha Ramdass

Deputy Director

Joshua Gallin

Secretary of the FOMC

David H. Bowman

Senior Associate Director

Margaret G. DeBoer

Senior Associate Director

J. David Lopez-Salido

Senior Associate Director

Matthew M. Luecke

Senior Associate Director

Min Wei

Senior Associate Director

Eric C. Engstrom

Associate Director

Christopher J. Gust

Associate Director

Katherine SickbertAssociate Director (as of
March 27, 2023)**Karen L. Brooks**

Deputy Associate Director

Laura Lipscomb

Deputy Associate Director

Zeynep Senyuz

Deputy Associate Director

Rebecca E. Zarutskie

Deputy Associate Director

Brian Bonis

Assistant Director

Giovanni Favara

Assistant Director

Benjamin JohannsenAssistant Director (as of
March 12, 2023)**Keith Kudrycki**Assistant Director (as of
May 7, 2023)**Dan Li**

Assistant Director

Elizabeth L. Marx

Assistant Director

Andrew C. Meldrum

Assistant Director

Jane E. Ihrig

Senior Adviser

Don H. Kim

Senior Adviser

Edward M. Nelson

Senior Adviser

Robert J. Tetlow

Senior Adviser

Annette Vissing-Jorgensen

Senior Adviser

Mark A. Carlson

Adviser

Division of Research and Statistics

Stacey Tevlin
Director

Jeffrey C. Campione
Deputy Director

Daniel M. Covitz
Deputy Director

William L. Wascher III
Deputy Director

Stephanie Aaronson
Senior Associate Director (as of
January 3, 2023)

Nicole E. Bennett
Senior Associate Director

Eric M. Engen
Senior Associate Director

Diana Hancock
Senior Associate Director

Elizabeth K. Kiser
Senior Associate Director

David E. Lebow
Senior Associate Director

Michael G. Palumbo
Senior Associate Director

John J. Stevens
Senior Associate Director

Burcu Duygan-Bump
Associate Director

J. Andrew Figura
Associate Director

Glenn R. Follette
Associate Director

Timothy A. Mullen
Associate Director

Shane M. Sherlund
Associate Director

Shawn M. Buckner
Deputy Associate Director

Erik A. Heitfield
Deputy Associate Director

Byron F. Lutz
Deputy Associate Director

Patrick E. McCabe
Deputy Associate Director

Raven S. Molloy
Deputy Associate Director

Norman J. Morin
Deputy Associate Director

Karen M. Pence
Deputy Associate Director

Paul A. Smith
Deputy Associate Director

Binoy K. Agarwal
Assistant Director and Chief

Giovanni G. Amisano
Assistant Director

Celso Brunetti
Assistant Director

Marco Cagetti
Assistant Director

Deborah M. Flores
Assistant Director

Jacob Gramlich
Assistant Director (as of
April 23, 2023)

Karen Krugman
Assistant Director

Christopher J. Kurz
Assistant Director and Chief

Paul A. Lengermann
Assistant Director

Geng Li
Assistant Director

Kevin B. Moore
Assistant Director

Matthias Paustian
Assistant Director

Ekaterina Peneva
Assistant Director and Chief (as of
April 23, 2023)

Gustavo Suarez
Assistant Director

Clara Vega
Assistant Director

S. Wayne Passmore
Senior Adviser

Jeremy Rudd
Senior Adviser

Steven A. Sharpe
Senior Adviser

Wendy E. Dunn
Adviser

Charles Fleischman
Adviser

Division of Supervision and Regulation

Michael S. Gibson
Director

Jennifer J. Burns
Deputy Director

Kate M. Fulton
Deputy Director

Arthur W. Lindo
Deputy Director

Mary L. Aiken
Senior Associate Director

Marta Chaffee
Senior Associate Director

Molly E. Mahar
Senior Associate Director

Richard N. Ragan
Senior Associate Director

Lisa H. Ryu
Senior Associate Director

Thomas R. Sullivan

Senior Associate Director (through February 1, 2023)

Kevin M. Bertsch

Associate Director

Christopher Finger

Associate Director

Jeffery W. Gunther

Associate Director

Anna L. Hewko

Associate Director

Kavita Jain

Associate Director

Shannon M. Kelly

Associate Director (through June 15, 2023)

Richard A. Naylor II

Associate Director

Uzma Wahhab

Associate Director

John Beebe

Deputy Associate Director

Karen A. Caplan

Deputy Associate Director

James Diggs

Deputy Associate Director

Christine E. Graham

Deputy Associate Director

Kathleen W. Johnson

Deputy Associate Director (through May 1, 2023)

Eric L. Kennedy

Deputy Associate Director

Ryan P. Lordos

Deputy Associate Director

Lara K. Lylozian

Deputy Associate Director/
Chief Accountant

David K. Lynch

Deputy Associate Director

T. Kirk Odegard

Deputy Associate Director

Brent Richards

Deputy Associate Director

Vaishali D. Sack

Deputy Associate Director

Robert F. Sarama

Deputy Associate Director

Steven M. Spurry

Deputy Associate Director

Catherine A. Tilford

Deputy Associate Director

Donna J. Webb

Deputy Associate Director

Suzanne L. Williams

Deputy Associate Director

Kathryn L. Ballintine

Assistant Director

Dana L. Burnett

Assistant Director

Anthony B. Cain

Assistant Director

Juan C. Climent

Assistant Director

Keith J. Coughlin

Assistant Director (through June 1, 2023)

Joseph B. Cox

Assistant Director (as of August 27, 2023)

Stephen Curren

Assistant Director (as of March 13, 2023)

Kwayne Jennings

Assistant Director (as of October 22, 2023)

Elizabeth K. MacDonald

Assistant Director

Doriana Ruffino

Assistant Director (as of August 27, 2023)

April C. Snyder

Assistant Director

Emily P. Wells

Assistant Director (through March 1, 2023)

Norah M. Barger

Senior Adviser

Fang Du

Adviser

William F. Treacy

Adviser

Division of Consumer and Community Affairs**Eric S. Belsky**

Director

V. Nicole Bynum

Deputy Director

David L. Newville

Senior Associate Director (as of June 20, 2023)

Benjamin K. Olson

Senior Associate Director

David E. Buchholz

Associate Director

Angelyque Campbell

Associate Director

Joseph A. Firschein

Associate Director

Phyllis L. Harwell

Associate Director

Drew D. Kohan

Associate Director

Marisa A. Reid

Associate Director

Caterina Petrucco-Littleton

Deputy Associate Director

Amy B. Henderson

Assistant Director

Minh-Duc T. LeAssistant Director (through
September 22, 2023)

Division of Reserve Bank Operations and Payment Systems**Matthew J. Eichner**

Director

Susan V. Foley

Deputy Director

Gregory L. Evans

Senior Associate Director

Jennifer K. Liu

Senior Associate Director

Jennifer A. Lucier

Senior Associate Director

David C. Mills

Senior Associate Director

Brian A. Lawler

Associate Director

Mark D. Manuszak

Associate Director

Rebecca L. Royer

Associate Director

Stuart E. Sperry

Associate Director

Jeffrey D. Walker

Associate Director

Casey H. Clark

Deputy Associate Director

Sonja R. Danburg

Deputy Associate Director

Jason A. Hinkle

Deputy Associate Director

Laura Howard MayerDeputy Associate Director (as of
August 14, 2023)**Caio P. Peixoto**

Deputy Associate Director

Shannon Hulsandra

Assistant Director/Manager

Travis D. Nesmith

Assistant Director and Chief

Edward L. Anderson

Assistant Director

Emily A. Caron

Assistant Director

Doreen S. ChappellAssistant Director (as of
January 29, 2023)**Brian R. Gattoni**Assistant Director (as of
January 30, 2023)**James D. Noonan**Assistant Director (as of
August 27, 2023)**Ian C. Spear**

Assistant Director

Timothy W. MaasSenior Adviser (through
April 1, 2023)

Office of the Chief Operating Officer**Patrick J. McClanahan**

Chief Operating Officer

Katherine Tom

Chief Data Officer

Sheila Clark

Chief Diversity Officer

Phillip C. Daher

Associate Director

Andrew Leonard

Associate Director

Pamela C. HarrisDeputy Associate Director (as of
October 23, 2023)

Division of Financial Management**Ricardo Aguilera**Director and Chief
Financial Officer**Stephen J. Bernard**

Deputy Director

Monica Y. Manning

Associate Director

Thomas Murphy

Associate Director

Jeffrey R. Peirce

Associate Director

Karen L. Vassallo

Associate Director

Kimberly Briggs

Deputy Associate Director

Division of Management

Winona Varnon

Director

Kendra Gastright

Deputy Director

Tameika L. PopeDeputy Director
and CHCO**Tara Tinsley-Pelitere**

Deputy Director and CTO

Curtis B. EldridgeSenior Associate Director
and Chief, LEU (through July 31, 2023)**Ann Buckingham**

Associate Director

Reginald V. Roach

Associate Director

Donna J. ButlerDeputy Associate Director and
Chief of Staff**Catherine Jack**

Deputy Associate Director

Tim Ly

Deputy Associate Director

Timothy E. Markey

Deputy Associate Director

Stephen E. Pearson

Deputy Associate Director

Lewis Andrews

Assistant Director

Stewart A. Carroll

Assistant Director

Alfonso M. DysonAssistant Director and
Assistant Chief, LEU (as of
July 31, 2023)**Leah Middleton**

Assistant Director

Division of Information Technology

Sharon L. Mowry

Director (through March 1, 2023)

Jeffrey M. Riedel

Director (as of November 20, 2023)

Andrew V. KrugDeputy Director (through
November 2, 2023)**Stephen Olden**

Deputy Director

Kofi A. Sapong

Deputy Director

Glenn S. EskowSenior Associate Director (through
May 1, 2023)**Deborah Prespare**

Senior Associate Director

Sheryl Lynn Warren

Senior Associate Director

Rajasekhar R. Yelisetty

Senior Associate Director

Charles B. Young

Senior Associate Director

William K. Dennison

Deputy Associate Director

Amy Kelley

Deputy Associate Director

Brian Lester

Deputy Associate Director

Scott Meyerle

Deputy Associate Director

Can Xuan Nguyen

Deputy Associate Director

Nischala N. Nimmakayala

Deputy Associate Director

Langston Shaw

Deputy Associate Director

Jonathan F. Shrier

Deputy Associate Director

Virginia M. Wall

Deputy Associate Director

Edgar Wang

Deputy Associate Director

Ivan K. WunDeputy Associate Director (through
July 31, 2023)**Michelle L. Bagg**Assistant Director (as of
April 9, 2023)**Tannaz Haddadi**Assistant Director (as of
March 13, 2023)**Herman Ip**

Assistant Director

Fred Vu

Assistant Director

Office of Inspector General

Mark Bialek

Inspector General

Fred Gibson

Deputy Inspector General

Cynthia Gray

Deputy Associate Inspector General

Stephen Carroll

Associate Inspector General

Michael VanHuysen

Associate Inspector General

Jason A. Derr

Assistant Inspector General

Khalid A. Hassan

Assistant Inspector General (as of
February 26, 2023)

Jina Hwang

Assistant Inspector General

Jacqueline M. Becker

Senior Adviser

Federal Open Market Committee

The Federal Open Market Committee is made up of the seven members of the Board of Governors; the president of the Federal Reserve Bank of New York; and four of the remaining eleven Federal Reserve Bank presidents, who serve one-year terms on a rotating basis. During 2023, the Federal Open Market Committee held eight regularly scheduled meetings (see [appendix B](#), “Minutes of Federal Open Market Committee Meetings”).

Members

Jerome H. Powell

Chair, Board of Governors

John C. Williams

Vice Chair, President,
Federal Reserve Bank of New York

Michael S. Barr

Member, Board of Governors

Michelle W. Bowman

Member, Board of Governors

Lael Brainard

Member, Board of Governors (through
February 20, 2023)

Susan M. Collins

President, Federal Reserve Bank
of Boston

Lisa D. Cook

Member, Board of Governors

Austan D. Goolsbee

President, Federal Reserve Bank
of Chicago

Patrick Harker

President, Federal Reserve Bank of
Philadelphia

Philip N. Jefferson

Member, Board of Governors

Neel Kashkari

President, Federal Reserve Bank of
Minneapolis

Adriana D. Kugler

Member, Board of Governors (as of
September 13, 2023)

Lorie K. Logan

President, Federal Reserve Bank
of Dallas

Christopher J. Waller

Member, Board of Governors

Alternate Members

Thomas I. Barkin

President, Federal Reserve Bank
of Richmond

Raphael W. Bostic

President, Federal Reserve Bank
of Atlanta

Mary C. Daly

President, Federal Reserve Bank
of San Francisco

Loretta J. Mester

President, Federal Reserve Bank
of Cleveland

Helen E. Mucciolo

Interim First Vice President, Federal
Reserve Bank of New York (through
March 1, 2023)

Sushmita Shukla

First Vice President, Federal Reserve
Bank of New York (as of
March 2, 2023)

Officers

Joshua Gallin
Secretary

Matthew M. Luecke
Deputy Secretary

Brian J. Bonis
Assistant Secretary

Michelle A. Smith
Assistant Secretary

Mark E. Van Der Weide
General Counsel

Richard Ostrander
Deputy General Counsel

Charles C. Gray
Assistant General Counsel

Trevor A. Reeve
Economist

Stacey Tevlin
Economist

Beth Anne Wilson
Economist

Shaghil Ahmed
Associate Economist

Roc Armenter
Associate Economist

James A. Clouse
Associate Economist

Brian M. Doyle
Associate Economist

Eric M. Engen
Associate Economist

Beverly Hirtle
Associate Economist

Anna Paulson
Associate Economist

Andrea Raffo
Associate Economist

Chiara Scotti
Associate Economist (as of
February 16, 2023)

William L. Wascher
Associate Economist

Roberto Perli
Manager, System Open Market
Account (as of February 21, 2023)

Julie Ann Remache
Deputy Manager, System Open Market
Account (as of February 21, 2023)

Patricia Zobel
Deputy Manager, System Open Market
Account (through February 20, 2023)

Board of Governors Advisory Councils

The Federal Reserve Board uses advisory committees in carrying out its varied responsibilities. To learn more, visit <https://www.federalreserve.gov/aboutthefed/advisorydefault.htm>.

Federal Advisory Council

The Federal Advisory Council—a statutory body established under the Federal Reserve Act—consults with and advises the Board of Governors on all matters within the Board’s jurisdiction. It is composed of one representative from each Federal Reserve District, chosen by the Reserve Bank in that District. The president and vice president of the council are selected from amongst council members. The Federal Reserve Act requires the council to meet in Washington, D.C., at least four times a year. In 2023, the council met on February 8–9, May 10–11, September 6–7, and November 29–30. The council met with the Board on February 9, May 11, September 7, and November 30, 2023.

Members

District 1

Robert F. Rivers

Chairman and Chief Executive Officer, Eastern Bank, Boston, MA

District 2

Marianne Lakes

Co-CEO of Consumer & Community Banking, JPMorgan Chase & Co., New York, NY

District 3

Jeffrey M. Schweitzer

President and Chief Executive Officer, Univest Bank and Trust Co., Souderton, PA

District 4

William S. Demchak

Chairman, President, and Chief Executive Officer, PNC Financial Services Group, Pittsburgh, PA

District 5

William H. Rogers Jr.

Chairman and Chief Executive Officer, Truist Financial Corp., Charlotte, NC

District 6

John M. Turner Jr.

President and Chief Executive Officer, Regions Financial Corp., Birmingham, AL

District 7

David R. Casper

Chairman and Chief Executive Officer, BMO Harris Bank, Chicago, IL

District 8

George A. Makris Jr.

Executive Chairman, Simmons First National Corp.: Simmons Bank, Pine Bluff, AR

District 9

Andrew Cecere

Chairman, President, and Chief Executive Officer, U.S. Bancorp, Minneapolis, MN

District 10

Jill Castilla

President and Chief Executive Officer, Citizens Bank of Edmond, Edmond, OK

District 11

David Zalman

Senior Chairman and Chief Executive Officer, Prosperity Bancshares/ Prosperity Bank, El Campo, TX

District 12

Nandita Bakhshi

Adviser, Bank of Montreal, San Francisco, CA

Officers

Jeffrey M. Schweitzer

President

Herb Taylor

Secretary

Luba Romanyuk

Deputy Secretary

David R. Casper

Vice President

Community Depository Institutions Advisory Council

The Community Depository Institutions Advisory Council advises the Board of Governors on the economy, lending conditions, and other issues of interest to community depository institutions. Members are selected from among representatives of banks, thrift institutions, and credit unions who are serving on local advisory councils at the 12 Federal Reserve Banks. One member of each of the Reserve Bank councils serves on the Community Depository Institutions Advisory Council. The president and vice president are selected from amongst council members. The council usually meets with the Board twice a year in Washington, D.C. In 2023, the council met on April 13 and November 16.

Members

District 1**Kathryn G. Underwood**Adviser, Ledyard National Bank,
Hanover, NH**District 2****James S. Vaccaro**Chair, President, and Chief Executive
Officer, Manasquan Bank, Wall
Township, NJ**District 3****Jeane M. Vidoni**President and Chief Executive Officer,
Penn Community Bank, Perkasio, PA**District 4****Chuck Sulerzyski**President and Chief Executive Officer,
Peoples Bank, Marietta, OH**District 5****Daniel P. Berry**President and Chief Executive Officer,
Duke University Federal Credit Union,
Durham, NC**District 6****Tyler K. Clinch**Chief Executive Officer and President,
First Community Bank of East
Tennessee, Kingsport, TN**District 7****Kent A. Liechty**President and Chief Executive Officer,
First Bank of Berne, Berne, IN**District 8****Luanne Cundiff**President and Chief Executive Officer,
First State Bank of St. Charles,
St. Charles, MO**District 9****Dylan S. Clarkson**President and Chief Executive Officer,
Pioneer Bank & Trust, Spearfish, SD**District 10****Kim DeVore**President and Chief Executive Officer,
Jonah Bank of Wyoming, Casper, WY**District 11****Tracy Harris**President and Chief Executive Officer,
National Bank & Trust, La Grange, TX**District 12****Janet Silveria**President and Chief Executive Officer,
Community Bank of Santa Maria,
Santa Maria, CA

Officers

Jeane M. Vidoni
President

Chuck Sulerzyski
Vice President

Community Advisory Council

The Community Advisory Council was formed in 2015 to advise the Board of Governors on the economic circumstances and financial services needs of consumers and communities, with a particular focus on the concerns of low- and moderate-income populations. The council is composed of a diverse group of experts and representatives of consumer and community development organizations and interests, including from such fields as affordable housing, community and economic development, employment and labor, financial services and technology, small business, and asset and wealth building. One member of the council serves as its chair. The council first met with the Board in November 2015, and meets with the Board twice each year. In 2023, the council met with the Board on May 18 and October 19.

Members

Ivy Allen

President, Foundation for the Mid South, Jackson, MS

Daniel Betancourt

President and CEO, Community First Fund, Lancaster, PA

Carlos J. Contreras III

President and CEO, Goodwill Industries of San Antonio, San Antonio, TX

Fearn Gupton

Rural Development Manager, South Carolina Department of Commerce, Columbia, SC

Melanie Hogan

Executive Director, Linking Employment, Abilities, and Potential (LEAP), Cleveland, OH

Michelle Ka’uhane

Senior Vice President & Chief Impact Officer, Hawaii Community Foundation, Honolulu, HI

Megan Langley

Executive Director, Strengthen North Dakota, Souris, ND

Chan U. Lee

President and CEO, Devine & Gong, Inc., Oakland, CA

Darlene Lombos

Executive Secretary-Treasurer, Boston Labor Council, Boston, MA

Christie McCravy

Executive Director, Louisville Metro Affordable Housing Trust Fund, Louisville, KY

Dr. Laura Murillo

President and CEO, Houston Hispanic Chamber of Commerce, Houston, TX

Ceyl Prinster

President and CEO, Colorado Enterprise Fund, Denver, CO

Eric Robertson

Executive Director, The Formanek Foundation, Memphis, TN

Arjan Schutte

Founder and Managing Partner, Core Innovation Capital, San Francisco, CA

Kendra N. Smith

Vice President, Community Health, Bon Secours Mercy Health, Toledo, OH

Officers

Daniel Betancourt
Chair

Christie McCravy
Vice Chair

Model Validation Council

The Model Validation Council was established in 2012 by the Board of Governors to provide expert and independent advice on its process to rigorously assess the models used in stress tests of banking institutions. The Dodd-Frank Wall Street Reform and Consumer Protection Act required the Federal Reserve to conduct annual stress tests of large bank holding companies and systemically important, nonbank financial institutions supervised by the Board. The Model Validation Council provides input on the Board's efforts to assess the effectiveness of the models used in the stress tests. The council is intended to improve the quality of the Federal Reserve's model assessment program and to strengthen the confidence in the integrity and independence of the program.

Members

The council had no members or meetings during 2023.

Federal Reserve Banks and Branches

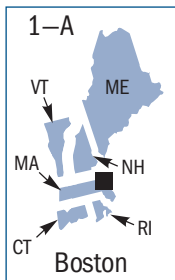
To carry out the day-to-day operations of the Federal Reserve System, the nation has been divided into 12 Federal Reserve Districts, each with a Reserve Bank. The majority of Reserve Banks also have at least one Branch.

Reserve Bank and Branch Directors

As required by the Federal Reserve Act, each Federal Reserve Bank is supervised by a nine-member board with three different classes of three directors each: Class A directors, who are nominated and elected by the member banks in that District to represent the stockholding banks; Class B directors, who are nominated and elected by the member banks to represent the public; and Class C directors, who are appointed by the Board of Governors to represent the public. Class B and Class C directors are selected with due, but not exclusive, consideration to the interests of agriculture, commerce, industry, services, labor, and consumers. Each Federal Reserve Bank Branch also has a board with either five or seven directors. A majority of the directors on each Branch board are appointed by the Federal Reserve Bank, with the remaining directors appointed by the Board of Governors.

For more information on Reserve Bank and Branch directors, see <https://www.federalreserve.gov/aboutthefed/directors/about.htm>.

Reserve Bank and Branch directors are listed below. For each director, the class of directorship, the director's principal place of business, and the expiration date of the director's current term are shown. Also shown are maps that identify Federal Reserve Districts by their official number, city, and letter designation. For more information on the Federal Reserve indicator letters, see <https://www.uscurrency.gov/denominations/bank-note-identifiers>.

District 1–Boston

Covers the states of Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; and all but Fairfield County in Connecticut.

For more information on this District and to learn more about the Federal Reserve Bank of Boston’s operations, visit <https://www.bostonfed.org>. Information on economic conditions for this District can be found in the Federal Reserve System’s Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank’s financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/bostonfinstmt2023.pdf>.

Class A

Jeanne A. Hult, 2023
President and Chief Executive Officer,
Maine Community Bank, Biddeford, ME

Sushil K. Tuli, 2024
Chairman and Chief Executive Officer,
Leader Bank, N.A., Arlington, MA

Ronald P. O’Hanley, 2025
Chairman and Chief Executive Officer,
State Street, Boston, MA

Class B

Kimberly Sherman Stamler,
2023
President, Related Beal, Boston, MA

Lauren A. Smith, 2024
Chief Health Equity and Strategy
Officer, CDC Foundation, Boston, MA

Vacancy, 2025

Class C

Roger W. Crandall, 2023
Chairman, President, and Chief
Executive Officer, Massachusetts
Mutual Life Insurance Company,
Springfield, MA

Corey Thomas, 2024
Chairman and Chief Executive Officer,
Rapid7, Inc., Boston, MA

Lizanne Kindler, 2025
Executive Chair and Chief Executive
Officer, KnitWell Group, Hingham, MA

District 2–New York

Covers the state of New York, Fairfield County in Connecticut, and 12 counties in northern New Jersey, and serves the Commonwealth of Puerto Rico and the U.S. Virgin Islands.

For more information on this District and to learn more about the Federal Reserve Bank of New York’s operations, visit <https://www.newyorkfed.org/>. Information on economic conditions for this District can be found in the Federal Reserve System’s Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank’s financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/newyorkfinstmt2023.pdf>.



Class A

Vacancy, 2023

René F. Jones, 2024
Chairman and Chief Executive Officer,
M&T Bank Corporation, Buffalo, NY

Douglas L. Kennedy, 2025
President and Chief Executive Officer,
Peapack-Gladstone Bank,
Bedminster, NJ

Class B

Arvind Krishna, 2023
Chairman and Chief Executive Officer,
IBM, New York, NY

Scott Rechler, 2024
Chairman and Chief Executive Officer,
RXR, New York, NY

Adena T. Friedman, 2025
President and Chief Executive Officer,
Nasdaq, New York, NY

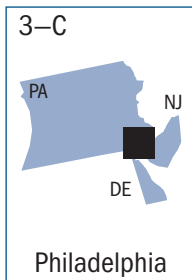
Class C

Rosa Gil, 2023
Founder, President, and Chief
Executive Officer, Comunilife, Inc.,
New York, NY

Vincent Alvarez, 2024
President, New York City Central Labor
Council, AFL-CIO, New York, NY

Pat Wang, 2025
President and Chief Executive Officer,
Healthfirst, New York, NY

District 3–Philadelphia



Covers the state of Delaware, 9 counties in southern New Jersey, and 48 counties in the eastern two-thirds of Pennsylvania.

For more information on this District and to learn more about the Federal Reserve Bank of Philadelphia’s operations, visit <https://www.philadelphia.fed.org/>. Information on economic conditions for this District can be found in the Federal Reserve System’s Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank’s financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/philadelphiafinstmt2023.pdf>.

Class A

Randall E. Black, 2023
President and Chief Executive Officer, Citizens Financial Services Inc. and First Citizen’s Community Bank, Mansfield, PA

Timothy Snyder, 2024
President and Chief Executive Officer, Fleetwood Bank, Fleetwood, PA

Christopher D. Maher, 2025
Chairman and Chief Executive Officer, OceanFirst Bank, N.A., Toms River, NJ

Class B

Bret S. Perkins, 2023
Senior Vice President, External and Government Affairs, Comcast Corporation, Philadelphia, PA

Julia H. Klein, 2024
Chairwoman and Chief Executive Officer, C. H. Briggs Company, Reading, PA

John Fry, 2025
President, Drexel University, Philadelphia, PA

Class C

William Lo, 2023
President, Crystal Steel Fabricators, Inc., Delmar, DE

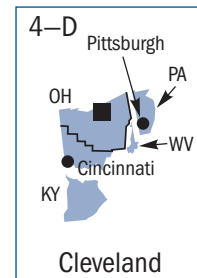
Sharmain Matlock-Turner, 2024
Chief Executive Officer, Urban Affairs Coalition, Philadelphia, PA

Anthony Ibarguen, 2025
Chief Executive Officer, Quench USA, Inc., King of Prussia, PA

District 4–Cleveland

Covers the state of Ohio, 56 counties in eastern Kentucky, 19 counties in western Pennsylvania, and 6 counties in northern West Virginia.

For more information on this District and to learn more about the Federal Reserve Bank of Cleveland's operations, visit <https://www.clevelandfed.org/>. Information on economic conditions for this District can be found in the Federal Reserve System's Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank's financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/clevelandfinstmt2023.pdf>.



Class A

Dean J. Miller, 2023
President and Chief Executive Officer,
First National Bank of Bellevue,
Bellevue, OH

Eddie L. Steiner, 2024
President and Chief Executive Officer,
CSB Bancorp, Inc., Millersburg, OH

Helga Houston, 2025
Senior Executive Vice President and
Chief Risk Officer, Huntington
Bancshares Inc., Columbus, OH

Class B

Darrell McNair, 2023
President, MVP Plastics, Inc.,
Middlefield, OH

Jacqueline Gamblin, 2024
Chief Executive Officer, JYG Innova-
tions, Dayton, OH

Holly B. Wiedemann, 2025
Founder, AU Associates, Inc.,
Lexington, KY

Class C

Doris Carson Williams, 2023
President and Chief Executive Officer,
African American Chamber of
Commerce of Western Pennsylvania,
Pittsburgh, PA

Vacancy, 2024

Heidi L. Gartland, 2025
Chief Government and Community
Relations Officer, University Hospitals,
Cleveland, OH

Cincinnati Branch

[Appointed by the Federal Reserve Bank](#)

Alfonso Cornejo, 2023
President, Hispanic Chamber
Cincinnati USA, Cincinnati, OH

David C. Evans, 2023
President and Chief Executive Officer,
TESSEC LLC, Dayton, OH

Archie M. Brown, 2024
President and Chief Executive Officer,
First Financial Bancorp, Cincinnati, OH

Gina McFarlane-El, 2025
Chief Executive Officer, Five Rivers
Health Centers, Dayton, OH

[Appointed by the Board of Governors](#)

Melvin Gravely, 2023
Chief Executive Officer, TriVersity
Construction, Cincinnati, OH

Rachid Abdallah, 2024
Chairman and Chief Executive Officer,
Jedson Engineering, Cincinnati, OH

Jill Meyer, 2025

Chief Executive Officer, Cincinnati USA
Chamber of Commerce, Cincinnati, OH

Pittsburgh Branch

[Appointed by the Federal Reserve Bank](#)

Earl Buford, 2023
President, CAEL, Indianapolis, IN

Christina A. Cassotis, 2023
Chief Executive Officer, Allegheny
County Airport Authority, Pittsburgh, PA

Nishan J. Vartanian, 2024
President and Chief Executive Officer,
MSA Safety Incorporated, Cranberry
Township, PA

Sanjay Chopra, 2025
Co-Founder and Chief Executive
Officer, Cognistx, Pittsburgh, PA

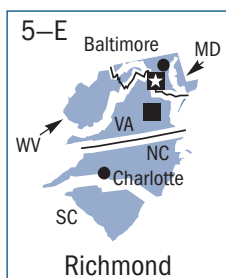
[Appointed by the Board of Governors](#)

Kathy Wilson Humphrey, 2023
President, Carlow University,
Pittsburgh, PA

Vera Krekanova, 2024
Chief Strategy and Research Officer,
Allegheny Conference on Community
Development, Pittsburgh, PA

Eugene Boyer III, 2025
Brokerage Advisor, NAI Burns Scalo,
Pittsburgh, PA

District 5–Richmond



Covers the states of Maryland, Virginia, North Carolina, and South Carolina; 49 counties constituting most of West Virginia; and the District of Columbia.

For more information on this District and to learn more about the Federal Reserve Bank of Richmond's operations, visit <https://www.richmond.fed.org/>. Information on economic conditions for this District can be found in the Federal Reserve System's Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank's financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/richmondfinstmt2023.pdf>.

Class A

Jennifer LaClair, 2023
Chief Revenue Officer, Fiserv,
Charlotte, NC

James H. Sills III, 2024
President and Chief Executive Officer,
Mechanics and Farmers Bank,
Durham, NC

Alice P. Frazier, 2025
President and Chief Executive Officer,
Bank of Charles Town,
Charles Town, WV

Class B

Robert M. Blue, 2023
President and Chief Executive Officer,
Dominion Energy, Richmond, VA

Vacancy, 2024

Wayne A. I. Frederick, MD,
2025
President, Howard University,
Washington, DC

Class C

Lisa M. Hamilton, 2023
President and Chief Executive Officer,
The Annie E. Casey Foundation,
Baltimore, MD

Halsey M. Cook, 2024
President and Chief Executive Officer,
Milliken, Spartanburg, SC

Jodie McLean, 2025
Chief Executive Officer, EDENS,
Washington, DC

Baltimore Branch

[Appointed by the Federal Reserve Bank](#)

Brenda Galgano, 2023
Senior Vice President and Chief
Financial Officer, Perdue, Salisbury, MD

Tom Geddes, 2024
Partner and Portfolio Manager, Brown
Advisory, Baltimore, MD

Mary McDuffie, 2024
President and Chief Executive Officer,
Navy Federal Credit Union, Vienna, VA

Cecilia A. Hodges, 2025
Regional President Greater Washing-
ton and Virginia, M&T Bank,
Falls Church, VA

[Appointed by the Board of Governors](#)

Leslie D. Hale, 2023
President and Chief Executive Officer,
RLJ Lodging Trust, Bethesda, MD

Brian McLaughlin, 2024
Former President, Enterprise
Community Development Inc.,
Silver Spring, MD

William J. McCarthy, 2025
Executive Director, Catholic Charities
of Baltimore, Baltimore, MD

Charlotte Branch

[Appointed by the Federal Reserve Bank](#)

Vacancy, 2023

Samuel L. Erwin, 2024
Executive Vice President, First Horizon
Bank, Greenville, SC

George Dean Johnson III, 2024
Chief Executive Officer, Johnson
Development Associates, Inc.,
Spartanburg, SC

Dionne Nelson, 2025
President and Chief Executive Officer,
Laurel Street Residential,
Charlotte, NC

[Appointed by the Board of Governors](#)

R. Glenn Sherrill Jr., 2023
Chairman and Chief Executive Officer,
SteelFab Inc., Charlotte, NC

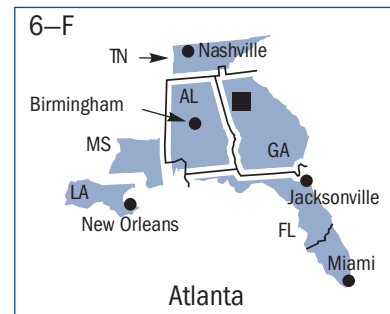
Bernett William Mazyck, 2024
President and Chief Executive Officer,
South Carolina Association for
Community Economic Development,
Charleston, SC

James F. Goodmon Jr., 2025
President and Chief Operating Officer,
Capitol Broadcasting Company,
Raleigh, NC

District 6–Atlanta

Covers the states of Alabama, Florida, and Georgia; 74 counties in the eastern two-thirds of Tennessee; 38 parishes of southern Louisiana; and 43 counties of southern Mississippi.

For more information on this District and to learn more about the Federal Reserve Bank of Atlanta’s operations, visit <https://www.frbatlanta.org/>. Information on economic conditions for this District can be found in the Federal Reserve System’s Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank’s financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/atlantafinstmt2023.pdf>.



Class A

Rajinder P. Singh, 2023
Chairman, President, and Chief Executive Officer, BankUnited, Inc., Miami Lakes, FL

Abel L. Iglesias, 2024
Executive Vice President and Miami-Dade Regional President, Seacoast Bank, Coral Gables, FL

Cynthia N. Day, 2025
President and Chief Executive Officer, Citizens Trust Bank, Atlanta, GA

Class B

John W. Garratt, 2023
Former President and Chief Financial Officer, Dollar General, Goodlettsville, TN

Michael Russell, 2024
Chief Executive Officer, H.J. Russell and Company, Atlanta, GA

Nicole B. Thomas, 2025
Hospital President, Baptist Medical Center Jacksonville, Jacksonville, FL

Class C

Gregory A. Haile, 2023
Former President, Broward College, Fort Lauderdale, FL

Claire Lewis Arnold, 2024
Chief Executive Officer, Leapfrog Services, Inc., Atlanta, GA

James O. Etheredge, 2025
Special Advisor to the Chief Executive Officer, Accenture North America, Atlanta, GA

Birmingham Branch

[Appointed by the Federal Reserve Bank](#)

Samuel N. Addy, 2023
Senior Research Economist, The University of Alabama, Tuscaloosa, AL

Michelle Lewis, 2024
Chief Financial Officer, AAA Cooper Transportation, Dothan, AL

David L. Nast, 2024
President, Alabama/Florida Panhandle, United Community Bank, Huntsville, AL

Melanie Bridgeforth, 2025
President and Chief Executive Officer, Women’s Foundation of Alabama, Birmingham, AL

[Appointed by the Board of Governors](#)

Hafiz Chandiwala, 2023
Executive Vice President and Chief Administrative Officer, Coca Cola Bottling Company United, Inc., Birmingham, AL

Christy Thomas, 2024
Chief Financial Officer, BLOX, Bessemer, AL

Randall P. Breaux, 2025
Group President, Genuine Parts Company of North America, Birmingham, AL

Jacksonville Branch

[Appointed by the Federal Reserve Bank](#)

William O. West, 2023
Vice Chair, The Bank of Tampa, Tampa, FL

Monesia T. Brown, 2024
Director of Public Affairs and Government Relations, Walmart, Inc., Tallahassee, FL

Brian E. Wolfburg, 2024
President and Chief Executive Officer, VyStar Credit Union, Jacksonville, FL

R. Andrew Watts, 2025
Executive Vice President, Chief Financial Officer, and Treasurer, Brown & Brown, Inc., Daytona Beach, FL

[Appointed by the Board of Governors](#)

Edward A. Moratin, 2023
President, LIFT Orlando, Orlando, FL

Timothy P. Cost, 2024

President, Jacksonville University,
Jacksonville, FL

Lisa Palmer, 2025

President and Chief Executive Officer,
Regency Centers Corporation,
Jacksonville, FL

Miami Branch

[Appointed by the Federal Reserve Bank](#)

Daniel Lavender, 2023

Chief Executive Officer, Moorings Park
Institute, Inc., Naples, FL

N. Maria Menendez, 2023

Chief Financial Officer, GL Homes of
Florida Holding, Sunrise, FL

Ginger Martin, 2024

President and Chief Executive Officer,
American National Bank, Oakland
Park, FL

Jose Cueto, 2025

President and Chief Operating Officer,
Grove Bank and Trust, Miami, FL

[Appointed by the Board of Governors](#)

Keith T. Koenig, 2023

Chief Executive Officer, City Furniture,
Tamarac, FL

Kathleen Cannon, 2024

President and Chief Executive Officer,
United Way of Broward County,
Fort Lauderdale, FL

Rita Case, 2025

President and Chief Executive Officer,
Rick Case Automotive Group,
Sunrise, FL

Nashville Branch

[Appointed by the Federal Reserve Bank](#)

Marshall E. Crawford Jr., 2023

President and Chief Executive Officer,
The Housing Fund, Inc., Nashville, TN

Amanda Hite, 2024

President, STR, Hendersonville, TN

Leif M. Murphy, 2024

Chief Executive Officer, TeamHealth
Holdings, Inc., Knoxville, TN

Steven Woodward, 2025

Former President and Chief Executive
Officer, Kirkland's Inc., Brentwood, TN

[Appointed by the Board of Governors](#)

Amanda Mathis, 2023

Chief Financial Officer, Bridgestone
Americas, Inc., Nashville, TN

Thomas Zacharia, 2024

Former Laboratory Director/Former
President and Chief Executive Officer,
Oak Ridge National Laboratory/
UT-Battelle, LLC, Oak Ridge, TN

William E. Fuller, 2025

Former President and Chief Executive
Officer, U.S. Xpress, Inc.,
Chattanooga, TN

New Orleans Branch

[Appointed by the Federal Reserve Bank](#)

William G. Yates III, 2023

President and Chief Executive Officer,
W.G. Yates & Sons Construction
Company, Biloxi, MS

Katherine A. Crosby, 2024

Board Chair, Fidelity Bank,
New Orleans, LA

David T. Darragh, 2024

Operating Partner, LongueVue Capital,
Metairie, LA

William J. Bynum, 2025

Chief Executive Officer, Hope Credit
Union, Hope Enterprise Corp., and
Hope Policy Institute, Jackson, MS

[Appointed by the Board of Governors](#)

Michael E. Hicks Jr., 2023

President and Chief Executive Officer,
Hixardt Technologies, Inc.,
Pensacola, FL

John C. Driscoll, 2024

Director and Chief Executive Officer,
Alabama State Port Authority,
Mobile, AL

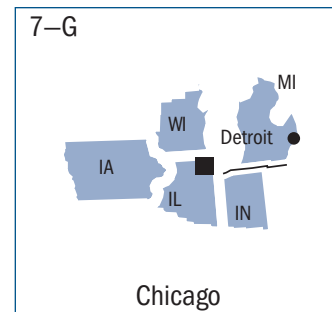
Melissa B. Rogers, 2025

President and Founder, Noble Plastics,
Grand Coteau, LA

District 7–Chicago

Covers the state of Iowa, 68 counties of northern Indiana, 50 counties of northern Illinois, 68 counties of southern Michigan, and 46 counties of southern Wisconsin.

For more information on this District and to learn more about the Federal Reserve Bank of Chicago's operations, visit <https://www.chicagofed.org/>. Information on economic conditions for this District can be found in the Federal Reserve System's Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank's financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/chicagofinstmt2023.pdf>.



Class A

Michael O'Grady, 2023
Chairman, President, and Chief Executive Officer, Northern Trust, Chicago, IL

Christopher J. Murphy III, 2024
Chairman and Chief Executive Officer, 1st Source Bank, South Bend, IN

Susan Whitson, 2025
Chief Executive Officer, First Bank, and President, First of Waverly Corporation, Waverly, IA

Class B

David Cyril Habiger, 2023
President and Chief Executive Officer, J.D. Power, Troy, MI

Linda P. Hubbard, 2024
President and Chief Operating Officer, Carhartt, Inc., Dearborn, MI

Linda Jojo, 2025
Executive Vice President, Chief Customer Officer, United Airlines, Inc., Chicago, IL

Class C

Jennifer Scanlon, 2023
President and Chief Executive Officer, UL Solutions, Northbrook, IL

Juan Salgado, 2024
Chancellor, City Colleges of Chicago, Chicago, IL

Maurice Smith, 2025
President, Chief Executive Officer, and Vice Chair, Health Care Service Corporation, Chicago, IL

Detroit Branch

[Appointed by the Federal Reserve Banks](#)

JoAnn Chavez, 2023
Senior Vice President and Chief Legal Officer, DTE Energy, Detroit, MI

Kevin Nowlan, 2023
Executive Vice President and Chief Financial Officer, BorgWarner Inc., Auburn Hills, MI

Anika Goss

, 2024

Chief Executive Officer, Detroit Future City, Detroit, MI

Ronald E. Hall, 2025
President and Chief Executive Officer, Bridgewater Interiors, LLC, Detroit, MI

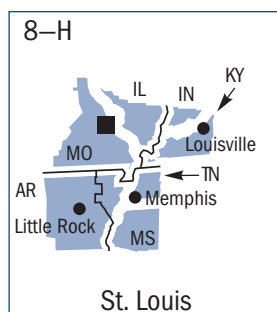
[Appointed by the Board of Governors](#)

M. Roy Wilson, 2023
Former President, Wayne State University, Detroit, MI

James M. Nicholson, 2024
Co-Chairman, PVS Chemicals, Inc., Detroit, MI

Sandy K. Baruah, 2025
President and Chief Executive Officer, Detroit Regional Chamber, Detroit, MI

District 8–St. Louis



Covers the state of Arkansas, 44 counties in southern Illinois, 24 counties in southern Indiana, 64 counties in western Kentucky, 39 counties in northern Mississippi, 71 counties in central and eastern Missouri, the city of St. Louis, and 21 counties in western Tennessee.

For more information on this District and to learn more about the Federal Reserve Bank of St. Louis's operations, visit <https://www.stlouisfed.org/>. Information on economic conditions for this District can be found in the Federal Reserve System's Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank's financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/stlouisfinstmt2023.pdf>.

Class A

Elizabeth G. McCoy, 2023
Chief Executive Officer, Planters Bank, Inc., Hopkinsville, KY

Misty Borrowman, 2024
President and Chief Executive Officer, Bank of Hillsboro, Hillsboro, IL

C. Mitchell Waycaster, 2025
President and Chief Executive Officer, Renasant Bank, Tupelo, MS

Class B

R. Andrew Clyde, 2023
President and Chief Executive Officer, Murphy USA Inc., El Dorado, AR

Michael Ugwueke, 2024
President and Chief Executive Officer, Methodist Le Bonheur Healthcare, Memphis, TN

Penelope Pennington, 2025
Managing Partner, Edward Jones, St. Louis, MO

Class C

James M. McKelvey Jr., 2023
Founder and Chief Executive Officer, Invisibly, Inc., St. Louis, MO

Lal Karsanbhai, 2024
Chief Executive Officer, Emerson Electric Co., St. Louis, MO

Carolyn Chism Hardy, 2025
President and Chief Executive Officer, Chism Hardy Investments, LLC, Collierville, TN

Little Rock Branch

[Appointed by the Federal Reserve Bank](#)

Denise Thomas, 2023
Chief Executive Officer, World Trade Center Arkansas, Rogers, AR

Darrin Williams, 2023
Chief Executive Officer, Southern Bancorp, Inc., Little Rock, AR

Jeff Lynch, 2024
President and Chief Executive Officer, Eagle Bank & Trust Co., Little Rock, AR

Christopher B. Hegi, 2025
President and Chief Executive Officer, First Financial Bank, El Dorado, AR

[Appointed by the Board of Governors](#)

Vickie D. Judy, 2023
Chief Financial Officer and Vice President, America's Car-Mart, Inc., Bentonville, AR

Jamie J. Henry, 2024
Vice President Finance, Emerging Payments, Walmart Inc., Bentonville, AR

Allison J. H. Thompson, 2025
President and Chief Executive Officer, Economic Development Alliance for Jefferson County, Arkansas, Pine Bluff, AR

Louisville Branch

[Appointed by the Federal Reserve Bank](#)

Tara England Barney, 2023
President and Chief Executive Officer, Southwest Indiana Chamber of Commerce, Evansville, IN

Blake B. Willoughby, 2023

President and Chairman, First Breckinridge Bancshares, Inc., Irvington, KY

Dave W. Christopher, 2024

Founder and Executive Director, AMPED Louisville, Louisville, KY

James A. Hillebrand, 2025

Chairman and Chief Executive Officer, Stock Yards Bank & Trust, Louisville, KY

[Appointed by the Board of Governors](#)

Sadiqa N. Reynolds, 2023

Chief Executive Officer, Perception Institute, Brooklyn, NY

Emerson M. Goodwin, 2024

Senior Vice President of Business Development, ARcare, Bentonville, AR

David Tatman, 2025

Assistant Plant Manager and Director of Engineering, Bendix Commercial Vehicle Systems, Bowling Green, KY

Memphis Branch

[Appointed by the Federal Reserve Bank](#)

Jeff Agee, 2023

Chairman and Chief Executive Officer, First Citizens National Bank, Dyersburg, TN

Henry N. Reichle Jr., 2023

President and Chief Executive Officer, Staplcofn, Greenwood, MS

Tyrone Burroughs, 2024

President and Chief Executive Officer, First Choice Sales and Marketing Group Inc., Memphis, TN

R. Davy Carter, 2025

Regional President, Home BancShares, Inc., Jonesboro, AR

[Appointed by the Board of Governors](#)

Beverly Crossen, 2023

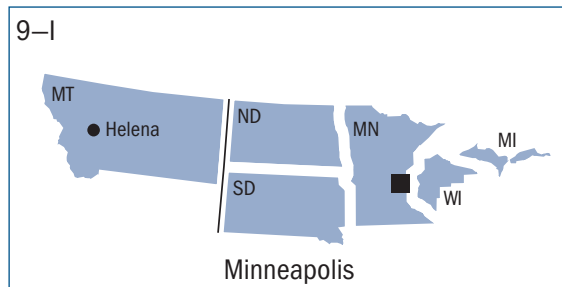
Owner, Farmhouse Tupelo, Tupelo, MS

Tracy D. Hall, 2024

President, Southwest Tennessee Community College, Memphis, TN

Vacancy, 2025

District 9—Minneapolis



Covers the states of Minnesota, Montana, North Dakota, and South Dakota; the Upper Peninsula of Michigan; and 26 counties in northern Wisconsin.

For more information on this District and to learn more about the Federal Reserve Bank of Minneapolis's operations, visit <https://www.minneapolisfed.org/>. Information on

economic conditions for this District can be found in the Federal Reserve System's Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank's financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/minneapolisinstmt2023.pdf>.

Class A

Gerald H. Jacobson, 2023
President, Northwestern Bank,
Chippewa Falls, WI

Jeanne H. Crain, 2024
President and Chief Executive Officer,
Bremer Financial Corporation,
St. Paul, MN

Brenda K. Foster, 2025
Chairman, President, and Chief
Executive Officer, First Western Bank
and Trust, Minot, ND

Class B

Chelsie Glaubitz Gabiou, 2023
President, Minneapolis Regional Labor
Federation, AFL-CIO, Minneapolis, MN

Sarah Walsh, 2024
Chief Executive Officer, MMA
Northwest, Marsh McLennan Agency,
Helena, MT

Lakota Vogel, 2025
Executive Director, Four Bands
Community Fund, Eagle Butte, SD

Class C

Srilata Zaheer, 2023
Professor and Dean Emerita,
Carlson School of Management,
University of Minnesota,
Minneapolis, MN

Paul D. Williams, 2024
President and Chief Executive Officer,
Project for Pride in Living,
Minneapolis, MN

Chris Hilger, 2025
Chairman, President, and Chief
Executive Officer, Securian Financial,
St. Paul, MN

Helena Branch

[Appointed by the Federal Reserve Bank](#)

William E. Coffee, 2023
Chief Executive Officer and Chairman
of the Board, Stockman Financial
Corporation, Billings, MT

Jason Adams, 2024
Owner and Consultant, Ace Housing
and Development, LLC, Polson, MT

Mary Rutherford, 2025
President and Chief Executive Officer,
Montana Community Foundation,
Helena, MT

[Appointed by the Board of Governors](#)

Alan D. Ekblad, 2023
Senior and Managing Partner,
Strategic Labor Partnerships,
Helena, MT

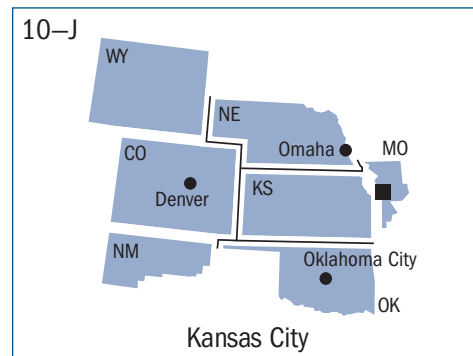
Bobbi Wolstein, 2024
Chief Financial Officer, LHC, Inc.,
Kalispell, MT

District 10—Kansas City

Covers the states of Colorado, Kansas, Nebraska, Oklahoma, and Wyoming; 43 counties in western Missouri; and 14 counties in northern New Mexico.

For more information on this District and to learn more about the Federal Reserve Bank of Kansas City's operations, visit <https://www.kansascityfed.org/>. Information on economic conditions for this District can be found in the Federal Reserve System's Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>.

Also find the Reserve Bank's financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/kansascityfinstmt2023.pdf>.



Class A

Patricia J. Minard, 2023
Executive Vice President and Chief Financial Officer, Emprise Bank, Wichita, KS

Kyle Heckman, 2024
Chairman and Chief Executive Officer, Flatirons Bank, Boulder, CO

Alex Williams, 2025
Chairman, Chief Executive Officer, and President, Halstead Bank, Halstead, KS

Class B

Ruben Alonso III, 2023
Chief Executive Officer, AltCap, Kansas City, MO

Ramin Cherafat, 2024
Chief Executive Officer, McCownGordon Construction, Kansas City, MO

Paul Maass, 2025
Chief Executive Officer, Scoular, Omaha, NE

Class C

María Griego-Raby, 2023
President and Principal, Contract Associates, Albuquerque, NM

Jandel Allen-Davis, MD, 2024
President and Chief Executive Officer, Craig Hospital, Englewood, CO

Patrick A. Dujakovich, 2025
President, Greater Kansas City AFL-CIO, Kansas City, MO

Denver Branch

[Appointed by the Federal Reserve Bank](#)

Rachel Gerlach, 2023
Chief Credit Officer, Alpine Bank, Glenwood Springs, CO

Nicole Glaros, 2024
Founder and Chief Executive Officer, Phos, Boulder, CO

Chris Wright, 2024
Chief Executive Officer, Liberty Energy, Denver, CO

John J. Coyne III, 2025

Chairman, Chief Executive Officer, and President, Big Horn Federal Savings Bank, Greybull, WY

[Appointed by the Board of Governors](#)

Navin Dimond, 2023
Founder and Chief Executive Officer, Stonebridge Companies, Denver, CO

Janice J. Lucero, 2024
President and Chief Executive Officer, Motor Vehicle Division Express, Albuquerque, NM

Del Esparza, 2025

Chief Executive Officer, Esparza Digital & Advertising, Albuquerque, NM

Oklahoma City Branch

[Appointed by the Federal Reserve Bank](#)

Brady Sidwell, 2023
Owner and Principal, Sidwell Strategies, LLC, Enid, OK

J. Walter Duncan IV, 2024
President, Duncan Oil Properties, Inc., Oklahoma City, OK

Mark Burrage, 2025

Chief Executive Officer, FirstBank,
Atoka, OK

Terry Salmon, 2025

President, Computer System
Designers, Oklahoma City, OK

[Appointed by the Board of Governors](#)

Katrina Washington, 2023

Executive Director, Neighborhood
Housing Services, and Owner, Stratos
Realty Group, Oklahoma City, OK

Rhonda Hooper, 2024

President and Chief Executive Officer,
Jordan Advertising, Oklahoma City, OK

Dana S. Weber, 2025

Chief Executive Officer and Chairman
of the Board, Webco Industries, Inc.,
Sand Springs, OK

Omaha Branch

[Appointed by the Federal Reserve Bank](#)

Dwayne W. Sieck, 2023

Managing Principal, Farnam Street
Real Estate Capital, Omaha, NE

Zac Karpf, 2024

President, Platte Valley Bank,
Scottsbluff, NE

Susan L. Martin, 2024

President and Secretary-Treasurer,
Nebraska State AFL-CIO, Lincoln, NE

Clark Lauritzen, 2025

Chairman and President, First National
Bank of Omaha, Omaha, NE

[Appointed by the Board of Governors](#)

Carmen Tapio, 2023

Owner, President, and Chief Executive
Officer, North End Teleservices, LLC,
Omaha, NE

Joanne Li, 2024

Chancellor, University of Nebraska at
Omaha, Omaha, NE

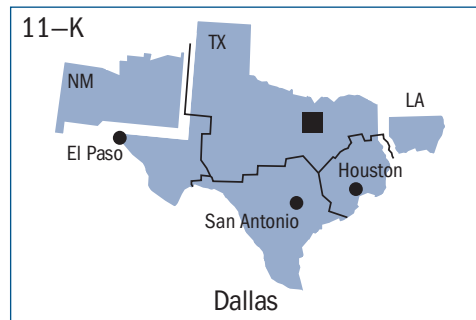
L. Javier Fernandez, 2025

President and Chief Executive Officer,
Omaha Public Power District,
Omaha, NE

District 11–Dallas

Covers the state of Texas, 26 parishes in northern Louisiana, and 18 counties in southern New Mexico.

For more information on this District and to learn more about the Federal Reserve Bank of Dallas's operations, visit <https://www.dallasfed.org>. Information on economic conditions for this District can be found in the Federal Reserve System's Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank's financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/dallasinstmt2023.pdf>.



Class A

Robert A. Hulseay, 2023
President and Chief Executive Officer,
American National Bank of Texas,
Terrell, TX

Kelly A. Barclay, 2024
President and Chief Executive Officer,
Ozona Bank, Wimberly, TX

Joe Quiroga, 2025
President, Texas National Bank,
Edinburg, TX

Class B

Gerald B. Smith, 2023
Chairman and Chief Executive Officer,
Smith, Graham & Company Investment
Advisors, L.P., Houston, TX

Renard U. Johnson, 2024
President and Chief Executive Officer,
Management & Engineering
Technologies International, Inc.,
El Paso, TX

Cynthia Taylor, 2025
President and Chief Executive Officer,
Oil States International Inc.,
Houston, TX

Class C

Claudia Aguirre, 2023
President and Chief Executive Officer,
BakerRipley, Houston, TX

Vacancy, 2024

Thomas J. Falk, 2025
Retired Chairman and Chief Executive
Officer, Kimberly-Clark Corporation,
Dallas, TX

El Paso Branch

Appointed by the Federal Reserve Bank

Jill Gutierrez, 2023
Director, Bank 34, Alamogordo, NM

Jack Harper, 2023
Partner, HEDLOC Investment Company,
LP, Midland, TX

William Serrata, 2024
President, El Paso Community College,
El Paso, TX

Kari Mitchell, 2025
Chief Executive Officer, Las Cruces
Machine Mfg. & Engineering, Inc.,
Mesilla Park, NM

Appointed by the Board of Governors

Sally A. Hurt-Deitch, 2023
Senior Vice President of Operations,
Ascension, El Paso, TX

Tracy J. Yellen, 2024
Chief Executive Officer, Paso del Norte
Community Foundation, El Paso, TX

Von C. Washington Sr., 2025
President, IDA Technology, El Paso, TX

Houston Branch

Appointed by the Federal Reserve Bank

Gina Luna, 2023
Managing Partner, Genesis Park,
Houston, TX

Bhavesh V. Patel, 2023
President, Standard Industries,
Houston, TX

Peter Rodriguez, 2024
Dean and Professor of Strategic
Management, Rice University,
Houston, TX

Gary R. Petersen, 2025

Managing Partner and Founder, EnCap Investments L.P., Houston, TX

Appointed by the Board of Governors

Ruth J. Simmons, 2023

President, Prairie View A&M University, Prairie View, TX

Cynthia N. Colbert, 2024

President and Chief Executive Officer, Catholic Charities Archdiocese of Galveston-Houston, Houston, TX

Ric Campo, 2025

Chairman and Chief Executive Officer, Camden Property Trust, Houston, TX

San Antonio Branch

Appointed by the Federal Reserve Bank

Bradley Barron, 2023

President and Chief Executive Officer, NuStar Energy, San Antonio, TX

Tyson Tuttle, 2023

President and Chief Executive Officer, Silicon Labs, Austin, TX

Gabriel Guerra, 2024

President and Chief Executive Officer, Kleberg Bank, Kingsville, TX

Denise Rodriguez Hernandez, 2025

Owner and Chief Executive Officer, The Eatery Culinary Group, San Antonio, TX

Appointed by the Board of Governors

Veronica Muzquiz Edwards, 2023

Chief Executive Officer, InGenesis, Inc., San Antonio, TX

Monica Salinas, 2024

Chief Executive Officer, Operations, Cromex Forwarding Inc., Laredo, TX

Rosa Santana, 2025

Founder and Chief Executive Officer, Santana Group, San Antonio, TX

District 12—San Francisco

Covers the states of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington, and serves American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

For more information on this District and to learn more about the Federal Reserve Bank of San Francisco's operations, visit <http://www.frbsf.org/>. Information on economic conditions for this District can be found in the Federal Reserve System's Beige Book at <https://www.federalreserve.gov/monetarypolicy/beige-book-default.htm>. Also find the Reserve Bank's financial statements for 2023 at <https://www.federalreserve.gov/aboutthefed/files/sanfranciscofinstmt2023.pdf>.



Class A

S. Randolph Compton, 2023
Co-Chair of the Board, Pioneer Trust Bank, N.A., Salem, OR

Vacancy, 2024

Simone Lagomarsino, 2025
President and Chief Executive Officer, Luther Burbank Savings and Luther Burbank Corporation, Gardena, CA

Class B

Karen Lee, 2023
Chief Executive Officer, Plymouth Housing, Seattle, WA

Arthur F. Oppenheimer, 2024
Chairman and Chief Executive Officer, Oppenheimer Companies, Inc., and President, Oppenheimer Development Corporation, Boise, ID

Vacancy, 2025

Class C

Tamara L. Lundgren, 2023
Chairman, President, and Chief Executive Officer, Radius Recycling, Portland, OR

David P. White, 2024

Immediate Past Chief Executive Officer and Chief Negotiator, and Current Strategic Advisor, SAG-AFTRA, and Current Venture Partner, Ulu Ventures, Los Angeles, CA

Mario Cordero, 2025

Executive Director, Port of Long Beach, Long Beach, CA

Los Angeles Branch

Appointed by the Federal Reserve Bank

Theresa Benelli, 2023
Executive Director, LISC Phoenix, Phoenix, AZ

Jimmy Ayala, 2024
Chief Operating Officer, Chelsea Investment Corporation, Carlsbad, CA

Zach Moon, 2024
General Manager, California Steel Industries, Inc., Fontana, CA

Chang M. Liu, 2025
President and Chief Executive Officer, Cathay Bank, Los Angeles, CA

Appointed by the Board of Governors

Maritza Diaz, 2023
Chief Executive Officer, iTjuana, San Marcos, CA

Jack L. Sinclair, 2024
Chief Executive Officer, Sprouts Farmers Market, Phoenix, AZ

Rosemary Vassiliadis, 2025
Director of Aviation, Harry Reid International Airport, Las Vegas, NV

Portland Branch

Appointed by the Federal Reserve Bank

Alicia Chapman, 2023
Owner and Chief Executive Officer, Willamette Technical Fabricators, Portland, OR

Andrew Colas, 2023
President, Colas Construction, Inc., Portland, OR

Stacey M. L. Dodson, 2024
Market President, Portland and Southwest Washington, U.S. Bank, Portland, OR

Maria Pope, 2025
President and Chief Executive Officer, Portland General Electric Company, Portland, OR

[Appointed by the Board of Governors](#)

Graciela Gomez-Cowger, 2023
Chief Executive Officer, Schwabe,
Williamson & Wyatt, Portland, OR

Gale Castillo, 2024
President, Canopy, Portland, OR

Cheryl R. Nester Wolfe, 2025
President and Chief Executive Officer,
Salem Health Hospital and Clinics,
Salem, OR

Salt Lake City Branch

[Appointed by the Federal Reserve Bank](#)

Russell A. Childs, 2023
Chief Executive Officer and President,
SkyWest, Inc., St. George, UT

Mark Packard, 2023
President and Chief Executive Officer,
Central Bank, Provo, UT

Lisa Ann Grow, 2024
President and Chief Executive Officer,
IdaCorp & Idaho Power, Boise, ID

Joze Enriquez, 2025
Founder and Chief Executive Officer,
Latinos In Action, Sandy, UT

[Appointed by the Board of Governors](#)

Susan D. Morris, 2023
Executive Vice President and Chief
Operations Officer, Albertsons
Companies, Boise, ID

O. Randall Woodbury, 2024
President and Chief Executive Officer,
Woodbury Corporation,
Salt Lake City, UT

Deneece Huftalin, 2025
President, Salt Lake City Community
College, Taylorsville, UT

Seattle Branch

[Appointed by the Federal Reserve Bank](#)

Carol Gore, 2023
President and Chief Executive Officer,
Cook Inlet Housing Authority,
Anchorage, AK

Laura Lee Stewart, 2023
President and Chief Executive Officer,
Sound Community Bank and Sound
Financial Bancorporation, Seattle, WA

Michael S. Senske, 2024
President and Chief Executive Officer,
Pearson Packaging Systems,
Spokane, WA

Robert C. Donegan, 2025
President, Ivar's Inc., Seattle, WA

[Appointed by the Board of Governors](#)

John Wolfe, 2023
Chief Executive Officer, Northwest
Seaport Alliance, Tacoma, WA

Pallavi Mehta Wahi, 2024
Seattle Managing Partner and
Co-United States Managing Partner,
K&L Gates LLP, Seattle, WA

Sheila Edwards Lange, 2025
Chancellor, University of Washington,
Tacoma, WA

Reserve Bank and Branch Leadership

Each year, the Board of Governors designates one Class C director to serve as chair and one Class C director to serve as deputy chair of each Reserve Bank board. Reserve Banks also have a president and first vice president who are appointed by the Bank's Class C (and certain Class B) directors, subject to approval by the Board of Governors. Each Reserve Bank selects a chair for every Branch in its District from among the directors on the Branch board who were appointed by the Board of Governors. For each Branch, an officer from its Reserve Bank is also charged with the oversight of Branch operations.

Boston

Corey Thomas, Chair
Roger W. Crandall, Deputy Chair

Susan M. Collins, President and
Chief Executive Officer

Kenneth C. Montgomery,
First Vice President and
Chief Operating Officer

New York

Vincent Alvarez, Chair
Rosa M. Gil, Deputy Chair

John C. Williams, President and
Chief Executive Officer

Sushmita Shukla, First Vice
President and Chief Operating Officer
[Additional office at East Rutherford, NJ](#)

Philadelphia

Anthony Ibarguen, Chair
Sharmain Matlock-Turner,
Deputy Chair

Patrick T. Harker, President and
Chief Executive Officer

Jeanne R. Rentzelas, First Vice
President and Chief Operating Officer

Cleveland

Doris Carson Williams, Chair
Heidi L. Gartland, Deputy Chair
Loretta J. Mester, President and
Chief Executive Officer
Mark S. Meder, First Vice
President and Chief Operating Officer

Cincinnati
Rachid Abdallah, Chair
Julianne Dunn, Vice President
and Senior Regional Officer

Pittsburgh
Vera Krekanova, Chair
Russell Mills, Vice President and
Senior Regional Officer

Richmond**Jodie McLean**, Chair**Lisa M. Hamilton**, Deputy Chair**Thomas I. Barkin**, President and Chief Executive Officer**Becky Bareford**, First Vice President and Chief Operating Officer**Baltimore****William J. McCarthy**, Chair**Andy Bauer**, Vice President and Baltimore Regional Executive**Charlotte****Bennett William Mazyck**, Chair**Matthew A. Martin**, Vice President and Charlotte Regional Executive

Atlanta**Claire Lewis Arnold**, Chair**Gregory A. Haile**, Deputy Chair**Raphael W. Bostic**, President and Chief Executive Officer**André Anderson**, First Vice President and Chief Operating Officer**Birmingham****Christy Thomas**, Chair**Anoop Mishra**, Vice President and Regional Executive**Jacksonville****Edward A. Moratin**, Chair**Michelle Dennard**, Vice President and Regional Executive**Miami****Keith T. Koenig**, Chair**Shari Bower**, Vice President and Regional Executive**Nashville****Thomas Zacharia**, Chair**Laurel Graefe**, Vice President and Regional Executive**New Orleans****Michael E. Hicks Jr.**, Chair**Adrienne C. Slack**, Vice President and Regional Executive

Chicago**Jennifer Scanlon**, Chair**Juan Salgado**, Deputy Chair**Austan Goolsbee**, President and Chief Executive Officer**Ellen Bromagen**, First Vice President and Chief Operating Officer

Additional office at Des Moines, IA

Detroit**Sandy K. Baruah**, Chair**Rick Mattoon**, Vice President of Regional Analysis and Engagement, Detroit Regional Executive

St. Louis**James M. McKelvey Jr.**, Chair**Carolyn Chism Hardy**, Deputy Chair**Kathleen O'Neill**, Interim President and Chief Executive Officer; First Vice President and Chief Operating Officer**Little Rock****Vickie D. Judy**, Chair**Matuschka Lindo Briggs**, Senior Vice President and Regional Executive**Louisville****Emerson M. Goodwin**, Chair**Seema Sheth**, Senior Vice President and Regional Executive**Memphis****Beverly Crossen**, Chair**Douglas G. Scarboro**, Senior Vice President and Regional Executive

Minneapolis**Srilata Zaheer**, Chair**Chris Hilger**, Deputy Chair**Neel Kashkari**, President and
Chief Executive Officer**Ron J. Feldman**, First Vice
President**Helena****Alan D. Ekblad**, Chair

Kansas City**Patrick A. Dujakovich**, Chair**María Griego-Raby**, Deputy Chair**Jeffrey Schmid**, President
and Chief Executive Officer**Kelly J. Dubbert**, First Vice
President and Chief Operating Officer**Denver****Navin Dimond**, Chair**Nicholas Sly**, Assistant Vice
President and Branch Executive**Oklahoma City****Katrina Washington**, Chair**Chad R. Wilkerson**, Senior Vice
President and Branch Executive**Omaha****L. Javier Fernandez**, Chair**Nathan Kauffman**, Senior Vice
President and Branch Executive

Dallas**Thomas J. Falk**, Chair**Claudia Aguirre**, Deputy Chair**Lorie K. Logan**, President and
Chief Executive Officer**Robert L. Triplett, III**, First Vice
President and Chief Operating Officer**El Paso****Sally A. Hurt-Deitch**, Chair**Roberto A. Coronado**, Senior
Vice President in Charge**Houston****Ruth J. Simmons**, Chair**Daron D. Peschel**, Senior Vice
President in Charge**San Antonio****Veronica Muzquiz Edwards**,
Chair**Roberto A. Coronado**, Senior
Vice President in Charge

San Francisco**Tamara L. Lundgren**, Chair**David P. White**, Deputy Chair**Mary C. Daly**, President and Chief
Executive Officer**Sarah Devany**, First Vice President
and Chief Operating Officer

Additional office at Phoenix, AZ

Los Angeles**Jack L. Sinclair**, Chair**Qiana Charles**, Vice President and
Regional Executive**Portland****Cheryl R. Nester Wolfe**, Chair**Ian Galloway**, Vice President and
Regional Executive**Salt Lake City****O. Randall Woodbury**, Chair**Becky B. Potts**, Vice President
and Regional Executive**Seattle****Sheila Edwards Lange**, Chair**Christina Prkic**, Vice President
and Regional Executive

Leadership Conferences

Conference of Chairs

The chairs of the Federal Reserve Banks are organized into the Conference of Chairs, which meets to consider matters of common interest and to consult with and advise the Board of Governors. Such meetings, also attended by the deputy chairs, were held in Washington, D.C., on May 16 and 17, 2023, and November 28 and 29, 2023. The conference's executive committee members for 2023 are listed below.¹

Conference of Chairs Executive Committee—2023

Tamara L. Lundgren, Chair,
Federal Reserve Bank of
San Francisco

Corey Thomas, Vice Chair,
Federal Reserve Bank of Boston

Patrick A. Dujakovich, Member,
Federal Reserve Bank of Kansas City

Conference of Presidents

The presidents of the Federal Reserve Banks are organized into the Conference of Presidents, which meets periodically to identify, define, and deliberate issues of strategic significance to the Federal Reserve System; to consider matters of common interest; and to consult with and advise the Board of Governors. The chief executive officer of each Reserve Bank was originally labeled governor and did not receive the title of president until the passage of the Banking Act of 1935. Consequently, when the Conference was first established in 1914 it was known as the Conference of Governors. Conference officers for 2023 are listed below.

Conference of Presidents—2023

John C. Williams, Chair,
Federal Reserve Bank of New York

Heidy Medina, Secretary, Federal
Reserve Bank of New York

Neel Kashkari, Vice Chair,
Federal Reserve Bank of Minneapolis

Karmi Mattson, Assistant
Secretary, Federal Reserve Bank
of Minneapolis

¹ On November 28, 2023, the Conference of Chairs elected Corey Thomas, chair of the Federal Reserve Bank of Boston, as chair of the conference's executive committee for 2024. The conference also elected Patrick Dujakovich, chair of the Federal Reserve Bank of Kansas City, as vice chair, and Jodie McLean, chair of the Federal Reserve Bank of Richmond, as the executive committee's third member.

Conference of First Vice Presidents

The Conference of First Vice Presidents of the Federal Reserve Banks was organized in 1969 to meet periodically for the consideration of operations and other matters. Conference officers for 2023 are listed below.²

Conference of First Vice Presidents—2023

Ron Feldman, Chair,
Federal Reserve Bank of Minneapolis

Jamica Quillin, Secretary,
Federal Reserve Bank of Minneapolis

Becky Bareford, Vice Chair,
Federal Reserve Bank of Richmond

Nina Mantilla, Assistant Secretary,
Federal Reserve Bank of Richmond

² On November 16, 2022, the conference elected Ron Feldman, Federal Reserve Bank of Minneapolis, as chair and Becky Bareford, Federal Reserve Bank of Richmond, as vice chair for 2024. The conference also elected Jamica Quillin, Federal Reserve Bank of Minneapolis, as secretary and Nina Mantilla, Federal Reserve Bank of Richmond, as assistant secretary.

B | Minutes of Federal Open Market Committee Meetings

The policy actions of the Federal Open Market Committee, recorded in the minutes of its meetings, are available in the Annual Report of the Board of Governors pursuant to the requirements of section 10 of the Federal Reserve Act. That section provides that the Board shall keep a complete record of the actions taken by the Board and by the Federal Open Market Committee on all questions of policy relating to open market operations, that it shall record therein the votes taken in connection with the determination of open market policies and the reasons underlying each policy action, and that it shall include in its annual report to Congress a full account of such actions. Links to the minutes for each of the eight regularly scheduled meetings held in 2023 are in the list below.

Meeting Minutes

- Meeting held on January 31–February 1, 2023
<https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20230201.pdf>
- Meeting held on March 21–22, 2023
<https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20230322.pdf>
- Meeting held on May 2–3, 2023
<https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20230503.pdf>
- Meeting held on June 13–14, 2023
<https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20230614.pdf>
- Meeting held on July 25–26, 2023
<https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20230726.pdf>
- Meeting held on September 19–20, 2023
<https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20230920.pdf>
- Meeting held on October 31–November 1, 2023
<https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20231101.pdf>
- Meeting held on December 12–13, 2023
<https://www.federalreserve.gov/monetarypolicy/files/fomcminutes20231213.pdf>

The minutes of the meetings contain the votes on the policy decisions made at those meetings, as well as a summary of the information and discussions that led to the decisions. The descrip-

tions of economic and financial conditions in the minutes are based solely on the information that was available to the Committee at the time of the meetings.

Members of the Committee voting for a particular action may differ among themselves as to the reasons for their votes; in such cases, the range of their views is noted in the minutes. When members dissent from a decision, they are identified in the minutes and a summary of the reasons for their dissent is provided.

Policy directives of the Federal Open Market Committee are issued to the Federal Reserve Bank of New York as the Bank selected by the Committee to execute transactions for the System Open Market Account. Adoption of the policy directives during the year are reported in the minutes for the individual meetings.¹

For more information about the Federal Open Market Committee's meetings, statements, and minutes, visit the Board's website at <https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm>.

¹ The Federal Open Market Committee's standard rules and authorizations in effect as of January 1, 2023, are available at https://www.federalreserve.gov/monetarypolicy/files/FOMC_RulesAuthPamphlet_202202.pdf. The rules and authorizations put into effect subsequently in 2023 are available at https://www.federalreserve.gov/monetarypolicy/files/FOMC_RulesAuthPamphlet_202301.pdf.

C | Federal Reserve System Audits

The Board of Governors, the Federal Reserve Banks, and the Federal Reserve System as a whole are all subject to several levels of audit and review.

The Board's financial statements and internal controls over financial reporting are audited annually by an independent outside auditor retained by the Board's Office of Inspector General (OIG). The outside auditor also tests the Board's compliance with certain provisions of laws, regulations, and contracts affecting those statements.

The Reserve Banks' financial statements are audited annually by an independent outside auditor retained by the Board of Governors. In addition, the Reserve Banks are subject to annual examination by the Board. As discussed in [section 5](#), "Payment System and Reserve Bank Oversight," the Board's examination includes a wide range of ongoing oversight activities conducted on site and off site by staff of the Board's Division of Reserve Bank Operations and Payment Systems.

The audited annual financial statements of the Board of Governors, the Reserve Banks, and the Federal Reserve System as a whole are available on the Board's website at <https://www.federalreserve.gov/aboutthefed/audited-annual-financial-statements.htm>.

In addition, the [OIG conducts audits, evaluations, investigations, and other reviews](#) relating to the Board's programs and operations as well as to Board functions delegated to the Reserve Banks. Certain aspects of Federal Reserve operations are also subject to [review by the Government Accountability Office](#).

Office of Inspector General Activities

The OIG for the Federal Reserve Board, which is also the OIG for the Consumer Financial Protection Bureau (CFPB), operates in accordance with the Inspector General Act of 1978, as amended. The OIG plans and conducts audits, evaluations, investigations, and other reviews relating to Board and CFPB programs and operations, including functions that the Board has delegated to the Federal Reserve Banks. It also retains an independent public accounting firm to annually audit the Board's and the Federal Financial Institutions Examination Council's financial statements. These activities promote economy and efficiency; enhance policies and procedures; and prevent and detect waste, fraud, and abuse. In addition, the OIG keeps the Congress, the Board of Governors, and the CFPB director fully and currently informed about serious abuses and deficiencies.

The OIG has continued to focus resources on oversight of the Board's pandemic response efforts, including the Board's emergency lending programs and facilities. The OIG has completed multiple audits and evaluations in key risk areas and continued to investigate alleged fraud related to these programs.

During 2023, the OIG issued 19 reports (table C.1). Because of the sensitive nature of some of the material, 3 of the 19 reports are nonpublic, as indicated. In addition, the OIG issued to the Board and to the CFPB five memorandums on information technology issues. Because of the sensitive nature of some of the material, three of these information technology memorandums are nonpublic. The OIG also issued an OIG Insights paper and two semiannual reports to Congress, and it conducted follow-up reviews to evaluate actions taken on recommendations for corrective action. Regarding the OIG's investigative work related to the Board and the CFPB, 40 investigations were opened and 53 investigations were closed during the year. OIG investigative work

Table C.1. OIG reports issued in 2023

Report title	Month issued
The Board Can Enhance Enterprise Practices for Data Management Roles and Responsibilities	January
Federal Financial Institutions Examination Council Financial Statements as of and for the Years Ended December 31, 2022 and 2021, and Independent Auditors' Reports	February
Board of Governors of the Federal Reserve System Financial Statements as of and for the Years Ended December 31, 2022 and 2021, and Independent Auditors' Reports	March
Independent Accountants' Report on the CFPB's Fiscal Year 2022 Compliance With the Payment Integrity Information Act of 2019	March
Following Established Processes Helped FRB New York and the Board Reduce Risks Associated With Lending Facility Contracts	April
The Board Can Further Enhance the Design and Effectiveness of the FOMC's Investment and Trading Rules	April
Board Purchase Card Program Controls Are Generally Effective and Can Be Further Strengthened	May
Report on the Independent Audit of the CFPB's Agile Systems/Software Development Life Cycle Processes	May
The Board Can Enhance Its Procedures and Controls for Protecting Confidential Information in Supervision Central	June
Results of Scoping of the Evaluation of the Board and Reserve Banks' Cybersecurity Incident Response Process for Supervised Institutions	June
The Board and FRB Boston Generally Followed Their Process for Purchasing MSLP Loan Participations but Can Formally Document Some Key Processes	July
The CFPB Can Improve Its Controls for Exercising Contract Options	September
Material Loss Review of Silicon Valley Bank	September
Review of the Supervision of Silvergate Bank (nonpublic report)	September
2023 Audit of the CFPB's Information Security Program	September
2023 Audit of the Board's Information Security Program	September
FRB Boston Followed Its Processes for Monitoring the Credit Quality of Main Street Lending Program Loans	October
Results of Security Control Testing of a Videoconferencing Platform Used by the Board (nonpublic report)	November
Results of Scoping of the Evaluation of the Board's Intelligence Programs (nonpublic report)	December

resulted in 50 arrests, 5 criminal complaints, 30 criminal informations,¹ 28 indictments, 63 convictions, and 3 prohibitions from the banking industry, as well as \$568,974,114 in criminal fines, restitution, and special assessments. The OIG performed 13 reviews of legislation and regulations related to the operations of the Board, the CFPB, or the OIG.

For more information and to view the OIG's publications, visit the OIG's website at <https://oig.federalreserve.gov>. Specific details about the OIG's body of work also may be found in the OIG's *Work Plan* and semiannual reports to Congress.

Government Accountability Office Reviews

The Federal Banking Agency Audit Act (Pub. L. No. 95–320) authorizes the Government Accountability Office (GAO) to audit certain aspects of Federal Reserve System operations. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the Coronavirus Aid, Relief, and Economic Security Act of 2020 direct the GAO to conduct additional audits with respect to these operations. In 2023, the GAO completed 11 projects that involved the Federal Reserve ([table C.2](#)). Fourteen projects were ongoing as of December 31, 2023 ([table C.3](#)).

For more information and to view GAO reports, visit the GAO's website at <https://www.gao.gov>.

¹ A *criminal information* is a written accusation made by a public prosecutor, without the intervention of a grand jury.

Report title	Report number	Month publicly released
Financial Technology: Products Have Benefits and Risks to Underserved Consumers, and Regulatory Clarity Is Needed	GAO-23-105536	March
Bank Regulation: Preliminary Review of Agency Actions Related to March 2023 Bank Failures	GAO-23-106736	April
Blockchain in Finance: Legislative and Regulatory Actions Are Needed to Ensure Comprehensive Oversight of Crypto Assets	GAO-23-105346	July
Financial Stability Oversight Council: Assessing Effectiveness Could Enhance Response to Systemic Risks	GAO-23-105708	September
Financial Technology: Agencies Can Better Support Workforce Expertise and Measure the Performance of Innovation Offices	GAO-23-106168	October
Credit Cards: Pandemic Assistance Likely Helped Reduce Balances, and Credit Terms Varied Among Demographic Groups	GAO-23-105269	October
Financial Audit: Bureau of the Fiscal Service's FY 2023 and FY 2022 Schedules of Federal Debt	GAO-24-106340	November
Economic Downturns: Effects of Automatic Spending Programs and Taxes	GAO-24-106056	December
Work Arrangements: Improved Collaboration Could Enhance Labor Force Data	GAO-24-105651	December
Small Business Administration: Procedures for Reporting on Veteran-Owned Businesses Need Improvement	GAO-24-106071	December
Federal Reserve Lending Programs: Status of Monitoring and Main Street Lending Program	GAO-24-106482	December

Subject of project	Month initiated	Status
Technology needs of community development financial institutions and minority depository institutions	October 2022	Closed 4/11/24
Federal Reserve stress tests and capital requirements	October 2022	Open
Eviction data collection	March 2023	Closed 2/28/24
Currency Transaction Reports	March 2023	Open
Communication and escalation of supervisory concerns	May 2023	Open
Use of minority- and women-owned asset management firms in federal retirement plans and endowments	June 2023	Open
Communication and escalation of supervisory concerns for Silicon Valley Bank and Signature Bank	July 2023	Closed 3/6/24
The Federal Home Loan Banks and the failures of First Republic Bank, Signature Bank, and Silicon Valley Bank	August 2023	Closed 4/8/24
The 2023 systemic risk determinations	August 2023	Open
Older workers' employment and finances during the pandemic	September 2023	Open
Executive compensation at failed banks	October 2023	Open
Debt limit impasse effects	November 2023	Open
Peer-to-peer payment app scams	November 2023	Open
Authorized payment fraud	November 2023	Open

D | Federal Reserve System Budgets

The Federal Reserve Board of Governors and the Federal Reserve Banks prepare annual budgets as part of their efforts to ensure appropriate stewardship and accountability.¹ This section presents information on the 2023 budget performance of the Board and Reserve Banks and on their 2024 budgets, budgeting processes, and trends in expenses and employment. This section also presents information on the costs of new currency.

System Budgets Overview

Tables D.1 and D.2 summarize the Federal Reserve Board of Governors' and Federal Reserve Banks' 2023 budgeted, 2023 actual, and 2024 budgeted operating expenses and employment.²

2023 Budget Performance

In carrying out its responsibilities in 2023, the Federal Reserve System incurred \$6,459.6 million in net expenses. Total System operating expenses of \$7,724.5 million were offset by \$1,264.9 million in revenue from priced services and claims for reimbursement. Total 2023 System operating expenses, net of revenue and reimbursements, were \$3.2 million, or 0.05 percent, more than the amount budgeted for 2023.

2024 Operating Expense Budget

Budgeted 2024 System operating expenses of \$7,123.7 million, net of revenue and reimbursements, are \$664.1 million, or 10.3 percent, higher than 2023 actual expenses. The Reserve Bank budgets comprise almost three-quarters of the System budget (figure D.1.). Budgeted 2024 revenue from priced services is 1.2 percent lower than 2023 actual revenue.

¹ Before 2013, information about the budgeted expenses of the Board and Reserve Banks was presented in a separate report titled *Annual Report: Budget Review*. The report is available at <https://www.federalreserve.gov/publications/budget-review/default.htm>.

Each budget covers one calendar year.

² Substantially all employees of the Board and Reserve Banks participate in the Retirement Plan for Employees of the Federal Reserve System (System Plan). Reserve Bank employees at certain compensation levels participate in the Benefit Equalization Plan, and certain Reserve Bank officers participate in the Supplemental Retirement Plan for Select Officers of the Reserve Banks. The operating expenses of the Reserve Banks presented in this section do not include expenses related to the retirement plans; however, the 2023 claims for reimbursement include the allocated portion of the pension. Additional information about these expenses can be found in Appendix G, "Statistical Tables." Board employees also participate in the Benefit Equalization Plan, and Board officers participate in the Pension Enhancement Plan for Officers of the Board of Governors of the Federal Reserve System (PEP). The operating expenses of the Board presented in this section include expenses related to Board participants in the Benefit Equalization Plan and PEP but do not include expenses related to the System Plan.

Table D.1. Total operating expenses of the Federal Reserve System, net of receipts and claims for reimbursement, 2023–24

Millions of dollars, except as noted

Item	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Board ¹	989.6	994.1	4.5	0.5	1,044.1	50.0	5.0
Office of Inspector General ²	37.9	34.6	-3.3	-8.6	39.0	4.3	12.5
Reserve Banks ³	5,646.2	5,648.3	2.1	0.0	6,053.2	404.9	7.2
Currency ⁴	1,066.5	1,047.6	-18.9	-1.8	1,368.6	321.0	30.6
Total System operating expenses	7,740.1	7,724.5	-15.6	-0.2	8,504.9	780.4	10.1
Revenue from priced services	495.8	507.3	11.5	2.3	501.4	-5.9	-1.2
Claims for reimbursement ⁵	787.9	757.6	-30.3	-3.8	879.8	122.2	16.1
Revenue and claims for reimbursement ⁶	1,283.7	1,264.9	-18.8	-1.5	1,381.2	116.3	9.2
Total System operating expenses, net of revenue and claims for reimbursement	6,456.4	6,459.6	3.2	0.0	7,123.7	664.1	10.3

Note: Here and in subsequent tables, components may not sum to totals and may not yield percentages shown because of rounding.

¹ In December 2023, the Board approved a 2023 budget authority of \$989.6 million, an increase from the previously approved budget of \$960.8 million.

² Reflects the total operating budget net of expected earned income from the Consumer Financial Protection Bureau (CFPB). For 2023, the Office of Inspector General (OIG) conducted more work related to the CFPB than planned, which drove the variance.

³ Excludes Reserve Bank assessments by the Board of Governors for costs related to currency and the operations of the Board of Governors, OIG, and CFPB.

⁴ In the previous report, the 2022 and 2023 currency values reflected only single-cycle operating expenses. In the current report, 2023 and 2024 currency values reflect the sum of single-cycle and multicycle project costs. However, the Bureau of Engraving and Printing's single-cycle and multicycle project budgets are tracked separately, as shown in tables D.13 and D.14, respectively.

⁵ Reimbursable claims include the expenses of fiscal agency. In 2023 actual, the fiscal agency allocated portion of the pension is also included but is not included for the budget. The fiscal agency budgeted pension expense is \$79.8 million in 2023 and \$47.4 million in 2024.

⁶ Excludes annual assessments for the supervision of large financial companies pursuant to Regulation TT, which are not recognized as revenue or used to fund Board expenses. (See section 4, "Supervision and Regulation," for more information.) Includes total operating expenses of the National Information Technology (NIT) support function. In past years, NIT was referred to as the Federal Reserve Information Technology (FRIT) office. In 2023, the Office of Employee Benefits was consolidated into the Federal Reserve Bank of Atlanta.

Trends in Expenses and Employment

From the actual 2014 amount to the budgeted 2024 amount, the total operating expenses of the Federal Reserve System have increased an average of 5.3 percent annually (figure D.2.), which is slightly higher than the 10-year growth rate between 2013 and 2023. The total rate of growth in Federal Reserve System expenses reflects investments in technology initiatives, payment infrastructure modernization efforts, the next-generation currency-processing program (NextGen), and resources to support the supervision portfolio and other national strategic initiatives (figure D.3.).³

³ The System is implementing a strategy to transition the current fleet of high-speed currency processing machines and the associated sensor suite from the Banknote Processing System platform to the future next-generation (NextGen) processing technologies (machines and sensor technologies).

Table D.2. Employment in the Federal Reserve System, 2023–24

Item	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Board ¹	3,101	3,116	16	0.5	3,148	32	1.0
Office of Inspector General	136	135	-1	-0.6	143	8	5.8
Reserve Banks ²	20,733	20,680	-53	-0.3	21,238	558	2.7
Currency	22	19	-3	-13.6	24	5	26.3
Total System employment	23,991	23,950	-41	-0.2	24,553	603	2.5

Note: Employment numbers presented are full-time equivalents (FTE). FTE represent an employee's scheduled hours divided by the employer's hours for a full-time workweek.

¹ The 2023 budget amount was updated to reflect budget authority approved by the Board in December 2023.

² Includes employment of NIT support function. In 2023, the Office of Employee Benefits (OEB) was consolidated into the Federal Reserve Bank of Atlanta. In past years, NIT was referred to as the Federal Reserve Information Technology (FRIT) office.

Expense growth in the monetary policy area represents continued investment in regional economic research, and resources to support effective market operations and monitoring activities.

Treasury services expenses have increased to meet expanding scope and evolving needs, including business and technology modernization of payment services, financing and securities services, and accounting and reporting services, as well as significant investment in infrastructure and technology services.

Expenses for services to financial institutions continue to increase as a result of the NextGen program. More recently, increased demand for cash and social distancing protocols related to the COVID-19 pandemic resulted in higher personnel costs for cash operations and other related expenses for essential on-site staff. Growth in services to financial institutions and the public is also attributable to the addition of resources in support of the credit and liquidity facilities created in response to the COVID-19 pandemic.

Supervision growth has moderated over the past 10 years. Growth driven by changes in the state member bank portfolio, the buildout of the cybersecurity supervision program, and support for other national strategic initiatives was partially offset by adjustments to supervisory mandates from the Economic Growth, Regulatory Reform and Consumer Protection Act, the identification and realization

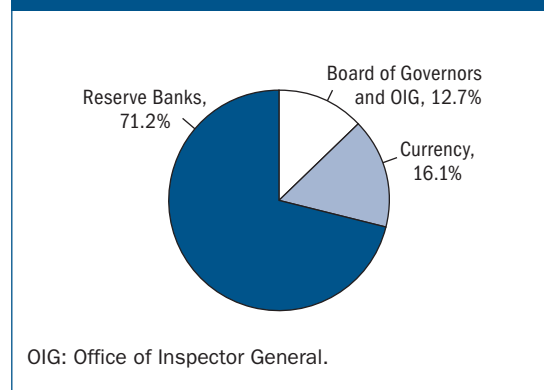
Figure D.1. Distribution of budgeted expenses of the Federal Reserve System, 2024

Figure D.2. Total expenses of the Federal Reserve System, 2014–24

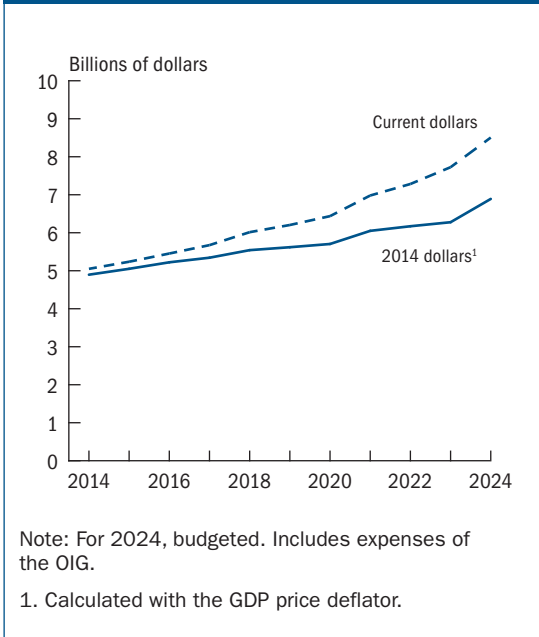
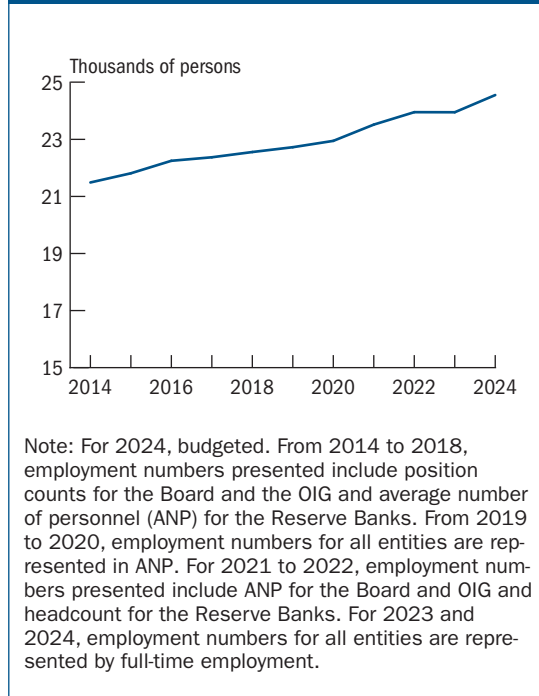


Figure D.3. Employment in the Federal Reserve System, 2014–24



of operational efficiencies, and the prioritization of resources toward higher-risk activities and emerging risks. In particular, resources were temporarily shifted from supervision in 2020 and 2021 to support the credit and liquidity facilities responding to the COVID-19 pandemic. Most recently, resource additions have been added to align with supervisory portfolio growth, increased complexity of institutions, and other strategic initiatives impacting the banking industry.

Growth in fee-based services is primarily for investments in the payment infrastructure modernization efforts, including the FedNowSM Service initiative, and investments associated with multiyear technology initiatives to modernize processing platforms for Fedwire and automated clearing-house (ACH).⁴

⁴ In July 2023, the Federal Reserve launched a new round-the-clock, real-time payment and settlement service, called the FedNow Service, to support faster payments in the United States. The initiative to modernize the ACH processing platform was completed in early 2021.

2024 Capital Budgets

The capital budgets for the Board and Reserve Banks total \$389.9 million and \$913.8 million, respectively.⁵ As in previous years, the 2024 capital budgets include funding for projects that support the strategic direction outlined by the Board, System leadership, and each Reserve Bank. These strategic goals emphasize investments that continue to improve operational efficiencies, enhance services to Bank customers, and ensure a safe and productive work environment.

Board of Governors Budgets

Board of Governors

The Board's budget is based on the principles established by the *Strategic Plan 2024–27* and provides funding to advance the plan's goals and objectives.⁶ This functional alignment helps ensure organizational resources are used to advance the Board's mission and provides a structure to fund strategic priorities over the four-year time horizon.

The Board's budget process is as follows:

- At the start of the budget process, the chief operating officer and chief financial officer meet with the Committee on Board Affairs (CBA) to recommend a specific growth target for the Board's operating budget. For 2024, the recommended growth target included known changes in the run-rate of the Board's ongoing operations. After endorsement by the CBA, Division of Financial Management (DFM) staff communicate the target to the Executive Committee, which comprises the directors of each division.
- To achieve the CBA's growth target, divisions allocate resources to their highest priorities and seek tradeoffs and efficiencies. Existing and new initiatives are evaluated, refined, and prioritized.
- DFM staff review initial budget requests submitted by divisions and collaborate with all divisions and functional areas to achieve the growth target.⁷
- The chief operating officer and chief financial officer subsequently brief the CBA on the budget submissions. Once the budget is finalized, the Administrative Governor submits the budget to the full Board for review and final approval.

⁵ The capital budget reported for the Board includes single-year capital expenditures and 2024 expected capital expenditures from multiyear projects of the Board and the OIG. The capital budget reported for the Reserve Banks includes the amounts budgeted for the National Information Technology support function and the Office of Employee Benefits. In past years, National Information Technology was referred to as the Federal Reserve Information Technology office (FRIT). In 2023, the Office of Employee Benefits was consolidated into the Federal Reserve Bank of Atlanta.

⁶ The Board approved the plan published in December 2023 and is located at <https://www.federalreserve.gov/publications/files/2024-2027-gpra-strategic-plan.pdf>.

⁷ Monetary Policy and Financial Stability, Supervision and Regulation, Payment System and Reserve Bank Oversight, Consumer Protection and Community Development, and Mission Advancement.

- Throughout the year, DFM staff monitor expenses through financial forecasts which provide insight into budgetary pressures. Staff analyze budgetary variances and pressures and communicate the results to senior management.

Tables D.3, D.4, and D.5 summarize the Board's 2023 budgeted and actual expenses and its 2024 budgeted expenses by operating area; division, office, or special account; and account classification, respectively. Table D.6 summarizes the Board's 2023 budgeted and actual authorized positions and its budgeted positions for 2024. Each table includes a line item for the Office of Inspector General (OIG), which is discussed later in this section.

2023 Budget Performance

The 2023 Board operating budget included measured risks to confront perennial underruns; however, by yearend, these risks materialized. In December 2023, the Board approved a 2023 budget authority of \$989.6 million. Total expenses for Board operations were \$994.1 million, which were \$4.5 million, or 0.5 percent, higher than the budget authority. Board members were briefed on final 2023 performance.

The Board's 2023 single-year capital spending was \$16.3 million, less than budgeted by \$5.4 million, or 25.0 percent, driven by lower spending on lifecycle replacements of furniture and equipment. Multiyear capital projects spending in 2023 was higher than budgeted by \$92.1 million, or 60.6 percent, driven by early construction activities for building improvement projects. Although 2023 expenditures for multiyear capital projects were higher than budgeted, multiyear projects are

Table D.3. Operating expenses of the Board of Governors, by operating area, 2023–24

Millions of dollars, except as noted

Item	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Monetary policy and financial stability ¹	419.9	418.0	(1.9)	-0.5	445.7	27.7	6.6
Supervision and regulation	426.6	432.2	5.6	1.3	437.2	5.0	1.2
Payment system and Reserve Bank oversight	84.9	85.1	0.2	0.2	86.4	1.3	1.6
Consumer protection and community development	58.2	58.8	0.6	1.1	74.8	15.9	27.1
Total, Board operations	989.6	994.1	4.5	0.5	1,044.1	50.0	5.0
Office of Inspector General	37.9	34.6	(3.3)	(8.6)	39.0	4.3	12.5

Note: This table presents financial performance for the Board's operating areas, which align with the Reserve Banks. Figures reflect the implementation of a new cost accounting framework in July 2023, which may cause adjustments between operating areas. Payment system and Reserve Bank oversight is an operating area unique to the Board.

¹ Includes the Survey of Consumer Finances.

Table D.4. Operating expenses of the Board of Governors, by division, office, or special account, 2023–24

Millions of dollars, except as noted

Division, office, or special account	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Research and Statistics	107.5	107.4	-0.1	(0.1)	115.3	7.9	7.4
International Finance	44.3	44.3	0.0	(0.1)	47.3	3.0	6.8
Monetary Affairs	49.9	50.2	0.4	0.8	54.3	4.0	8.0
Financial Stability	20.4	20.4	0.1	0.4	22.6	2.1	10.4
Supervision and Regulation	132.5	131.2	-1.3	(1.0)	140.7	9.5	7.2
Consumer and Community Affairs	40.5	40.2	-0.3	(0.6)	43.3	3.1	7.6
Reserve Bank Operations and Payment Systems	52.0	51.4	-0.6	(1.2)	55.3	4.0	7.7
Board Members	30.6	30.8	0.2	0.7	32.5	1.6	5.3
Secretary	12.7	12.6	-0.1	(0.6)	13.5	0.9	7.1
Legal	39.0	38.8	-0.1	(0.3)	42.6	3.8	9.8
Chief Operating Officer	15.3	15.3	0.0	0.3	16.7	1.4	8.9
Financial Management	16.4	16.5	0.1	0.7	17.8	1.4	8.2
Information Technology	158.2	158.0	-0.2	(0.1)	165.9	7.9	5.0
Management	190.2	191.1	1.0	0.5	200.4	9.3	4.8
Centrally managed benefits ¹	33.4	35.4	2.0	6.1	32.0	(3.5)	(9.8)
Extraordinary items	65.1	70.2	5.1	7.8	66.9	(3.3)	(4.7)
Savings and reallocations	(19.4)	(21.9)	-2.5	12.8	(25.0)	(3.0)	13.8
Survey of Consumer Finances ²	1.3	2.1	0.7	52.0	2.1	0.0	2.4
Total, Board operations	989.6	994.1	4.5	0.5	1,044.1	50.0	5.0
Office of Inspector General	37.9	34.6	-3.3	(8.6)	39.0	4.3	12.5

¹ Includes centrally managed Boardwide benefits programs, such as accrued annual leave, academic assistance, relocation, and retirement benefits, which fluctuate because of changes in actuarial assumptions and demographics.

² The survey collects information about family incomes, net worth, balance sheet components, credit use, and other financial outcomes, and is conducted every three years.

still projected to be within their total project budgets. [Table D.7](#) summarizes the Board's budgeted and actual capital expenditures for 2023 and 2024.

2024 Operating Expense Budget

The 2024 budget for Board operations is \$1,044.1 million, which is \$50.0 million, or 5.0 percent, higher than 2023 actual expenses. Staff formulated the operating budget to advance the organization's priorities across five goal areas to maintain the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems.

Table D.5. Operating expenses of the Board of Governors, by account classification, 2023–24							
Millions of dollars, except as noted							
Account classification	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Personnel services							
Salaries	565.3	567.6	2.2	0.4	607.6	40.0	7.1
Outside agency help	48.3	47.8	-0.5	-1.1	50.3	2.5	5.2
Retirement, Insurance, and Benefits	109.3	110.7	1.4	1.3	114.9	4.2	3.8
Pension and Post-Retirement Benefits	15.3	15.1	-0.3	-1.7	14.5	-0.6	-4.0
Subtotal, personnel services	738.2	741.1	2.9	0.4	787.2	46.1	6.2
Goods and services							
Contractual Services and Professional Fees	66.7	65.7	-1.0	-1.5	54.3	-11.5	-17.4
Rentals	39.0	38.3	-0.7	-1.7	42.3	4.0	10.4
Data, News, and Research	23.1	24.1	0.9	3.9	28.5	4.4	18.3
Software	36.0	37.7	1.7	4.6	40.8	3.1	8.2
Furniture, Equipment, Postage, and Supplies	7.9	8.2	0.3	4.1	8.4	0.2	1.9
Repairs and Maintenance	12.2	12.4	0.2	1.7	13.5	1.1	8.6
Utilities	9.0	9.1	0.1	0.8	9.9	0.9	9.4
Travel	7.7	8.7	1.0	13.1	7.9	-0.8	-9.3
Other Expenses	20.7	19.2	-1.5	-7.5	22.0	2.8	14.6
Depreciation/Amortization	56.2	55.9	-0.3	-0.4	57.6	1.7	3.1
Support and overhead allocations ¹	-21.9	-21.9	0.0	0.0	-22.9	-1.0	4.6
Earned Revenue	-5.3	-4.4	0.9	-16.8	-5.3	-0.8	19.1
Subtotal, goods and services	251.4	253.0	1.6	0.6	256.9	4.0	1.6
Total, Board operations	989.6	994.1	4.5	0.5	1,044.1	50.0	5.0
Office of Inspector General (OIG)							
Personnel services	33.0	33.5	0.5	1.7	36.2	2.7	8.0
Goods and services ²	21.1	20.6	-0.5	-2.5	22.8	2.2	10.9
Subtotal, excluding operating income	54.1	54.1	0.0	0.0	59.0	4.9	9.1
Operating income ³	-16.2	-19.5	-3.3	20.1	-20.1	-0.6	3.0
Total, OIG operations	37.9	34.6	-3.3	-8.6	39.0	4.3	12.5

¹ Includes the transfer of attributable support and overhead expenses from the Board operating budget to the OIG and Currency budgets.

² Includes Board support and overhead allocations to the OIG.

³ Includes earned income from the CFPB.

The 2024 budget includes funding for the Board's compensation and benefit programs, moderate employment growth as vacancies are filled to meet critical needs, contractors to support strategic projects, and continuing existing goods and services. New initiatives will be funded through offsets from existing operations and projects.

Authorized positions for 2024 are 3,007, an increase of 17 positions from the 2023 authorized number.

Table D.6. Positions authorized by the Board of Governors, by division, office, or special account, 2023–24

Division, office, or special account	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Research and Statistics	364	366	2	0.5	368	2	0.5
International Finance	168	168	0	0.0	170	2	1.2
Monetary Affairs	186	188	2	1.1	190	2	1.1
Financial Stability	81	81	0	0.0	83	2	2.5
Supervision and Regulation	497	497	0	0.0	499	2	0.4
Consumer and Community Affairs	138	138	0	0.0	139	1	0.7
Reserve Bank Operations and Payment Systems	190	190	0	0.0	191	1	0.5
Board Members	124	126	2	1.6	127	1	0.8
Secretary	56	54	-2	-3.6	55	1	1.9
Legal	136	139	3	2.2	139	0	0.0
Chief Operating Officer	64	64	0	0.0	64	0	0.0
Financial Management	72	72	0	0.0	72	0	0.0
Information Technology	419	419	0	0.0	420	1	0.2
Management	485	485	0	0.0	485	0	0.0
Extraordinary items ¹	10	3	-7	-70.0	5	2	66.7
Total, Board operations	2,990	2,990	0	0.0	3,007	17	0.6
Office of Inspector General	142	142	0	0.0	152	10	7.0
Currency	22	22	0	0.0	24	2	9.1

Note: Budget represents authorized position count at the beginning of the year, and actual represents authorized position count at year-end.
¹ Includes the centralized position pool used for strategic areas of growth.

2024 Capital Budgets

The Board's 2024 single-year capital budget is \$25.1 million, which is \$8.8 million, or 54.1 percent, higher than 2023 actual capital expenditures. The growth is driven by the deferral of some purchases from 2023 to 2024. The budget includes routine replacements of equipment, software, and building components.

The Board's multiyear capital budget is driven by building improvement projects. Expected capital expenditures in 2024 total \$364.3 million and reflect the Board's commitment to provide a secure, modern environment that meets the needs of the Board's workforce and leverages opportunities to increase collaboration, efficiency, productivity, and sustainability. Table D.7 summarizes the Board's budgeted and actual capital expenditures for 2023 and 2024.

Office of Inspector General

The budget for the Board's OIG is grounded in the goals established in its strategic plan.⁸ The goals are to deliver results that promote agency excellence; promote a diverse, skilled, and engaged workforce and foster an inclusive, collaborative environment; optimize external stakeholder engagement; and advance organizational effectiveness and model a culture of continuous improvement.

In keeping with its statutory independence, the OIG prepares its proposed budget separate and apart from the Board's budget. The OIG presents its budget directly to the Board for approval.

2023 Budget Performance

Total expenses for OIG operations, excluding operating income, were \$54.1 million, which were in line with the approved budget.

Operating income was \$3.3 million, or 20.1 percent, higher than the approved budget amount. The OIG conducted more work related to the Consumer Financial Protection Bureau (CFPB) than planned; in addition, the office's increased oversight and investigative responsibilities continue to subside related to the Board's programs created in response to the COVID-19 pandemic. Including operating income from the CFPB, total expenses for OIG operations were \$34.6 million in 2023.

The OIG's single-year capital spending was \$0.1 million, less than budgeted by \$0.1 million or 54.6 percent. Table D.5 summarizes the OIG's 2023 budgeted and actual expenses and table D.7 summarizes the OIG's budgeted and actual capital expenditures for 2023 and 2024.

2024 Operating Expense Budget

The 2024 budget for OIG operations, excluding operating income, is \$59.0 million, which is \$4.9 million, or 9.1 percent, higher than 2023 actual expenses. The increase is driven by higher authorized staffing levels, funding for compensation and benefit programs, and a lower budgeted vacancy rate to reflect recent employment trend data. Including operating income from the CFPB, the 2024 budget for OIG operations is \$39.0 million.

2024 Capital Budget

The OIG's single-year capital budget is \$0.5 million, which is \$0.4 million higher than 2023 actual capital expenditures. The budget includes existing vehicle replacements, equipment purchases, and leasehold improvements for the San Francisco regional office. Table D.5 summarizes the OIG's 2024 budgeted expenses, and table D.7 summarizes the OIG's budgeted and actual capital expenditures for 2024.

⁸ The plan is located at <https://oig.federalreserve.gov/strategic-plan.htm>.

Table D.7. Capital expenditures of the Board of Governors, by capital type, 2023–24							
Item	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Board							
Single-year capital expenditures	21.7	16.3	-5.4	-25.0	25.1	8.8	54.1
Multiyear capital expenditures	151.8	243.9	92.1	60.6	364.3	120.4	49.4
Total capital expenditures	173.5	260.2	86.6	49.9	389.4	129.2	49.7
Office of Inspector General (OIG)							
Single-year capital expenditures	0.2	0.1	-0.1	-54.6	0.5	0.4	395.7
Multiyear capital expenditures	0.0	0.0	0.0	n/a	0.0	0.0	n/a
Total capital expenditures	0.2	0.1	-0.1	-54.6	0.5	0.4	395.7
Board and OIG total capital expenditures	173.7	260.3	86.5	49.8	389.9	129.6	49.8
Note: The amount reported for the multiyear capital budget represents the expected expenditure for the budget year. n/a Not applicable.							

The OIG has 152 authorized positions for 2024, an increase of 10 from the 2023 authorized number.

Federal Reserve Banks Budgets

Each Reserve Bank establishes operating goals for the coming year that are aligned with the System's key strategic objectives, devises strategies for attaining those goals, estimates required resources, and monitors results. The Reserve Banks structure their budgets around specific functional areas reflecting the core responsibilities of the Federal Reserve:

- contributing to the formulation of monetary policy and enhancing monetary policy implementation to become more effective, flexible, and resilient
- promoting financial stability through effective monitoring, analysis, and policy development
- promoting safety and soundness of financial institutions through effective supervision
- leading efforts to enhance the security, resiliency, functionality, and efficiency of services provided to financial institutions, to the U.S. Treasury as its fiscal agent, and to the public

The Reserve Bank budget process is as follows:

- The Conference of Presidents, working closely with the Conference of First Vice Presidents (CFVP), reorganized and simplified its committee structure establishing five umbrella commit-

tees responsible for major operational areas and functional areas.⁹ The leader of each umbrella committee, as well as the chair and vice chair of the CFVP, sits on the Committee on Spend Stewardship (CSS), which is charged by the COP with aligning the budget with strategic priorities at the System level.

- The CSS defines, in close consultation with the Board's Committee on Federal Reserve Bank Affairs (BAC), key strategic objectives for the System. Considering longer-term environmental trends and historical growth rates of expense, these governance bodies articulate an aggregate System-level growth expectation for the budget year.
- With guidance from the CSS, the 12 Reserve Banks develop budgets that reflect the strategic priorities, relying heavily on framing and making appropriate tradeoffs. These budgets are reviewed by each Reserve Bank's senior leadership and respective board of directors.
- The Reserve Banks submit for Board review preliminary budget information, including documentation to support the budget request.
- Board staff analyzes these budgets both individually and, in the aggregate, and then provide its recommendations to the BAC.
- Expenses associated with services provided to the Treasury require authorization from the Bureau of the Fiscal Service.
- The BAC reviews the Banks' budgets.
- The Reserve Banks make any needed changes, and the BAC chair submits the revised budgets to Board members for review and final action.
- Throughout the year, Reserve Bank and Board staffs monitor actual performance and compare it with approved budgets and forecasts.

In addition to the budget approval process, the Reserve Banks must submit proposals for certain capital expenditures to the Board for further review and approval.

[Tables D.8, D.9, and D.10](#) summarize the Reserve Banks' 2023 budgeted and actual expenses and 2024 budgeted expenses by Reserve Bank, functional area, and account classification.¹⁰ [Table D.11](#) shows the Reserve Banks' budgeted and actual employment for 2023 and budgeted employment for 2024. In addition, [table D.12](#) shows the Reserve Banks' budgeted and actual capital expenditures for 2023 and budgeted capital for 2024.

⁹ The five umbrella committees are (1) Governance and Risk; (2) People; (3) Payments; (4) Technology and Operations; and (5) Research, Banking, Communities, and Communications.

¹⁰ Additional information about the operating expenses of each of the Reserve Banks can be found in [Appendix G, "Statistical Tables"](#) (see "Table G.9. Income and expenses of the Federal Reserve Banks, by Bank").

Table D.8. Operating expenses of the Federal Reserve Banks, by District, 2023–24

Millions of dollars, except as noted

District	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Boston	407.7	410.7	2.97	0.7	438.2	27.5	6.7
New York	1,291.3	1,290.3	-1.03	-0.1	1,364.1	73.8	5.7
Philadelphia	232.8	235.1	2.28	1.0	243.9	8.8	3.8
Cleveland	304.2	303.1	-1.09	-0.4	330.0	26.9	8.9
Richmond	394.2	390.8	-3.42	-0.9	418.4	27.6	7.1
Atlanta	476.6	485	8.39	1.8	530.4	45.4	9.4
Chicago	540.1	527.3	-12.79	-2.4	557.6	30.3	5.7
St. Louis	427.9	424.1	-3.84	-0.9	491.6	67.5	15.9
Minneapolis	257.1	265.4	8.27	3.2	302.2	36.8	13.9
Kansas City	487.9	486.3	-1.61	-0.3	484.9	-1.4	-0.3
Dallas	302.2	307.7	5.54	1.8	334.5	26.8	8.7
San Francisco	524.1	522.5	-1.57	-0.3	557.2	34.7	6.6
Total Reserve Bank operating expenses	5,646.2	5,648.3	2.1	0.0	6,053.2	404.9	7.2

Note: Includes expenses of the NIT support function and the OEB and reflects allocations for all indirect services. Excludes Reserve Bank capital expenditures as well as assessments by the Board of Governors for costs related to currency and the operations of the Board of Governors and the Consumer Financial Protection Bureau. In past years, National IT was referred to as the Federal Reserve Information Technology office (FRIT).

Table D.9. Operating expenses of the Federal Reserve Banks, by operating area, 2023–24

Millions of dollars, except as noted

Operating area	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Monetary and economic policy	943.2	945.0	1.8	0.2	928.8	-16.2	-1.7
Services to the U.S. Treasury and other government agencies	721.3	701.9	-19.4	-2.7	819.8	117.9	16.8
Services to financial institutions and the public ¹	1,519.8	1,526.3	6.5	0.4	1,744.7	218.4	14.3
Supervision and regulation	1,722.1	1,734.2	12.1	0.7	1,784.5	50.3	2.9
Fee-based services to financial institutions ²	739.9	740.9	1.0	0.1	775.2	34.3	4.6
Total Reserve Bank operating expenses³	5,648.2	5,648.3	2.1	0.0	6,053.2	404.9	7.2

¹ Services to financial institutions and the public includes cash services.

² Includes operating expenses related to development of the FedNow Service.

³ Operating expenses exclude pension costs, reimbursements, and operating expense of the Board of Governors (see table D.4).

Table D.10. Operating expenses of the Federal Reserve Banks, by account classification, 2023–24
Millions of dollars, except as noted

Account classification	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Salaries and other benefits ¹	4,195.4	4,230.2	34.8	0.8	4,436.6	206.5	4.9
Building	301.8	284.5	-17.2	-5.7	313.4	28.9	10.1
Software costs	498.7	493.1	-5.6	-1.1	579.6	86.5	17.5
Equipment	231.2	250.3	19.1	8.3	267.3	17.0	6.8
Recoveries	-236.2	-233.3	2.9	-1.2	-241.9	-8.6	3.7
Expenses capitalized	-164.8	-159.2	5.6	-0.4	-202.0	-42.8	26.9
All other ²	820.2	782.7	-37.5	-4.6	900.1	117.4	15.0
Total Reserve Bank operating expenses	5,646.2	5,648.3	2.1	0.0	6,053.2	404.9	7.2

¹ Includes salaries, other personnel expense, and retirement and other employment benefit expenses. It does not include pension expenses related to all the participants in the Retirement Plan for Employees of the Federal Reserve System and the Reserve Bank participants in the Benefit Equalization Plan and the Supplemental Retirement Plan for Select Officers of the Federal Reserve Banks. These expenses are recorded as a separate line item in the financial statements; see "Table G.9. Income and expenses of the Federal Reserve Banks, by Bank" in Appendix G, "Statistical Tables."

² Includes fees, materials and supplies, travel, communications, and shipping.

2023 Budget Performance

Total 2023 operating expenses for the Reserve Banks were \$5,648.3 million, which is \$2.1 million, or 0.04 percent, more than the approved 2023 budget of \$5,646.2 million. Budget performance reflects higher-than-planned expenses for the data center modernization effort; severance and outside agency help expenses to address staffing alignment across the System; and to a lesser extent, expenses related to the administration of the Paycheck Protection Program Liquidity Facility program. These increases were offset by lower-than-anticipated postretirement expenses and lower-than-planned facilities expenses. Actual full-time equivalents (FTE) was 20,680, an underrun of 53 FTE, or 0.3 percent, from 2023 budgeted staffing levels. The Reserve Banks' 2023 capital expenditures were less than budgeted by \$242.7 million, or 23.7 percent, primarily driven by delayed and canceled projects.

2024 Operating Expense Budget

The 2024 operating budgets of the Reserve Banks total \$6,053.2 million, which is \$404.9 million, or 7.2 percent, higher than 2023 actual expenses.¹¹ Growth in monetary policy expense reflects increased resources dedicated to researching inflation and enhancing existing and developing new inflation indicators. Treasury growth is primarily attributable to fees, software, and personnel for temporary resources and vendor support to meet System and Treasury deadlines for

¹¹ On December 15, 2023, the Board approved the 2024 Reserve Bank operating budgets totaling \$6,053.2 million. Additional information is available at <https://www.federalreserve.gov/foia/budgets.htm>.

Table D.11. Employment at the Federal Reserve Banks, by District, OEB and at NIT, 2023–24

District	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
			Boston	1,283		1,277	-6
New York	2,981	2,958	-23	-0.8	3,073	116	3.9
Philadelphia	857	878	22	2.5	884	5	0.6
Cleveland	1,104	1,073	-31	-2.8	1,114	42	3.9
Richmond	1,547	1,555	8	0.5	1,617	62	4.0
Atlanta	1,715	1,752	37	2.1	1,780	28	1.6
Chicago	1,679	1,693	14	0.8	1,726	33	1.9
St. Louis	1,447	1,479	32	2.2	1,508	28	1.9
Minneapolis	1,066	1,112	46	4.3	1,147	34	3.1
Kansas City	2,132	2,055	-77	-3.6	2,072	18	0.9
Dallas	1,281	1,310	29	2.3	1,343	33	2.5
San Francisco	1,864	1,819	-45	-2.4	1,910	90	5.0
Total, all Districts	18,955	18,960	5	0.0	19,468	508	2.7
National IT	1,719	1,720	0	0.0	1,770	50	2.8
Office of Employee Benefits	58	0	n/a	n/a	n/a	n/a	n/a
Total	20,733	20,680	-53	-0.3	21,238	558	2.7

Note: In 2023, the Office of Employee Benefits was consolidated into the Federal Reserve Bank of Atlanta. In past years, National IT was referred to as the Federal Reserve Information Technology office (FRIT).
n/a Not applicable.

cloud migrations, security mandates, and technical debt remediation. Cash investments reflect increases across several Districts to support local implementations for the NextGen program.¹² Supervision resource additions align with portfolio growth. Investments in fee-based services are for the FedNowSM Service which, aligns with the Federal Reserve System's commitment to modernize the nation's payment system and establish a safe and efficient foundation for the future.

Total 2024 budgeted employment for the Reserve Banks and National IT is 21,238 FTEs, an increase of 558, or 2.7 percent, from 2023 actual employment levels.

Reserve Bank officer and staff personnel expenses for 2024 total \$4,436.6 million, an increase of \$206.5 million, or 4.9 percent, from 2023 actual expenses. The increase reflects expenses associated with additional staff, salary administration, variable pay, and retirement and other benefit costs.¹³

¹² FedCash (formerly the Cash Product Office) is transitioning the existing fleet of high-speed currency processing machines and the sensor suite from the Banknote Processing System platform to the future NextGen processing infrastructure.

¹³ The salary administration program includes a budgeted pool for merit increases, equity adjustments, and promotions.

Table D.12. Capital expenditures of the Federal Reserve Banks, by District, and of NIT, 2023–24							
Millions of dollars, except as noted							
District	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
Boston	53.5	29.9	-23.6	-44.1	59.3	29.4	98.3
New York	145.8	69.1	-76.7	-52.6	183.1	114.0	165.0
Philadelphia	15.7	7.2	-8.5	-54.1	22.4	15.2	211.1
Cleveland	29.7	32.2	2.5	8.4	31.4	-0.8	-2.5
Richmond	17.0	19.0	2	11.8	18.2	-0.8	-4.2
Atlanta	80.9	58.2	-22.7	-28.1	145.9	87.7	150.7
Chicago	43.8	31.7	-12.1	-27.6	30.3	-1.4	-4.4
St. Louis	39.0	32.8	-6.2	-15.9	32.9	0.1	0.3
Minneapolis	34.2	27.8	-6.43	-18.8	30.7	2.93	10.6
Kansas City	69.0	46.4	-22.6	-32.8	63.9	17.5	37.7
Dallas	45.3	29.2	-16.1	-35.5	48.1	18.9	64.7
San Francisco	134.5	107.0	-27.5	-20.4	118.2	11.2	10.5
Total, all Districts	708.4	490.5	-217.9	-30.8	784.4	293.9	59.9
National IT	179.8	155.0	-24.8	-13.8	129.4	-25.6	-16.5
Total	888.2	645.5	-242.7	-27.3	913.8	268.3	41.7

The 2024 Reserve Bank budgets include a salary administration program for eligible officers, senior professionals, and staff totaling \$131.3 million and a variable pay program totaling \$281.3 million.

2024 Capital Budgets

The 2024 capital budgets for the Reserve Banks and National IT total \$913.8 million. The increase in the 2024 capital budget is \$268.4 million, or 41.6 percent, greater than the 2023 actual levels of \$645.5 million, and includes ongoing, multiyear, strategic IT initiatives, investments in cash services, and building projects. Initiatives in the 2024 capital budget support the development and deployment phase of NextGen, cash facility renovations, address aging building infrastructure in several Reserve Banks, continue data center modernization, and improve IT infrastructure.

Capital Expenditures Designated for Conditional Approval

The BAC chair designated projects with an aggregate cost of \$334.2 million in 2024 for conditional approval, requiring additional review and approval by the director of the Board's Division of

Reserve Bank Operations and Payment Systems (RBOPS) before the funds are committed.¹⁴ The expenditures designated for conditional approval comprise several cash investments including the development and deployment of currency processors and facility renovations as part of the NextGen program, and funds to expand an existing cash vault and build a new cash facility. Technology projects include investments to modernize the data center and migrate applications to cloud to increase agility, speed, resilience, and operational efficiency.

Other Capital Expenditures

Significant capital expenditures (typically expenditures exceeding \$1 million) that are not designated for conditional approval include total multiyear budgeted expenditures of \$1,359.5 million for 2024 and future years, of which the single-year 2024 budgeted expenditures are \$570.1 million. This category includes necessary infrastructure investments for building and IT projects, and applications support for cash, priced services, monetary policy, and supervision initiatives.

Capital initiatives that are individually less than \$1 million are budgeted at an aggregate amount of 72.6 million for 2024 and include building maintenance expenditures, scheduled software and equipment upgrades, and equipment and furniture replacements.

Currency Budget

The currency budget provides funds to reimburse the Treasury's Bureau of Engraving and Printing (BEP) for expenses related to the production of banknotes, and the Board's activities related to its role as issuing authority of the nation's currency in the form of Federal Reserve notes.¹⁵ As the issuing authority, the Board is responsible for ensuring that there is an adequate supply of banknotes in circulation, the banknotes meet defined quality standards, and that the development of banknote security features and new design concepts are robust against counterfeiting.

To support the Board's role, the budget includes BEP note production costs, consistent with the annual calendar year print order submitted by the director of RBOPS on behalf of the Board. The budget also funds Board costs to ship new currency from the BEP to Reserve Banks, ship currency between the Reserve Banks, and program management expenses to support long-term issuance strategies and resiliency.¹⁶

¹⁴ Generally, capital expenditures that are designated for conditional approval include certain building projects, District expenditures that substantially affect or influence future System direction or the manner in which significant services are performed, expenditures that may be inconsistent with System direction or vary from previously negotiated purchasing agreements, and local expenditures that duplicate national efforts.

¹⁵ As mandated by the Federal Reserve Act, section 16, the Board reimburses the BEP for all costs related to the production of Federal Reserve notes. Section 16 of the Federal Reserve Act also requires that all costs incurred for the issuing of notes shall be paid for by the Board and included in its assessments to the Reserve Banks. Operations and capital investments of the BEP have been generally financed by a revolving fund that is reimbursed through product sales, nearly all of which are sales of Federal Reserve notes to the Board to fulfill its annual print order.

¹⁶ The Board delivers the annual print order to the BEP director every year which is available on the Board's website at https://www.federalreserve.gov/paymentsystems/coin_currency_orders.htm.

Program management expenses include work by Board staff, with support from the Reserve Banks, the Treasury Department, the BEP, and the U.S. Secret Service, to ensure that notes meet quality standards and have suitable anti-counterfeit features, from production through destruction.

In addition, the Board plays a central role in protecting the integrity of, and maintaining public confidence in, U.S. currency. The U.S. Currency Program (USCP) stakeholders perform development and testing of security features and designs in support of the next banknote family. Board staff monitors counterfeiting threats for each denomination and conducts adversarial analysis to ensure resistance to counterfeiting.

The currency budget also funds the Currency Education Program (CEP), which aims to protect and maintain confidence in U.S. currency worldwide by facilitating counterfeit-detection trainings for Reserve Bank and foreign central bank staff and providing education and information about banknote security features to the public. The CEP also conducts outreach to key stakeholders, including commercial banks, retailers, and law enforcement agencies on USCP initiatives.

The annual currency budget process is as follows:

- Each year, under authority delegated by the Board, the director of the RBOPS submits a fiscal year print order for notes to the director of the BEP.
- The BEP forecasts expenses for the single-cycle calendar-year and multicyle project budgets. The single-cycle budget includes fixed and variable costs for printing Federal Reserve notes and support costs. The multicyle budget includes costs related to significant capital investments.
- Board staff develop budgets for Board expenses in relation to strategic guidance set by the RBOPS officer responsible for the cash program of work.
- The various sections of the budget are independently reviewed by Board staff, who also prepare a consolidated budget recommendation for BAC and Board approval.
- The BAC reviews the proposed currency budget.
- The BAC chair submits the proposed currency budget to Board members for review and final action.

2023 Budget Performance

BEP Single-Cycle Operating Costs

BEP single-cycle operating costs were \$858.3 million, which was \$0.3 million, or 0.04 percent, below the budgeted amount for 2023. The budget underrun in variable printing costs was offset by a similar-sized overrun in fixed printing costs as the BEP realized capital outlays delayed from 2022. BEP support costs underran the 2023 budget largely driven by attrition of staff supporting destruction and compliance. Additionally, the BEP's 2023 actual operating cost included a credit of

\$24.2 million that resulted from Board reimbursements exceeding BEP's actual expenditures in 2022 for paper and certain fixed costs. Absent the credit adjustment, BEP single-cycle operating costs were \$882.6 million, which was \$23.9 million, or 2.8 percent, over the budgeted amount for 2023.

Board Single-Cycle Operating Costs

Board costs were \$65.3 million, which was \$7.5 million, or 10.2 percent, under the budgeted amount for 2023. The primary drivers were lower currency issuance costs for banknote transportation and an underrun in banknote development. Lower currency issuance costs were due to lower-than-expected transportation contract price increases and fewer contingency shipments required because inventory levels stabilized since the COVID-19 pandemic subsided. Banknote development's underrun was primarily due to decreased membership fees for the Central Bank Counterfeit Deterrence Group and scope changes to contracts.

2024 Budget

Table D.13 summarizes the 2024 single-cycle currency operating budget of \$1,104.0 million. The 2024 single-cycle operating budget represents an increase of \$180.3 million, or 19.5 percent, from 2023 actual expenses. BEP costs associated with the printing of Federal Reserve notes are

Table D.13. Federal Reserve single-cycle currency budget, 2023–24							
Millions of dollars, except as noted							
Item	2023 budget	2023 actual	Variance 2023 actual to 2023 budget		2024 budget	Variance 2024 budget to 2023 actual	
			Amount	Percent		Amount	Percent
BEP costs¹	858.7	858.3	-0.3	0.0	1,033.7	175.4	20.4
Printing Federal Reserve notes	852.5	852.5	0.0	0.0	1,027.4	174.9	20.5
BEP fixed printing costs	587.0	587.0	0.0	0.0	665.5	78.5	13.4
BEP variable printing costs	265.5	265.5	0.0	0.0	361.9	96.4	36.3
BEP support costs	6.2	5.9	-0.3	-4.8	6.3	0.5	8.0
Currency reader	1.0	1.0	0.0	3.7	1.1	0.1	11.4
Destruction and compliance	5.2	4.8	-0.3	-6.5	5.2	0.4	7.3
Board costs	72.8	65.3	-7.5	-10.2	70.2	4.9	7.6
Currency issuance ²	33.6	28.4	-5.2	-15.6	31.7	3.2	11.4
Banknote development ³	32.2	31.0	-1.3	-4.0	32.6	1.6	5.2
Currency education ³	6.9	5.9	-0.9	-13.5	6.0	0.1	1.4
Operating budget	931.4	923.6	-7.8	-0.8	1,104.0	180.3	19.5

¹ BEP costs (budget and actual) reflect Board reimbursements to the BEP, which may vary from BEP's actual expenses. Annually, a true-up process is in place to account for any variance between Board reimbursement and BEP actual expenses.

² Includes currency transportation, personnel, and other support costs.

³ Includes personnel, travel, and training costs applicable to the budget categories that they support.

93.6 percent of the operating budget. Board expenses for currency issuance, banknote development, and currency education comprise the remaining 6.4 percent of the operating budget.

Table D.14 provides an overview of the multicycle project budget that funds the BEP's capital investments.

Table D.14. Multicycle projects in the currency budget, 2023–24					
Millions of dollars, except as noted					
Item	2022 and prior actual	2023 budget	2023 actual	2024 budget	Lifetime project budget
BEP project funding					
Fort Worth facility expansion ¹	253.9	28.9	18.8	10.2	282.8
Washington, D.C. replacement facility ²	64.7	62.3	56.2	39.2	1,784.1
Note production equipment ³	142.0	43.8	48.9	215.3	1,265.0
Total	460.6	135.0	124.0	264.7	3,331.9
¹ In August of 2021, the Board approved a lifetime project budget of \$282.8 million. ² In December of 2022, the Board approved \$134.1 million. In October of 2023, the Board approved an additional \$1,650.0 million. ³ In August of 2023, under delegated authority, the director of the Board's Division of Reserve Bank Operations and Payment Systems approved a reimbursable limit of \$746.8 million. In December of 2023, the Board conditionally approved the remainder of the project.					

BEP Single-Cycle Operating Costs

The proposed 2024 budget to fund the BEP printing and support costs is \$1,033.7 million, which is \$175.4 million, or 20.4 percent, higher than 2023 actual expenses.

The budget for fixed printing costs is \$665.5 million, which is \$78.5 million, or 13.4 percent, higher than 2023 actual expenses. Fixed costs are growing to support cybersecurity efforts and information technology upgrades, and to fund increased staffing levels for manufacturing support. The increase in fixed costs is partially offset by reduced spending in research and development projects in 2024 because a number of projects have been closed.

The budget for variable printing costs is \$361.9 million, which is \$96.4 million, or 36.3 percent higher than 2023 actual expenses. The increase is primarily a result of higher expected note deliveries in 2024 than in 2023 and increased raw material costs.

BEP Multicycle Project Operating Costs

There are three multicycle projects included in the 2024 budget; the BEP's Fort Worth facility expansion (WCF); the BEP's Washington, D.C. replacement facility (DCRF); and modernization of BEP note production equipment. The combined lifetime project budget for WCF, DCRF, and note production equipment is \$3,331.9 million.

As of October 2023, there is a total of \$2,853.9 million in approved multicycle project funding, which includes \$282.8 million for the expanded WCF facility, \$1,784.1 million for the new DCRF facility, and \$787.0 million for a generational upgrade of note production equipment for both BEP facilities. The Board designated an additional \$478.0 million for note production equipment as conditional approval, requiring additional review and approval by the director of RBOPS when funding is required. The lifetime project budget of \$1,265.0 for note production equipment funds the replacement of nearly all the production equipment at the BEP through 2033.¹⁷

The multicycle project budget includes 2024 components for each of the three budgeted projects; \$10.2 million for WCF project close-out funds following the completion of the project in 2023, \$39.2 million to complete the DCRF design and prepare for the awarding of the construction contract, and \$215.3 million for note production equipment to support the BEP and Board's joint commitment in replacing aging equipment.

Board Single-Cycle Operating Costs

The Board costs budget is \$70.2 million, which is \$4.9 million, or 7.6 percent, higher than 2023 actual costs. The year-over-year change is primarily driven by increases to support the multiyear strategic initiatives.

The currency issuance budget increases are primarily attributable to increased transportation costs for additional note deliveries from the BEP, updated contract pricing, and increased shipments to support Reserve Bank cash offices during renovations to support deployment of NextGen machines.

The banknote development increases are primarily attributable to security feature testing, the banknote usability program to support design and communication initiatives for the next family of notes, improvements to the effectiveness and efficiency of the banknote design process, and the

Figure D.4. Federal Reserve costs for currency, 2014–2024



¹⁷ BEP staff estimates that the equipment will have a life expectancy of 15 to 20 years and will require mid-lifecycle upgrades 7 to 10 years after it has been placed in service.

establishment of a program team to oversee the major cross-program initiatives and identify risks with executing those projects.

The currency education program will focus on efforts to protect and maintain confidence in U.S. currency worldwide through public outreach, expansion of domestic and international stakeholder education, and brand strategy to prepare for the release of the next family of notes.

The 2024 currency budget includes two additional positions to support the strategic planning processes, manage increasing scope and complexity in procurements, and manage the growing responsibilities of the USCP. The currency issuance, banknote development, and currency education budget categories also include personnel, travel, training, and support and overhead costs.¹⁸

¹⁸ The currency budget includes support and overhead costs for enterprise IT, facilities, law enforcement, human resources, and other services.

E | Record of Policy Actions of the Board of Governors

Policy actions of the Board of Governors are presented pursuant to section 10 of the Federal Reserve Act. That section provides that the Board shall keep a record of all questions of policy determined by the Board and shall include in its annual report to Congress a full account of such actions. This appendix provides a summary of policy actions in 2023. Policy actions were implemented through (1) [rules and regulations](#), (2) [policy statements and other actions](#), and (3) [discount rates for depository institutions](#). Board members' votes on the policy actions are provided after each summary.¹ More information on the actions is available from the relevant *Federal Register* notices or other documents (see links in footnotes) or on request from the Board's Freedom of Information Office. This appendix also provides information on the [Board and the Government Performance and Results Act](#).

For more information on the Federal Open Market Committee's (FOMC's) policy actions relating to open market operations, see [Appendix B](#), "Minutes of Federal Open Market Committee Meetings."

Rules and Regulations

Regulations Q (Capital Adequacy of Bank Holding Companies, Savings and Loan Holding Companies, and State Member Banks), LL (Savings and Loan Holding Companies), and YY (Enhanced Prudential Standards)

Effective January 1, 2024. On September 13, 2023, the Board approved a final rule (Docket No. R-1673) to adopt risk-based capital requirements for depository institution holding companies that are significantly engaged in insurance activities.² This risk-based capital framework, termed the Building Block Approach, adjusts and aggregates existing legal-entity capital requirements to determine enterprisewide capital requirements. The final rule also contains a risk-based capital requirement excluding insurance activities, in compliance with section 171 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The capital requirements meet statutory mandates and will help to prevent the economic and consumer impacts resulting from the failure of organizations engaged in banking and insurance.

Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Barr, and Governors Bowman, Waller, and Cook.

¹ Vice Chair Brainard resigned effective February 18, 2023. Governor Jefferson was sworn in as Vice Chair, and Governor Kugler was sworn in as a member of the Board, on September 13, 2023.

² See *Federal Register* notice at <https://www.govinfo.gov/content/pkg/FR-2023-11-27/pdf/2023-23911.pdf>.

Regulation BB (Community Reinvestment)

Effective April 1, 2024 (with certain provisions not applicable until 2026 or 2027).³ On October 24, 2023, the Board approved a final rule (Docket No. R-1769), issued jointly with the Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC) (together with the Board, the agencies), to strengthen and modernize the regulations implementing the Community Reinvestment Act (CRA). The CRA requires the agencies to assess a bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the bank's safe and sound operation. Among other key features, the final rule (1) establishes a tiered CRA evaluation framework that differentiates requirements by bank asset size and business model, (2) adopts a new metrics-based approach to evaluating bank retail lending and community development financing using benchmarks based on peer and demographic data, (3) modernizes the geographic framework to consider a bank's activities outside of its traditional branch-based assessment areas, and (4) clarifies the activities that qualify for community development consideration. (Note: On March 20, 2024, the Board approved a combined interim final and final rule (Docket No. R-1830), issued jointly with the FDIC and OCC, to extend the applicability date of certain provisions of the October 2023 final rule and make certain technical amendments to the October 2023 final rule and related regulations.⁴)

Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Barr, and Governors Waller, Cook, and Kugler. **Voting against this action:** Governor Bowman.

Rules of Practice and Procedure

Effective April 1, 2024. On November 9, 2023, the Board approved a final rule (Docket No. R-1766), issued jointly with the FDIC, the OCC, and the National Credit Union Administration (NCUA), to adopt changes to the Uniform Rules of Practice and Procedure to recognize the use of electronic communications in all aspects of administrative hearings and to otherwise increase the efficiency and fairness of administrative adjudications.⁵ In addition, the Board made updates to rules applicable only to its administrative proceedings.

Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Kugler.

³ See *Federal Register* notice at <https://www.govinfo.gov/content/pkg/FR-2024-02-01/pdf/2023-25797.pdf>, which also provides information on the applicability dates for various provisions.

⁴ See *Federal Register* notice at <https://www.govinfo.gov/content/pkg/FR-2024-03-29/pdf/2024-06497.pdf>.

⁵ See *Federal Register* notice at <https://www.govinfo.gov/content/pkg/FR-2023-12-28/pdf/2023-25646.pdf>.

Policy Statements and Other Actions

Allowances for Credit Losses

On April 13, 2023, the Board approved a final interagency policy statement (Docket No. OP-1680) (statement) on allowances for credit losses.⁶ The revised statement, published jointly with the FDIC, the OCC, and the NCUA, removes references to Troubled Debt Restructurings (TDRs). The revised statement was developed after changes were made to U.S. generally accepted accounting principles that eliminated TDRs upon adoption of the Current Expected Credit Losses methodology.

Voting for this action: Chair Powell, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

Commercial Real Estate Loan Accommodations and Workouts

On June 23, 2023, the Board approved a final policy statement (Docket No. OP-1779), published jointly with the OCC, the FDIC, and the NCUA, to reinforce and build on existing guidance calling for financial institutions to work prudently and constructively with creditworthy borrowers during times of financial stress, to update that guidance's provisions on commercial real estate loan workouts, and to add a section on short-term loan accommodations to that guidance.⁷

Voting for this action: Chair Powell, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

Policy Statement on Section 9(13) of the Federal Reserve Act

On January 27, 2023, the Board approved a policy statement (Docket No. R-1800) interpreting section 9(13) of the Federal Reserve Act.⁸ The Board generally believes that the same bank activity, presenting the same risks, should be subject to the same regulatory framework, regardless of which agency supervises the bank. The policy statement sets out a presumption that the Board will generally exercise its discretion under section 9(13) to limit the activities of state member banks to those permissible for national banks—subject to any terms, conditions, and limitations on the activity—unless the activity is otherwise authorized by federal statute or the FDIC. The policy statement makes clear that all Board-supervised banks will be subject to the same limitations on activities, including novel banking activities, such as crypto-asset-related activities. In addition, the policy statement reiterates that banks must ensure that the activities they engage in are allowed under the law and must conduct their business in a safe and sound manner. For instance, a bank should have in place risk-management processes, internal controls,

⁶ See *Federal Register* notice at <https://www.govinfo.gov/content/pkg/FR-2023-04-27/pdf/2023-08876.pdf>.

⁷ See *Federal Register* notice at <https://www.govinfo.gov/content/pkg/FR-2023-07-06/pdf/2023-14247.pdf>.

⁸ See *Federal Register* notice at <https://www.govinfo.gov/content/pkg/FR-2023-02-07/pdf/2023-02192.pdf>.

and information systems that are appropriate and adequate for the nature, scope, and risks of its activities.

Voting for this action: Chair Powell, Vice Chair Brainard, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

Principles for Climate-Related Financial Risk Management

On October 22, 2023, the Board approved final interagency guidance (Docket No. OP-1793) on principles for climate-related financial risk management for large financial institutions.⁹ The principles, issued jointly with the FDIC and the OCC, provide a high-level framework for the safe and sound management of exposures to climate-related financial risks. The principles, which address physical and transition risks associated with climate change, are intended for the largest financial institutions, those with more than \$100 billion in total consolidated assets.

Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Barr, and Governors Cook and Kugler. **Voting against this action:** Governors Bowman and Waller.

Systemic Risk Exception and Bank Term Funding Program

On March 12, 2023, the Board approved two actions against the backdrop of substantial stress in the U.S. banking system following the failures of Silicon Valley Bank (SVB) and Signature Bank (Signature): (1) written recommendations to the Secretary of the Treasury to invoke the systemic risk exception to the least-cost-resolution requirements in the Federal Deposit Insurance Act (FDI Act) and (2) authorization of the establishment of the Bank Term Funding Program (BTFP), a new emergency lending facility, pursuant to section 13(3) of the Federal Reserve Act (FRA).¹⁰

Systemic Risk Exception: The FDIC was appointed receiver of SVB on March 10, 2023, and of Signature on March 12, 2023, following large and rapid deposit runs at each bank. Under the FDI Act, the FDIC is generally required to resolve failed depository institutions in a manner that is least costly to the Deposit Insurance Fund. Given the potential for serious adverse effects on economic conditions and financial stability, the Board recommended invoking the systemic risk exception to the FDIC's least-cost-resolution requirements for the SVB and Signature receiverships.

Bank Term Funding Program: Under section 13(3) of the FRA, in unusual and exigent circumstances and with the prior approval of the Secretary of the Treasury, the Board may authorize a Federal Reserve Bank to extend credit to any participant in a program or facility with broad-based eligibility. This section 13(3) authority is subject to limitations, including a prohibition on lending to

⁹ See *Federal Register* notice at <https://www.govinfo.gov/content/pkg/FR-2023-10-30/pdf/2023-23844.pdf>.

¹⁰ See press releases at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230312b.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230312a.htm>.

entities that are insolvent and a requirement that the relevant Federal Reserve Bank be secured to its satisfaction.

To support American businesses and households, the Board authorized the establishment of the BTFP to make available additional funding to help ensure banks have the ability to meet the needs of all their depositors. Under the BTFP, U.S. federally regulated depository institutions and U.S. branches and agencies of foreign banks eligible for primary credit are able to obtain advances of up to one year by pledging any collateral eligible for purchase by the Federal Reserve in open market operations, such as U.S. Treasuries, U.S. agency securities, and U.S. agency mortgage-backed securities, provided that such collateral was owned by the borrower as of March 12, 2023. Collateral was valued at par, and the interest rate on the advances, which is fixed for the term of the advance on the day the advance was made, was set to the one-year overnight index swap rate plus 10 basis points. (Note: On January 23, 2024, the Board approved a modification to the interest rate applicable to new BTFP loans such that the BTFP rate would not be lower than the interest on reserve balances rate in effect on the day the loan was made. The Board also announced that the BTFP would cease making new loans on March 11, 2024, as scheduled.¹¹)

Voting for these actions: Chair Powell, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

Third-Party Risk Management

On June 5, 2023, the Board approved final interagency guidance (Docket No. OP-1752) on third-party risk management.¹² Issued jointly with the FDIC and the OCC, the guidance will promote consistency in supervisory approaches and replace each agency's existing general guidance on this topic. The guidance includes illustrative examples and provides views on sound risk-management principles for banking organizations to use when developing and implementing risk management practices for all stages in the life cycle of their third-party relationships. The final guidance states that sound third-party risk management takes into account the level of risk, complexity, and size of the banking organization and the nature of the third-party relationship.

Voting for this action: Chair Powell, Vice Chair for Supervision Barr, and Governors Waller, Cook, and Jefferson. **Voting against this action:** Governor Bowman.

¹¹ See press release at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20240124a.htm>.

¹² See *Federal Register* notice at <https://www.govinfo.gov/content/pkg/FR-2023-06-09/pdf/2023-12340.pdf>.

Interest on Reserves

On February 1, 2023, the Board approved raising the interest rate paid on reserve balances from 4.4 percent to 4.65 percent, effective February 2, 2023.¹³ This action was taken to support the FOMC's decision on February 1, 2023, to raise the target range for the federal funds rate by 25 basis points, to a range of 4½ to 4¾ percent.

Voting for this action: Chair Powell, Vice Chair Brainard, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

On March 22, 2023, the Board approved raising the interest rate paid on reserve balances from 4.65 percent to 4.9 percent, effective March 23, 2023.¹⁴ This action was taken to support the FOMC's decision on March 22, 2023, to raise the target range for the federal funds rate by 25 basis points, to a range of 4¾ to 5 percent.

Voting for this action: Chair Powell, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

On May 3, 2023, the Board approved raising the interest rate paid on reserve balances from 4.9 percent to 5.15 percent, effective May 4, 2023.¹⁵ This action was taken to support the FOMC's decision on May 3, 2023, to raise the target range for the federal funds rate by 25 basis points, to a range of 5 to 5¼ percent.

Voting for this action: Chair Powell, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

On June 14, 2023, the Board approved maintaining the interest rate paid on reserve balances at 5.15 percent, effective June 15, 2023.¹⁶ This action was taken to support the FOMC's decision on June 14, 2023, to maintain the target range for the federal funds rate at 5 to 5¼ percent.

Voting for this action: Chair Powell, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

On July 26, 2023, the Board approved raising the interest rate paid on reserve balances from 5.15 percent to 5.4 percent, effective July 27, 2023.¹⁷ This action was taken to support the FOMC's decision on July 26, 2023, to raise the target range for the federal funds rate by 25 basis points, to a range of 5¼ to 5½ percent.

¹³ See press release at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230201a1.htm>.

¹⁴ See press release at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230322a1.htm>.

¹⁵ See press release at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230503a1.htm>.

¹⁶ See press release at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230614a1.htm>.

¹⁷ See press release at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230726a1.htm>.

Voting for this action: Chair Powell, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

On September 20, 2023, the Board approved maintaining the interest rate paid on reserve balances at 5.4 percent, effective September 21, 2023.¹⁸ This action was taken to support the FOMC's decision on September 20, 2023, to maintain the target range for the federal funds rate at 5¼ to 5½ percent.

Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Kugler.

On November 1, 2023, the Board approved maintaining the interest rate paid on reserve balances at 5.4 percent, effective November 2, 2023.¹⁹ This action was taken to support the FOMC's decision on November 1, 2023, to maintain the target range for the federal funds rate at 5¼ to 5½ percent.

Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Kugler.

On December 13, 2023, the Board approved maintaining the interest rate paid on reserve balances at 5.4 percent, effective December 14, 2023.²⁰ This action was taken to support the FOMC's decision on December 13, 2023, to maintain the target range for the federal funds rate at 5¼ to 5½ percent.

Voting for this action: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Kugler.

Discount Rates for Depository Institutions in 2023

Under the Federal Reserve Act, the boards of directors of the Federal Reserve Banks must establish rates on discount window loans to depository institutions at least every 14 days, subject to review and determination by the Board of Governors. Therefore, about every two weeks the Board considers proposals by the Reserve Banks for the level of the primary credit rate and for the formulas used to compute the secondary and seasonal credit rates.²¹ For the levels of Federal Reserve Bank interest rates on loans to depository institutions at year-end, see [table E.1](#).²²

¹⁸ See press release at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230920a1.htm>.

¹⁹ See press release at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20231101a1.htm>.

²⁰ See press release at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20231213a1.htm>.

²¹ See the minutes of the Board of Governors discount rate meetings at <https://www.federalreserve.gov/monetarypolicy/discountrate.htm>.

²² For current and historical discount rates, see <https://www.frbdiscountwindow.org>.

Table E.1. Federal Reserve Bank interest rates on loans to depository institutions, December 31, 2023
Percent

Reserve Bank	Primary credit	Secondary credit	Seasonal credit
All Reserve Banks	5.50	6.00	5.35

Primary, Secondary, and Seasonal Credit

Primary credit, the Federal Reserve's main lending program for depository institutions, is extended at the primary credit rate. It is made available, with minimal administration, as a source of liquidity to depository institutions that, in the judgment of the lending Federal Reserve Bank, are in generally sound financial condition. During 2023, the Board approved four increases in the primary credit rate, bringing the rate from 4½ percent to 5½ percent.

Following changes to the primary credit program announced by the Board on March 15, 2020, in 2023, depository institutions could borrow primary credit for periods as long as 90 days, prepayable and renewable by the borrower on a daily basis.²³

Secondary credit is available in appropriate circumstances to depository institutions that do not qualify for primary credit. The secondary credit rate is set at a spread above the primary credit rate. Throughout 2023, the spread was set at 50 basis points. At year-end, the secondary credit rate was 6 percent.

Seasonal credit is available to smaller depository institutions to meet liquidity needs that arise from regular swings in their loans and deposits. The rate on seasonal credit is calculated every two weeks as an average of selected money market yields, typically resulting in a rate close to the target range for the federal funds rate. At year-end, the seasonal credit rate was 5.35 percent.

Votes on Changes to Discount Rates for Depository Institutions

During 2023, there were four increases in the primary credit rate, and the Board approved proposals by the Reserve Banks to renew the formulas used to compute the secondary and seasonal credit rates. Each FOMC meeting associated with a change in the primary credit rate is listed below with the details of the Board's actions to approve those changes. Reserve Bank requests to establish the primary credit rate may be submitted on varying dates, up to and including the effective date.

FOMC meeting ending on February 1, 2023. At the meeting, the Board approved actions taken by the boards of directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Rich-

²³ See press release at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200315b.htm>.

mond, Atlanta, Chicago, Kansas City, Dallas, and San Francisco to increase the primary credit rate from 4½ percent to 4¾ percent, effective February 2, 2023. After the meeting and before the close of business on the effective date, the Board approved identical actions taken by the boards of directors of the Federal Reserve Banks of Cleveland, St. Louis, and Minneapolis, effective February 2, 2023.

Voting for this action: Chair Powell, Vice Chair Brainard, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

FOMC meeting ending on March 22, 2023. At the meeting, the Board approved actions taken by the boards of directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, Atlanta, Kansas City, Dallas, and San Francisco to increase the primary credit rate from 4¾ percent to 5 percent, effective March 23, 2023. After the meeting and before the close of business on the effective date, the Board approved identical actions taken by the boards of directors of the Federal Reserve Banks of Cleveland, Chicago, St. Louis, and Minneapolis, effective March 23, 2023.

Voting for this action: Chair Powell, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

FOMC meeting ending on May 3, 2023. At the meeting, the Board approved actions taken by the boards of directors of the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco to increase the primary credit rate from 5 percent to 5¼ percent, effective May 4, 2023. After the meeting and before the close of business on the effective date, the Board approved an identical action taken by the board of directors of the Federal Reserve Bank of New York, effective May 4, 2023.

Voting for this action: Chair Powell, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

FOMC meeting ending on July 26, 2023. At the meeting, the Board approved actions taken by the boards of directors of the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco to increase the primary credit rate from 5¼ percent to 5½ percent, effective July 27, 2023. After the meeting and before the close of business on the effective date, the Board approved identical actions taken by the boards of directors of the Federal Reserve Banks of New York and Atlanta, effective July 27, 2023.

Voting for this action: Chair Powell, Vice Chair for Supervision Barr, and Governors Bowman, Waller, Cook, and Jefferson.

The Board of Governors and the Government Performance and Results Act

Overview

The Government Performance and Results Act (GPRA) of 1993, as amended by the GPRA Modernization Act of 2010, requires federal agencies to prepare a strategic plan covering a multiyear period and to submit an annual performance plan and an annual performance report. Although the Board is not covered by GPRA, the Board voluntarily complies with the spirit of GPRA and, like other federal agencies, publishes a multiyear strategic plan as well as an annual performance plan and an annual performance report. These reports are publicly available among the Board's publications.²⁴

Four-year Strategic Plan, Annual Performance Plan, and Annual Performance Report

On December 27, 2019, the Board published the *Strategic Plan 2020–23*, which outlined the organization's priorities across five functional areas—Monetary Policy and Financial Stability, Supervision, Payment System and Reserve Bank Oversight, Public Engagement and Community Development, and Mission Enablement. In formulating the *Strategic Plan 2020–23*, the Board identified and prioritized the goals and objectives paramount to advancing the organization's mission while allowing for appropriate flexibility to respond to emerging and evolving challenges.

The *Annual Performance Plan* sets forth the projects and initiatives in support of the Board's *Strategic Plan's* goals and objectives during a one-year period. The *Annual Performance Plan* helps the organization identify and prioritize investments and dedicate sufficient resources across the five functions to meet its mission-critical work, while maintaining ongoing operations.

The *Annual Performance Report* summarizes the Board's accomplishments throughout the performance year toward achieving the projects and initiatives identified in that year's *Annual Performance Plan*. The *Annual Performance Report* provides transparency into the organization's high-priority activities.

Ultimately, the organization's planning and performance reporting processes enable the Board to identify, prioritize, and progress those activities most critical to advancing the organization's work and communicate this to the public.

²⁴ The *Strategic Plan*, *Annual Performance Plan*, and *Annual Performance Report* are available on the Federal Reserve Board's website at <https://www.federalreserve.gov/publications/gpra.htm>.

F | Litigation

The Board of Governors was a party in 7 lawsuits or appeals filed in 2023 and was a party in 9 other cases pending from previous years, for a total of 16 cases. In 2022, the Board was a party in a total of 16 cases. As of December 31, 2023, 11 cases were pending.

Pending

Banco San Juan Internacional, Inc. v. Board of Governors and Federal Reserve Bank of New York, No. 23-cv-6414 (S.D.N.Y., filed July 25, 2023), is an Administrative Procedure Act and constitutional law challenge regarding the termination of a Reserve Bank master account.

Banco San Juan Internacional, Inc. v. Board of Governors and Federal Reserve Bank of New York, No. 23-7558 (2d Circuit, filed October 30, 2023), is an appeal of an order denying a preliminary injunction in an Administrative Procedure Act and constitutional law challenge regarding the termination of a Reserve Bank master account.

Board of Governors v. Smith, No. 23-cv-2747 (D. District of Columbia, filed September 19, 2023), is a breach of contract and debt collection action.

Corner Post v. Board of Governors, No. 22-1008 (U.S. Supreme Court, certiorari granted September 29, 2023), is a review of an order affirming dismissal of an Administrative Procedure Act challenge to the debit interchange fee provisions of the Board's Regulation II.

Cunningham v. Board of Governors, No. 22-1311 (D.C. Circuit, filed December 8, 2022), is a petition for review of a Board order approving the acquisition of a bank under the Bank Holding Company Act.

Custodia Bank v. Board of Governors and Federal Reserve Bank of Kansas City, No. 22-cv-125 (D. Wyoming, filed June 7, 2022), is an Administrative Procedure Act and constitutional law challenge regarding the issuance of a Reserve Bank master account.

Judicial Watch v. Board of Governors, No. 22-cv-40 (D. District of Columbia, filed January 18, 2022), is an action under the Freedom of Information Act.

Judicial Watch v. Board of Governors et al., No. 23-cv-1174 (D. District of Columbia, filed April 27, 2023), is an action under the Freedom of Information Act.

Leopold and Bloomberg L.P. v. Board of Governors, No. 23-cv-2004 (D. District of Columbia, filed July 12, 2023), is an action under the Freedom of Information Act.

Linney's Pizza, LLC v. Board of Governors, No. 23-5993 (6th Circuit, filed November 8, 2023), is an appeal of an order dismissing an Administrative Procedure Act challenge to the debit interchange fee provisions of the Board's Regulation II.

The Revolving Door Project v. Board of Governors, No. 22-cv-3620 (D. District of Columbia, filed December 2, 2022), is an action under the Freedom of Information Act.

Resolved

Früge v. Board of Governors, No. 22-5307 (D.C. Circuit, filed November 22, 2022), was an appeal of an order granting summary judgment for the Board in an action claiming retaliation for protected disclosures. On March 31, 2023, the appeal was dismissed pursuant to a stipulation of the parties.

Judicial Watch v. Board of Governors, No. 22-cv-37 (D. District of Columbia, filed January 18, 2022), was an action under the Freedom of Information Act. On March 15, 2023, the case was dismissed pursuant to a stipulation of the parties.

Judicial Watch v. Board of Governors, No. 22-cv-38 (D. District of Columbia, filed January 18, 2022), was an action under the Freedom of Information Act. On January 20, 2023, the case was dismissed pursuant to a stipulation of the parties.

Linney's Pizza, LLC v. Board of Governors, No. 22-cv-71 (E.D. Kentucky, filed December 9, 2022), was an Administrative Procedure Act challenge to the debit interchange fee provisions of the Board's Regulation II. On September 15, 2023, the district court granted the Board's motion to dismiss.

Smith and Kielbasa v. Board of Governors, No. 21-9538 (10th Circuit, filed April 21, 2021), was a petition for review of Board prohibition orders under the Federal Deposit Insurance Act. On July 11, 2023, the court of appeals affirmed the Board's orders.

G | Statistical Tables

This appendix includes 13 statistical tables that provide updated historical data concerning Board and System operations and activities.

Table G.1. Federal Reserve open market transactions, 2023													
Millions of dollars													
Type of security and transaction	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
U.S. Treasury securities¹													
<i>Outright transactions²</i>													
<i>Treasury bills</i>													
Gross purchases	0	0	0	0	75	0	75	0	0	0	0	0	150
Gross sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Exchanges	63,425	66,587	53,961	62,898	72,399	46,198	50,437	76,958	20,061	48,275	78,171	17,140	656,510
For new bills	63,425	66,587	53,961	62,898	72,399	46,198	50,437	76,958	20,061	48,275	78,171	17,140	656,510
Redemptions	4,419	0	4,055	0	0	11,722	9,973	0	20,599	7,557	0	14,296	72,621
<i>Others up to 1 year</i>													
Gross purchases	0	0	0	50	0	0	0	0	1	0	0	0	51
Gross sales	75	0	0	0	0	0	0	0	0	0	20	0	95
Exchanges	0	-70,233	0	-5,754	-69,548	0	0	-54,222	0	0	-4,193	0	-203,950
Redemptions	55,581	60,000	55,945	59,995	60,000	48,278	50,026	60,000	39,401	52,443	60,000	45,704	647,373
<i>Over 1 to 5 years</i>													
Gross purchases	0	0	0	0	10	0	0	75	24	0	0	75	184
Gross sales	0	0	10	0	0	0	0	0	0	0	55	0	65
Exchanges	0	34,944	0	2,557	37,498	0	0	25,167	0	0	2,169	0	102,335
<i>Over 5 to 10 years</i>													
Gross purchases	0	50	0	0	15	0	0	0	0	0	1	0	66
Gross sales	0	0	40	0	0	22	0	0	0	0	0	0	62
Exchanges	0	21,630	0	2,046	22,341	0	0	17,957	0	0	1,383	0	65,357
<i>More than 10 years</i>													
Gross purchases	0	0	50	0	0	50	0	0	0	50	24	0	174
Gross sales	0	0	0	0	0	3	0	0	50	0	0	0	53
Exchanges	0	13,659	0	1,151	9,709	0	0	11,098	0	0	641	0	36,258
<i>All maturities</i>													
Gross purchases	0	50	50	50	100	50	75	75	25	50	25	75	625
Gross sales	75	0	50	0	0	25	0	0	50	0	75	0	275
Redemptions	60,000	60,000	60,000	59,995	60,000	60,000	59,999	60,000	60,000	60,000	60,000	60,000	719,994
Net change in U.S. Treasury securities	-60,075	-59,950	-60,000	-59,945	-59,900	-59,975	-59,924	-59,925	-60,025	-59,950	-60,050	-59,925	-719,644

(continued)

Table G.1—continued

Type of security and transaction	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Federal agency obligations													
<i>Outright transactions²</i>													
Gross purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Redemptions	0	0	0	0	0	0	0	0	0	0	0	0	0
Net change in federal agency obligations	0	0	0	0	0	0	0	0	0	0	0	0	0
Mortgage-backed securities³													
<i>Net settlements²</i>													
Net change in mortgage-backed securities	-16,667	-14,695	-15,560	-18,700	-17,544	-20,098	-20,579	-18,689	-19,144	-16,819	-15,872	-15,262	-209,629
Total net change in securities holdings⁴	-76,742	-74,645	-75,560	-78,645	-77,444	-80,073	-80,503	-78,614	-79,169	-76,769	-75,922	-75,187	-929,273
Temporary transactions													
Repurchase agreements ⁵	1	1	25,875	23,000	9	34	114	67	3	1	4	9	n/a
Reverse repurchase agreements ⁵	2,492,766	2,439,643	2,549,414	2,631,217	2,608,860	2,391,853	2,118,684	2,059,998	1,799,527	1,491,272	1,294,990	1,149,148	n/a
Foreign official and international accounts	361,862	360,191	363,730	367,835	375,303	337,074	322,749	294,766	303,352	299,093	325,146	340,977	n/a
Others	2,130,904	2,079,452	2,185,684	2,263,382	2,233,557	2,054,779	1,795,935	1,765,232	1,496,175	1,192,179	969,844	808,171	n/a
<p>Note: Purchases of Treasury securities and federal agency obligations increase securities holdings; sales and redemptions of these securities decrease securities holdings. Exchanges occur when the Federal Reserve rolls the proceeds of maturing securities into newly issued securities, and so exchanges do not affect total securities holdings. Positive net settlements of mortgage-backed securities increase securities holdings, while negative net settlements of these securities decrease securities holdings. Components may not sum to totals because of rounding. See table 2 of the H.4.1 release (https://www.federalreserve.gov/releases/h41/) for the maturity distribution of the securities.</p> <p>¹ Transactions exclude changes in compensation for the effects of inflation on the principal of inflation-indexed securities. Transactions include the rollover of inflation compensation into new securities. The maturity distributions of exchanged Treasury securities are based on the announced maturity of new securities rather than actual day counts.</p> <p>² Excludes the effect of temporary transactions—repurchase agreements and reverse repurchase agreements.</p> <p>³ Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae. Monthly net change in the remaining principal balance of the securities, reported at face value.</p> <p>⁴ The net change in securities holdings reflects the settlements of purchases, reinvestments, sales, and maturities of portfolio securities.</p> <p>⁵ Averages of daily cash value of agreements, which are collateralized by U.S. Treasury securities, federal agency debt securities, and mortgage-backed securities. For additional details on temporary transactions, see the temporary open market operations historical search available at https://www.newyorkfed.org/markets/data-hub. Beginning in June, the average balances were calculated using weekends and holidays after the Federal Reserve Banks adopted a seven-day accounting cycle. See https://www.frb-services.org/resources/financial-services/accounting/faq/account-management-information-seven-day-accounting.</p> <p>n/a Not applicable.</p>													

Table G.2. Federal Reserve Bank holdings of U.S. Treasury and federal agency securities, December 31, 2021–23

Millions of dollars

Description	December 31			Change	
	2023	2022	2021	2022-23	2021-22
U.S. Treasury securities ¹					
Held outright²	4,785,138	5,499,354	5,652,542	-714,216	-153,188
<i>By remaining maturity</i>					
<i>Bills</i>					
1-90 days	131,254	177,692	207,113	-46,438	-29,421
91 days to 1 year	85,715	111,833	118,931	-26,118	-7,098
<i>Notes and bonds</i>					
1 year or less	676,304	892,496	807,747	-216,192	84,749
More than 1 year through 5 years	1,614,977	1,915,468	2,146,103	-300,491	-230,635
More than 5 years through 10 years	771,726	937,231	1,019,239	-165,505	-82,008
More than 10 years	1,505,162	1,464,634	1,353,409	40,528	111,225
<i>By type</i>					
Bills	216,969	289,525	326,044	-72,556	-36,519
Notes	2,863,795	3,521,904	3,748,992	-658,109	-227,088
Bonds	1,704,374	1,687,925	1,577,506	16,449	110,419
Federal agency securities¹					
Held outright²	2,347	2,347	2,347	0	0
<i>By remaining maturity</i>					
<i>Discount notes</i>					
1-90 days	0	0	0	0	0
91 days to 1 year	0	0	0	0	0
<i>Coupons</i>					
1 year or less	0	0	0	0	0
More than 1 year through 5 years	0	0	0	0	0
More than 5 years through 10 years	2,347	2,347	2,134	0	213
More than 10 years	0	0	213	0	-213
<i>By type</i>					
Discount notes	0	0	0	0	0
Coupons	2,347	2,347	2,347	0	0

(continued)

Table G.2—continued					
Description	December 31			Change	
	2023	2022	2021	2022-23	2021-22
<i>By issuer</i>					
Federal Home Loan Mortgage Corporation	529	529	529	0	0
Federal National Mortgage Association	1,818	1,818	1,818	0	0
Federal Home Loan Banks	0	0	0	0	0
Mortgage-backed securities^{3, 4}					
Held outright²	2,431,773	2,641,403	2,615,546	-209,630	25,857
<i>By remaining maturity</i>					
1 year or less	23	38	26	-15	12
More than 1 year through 5 years	4,895	4,020	1,803	875	2,217
More than 5 years through 10 years	32,350	49,979	60,328	-17,629	-10,349
More than 10 years	2,394,505	2,587,366	2,553,389	-192,861	33,977
<i>By issuer</i>					
Federal Home Loan Mortgage Corporation	927,035	1,001,274	977,512	-74,239	23,762
Federal National Mortgage Association	1,004,336	1,091,106	1,075,531	-86,770	15,575
Government National Mortgage Association	500,402	549,023	562,503	-48,621	-13,480
Temporary transactions⁵					
Repurchase agreements⁶	0	0	0	0	0
Repo operations	0	0	0	0	0
FIMA Repo Facility	0	0	0	0	0
Reverse repurchase agreements⁶	1,390,671	2,889,555	2,183,041	-1,498,884	706,514
Foreign official and international accounts	372,188	335,839	278,459	36,349	57,380
Primary dealers and expanded counterparties	1,018,483	2,553,716	1,904,582	-1,535,233	649,134
<p>Note: Components may not sum to totals because of rounding.</p> <p>¹ Par value.</p> <p>² Excludes the effect of temporary transactions—repurchase agreements and reverse repurchase agreements.</p> <p>³ Guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae.</p> <p>⁴ The par amount shown is the remaining principal balance of the securities.</p> <p>⁵ Contract amount of agreements.</p> <p>⁶ Cash value of agreements, which are collateralized by U.S. Treasury securities, federal agency debt securities, and mortgage-backed securities.</p>					

Table G.3. Reserve requirements of depository institutions, December 31, 2023

Liability type ¹	Requirement	
	Percentage of liabilities	Effective date
Net transaction accounts	0	3/26/2020
Nonpersonal time deposits	0	12/27/1990
Eurocurrency liabilities	0	12/27/1990

Note: The table reflects the liability types and percentages of those liabilities subject to requirements for the maintenance period that contains the year end.

¹ For a description of these deposit types, see [Regulation D](#).

Table G.4. Banking offices and banks affiliated with bank holding companies in the United States, December 31, 2022 and 2023

Type of office	Total	Commercial banks ¹					Savings banks
		Member				Nonmember	
		Total	Total	National	State		
Banks							
Number, Dec. 31, 2022	4,337	4,119	1,384	710	674	2,735	218
<i>Changes during 2023</i>	0	0	0	0	0	0	0
New banks	11	11	3	2	1	8	0
Banks converted into branches	-96	-93	-25	-11	-14	-68	-3
Ceased banking operations ²	-24	-22	-7	-3	-4	-15	-2
Other ³	0	2	20	-2	22	-18	-2
Net change	-109	-102	-9	-14	5	-93	-7
Number, Dec. 31, 2023	4,228	4,017	1,375	696	679	2,642	211
Branches and additional offices							
Number, Dec. 31, 2022	71,888	69,847	47,229	35,548	11,681	22,618	2,041
<i>Changes during 2023</i>	0	0	0	0	0	0	0
New branches	944	928	607	472	135	321	16
Banks converted to branches	96	95	35	13	22	60	1
Discontinued ²	-2,158	-2,140	-1,647	-1,453	-194	-493	-18
Other ³	0	22	942	549	393	-920	-22
Net change	-1,118	-1,095	-63	-419	356	-1,032	-23
Number, Dec. 31, 2023	70,770	68,752	47,166	35,129	12,037	21,586	2,018
Banks affiliated with BHCs							
Number, Dec. 31, 2022	3,724	3,616	1,266	636	630	2,350	108
<i>Changes during 2023</i>	0	0	0	0	0	0	0
BHC-affiliated new banks	32	31	8	5	3	23	1
Banks converted into branches	-86	-85	-24	-11	-13	-61	-1
Ceased banking operations ²	-17	-17	-7	-3	-4	-10	0
Other ³	0	2	19	-1	20	-17	-2
Net change	-71	-69	-4	-10	6	-65	-2
Number, Dec. 31, 2023	3,653	3,547	1,262	626	636	2,285	106

Note: Includes banks, banking offices, and bank holding companies in U.S. territories and possessions (affiliated insular areas).

¹ For purposes of this table, banks are entities that are defined as banks in the Bank Holding Company Act, as amended, which is implemented by Federal Reserve Regulation Y. Generally, a bank is any institution that accepts demand deposits and is engaged in the business of making commercial loans or any institution that is defined as an insured bank in section 3(h) of the Federal Deposit Insurance Corporation Act.

² Institutions that no longer meet the Regulation Y definition of a bank.

³ Interclass changes and sales of branches.

Table G.5A. Reserves of depository institutions, Federal Reserve Bank credit, and related items, year-end 1984–2023 and month-end 2023

Millions of dollars

Period	Factors supplying reserve funds								
	Federal Reserve Bank credit outstanding						Gold stock	Special drawing rights certificate account	Treasury coin and currency outstanding ⁵
	Securities held outright ¹	Repurchase agreements ²	Loans and other credit extensions ³	Float	Other Federal Reserve assets ⁴	Total ⁴			
1984	167,612	2,015	3,577	833	12,347	186,384	11,096	4,618	16,418
1985	186,025	5,223	3,060	988	15,302	210,598	11,090	4,718	17,075
1986	205,454	16,005	1,565	1,261	17,475	241,760	11,084	5,018	17,567
1987	226,459	4,961	3,815	811	15,837	251,883	11,078	5,018	18,177
1988	240,628	6,861	2,170	1,286	18,803	269,748	11,060	5,018	18,799
1989	233,300	2,117	481	1,093	39,631	276,622	11,059	8,518	19,628
1990	241,431	18,354	190	2,222	39,897	302,091	11,058	10,018	20,402
1991	272,531	15,898	218	731	34,567	323,945	11,059	10,018	21,014
1992	300,423	8,094	675	3,253	30,020	342,464	11,056	8,018	21,447
1993	336,654	13,212	94	909	33,035	383,904	11,053	8,018	22,095
1994	368,156	10,590	223	-716	33,634	411,887	11,051	8,018	22,994
1995	380,831	13,862	135	107	33,303	428,239	11,050	10,168	24,003
1996	393,132	21,583	85	4,296	32,896	451,992	11,048	9,718	24,966
1997	431,420	23,840	2,035	719	31,452	489,466	11,047	9,200	25,543
1998	452,478	30,376	17	1,636	36,966	521,475	11,046	9,200	26,270
1999	478,144	140,640	233	-237	35,321	654,100	11,048	6,200	28,013
2000	511,833	43,375	110	901	36,467	592,686	11,046	2,200	31,643
2001	551,685	50,250	34	-23	37,658	639,604	11,045	2,200	33,017
2002	629,416	39,500	40	418	39,083	708,457	11,043	2,200	34,597
2003	666,665	43,750	62	-319	40,847	751,005	11,043	2,200	35,468
2004	717,819	33,000	43	925	42,219	794,007	11,045	2,200	36,434
2005	744,215	46,750	72	885	39,611	831,532	11,043	2,200	36,540
2006	778,915	40,750	67	-333	39,895	859,294	11,041	2,200	38,206
2007	740,611	46,500	72,636	-19	41,799	901,528	11,041	2,200	38,681
2008	495,629	80,000	1,605,848	-1,494	43,553	2,223,537	11,041	2,200	38,674
2009	1,844,838	0	281,095	-2,097	92,811	2,216,647	11,041	5,200	42,691
2010	2,161,094	0	138,311	-1,421	110,255	2,408,240	11,041	5,200	43,542
2011	2,605,124	0	144,098	-631	152,568	2,901,159	11,041	5,200	44,198
2012	2,669,589	0	11,867	-486	218,296	2,899,266	11,041	5,200	44,751
2013	3,756,158	0	2,177	-962	246,947	4,004,320	11,041	5,200	45,493
2014	4,236,873	0	3,351	-555	239,238	4,478,908	11,041	5,200	46,301
2015	4,241,958	0	2,830	-36	221,448	4,466,199	11,041	5,200	47,567
2016	4,221,187	0	7,325	-804	206,551	4,434,259	11,041	5,200	48,536
2017	4,223,528	0	13,914	-920	194,288	4,430,809	11,041	5,200	49,381
2018	3,862,079	0	4,269	-770	173,324	4,038,902	11,041	5,200	49,801
2019	3,739,957	255,619	3,770	-643	156,304	4,155,007	11,041	5,200	50,138

(continued)

Table G.5A—continued

Period	Factors supplying reserve funds								
	Federal Reserve Bank credit outstanding						Gold stock	Special drawing rights certificate account	Treasury coin and currency outstanding ⁵
	Securities held outright ¹	Repurchase agreements ²	Loans and other credit extensions ³	Float	Other Federal Reserve assets ⁴	Total ⁴			
2020	6,730,743	1,000	216,669	-567	393,420	7,341,265	11,041	5,200	50,535
2021	8,270,436	0	77,621	-582	389,982	8,737,457	11,041	5,200	50,942
2022	8,143,103	0	47,288	-539	343,400	8,533,252	11,041	5,200	51,471
2023	7,219,258	0	153,881	-556	311,982	7,684,565	11,041	5,200	52,616
2023, month-end									
Jan.	8,024,523	3	47,675	-559	344,750	8,416,392	11,041	5,200	51,527
Feb.	7,948,411	0	46,710	-561	327,687	8,322,247	11,041	5,200	51,583
Mar.	7,876,667	45,000	354,631	-371	332,565	8,608,492	11,041	5,200	51,653
Apr.	7,844,203	0	371,238	-588	338,626	8,553,479	11,041	5,200	51,709
May	7,724,820	0	321,605	-675	321,852	8,367,602	11,041	5,200	51,765
June	7,647,143	1,000	307,628	-329	326,903	8,282,345	11,041	5,200	51,835
July	7,567,832	1,500	290,659	-537	331,011	8,190,465	11,041	5,200	51,787
Aug.	7,490,768	0	276,763	-735	315,578	8,082,374	11,041	5,200	52,378
Sept.	7,434,987	0	225,322	-362	320,980	7,980,927	11,041	5,200	52,434
Oct.	7,337,816	0	191,452	-603	321,478	7,850,143	11,041	5,200	52,490
Nov.	7,263,096	0	143,585	-824	305,098	7,710,955	11,041	5,200	52,560
Dec.	7,219,258	0	153,881	-556	311,982	7,684,565	11,041	5,200	52,616
<p>Note: Components may not sum to totals because of rounding.</p> <p>¹ Includes U.S. Treasury securities, federal agency debt securities, and mortgage-backed securities. U.S. Treasury securities and federal agency debt securities include securities lent to dealers, which are fully collateralized by U.S. Treasury securities, federal agency securities, and other highly rated debt securities.</p> <p>² Cash value of agreements, which are collateralized by U.S. Treasury securities, federal agency debt securities, and agency mortgage-backed securities.</p> <p>³ Includes central bank liquidity swaps; primary, seasonal, secondary credit; and other credit extensions. Starting in 2023, includes the Bank Term Funding Program. From 2020 to 2023, included the following liquidity programs and 13(3) facilities: Paycheck Protection Program Liquidity Facility; MS Facilities LLC; Municipal Facility LLC; and Term Asset-Backed Securities Loan Facility II LLC. From 2020 to 2021, also included Money Market Mutual Fund Liquidity Facility; Primary Dealer Credit Facility; Commercial Paper Funding Facility II LLC; and Corporate Credit Facilities LLC. From 2015 to 2019, included Maiden Lane LLC. For disaggregated loans and other credit extensions from 1984 to 2014, refer to "Table 5B. Loans and other credit extensions, by type, year-end 1984–2014 and month-end 2014" of the 2014 Annual Report.</p> <p>⁴ As of 2013, unamortized discounts on securities held outright are included as a component of "Other Federal Reserve assets." Previously, they were included in "Other Federal Reserve liabilities and capital."</p> <p>⁵ Includes currency and coin (other than gold) issued directly by the U.S. Treasury. The largest components are fractional and dollar coins. For details, refer to "U.S. Currency and Coin Outstanding and in Circulation," Treasury Bulletin.</p>									

Table G.5A. Reserves of depository institutions, Federal Reserve Bank credit, and related items, year-end 1984–2023 and month-end 2023—continued

Millions of dollars

Period	Factors absorbing reserve funds										Reserve balances with Federal Reserve Banks
	Currency in circulation	Reverse repurchase agreements ⁶	Treasury cash holdings ⁷	Deposits with Federal Reserve Banks, other than reserve balances					Required clearing balances ⁹	Other Federal Reserve liabilities and capital ^{4,10}	
				Term deposits	Treasury General Account	Treasury supplementary financing account	Foreign	Other ⁸			
1984	183,796	0	513	n/a	5,316	n/a	253	867	1,126	5,952	20,693
1985	197,488	0	550	n/a	9,351	n/a	480	1,041	1,490	5,940	27,141
1986	211,995	0	447	n/a	7,588	n/a	287	917	1,812	6,088	46,295
1987	230,205	0	454	n/a	5,313	n/a	244	1,027	1,687	7,129	40,097
1988	247,649	0	395	n/a	8,656	n/a	347	548	1,605	7,683	37,742
1989	260,456	0	450	n/a	6,217	n/a	589	1,298	1,618	8,486	36,713
1990	286,963	0	561	n/a	8,960	n/a	369	528	1,960	8,147	36,081
1991	307,756	0	636	n/a	17,697	n/a	968	1,869	3,946	8,113	25,051
1992	334,701	0	508	n/a	7,492	n/a	206	653	5,897	7,984	25,544
1993	365,271	0	377	n/a	14,809	n/a	386	636	6,332	9,292	27,967
1994	403,843	0	335	n/a	7,161	n/a	250	1,143	4,196	11,959	25,061
1995	424,244	0	270	n/a	5,979	n/a	386	2,113	5,167	12,342	22,960
1996	450,648	0	249	n/a	7,742	n/a	167	1,178	6,601	13,829	17,310
1997	482,327	0	225	n/a	5,444	n/a	457	1,171	6,684	15,500	23,447
1998	517,484	0	85	n/a	6,086	n/a	167	1,869	6,780	16,354	19,164
1999	628,359	0	109	n/a	28,402	n/a	71	1,644	7,481	17,256	16,039
2000	593,694	0	450	n/a	5,149	n/a	216	2,478	6,332	17,962	11,295
2001	643,301	0	425	n/a	6,645	n/a	61	1,356	8,525	17,083	8,469
2002	687,518	21,091	367	n/a	4,420	n/a	136	1,266	10,534	18,977	11,988
2003	724,187	25,652	321	n/a	5,723	n/a	162	995	11,829	19,793	11,054
2004	754,877	30,783	270	n/a	5,912	n/a	80	1,285	9,963	26,378	14,137
2005	794,014	30,505	202	n/a	4,573	n/a	83	2,144	8,651	30,466	10,678
2006	820,176	29,615	252	n/a	4,708	n/a	98	972	6,842	36,231	11,847
2007	828,938	43,985	259	n/a	16,120	n/a	96	1,830	6,614	41,622	13,986
2008	889,898	88,352	259	n/a	106,123	259,325	1,365	21,221	4,387	48,921	855,599
2009	928,249	77,732	239	n/a	186,632	5,001	2,411	35,262	3,020	63,219	973,814
2010	982,750	59,703	177	0	140,773	199,964	3,337	13,631	2,374	99,602	965,712
2011	1,075,820	99,900	128	0	85,737	n/a	125	64,909	2,480	72,766	1,559,731
2012	1,169,159	107,188	150	0	92,720	n/a	6,427	27,476	n/a	66,093	1,491,044
2013	1,241,228	315,924	234	0	162,399	n/a	7,970	26,181	n/a	63,049	2,249,070
2014	1,342,957	509,837	201	0	223,452	n/a	5,242	20,320	n/a	61,447	2,377,995
2015	1,424,967	712,401	266	0	333,447	n/a	5,231	31,212	n/a	45,320	1,977,163
2016	1,509,440	725,210	166	0	399,190	n/a	5,165	53,248	n/a	46,943	1,759,675
2017	1,618,006	563,958	214	0	228,933	n/a	5,257	77,762	n/a	47,876	1,954,426

(continued)

Table G.5A—continued

Period	Factors absorbing reserve funds										Reserve balances with Federal Reserve Banks
	Currency in circulation	Reverse repurchase agreements ⁶	Treasury cash holdings ⁷	Deposits with Federal Reserve Banks, other than reserve balances					Required clearing balances ⁹	Other Federal Reserve liabilities and capital ^{4,10}	
				Term deposits	Treasury General Account	Treasury supplementary financing account	Foreign	Other ⁸			
2018	1,719,302	304,012	214	0	402,138	n/a	5,245	73,073	n/a	45,007	1,555,954
2019	1,807,740	336,649	171	0	403,853	n/a	5,182	74,075	n/a	44,867	1,548,849
2020	2,089,224	216,051	28	0	1,728,569	n/a	21,838	194,327	n/a	163,075	2,994,932
2021	2,236,789	2,183,041	65	0	406,108	n/a	9,331	255,263	n/a	69,766	3,644,277
2022	2,309,128	2,889,555	99	0	446,685	n/a	8,935	218,227	n/a	43,522	2,684,814
2023	2,347,852	1,390,671	396	0	768,590	n/a	9,692	177,530	n/a	-76,067	3,134,759
2023, month-end											
Jan.	2,296,338	2,440,840	107	0	567,908	n/a	9,436	195,545	n/a	35,965	2,938,022
Feb.	2,302,982	2,566,111	103	0	415,005	n/a	9,438	177,060	n/a	25,670	2,893,702
Mar.	2,322,773	2,742,659	167	0	177,692	n/a	9,681	218,688	n/a	20,986	3,183,739
Apr.	2,323,716	2,717,322	185	0	316,381	n/a	9,688	206,324	n/a	13,643	3,034,170
May	2,344,176	2,615,677	247	0	48,512	n/a	9,755	210,209	n/a	1,508	3,205,526
June	2,344,947	2,368,912	242	0	402,394	n/a	9,717	191,517	n/a	-14,190	3,046,883
July	2,332,493	2,148,377	263	0	501,828	n/a	9,686	190,071	n/a	-22,380	3,098,155
Aug.	2,332,430	1,960,219	327	0	541,843	n/a	9,723	172,780	n/a	-31,194	3,164,864
Sept.	2,323,012	1,863,428	339	0	656,889	n/a	9,689	169,602	n/a	-40,004	3,066,647
Oct.	2,324,704	1,455,504	372	0	832,412	n/a	9,685	167,115	n/a	-47,252	3,176,334
Nov.	2,331,964	1,223,378	395	0	758,851	n/a	9,689	162,227	n/a	-64,297	3,357,547
Dec.	2,347,852	1,390,671	396	0	768,590	n/a	9,692	177,530	n/a	-76,067	3,134,759
⁶ Cash value of agreements, which are collateralized by U.S. Treasury securities, federal agency debt securities, and agency mortgage-backed securities. ⁷ Coin and paper currency held by the Treasury. ⁸ As of 2014, includes deposits of designated financial market utilities. ⁹ Required clearing balances were discontinued in July 2012. ¹⁰ From 2020 to 2023, includes equity investments for outstanding LLCs. Negative amounts include the cumulative deferred asset position, which is incurred during a period when earnings are not sufficient to provide for the cost of operations, payment of dividends, and maintaining surplus. The deferred asset is the amount of net earnings that the Federal Reserve Banks need to realize before remittances to the U.S. Treasury resume. In 2010, included funds from American International Group, Inc. asset dispositions, held as agent. n/a Not applicable.											

Table G.5B. Reserves of depository institutions, Federal Reserve Bank credit, and related items, year-end 1918-1983

Millions of dollars

Period	Factors supplying reserve funds									
	Federal Reserve Bank credit outstanding							Gold stock ⁶	Special drawing rights certificate account	Treasury coin and currency outstanding ⁷
	Securities held outright ¹	Repurchase agreements ²	Loans	Float ³	All other ⁴	Other Federal Reserve assets ⁵	Total			
1918	239	0	1,766	199	294	0	2,498	2,873	n/a	1,795
1919	300	0	2,215	201	575	0	3,292	2,707	n/a	1,707
1920	287	0	2,687	119	262	0	3,355	2,639	n/a	1,709
1921	234	0	1,144	40	146	0	1,563	3,373	n/a	1,842
1922	436	0	618	78	273	0	1,405	3,642	n/a	1,958
1923	80	54	723	27	355	0	1,238	3,957	n/a	2,009
1924	536	4	320	52	390	0	1,302	4,212	n/a	2,025
1925	367	8	643	63	378	0	1,459	4,112	n/a	1,977
1926	312	3	637	45	384	0	1,381	4,205	n/a	1,991
1927	560	57	582	63	393	0	1,655	4,092	n/a	2,006
1928	197	31	1,056	24	500	0	1,809	3,854	n/a	2,012
1929	488	23	632	34	405	0	1,583	3,997	n/a	2,022
1930	686	43	251	21	372	0	1,373	4,306	n/a	2,027
1931	775	42	638	20	378	0	1,853	4,173	n/a	2,035
1932	1,851	4	235	14	41	0	2,145	4,226	n/a	2,204
1933	2,435	2	98	15	137	0	2,688	4,036	n/a	2,303
1934	2,430	0	7	5	21	0	2,463	8,238	n/a	2,511
1935	2,430	1	5	12	38	0	2,486	10,125	n/a	2,476
1936	2,430	0	3	39	28	0	2,500	11,258	n/a	2,532
1937	2,564	0	10	19	19	0	2,612	12,760	n/a	2,637
1938	2,564	0	4	17	16	0	2,601	14,512	n/a	2,798
1939	2,484	0	7	91	11	0	2,593	17,644	n/a	2,963
1940	2,184	0	3	80	8	0	2,274	21,995	n/a	3,087
1941	2,254	0	3	94	10	0	2,361	22,737	n/a	3,247
1942	6,189	0	6	471	14	0	6,679	22,726	n/a	3,648
1943	11,543	0	5	681	10	0	12,239	21,938	n/a	4,094
1944	18,846	0	80	815	4	0	19,745	20,619	n/a	4,131
1945	24,262	0	249	578	2	0	25,091	20,065	n/a	4,339
1946	23,350	0	163	580	1	0	24,093	20,529	n/a	4,562
1947	22,559	0	85	535	1	0	23,181	22,754	n/a	4,562
1948	23,333	0	223	541	1	0	24,097	24,244	n/a	4,589
1949	18,885	0	78	534	2	0	19,499	24,427	n/a	4,598
1950	20,725	53	67	1,368	3	0	22,216	22,706	n/a	4,636
1951	23,605	196	19	1,184	5	0	25,009	22,695	n/a	4,709
1952	24,034	663	156	967	4	0	25,825	23,187	n/a	4,812
1953	25,318	598	28	935	2	0	26,880	22,030	n/a	4,894
1954	24,888	44	143	808	1	0	25,885	21,713	n/a	4,985
1955	24,391	394	108	1,585	29	0	26,507	21,690	n/a	5,008
1956	24,610	305	50	1,665	70	0	26,699	21,949	n/a	5,066
1957	23,719	519	55	1,424	66	0	25,784	22,781	n/a	5,146
1958	26,252	95	64	1,296	49	0	27,755	20,534	n/a	5,234

(continued)

Table G.5B—continued

Period	Factors supplying reserve funds									
	Federal Reserve Bank credit outstanding							Gold stock ⁶	Special drawing rights certificate account	Treasury coin and currency outstanding ⁷
	Securities held outright ¹	Repurchase agreements ²	Loans	Float ³	All other ⁴	Other Federal Reserve assets ⁵	Total			
1959	26,607	41	458	1,590	75	0	28,771	19,456	n/a	5,311
1960	26,984	400	33	1,847	74	0	29,338	17,767	n/a	5,398
1961	28,722	159	130	2,300	51	0	31,362	16,889	n/a	5,585
1962	30,478	342	38	2,903	110	0	33,871	15,978	n/a	5,567
1963	33,582	11	63	2,600	162	0	36,418	15,513	n/a	5,578
1964	36,506	538	186	2,606	94	0	39,930	15,388	n/a	5,405
1965	40,478	290	137	2,248	187	0	43,340	13,733	n/a	5,575
1966	43,655	661	173	2,495	193	0	47,177	13,159	n/a	6,317
1967	48,980	170	141	2,576	164	0	52,031	11,982	n/a	6,784
1968	52,937	0	186	3,443	58	0	56,624	10,367	n/a	6,795
1969	57,154	0	183	3,440	64	2,743	63,584	10,367	n/a	6,852
1970	62,142	0	335	4,261	57	1,123	67,918	10,732	400	7,147
1971	69,481	1,323	39	4,343	261	1,068	76,515	10,132	400	7,710
1972	71,119	111	1,981	3,974	106	1,260	78,551	10,410	400	8,313
1973	80,395	100	1,258	3,099	68	1,152	86,072	11,567	400	8,716
1974	84,760	954	299	2,001	999	3,195	92,208	11,652	400	9,253
1975	92,789	1,335	211	3,688	1,126	3,312	102,461	11,599	500	10,218
1976	100,062	4,031	25	2,601	991	3,182	110,892	11,598	1,200	10,810
1977	108,922	2,352	265	3,810	954	2,442	118,745	11,718	1,250	11,331
1978	117,374	1,217	1,174	6,432	587	4,543	131,327	11,671	1,300	11,831
1979	124,507	1,660	1,454	6,767	704	5,613	140,705	11,172	1,800	13,083
1980	128,038	2,554	1,809	4,467	776	8,739	146,383	11,160	2,518	13,427
1981	136,863	3,485	1,601	1,762	195	9,230	153,136	11,151	3,318	13,687
1982	144,544	4,293	717	2,735	1,480	9,890	163,659	11,148	4,618	13,786
1983	159,203	1,592	918	1,605	418	8,728	172,464	11,121	4,618	15,732

Note: For a description of figures and discussion of their significance, see *Banking and Monetary Statistics, 1941–1970* (Board of Governors of the Federal Reserve System, 1976), pp. 507–23. Components may not sum to totals because of rounding.

¹ In 1969 and thereafter, includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale–purchase transactions. On September 29, 1971, and thereafter, includes federal agency issues bought outright.

² On December 1, 1966, and thereafter, includes federal agency obligations held under repurchase agreements.

³ In 1960 and thereafter, figures reflect a minor change in concept; refer to *Federal Reserve Bulletin*, vol. 47 (February 1961), p. 164.

⁴ Principally acceptances and, until August 21, 1959, industrial loans, the authority for which expired on that date.

⁵ For the period before April 16, 1969, includes the total of Federal Reserve capital paid in, surplus, other capital accounts, and other liabilities and accrued dividends, less the sum of bank premises and other assets, and is reported as “Other Federal Reserve accounts”; thereafter, “Other Federal Reserve assets” and “Other Federal Reserve liabilities and capital” are shown separately.

⁶ Before January 30, 1934, includes gold held in Federal Reserve Banks and in circulation.

⁷ Includes currency and coin (other than gold) issued directly by the Treasury. The largest components are fractional and dollar coins. For details refer to “U.S. Currency and Coin Outstanding and in Circulation,” *Treasury Bulletin*.

n/a Not applicable.

Table G.5B. Reserves of depository institutions, Federal Reserve Bank credit, and related items, year-end 1918-1983—continued

Millions of dollars

Period	Factors absorbing reserve funds								Member bank reserves ⁹			
	Currency in circulation	Treasury cash holdings ⁸	Deposits with Federal Reserve Banks, other than reserve balances			Other Federal Reserve accounts ⁵	Required clearing balances	Other Federal Reserve liabilities and capital ⁵	With Federal Reserve Banks	Currency and coin ¹⁰	Required ¹¹	Excess ^{11,12}
			Treasury	Foreign	Other							
1918	4,951	288	51	96	25	118	0	0	1,636	n/a	1,585	51
1919	5,091	385	31	73	28	208	0	0	1,890	n/a	1,822	68
1920	5,325	218	57	5	18	298	0	0	1,781	n/a	n/a	n/a
1921	4,403	214	96	12	15	285	0	0	1,753	n/a	1,654	99
1922	4,530	225	11	3	26	276	0	0	1,934	n/a	n/a	n/a
1923	4,757	213	38	4	19	275	0	0	1,898	n/a	1,884	14
1924	4,760	211	51	19	20	258	0	0	2,220	n/a	2,161	59
1925	4,817	203	16	8	21	272	0	0	2,212	n/a	2,256	-44
1926	4,808	201	17	46	19	293	0	0	2,194	n/a	2,250	-56
1927	4,716	208	18	5	21	301	0	0	2,487	n/a	2,424	63
1928	4,686	202	23	6	21	348	0	0	2,389	n/a	2,430	-41
1929	4,578	216	29	6	24	393	0	0	2,355	n/a	2,428	-73
1930	4,603	211	19	6	22	375	0	0	2,471	n/a	2,375	96
1931	5,360	222	54	79	31	354	0	0	1,961	n/a	1,994	-33
1932	5,388	272	8	19	24	355	0	0	2,509	n/a	1,933	576
1933	5,519	284	3	4	128	360	0	0	2,729	n/a	1,870	859
1934	5,536	3,029	121	20	169	241	0	0	4,096	n/a	2,282	1,814
1935	5,882	2,566	544	29	226	253	0	0	5,587	n/a	2,743	2,844
1936	6,543	2,376	244	99	160	261	0	0	6,606	n/a	4,622	1,984
1937	6,550	3,619	142	172	235	263	0	0	7,027	n/a	5,815	1,212
1938	6,856	2,706	923	199	242	260	0	0	8,724	n/a	5,519	3,205
1939	7,598	2,409	634	397	256	251	0	0	11,653	n/a	6,444	5,209
1940	8,732	2,213	368	1,133	599	284	0	0	14,026	n/a	7,411	6,615
1941	11,160	2,215	867	774	586	291	0	0	12,450	n/a	9,365	3,085
1942	15,410	2,193	799	793	485	256	0	0	13,117	n/a	11,129	1,988
1943	20,449	2,303	579	1,360	356	339	0	0	12,886	n/a	11,650	1,236
1944	25,307	2,375	440	1,204	394	402	0	0	14,373	n/a	12,748	1,625
1945	28,515	2,287	977	862	446	495	0	0	15,915	n/a	14,457	1,458
1946	28,952	2,272	393	508	314	607	0	0	16,139	n/a	15,577	562
1947	28,868	1,336	870	392	569	563	0	0	17,899	n/a	16,400	1,499
1948	28,224	1,325	1,123	642	547	590	0	0	20,479	n/a	19,277	1,202
1949	27,600	1,312	821	767	750	706	0	0	16,568	n/a	15,550	1,018
1950	27,741	1,293	668	895	565	714	0	0	17,681	n/a	16,509	1,172
1951	29,206	1,270	247	526	363	746	0	0	20,056	n/a	19,667	389
1952	30,433	1,270	389	550	455	777	0	0	19,950	n/a	20,520	-570
1953	30,781	761	346	423	493	839	0	0	20,160	n/a	19,397	763
1954	30,509	796	563	490	441	907	0	0	18,876	n/a	18,618	258
1955	31,158	767	394	402	554	925	0	0	19,005	n/a	18,903	102
1956	31,790	775	441	322	426	901	0	0	19,059	n/a	19,089	-30
1957	31,834	761	481	356	246	998	0	0	19,034	n/a	19,091	-57

(continued)

Table G.5B—continued

Period	Factors absorbing reserve funds								Member bank reserves ⁹			
	Currency in circulation	Treasury cash holdings ⁸	Deposits with Federal Reserve Banks, other than reserve balances			Other Federal Reserve accounts ⁵	Required clearing balances	Other Federal Reserve liabilities and capital ⁵				
			Treasury	Foreign	Other							
1958	32,193	683	358	272	391	1,122	0	0	18,504	n/a	18,574	-70
1959	32,591	391	504	345	694	841	0	0	18,174	310	18,619	-135
1960	32,869	377	485	217	533	941	0	0	17,081	2,544	18,988	637
1961	33,918	422	465	279	320	1,044	0	0	17,387	2,823	20,114	96
1962	35,338	380	597	247	393	1,007	0	0	17,454	3,262	20,071	645
1963	37,692	361	880	171	291	1,065	0	0	17,049	4,099	20,677	471
1964	39,619	612	820	229	321	1,036	0	0	18,086	4,151	21,663	574
1965	42,056	760	668	150	355	211	0	0	18,447	4,163	22,848	-238
1966	44,663	1,176	416	174	588	-147	0	0	19,779	4,310	24,321	-232
1967	47,226	1,344	1,123	135	653	-773	0	0	21,092	4,631	25,905	-182
1968	50,961	695	703	216	747	-1,353	0	0	21,818	4,921	27,439	-700
1969	53,950	596	1,312	134	807	0	0	1,919	22,085	5,187	28,173	-901
1970	57,093	431	1,156	148	1,233	0	0	1,986	24,150	5,423	30,033	-460
1971	61,068	460	2,020	294	999	0	0	2,131	27,788	5,743	32,496	1,035
1972	66,516	345	1,855	325	840	0	0	2,143	25,647	6,216	32,044	98
1973	72,497	317	2,542	251	1491 ¹³	0	0	2,669	27,060	6,781	35,268	-1,360
1974	79,743	185	3,113	418	1275 ¹³	0	0	2,935	25,843	7,370	37,011	-3,798
1975	86,547	483	7,285	353	1,090	0	0	2,968	26,052	8,036	35,197	-1,103 ¹⁴
1976	93,717	460	10,393	352	1,357	0	0	3,063	25,158	8,628	35,461	-1,535
1977	103,811	392	7,114	379	1,187	0	0	3,292	26,870	9,421	37,615	-1,265
1978	114,645	240	4,196	368	1,256	0	0	4,275	31,152	10,538	42,694	-893
1979	125,600	494	4,075	429	1,412	0	0	4,957	29,792	11,429	44,217	-2,835
1980	136,829	441	3,062	411	617	0	0	4,671	27,456	13,654	40,558	675
1981	144,774	443	4,301	505	781	0	117	5,261	25,111	15,576	42,145	-1,442
1982	154,908	429	5,033	328	1,033	0	436	4,990	26,053	16,666	41,391	1,328
1983	171,935	479	3,661	191	851	0	1,013	5,392	20,413	17,821	39,179	-945

⁸ Coin and paper currency held by the Treasury, as well as any gold in excess of the gold certificates issued to the Reserve Bank.

⁹ In November 1979 and thereafter, includes reserves of member banks, Edge Act corporations, and U.S. agencies and branches of foreign banks. On November 13, 1980, and thereafter, includes reserves of all depository institutions.

¹⁰ Between December 1, 1959, and November 23, 1960, part was allowed as reserves; thereafter, all was allowed.

¹¹ Estimated through 1958. Before 1929, data were available only on call dates (in 1920 and 1922 the call date was December 29). Since September 12, 1968, the amount has been based on close-of-business figures for the reserve period two weeks before the report date.

¹² For the week ending November 15, 1972, and thereafter, includes \$450 million of reserve deficiencies on which Federal Reserve Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended, effective November 9, 1972. Allowable deficiencies are as follows (beginning with first statement week of quarter, in millions): 1973:Q1, \$279; Q2, \$172; Q3, \$112; Q4, \$84; 1974:Q1, \$67; Q2, \$58. The transition period ended with the second quarter of 1974.

¹³ For the period before July 1973, includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with Federal Reserve Banks in connection with voluntary participation by nonmember institutions in the Federal Reserve System program of credit restraint. As of December 12, 1974, the amount of voluntary nonmember bank and foreign-agency and branch deposits at Federal Reserve Banks that are associated with marginal reserves is no longer reported. However, two amounts are reported: (1) deposits voluntarily held as reserves by agencies and branches of foreign banks operating in the United States and (2) Eurodollar liabilities.

¹⁴ Adjusted to include waivers of penalties for reserve deficiencies, in accordance with change in Board policy, effective November 19, 1975.

n/a Not applicable.

Table G.6. Principal assets and liabilities of insured commercial banks, by class of bank, June 30, 2023 and 2022

Millions of dollars, except as noted

Item	Total	Member banks			Nonmember banks
		Total	National	State	
2023					
Loans and investments	16,002,218	12,680,689	10,334,322	2,346,367	3,321,530
Loans, gross	11,093,581	8,506,038	6,873,360	1,632,678	2,587,544
Net	11,091,881	8,505,174	6,872,801	1,632,374	2,586,706
Investments	4,908,637	4,174,651	3,460,962	713,689	733,986
U.S. government securities	1,186,453	1,072,804	937,116	135,688	113,649
Other	3,722,184	3,101,847	2,523,846	578,001	620,337
Cash assets, total	2,017,543	1,736,694	1,292,155	444,539	280,849
Deposits, total	16,099,572	13,030,830	10,592,723	2,438,106	3,068,742
Interbank	268,034	243,695	198,360	45,335	24,339
Other transactions	5,708,700	4,668,225	3,599,737	1,068,488	1,040,475
Other nontransactions	10,122,837	8,118,910	6,794,626	1,324,284	2,003,927
Equity capital	2,143,833	1,747,262	1,428,464	318,798	396,571
Number of banks	4,065	1,373	712	661	2,692
2022					
Loans and investments	16,022,105	12,596,081	10,128,252	2,467,830	3,426,023
Loans, gross	10,498,546	7,915,198	6,332,222	1,582,975	2,583,348
Net	10,497,211	7,914,796	6,332,047	1,582,749	2,582,415
Investments	5,523,559	4,680,884	3,796,030	884,854	842,675
U.S. government securities	1,435,477	1,330,716	1,177,257	153,459	104,762
Other	4,088,082	3,350,168	2,618,773	731,395	737,914
Cash assets, total	2,056,714	1,757,422	1,267,578	489,845	299,292
Deposits, total	16,771,232	13,427,270	10,753,153	2,674,117	3,343,962
Interbank	365,731	338,195	290,806	47,389	27,535
Other transactions	5,787,739	4,672,612	3,634,157	1,038,455	1,115,127
Other nontransactions	10,617,763	8,416,463	6,828,190	1,588,273	2,201,300
Equity capital	2,095,299	1,692,271	1,371,603	320,668	403,028
Number of banks	4,171	1,393	732	661	2,778
Note: Includes U.S.-insured commercial banks located in the United States but not U.S.-insured commercial banks operating in U.S. territories or possessions. Data are domestic assets and liabilities (except for those components reported on a consolidated basis only). Components may not sum to totals because of rounding. Data for 2022 have been revised.					

Table G.7. Initial margin requirements under Regulations T, U, and X

Percent of market value

Effective date	Margin stocks	Convertible bonds	Short sales, T only ¹
1934, Oct. 1	25-45	n/a	n/a
1936, Feb. 1	25-55	n/a	n/a
1936, Apr. 1	55	n/a	n/a
1937, Nov. 1	40	n/a	50
1945, Feb. 5	50	n/a	50
1945, July 5	75	n/a	75
1946, Jan. 21	100	n/a	100
1947, Feb. 1	75	n/a	75
1949, Mar. 3	50	n/a	50
1951, Jan. 17	75	n/a	75
1953, Feb. 20	50	n/a	50
1955, Jan. 4	60	n/a	60
1955, Apr. 23	70	n/a	70
1958, Jan. 16	50	n/a	50
1958, Aug. 5	70	n/a	70
1958, Oct. 16	90	n/a	90
1960, July 28	70	n/a	70
1962, July 10	50	n/a	50
1963, Nov. 6	70	n/a	70
1968, Mar. 11	70	50	70
1968, June 8	80	60	80
1970, May 6	65	50	65
1971, Dec. 6	55	50	55
1972, Nov. 24	65	50	65
1974, Jan. 3	50	50	50

Note: These regulations, adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that may be extended for the purpose of purchasing or carrying margin securities (as defined in the regulations) when the loan is collateralized by such securities. The margin requirement, expressed as a percentage, is the difference between the market value of the securities being purchased or carried (100 percent) and the maximum loan value of the collateral as prescribed by the Board. Regulation T was adopted effective October 1, 1934; Regulation U, effective May 1, 1936; and Regulation X, effective November 1, 1971. The former Regulation G, which was adopted effective March 11, 1968, was merged into Regulation U, effective April 1, 1998.

¹ From October 1, 1934, to October 31, 1937, the requirement was the margin "customarily required" by the brokers and dealers.
n/a Not applicable.

Table G.8A. Statement of condition of the Federal Reserve Banks, by Bank, December 31, 2023 and 2022												
Millions of dollars												
Item	Total		Boston		New York		Philadelphia		Cleveland		Richmond	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets												
Gold certificates	11,037	11,037	361	348	3,357	3,453	315	327	515	526	775	791
Special drawing rights certificates	5,200	5,200	196	196	1,818	1,818	210	210	237	237	412	412
Coin	1,423	1,209	48	15	39	25	134	108	54	46	177	190
<i>Loans and securities</i>												
Loans to depository institutions	3,473	5,276	144	120	122	1,069	138	36	12	19	474	138
Other loans	132,628	11,450	6,162	0	9,206	2,077	2,259	0	3,182	2,505	10,916	24
Securities purchased under agreements to resell ¹	0	0	0	0	0	0	0	0	0	0	0	0
Treasury securities, net ²⁻³	4,988,327	5,729,247	96,374	114,699	2,785,732	2,937,394	82,214	131,620	153,293	228,785	347,135	399,251
Federal agency and government-sponsored enterprise mortgage-backed securities, net ²	2,481,336	2,697,583	47,939	54,005	1,385,702	1,383,055	40,896	61,973	76,252	107,722	172,675	187,985
Government-sponsored enterprise debt securities, net ²⁻³	2,557	2,584	49	52	1,428	1,325	42	59	79	103	178	180
Total loans and securities	7,608,321	8,446,140	150,668	168,876	4,182,190	4,324,920	125,549	193,688	232,818	339,134	531,378	587,578
Consolidated variable interest entities: Assets held, net ⁴	16,098	30,436	15,839	22,910	259	7,526	n/a	n/a	n/a	n/a	n/a	n/a
Accrued interest receivable—System Open Market Account	32,357	34,277	627	687	18,053	17,566	535	788	1,000	1,372	2,263	2,395
Foreign currency denominated investments, net ⁵	18,587	18,565	800	800	6,613	6,465	668	689	1,753	1,815	3,764	3,723
Central bank liquidity swaps ⁶	1,357	412	58	18	483	144	49	15	128	40	275	83
<i>Other assets</i>												
Bank premises and equipment, net	2,897	2,700	123	124	471	475	161	169	146	143	431	338
Items in process of collection	69	72	0	0	*	*	*	0	0	0	0	0
Deferred asset—remittances to the Treasury	133,318	16,585	2,561	309	85,206	12,545	1,228	18	5,084	146	20,396	1,434
Interdistrict settlement account	0	0	19,074	28,113	-150,680	53,270	-7,801	-35,361	68,582	-21,458	100,368	28,809
All other assets ⁷	4,895	2,721	196	92	393	1,640	62	14	118	80	431	276
Total assets	7,835,559	8,569,354	190,551	222,488	4,148,202	4,429,847	121,110	160,665	310,435	322,081	660,670	626,029

(continued)

Table G.8A—continued												
Item	Total		Boston		New York		Philadelphia		Cleveland		Richmond	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Liabilities												
Federal Reserve notes outstanding	2,706,634	2,618,832	89,844	86,350	806,499	783,156	75,591	73,670	127,980	125,617	191,807	189,334
Less: Notes held by Federal Reserve Bank	409,583	359,871	10,062	8,474	61,224	74,159	25,098	18,425	17,942	13,161	30,771	22,030
Federal Reserve notes outstanding, net	2,297,050	2,258,961	79,782	77,876	745,275	708,997	50,493	55,245	110,038	112,456	161,036	167,304
Securities sold under agreements to repurchase ¹	1,390,671	2,889,555	26,868	57,849	776,620	1,481,480	22,920	66,383	42,736	115,388	96,776	201,363
Deposits												
Depository institutions	3,134,759	2,684,814	73,516	73,249	1,769,847	1,709,016	46,039	37,398	152,842	90,103	393,404	247,973
Treasury, general account	768,590	446,685	n/a	n/a	768,590	446,685	n/a	n/a	n/a	n/a	n/a	n/a
Other deposits ⁸	187,222	227,160	54	11	70,582	62,967	1	1	38	27	383	488
Total deposits	4,090,571	3,358,659	73,570	73,260	2,609,019	2,218,668	46,040	37,399	152,880	90,130	393,787	248,461
Other liabilities												
Accrued remittances to the Treasury ⁹	0	0	0	0	0	0	0	0	0	0	0	0
Deferred credit items	624	611	0	0	0	0	0	0	0	0	0	0
Consolidated variable interest entities: Other liabilities	52	96	52	95	0	2	n/a	n/a	n/a	n/a	n/a	n/a
All other liabilities ¹⁰	5,212	4,082	195	169	2,240	1,678	148	136	222	165	616	437
Total liabilities	7,784,180	8,511,964	180,467	209,249	4,133,154	4,410,825	119,601	159,163	305,876	318,139	652,215	617,565

(continued)

Table G.8A—continued

Item	Total		Boston		New York		Philadelphia		Cleveland		Richmond	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Capital accounts												
Capital paid-in	36,065	35,014	1,505	1,507	12,469	12,457	1,270	1,258	3,837	3,302	7,116	7,090
Surplus (including accumulated other comprehensive loss)	6,785	6,785	283	292	2,346	2,414	239	244	722	640	1,339	1,374
Total Reserve Bank capital	42,850	41,799	1,788	1,799	14,815	14,871	1,509	1,502	4,559	3,942	8,455	8,464
Consolidated variable interest entities formed to administer credit and liquidity facilities: Non-controlling interest	8,529	15,591	8,296	11,440	233	4,151	n/a	n/a	n/a	n/a	n/a	n/a
Total Reserve Bank capital and consolidated variable interest entities non-controlling interest	51,379	57,390	10,084	13,239	15,048	19,022	1,509	1,502	4,559	3,942	8,455	8,464
Total liabilities and capital accounts	7,835,559	8,569,354	190,551	222,488	4,148,202	4,429,847	121,110	160,665	310,435	322,081	660,670	626,029
Note: Components may not sum to totals because of rounding.												
¹ Contract amount of agreements.												
² Treasury securities, government-sponsored enterprise debt securities, and federal agency and government-sponsored enterprise mortgage-backed securities (GSE MBS) are presented at amortized cost, net of unamortized premiums and unamortized discounts.												
³ Treasury securities and government-sponsored debt securities may be lent to primary dealers to facilitate the effective conduct of open market operations. Holdings are presented net of securities lent.												
⁴ The Federal Reserve Bank of Boston is the primary beneficiary of MS Facilities LLC (Main Street Lending Program), and the Federal Reserve Bank of New York is the primary beneficiary of Municipal Liquidity Facility LLC and Term Asset-Backed Securities Loan Facility II LLC. As a result, the accounts and results of operations of those LLCs are included in the combined financial statements of the Federal Reserve Banks.												
⁵ Valued daily at market exchange rates.												
⁶ 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.												
⁷ Includes depository institution overdrafts.												
⁸ Includes deposits of government-sponsored enterprises (GSEs) and international and designated financial market utilities, certain deposit accounts for services provided by the Reserve banks as fiscal agents of the United States, and foreign official deposit accounts.												
⁹ Represents the estimated weekly remittances to the U.S. Treasury.												
¹⁰ Includes accrued benefit costs and cash collateral posted by counterparties under commitments to purchase and sell federal agency and GSE MBS.												
* Less than \$500,000.												
n/a Not applicable.												

Table G.8A. Statement of condition of the Federal Reserve Banks, by Bank, December 31, 2023 and 2022—continued

Millions of dollars

Item	Atlanta		Chicago		St. Louis		Minneapolis		Kansas City		Dallas		San Francisco	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets														
Gold certificates	1,633	1,593	680	669	329	311	174	173	299	287	1,008	997	1,591	1,562
Special drawing rights certificates	654	654	424	424	150	150	90	90	153	153	282	282	574	574
Coin	101	72	252	225	34	25	54	35	97	90	177	158	257	221
<i>Loans and securities</i>														
Loans to depository institutions	313	510	95	542	277	89	318	107	48	709	477	630	1,055	1,307
Other loans	9,919	0	8,924	2	7,867	12	7,611	3,929	8,418	22	13,487	6	44,678	2,871
Securities purchased under agreements to resell ¹	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Treasury securities, net ^{2, 3}	337,930	374,845	310,954	391,650	74,622	89,980	33,823	40,623	64,494	89,434	243,216	293,736	458,541	637,230
Federal agency and government-sponsored enterprise mortgage-backed securities, net ²	168,096	176,493	154,678	184,406	37,119	42,366	16,825	19,127	32,081	42,109	120,983	138,304	228,091	300,036
Government-sponsored enterprise debt securities, net ^{2, 3}	173	169	159	177	38	41	17	18	33	40	125	132	235	287
Total loans and securities	516,431	552,017	474,810	576,777	119,923	132,488	58,594	63,804	105,074	132,314	378,288	432,808	732,600	941,731
Consolidated variable interest entities: Assets held, net ⁴	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accrued interest receivable—System Open Market Account	2,189	2,241	2,015	2,342	485	539	219	243	418	535	1,575	1,756	2,979	3,814
Foreign currency denominated investments, net ⁵	557	604	647	704	418	374	118	93	197	192	392	446	2,660	2,662
Central bank liquidity swaps ⁶	41	13	47	16	31	8	9	2	14	4	29	10	194	59
<i>Other assets</i>														
Bank premises and equipment, net	259	218	228	228	108	104	115	106	252	246	254	254	350	295
Items in process of collection	68	72	0	0	0	0	0	0	0	*	0	0	0	0
Deferred asset—remittances to the Treasury	386	0	9,789	1,422	61	0	215	0	491	0	1,711	83	6,191	761
Interdistrict settlement account	-11,406	45,589	-63,151	-4,041	-5,274	-5,354	-3,763	-1,276	-11,024	-20,881	-33,248	-5,249	98,323	-62,160
All other assets ⁷	1,217	51	166	35	190	108	300	121	326	120	282	51	1,212	134
Total assets	512,130	603,124	425,907	578,801	116,455	128,753	56,125	63,391	96,297	113,060	350,750	431,596	846,931	889,653

(continued)

Table G.8A—continued														
Item	Atlanta		Chicago		St. Louis		Minneapolis		Kansas City		Dallas		San Francisco	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Liabilities														
Federal Reserve notes outstanding	395,722	390,723	167,274	159,578	81,908	77,447	44,757	41,316	75,426	71,321	256,949	242,458	392,876	377,861
Less: Notes held by Federal Reserve Bank	38,966	36,096	43,786	36,800	8,932	8,102	11,745	8,437	27,494	21,307	66,860	50,425	66,703	62,455
Federal Reserve notes outstanding, net	356,756	354,627	123,488	122,778	72,976	69,345	33,012	32,879	47,932	50,014	190,089	192,033	326,173	315,406
Securities sold under agreements to repurchase ¹	94,210	189,054	86,689	197,529	20,803	45,381	9,429	20,488	17,980	45,106	67,805	148,146	127,834	321,388
Deposits														
Depository institutions	58,701	57,165	97,642	93,680	21,553	12,915	13,171	9,526	29,671	17,301	91,466	89,990	386,906	246,497
Treasury, general account	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other deposits ⁸	138	98	115,614	163,004	18	9	135	135	88	42	139	353	31	25
Total deposits	58,839	57,263	213,256	256,684	21,571	12,924	13,306	9,661	29,759	17,343	91,605	90,343	386,937	246,522
Other liabilities														
Accrued remittances to the Treasury ⁹	0	79	0	0	0	44	0	2	0	9	0	0	0	0
Deferred credit items	624	611	0	0	0	0	0	0	*	*	0	0	0	0
Consolidated variable interest entities: Other liabilities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All other liabilities ¹⁰	297	237	370	355	140	118	110	97	159	144	221	193	501	355
Total liabilities	510,726	601,871	423,803	577,346	115,490	127,812	55,857	63,127	95,830	112,616	349,720	430,715	841,445	883,671

(continued)

Table G.8A—continued

Item	Atlanta		Chicago		St. Louis		Minneapolis		Kansas City		Dallas		San Francisco	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Capital accounts														
Capital paid-in	1,182	1,050	1,771	1,219	812	788	226	221	393	372	867	738	4,617	5,011
Surplus (including accumulated other comprehensive loss)	222	203	333	236	153	153	42	43	74	72	163	143	869	971
Total Reserve Bank capital	1,404	1,253	2,104	1,455	965	941	268	264	467	444	1,030	881	5,486	5,982
Consolidated variable interest entities formed to administer credit and liquidity facilities: Non-controlling interest	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Reserve Bank capital and consolidated variable interest entities non-controlling interest	1,404	1,253	2,104	1,455	965	941	268	264	467	444	1,030	881	5,486	5,982
Total liabilities and capital accounts	512,130	603,124	425,907	578,801	116,455	128,753	56,125	63,391	96,297	113,060	350,750	431,596	846,931	889,653
Note: Components may not sum to totals because of rounding.														
¹ Contract amount of agreements.														
² Treasury securities, government-sponsored enterprise debt securities, and federal agency and government-sponsored enterprise mortgage-backed securities (GSE MBS) are presented at amortized cost, net of unamortized premiums and unamortized discounts.														
³ Treasury securities and government-sponsored debt securities may be lent to primary dealers to facilitate the effective conduct of open market operations. Holdings are presented net of securities lent.														
⁴ The Federal Reserve Bank of Boston is the primary beneficiary of MS Facilities LLC (Main Street Lending Program), and the Federal Reserve Bank of New York is the primary beneficiary of Municipal Liquidity Facility LLC and Term Asset-Backed Securities Loan Facility II LLC. As a result, the accounts and results of operations of those LLCs are included in the combined financial statements of the Federal Reserve Banks.														
⁵ Valued daily at market exchange rates.														
⁶ 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.														
⁷ Includes depository institution overdrafts.														
⁸ Includes deposits of government-sponsored enterprises (GSEs) and international and designated financial market utilities, certain deposit accounts for services provided by the Reserve banks as fiscal agents of the United States, and foreign official deposit accounts.														
⁹ Represents the estimated weekly remittances to the U.S. Treasury.														
¹⁰ Includes accrued benefit costs and cash collateral posted by counterparties under commitments to purchase and sell federal agency and GSE MBS.														
* Less than \$500,000.														
n/a Not applicable.														

Table G.8B. Statement of condition of the Federal Reserve Banks, December 31, 2023 and 2022

Millions of dollars

Item	2023	2022
Federal Reserve notes outstanding	2,706,633	2,618,832
Less: Notes held by Federal Reserve Banks not subject to collateralization	409,583	359,871
Collateralized Federal Reserve notes	2,297,050	2,258,961
Collateral for Federal Reserve notes		
Gold certificates	11,037	11,037
Special drawing rights certificates	5,200	5,200
U.S. Treasury securities ¹	2,280,813	2,242,724
Total collateral	2,297,050	2,258,961

¹ Face value. Includes compensation to adjust for the effect of inflation on the original face value of inflation-indexed securities.

Table G.9. Income and expenses of the Federal Reserve Banks, by Bank, 2023						
Thousands of dollars						
Item	Total	Boston	New York	Philadelphia	Cleveland	Richmond
Current income						
<i>Interest income</i>						
Primary, secondary, and seasonal loans	6,284,216	11,068	1,342,948	9,560	1,307	8,421
Other loans, net	4,153,623	134,876	212,379	70,789	54,917	222,435
Interest income on securities purchased under agreements to resell	194,749	3,876	101,339	4,262	7,477	13,568
Treasury securities, net	106,479,023	2,076,831	58,177,562	1,937,362	3,530,751	7,412,542
Federal agency and government-sponsored enterprise mortgage-backed securities, net	57,016,504	1,113,450	31,063,182	1,050,068	1,908,572	3,969,396
Government-sponsored enterprise debt securities, net	131,398	2,565	71,671	2,408	4,381	9,148
Foreign currency denominated investments, net	246,255	10,600	87,298	8,897	23,366	49,785
Central bank liquidity swaps ¹	18,846	811	6,668	683	1,794	3,807
Total interest income	174,524,614	3,354,077	91,063,047	3,084,029	5,532,565	11,689,102
Income from priced services	505,312	1	161,019	0	0	0
Securities lending fees	105,474	2,057	57,655	1,915	3,492	7,343
Other income	709	21	238	16	8	4
Total other income	611,495	2,079	218,912	1,931	3,500	7,347
Total current income	175,136,109	3,356,156	91,281,959	3,085,960	5,536,065	11,696,449
Net expenses						
Salaries and other benefits	4,275,300	297,254	843,532	166,554	204,878	653,982
Building	318,287	33,447	71,302	14,671	16,846	29,093
Equipment	250,272	9,107	20,535	9,238	8,615	128,307
Software costs	493,091	23,871	39,241	3,785	16,066	295,443
Recoveries	-294,917	-38,607	-19,225	-23,098	-7,675	-19,753
Expenses capitalized ²	-159,213	-12,535	-31,064	-1,112	-13,668	-6,869
Other expenses	765,204	163,036	420,045	63,909	72,235	-734,988
Total operating expenses before pension expense and reimbursements	5,648,024	475,573	1,344,366	233,947	297,297	345,215
System pension service costs ³	547,665	0	319,471	0	0	0
Reimbursable services to government agencies	-811,774	-3,706	-140,637	-1,984	-99,043	-10,098
Operating expenses	5,383,915	471,867	1,523,200	231,963	198,254	335,117
Interest expense on securities sold under agreements to repurchase	104,341,345	2,038,428	56,794,461	1,928,995	3,503,141	7,264,184
Interest to depository institutions and others	176,755,489	2,942,340	104,515,314	1,967,003	6,259,189	22,263,930
Other expenses	96	2	53	2	3	7
Net expenses	286,480,845	5,452,637	162,833,028	4,127,963	9,960,587	29,863,238
Current net income	-111,344,736	-2,096,481	-71,551,069	-1,042,003	-4,424,522	-18,166,789
<i>Additions to (+) and deductions from (-) current net income</i>						
Profit on sales of Treasury securities	-31,603	-615	-17,387	-558	-1,024	-2,200
Losses on sales of federal agency and government-sponsored enterprise mortgage-backed securities	-56,131	-1,085	-31,325	-928	-1,729	-3,906

(continued)

Table G.9—continued						
Item	Total	Boston	New York	Philadelphia	Cleveland	Richmond
Foreign currency translation (losses)	-66,941	-2,878	-24,849	-2,246	-5,842	-13,826
Other components of net benefit cost	171,373	-3,403	130,584	-1,542	-129	3,918
Net additions or deductions	-147,898	-5,391	-66,411	-4,523	-11,815	-26,225
Net additions or deductions to current net income	-131,200	-13,372	-9,388	-9,797	-20,539	-42,239
Assessments by Board						
Board expenditures ⁴	1,144,000	48,927	403,689	40,869	114,557	230,054
Cost of currency	1,047,430	45,414	215,187	39,748	68,127	96,659
Consumer Financial Protection Bureau ⁵	720,500	30,737	251,488	25,725	72,033	144,244
Assessments by the Board of Governors	2,911,930	125,078	870,364	106,342	254,717	470,957
Consolidated variable interest entities						
Net income from consolidated variable interest entities	1,124,385	914,437	209,948	0	0	0
Non-controlling interest in consolidated variable interest entities (income), net	-1,037,901	-870,160	-167,741	0	0	0
<i>Reserve Bank and consolidated variable interest entities net income before providing for remittances to the Treasury</i>						
	-114,301,382	-2,190,654	-72,388,614	-1,158,142	-4,699,778	-18,679,985
Earnings remittances to the Treasury	-116,063,336	-2,251,850	-72,660,766	-1,210,120	-4,937,964	-18,961,771
Net (loss) income after providing for remittances to the Treasury	1,761,954	61,196	272,152	51,978	238,186	281,786
Other comprehensive income	-275,578	-6,834	168,004	-4,298	-6,402	-26,078
Comprehensive income	1,486,376	54,362	440,156	47,680	231,784	255,708
<i>Distribution of comprehensive income</i>						
Dividends on capital stock	1,488,823	63,265	508,084	52,565	149,786	290,983
Transferred to/from surplus and change in accumulated other comprehensive income ⁶	0	-8,902	-67,929	-4,883	82,001	-35,277
Remittances transferred to the Treasury ⁷	670,450	0	0	0	0	0
Deferred asset increase	-116,733,786	-2,251,850	-72,660,766	-1,210,120	-4,937,964	-18,961,771
Earnings remittances to the Treasury, net	-116,063,336	-2,251,850	-72,660,766	-1,210,120	-4,937,964	-18,961,771
Total distribution of comprehensive income	-114,574,513	-2,197,487	-72,220,611	-1,162,438	-4,706,177	-18,706,065
Note: Components may not sum to totals because of rounding.						
¹ Represents interest income recognized on swap agreements with foreign central banks.						
² Includes expenses for labor and materials capitalized and depreciated or amortized as charges to activities in the periods benefited.						
³ Reflects the effect of the Financial Accounting Standards Board's Codification Topic (ASC 715) Compensation-Retirement Benefits. Pension service costs for the System Retirement Plan is recorded on behalf of the System in the books of the Federal Reserve Bank of New York.						
⁴ For additional details, see the Board of Governors Financial Statements at https://www.federalreserve.gov/aboutthefed/audited-annual-financial-statements.htm .						
⁵ The Board of Governors assesses the Reserve Banks to fund the operations of the Consumer Financial Protection Bureau. These assessments are allocated to each Reserve Bank based on each Reserve Bank's capital and surplus balances as of the most recent quarter.						
⁶ The total transferred to/from surplus and change in accumulated other comprehensive income for the Federal Reserve Bank of Atlanta excludes \$2 million transfer from surplus due to the Office of Employee Benefits' (OEB) postretirement net actuarial gain resulting from the integration of operations into the Bank.						
⁷ Represents excess earnings remitted to the Treasury after providing for the cost of operations, payment of dividends, and reservation of surplus. On a weekly basis, if earnings become less than the cost of operations, payment of dividends, and any amount necessary to maintain surplus, the Reserve Banks suspend weekly remittances to the Treasury and record a deferred asset.						

Table G.9. Income and expenses of the Federal Reserve Banks, by Bank, 2023—continued							
Thousands of dollars							
Item	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Current income							
<i>Interest income</i>							
Primary, secondary, and seasonal loans	16,018	13,142	7,799	4,904	24,383	17,740	4,826,926
Other loans, net	220,205	186,888	230,377	199,107	291,670	412,147	1,917,833
Interest income on securities purchased under agreements to resell	12,817	13,117	3,034	1,371	2,953	9,903	21,032
Treasury securities, net	7,148,199	6,806,792	1,613,813	730,687	1,452,010	5,262,211	10,330,263
Federal agency and government-sponsored enterprise mortgage-backed securities, net	3,823,136	3,656,597	865,607	391,867	782,741	2,822,667	5,569,221
Government-sponsored enterprise debt securities, net	8,815	8,416	1,993	903	1,799	6,500	12,799
Foreign currency denominated investments, net	7,489	8,702	5,445	1,504	2,602	5,313	35,254
Central bank liquidity swaps ¹	577	671	413	113	199	412	2,698
Total interest income	11,237,256	10,694,325	2,728,481	1,330,456	2,558,357	8,536,893	22,716,026
Income from priced services	244,276	100,016	0	0	0	0	0
Securities lending fees	7,082	6,739	1,598	724	1,437	5,211	10,221
Other income	18	49	4	18	23	61	249
Total other income	251,376	106,804	1,602	742	1,460	5,272	10,470
Total current income	11,488,632	10,801,129	2,730,083	1,331,198	2,559,817	8,542,165	22,726,496
Net expenses							
Salaries and other benefits	315,355	358,134	266,141	195,591	336,584	231,500	405,795
Building	20,241	32,795	16,115	13,236	20,663	21,382	28,496
Equipment	13,755	13,418	5,142	4,564	9,051	11,581	16,959
Software costs	15,399	8,968	8,564	4,804	39,371	11,042	26,537
Recoveries	-11,874	-19,654	-9,350	-13,412	-49,369	-28,664	-54,236
Expenses capitalized ²	-2,672	-10,245	-12,370	-13,012	-27,450	-5,467	-22,749
Other expenses	195,802	123,667	147,395	52,837	96,108	58,332	106,826
Total operating expenses before pension expense and reimbursements	546,006	507,083	421,637	244,608	424,958	299,706	507,628
System pension service costs ³	228,194	0	0	0	0	0	0
Reimbursable services to government agencies	-42,407	-4,517	-209,289	-81,107	-197,954	-18,653	-2,379
Operating expenses	731,793	502,566	212,348	163,501	227,004	281,053	505,249
Interest expense on securities sold under agreements to repurchase	6,993,793	6,698,463	1,584,922	717,476	1,435,467	5,168,382	10,213,633
Interest to depository institutions and others	2,965,107	11,629,714	881,010	615,920	1,324,864	4,515,964	16,875,134
Other expenses	6	6	1	1	1	5	9
Net expenses	10,690,699	18,830,749	2,678,281	1,496,898	2,987,336	9,965,404	27,594,025
Current net income	797,933	-8,029,620	51,802	-165,700	-427,519	-1,423,239	-4,867,529
<i>Additions to (+) and deductions from (-) current net income</i>							
Profit on sales of Treasury securities	-2,128	-2,004	-477	-216	-424	-1,555	-3,015
Profit losses on sales of federal agency and government-sponsored enterprise mortgage-backed securities	-3,801	-3,502	-840	-381	-727	-2,738	-5,169

(continued)

Table G.9—continued							
Item	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Foreign currency translation (losses)	-1,655	-1,906	-1,834	-600	-751	-1,008	-9,546
Other components of net benefit cost	89,551	-13,446	-4,230	-42	-7,707	-5,024	-17,157
Net additions or deductions	-3,086	-4,659	-3,024	-794	-1,313	-2,623	-18,034
Net additions or deductions to current net income	78,881	-25,517	-10,405	-2,033	-10,922	-12,948	-52,921
Assessments by Board							
Board expenditures ⁴	35,094	47,911	25,856	7,237	12,289	23,760	153,757
Cost of currency	173,330	76,369	33,919	18,127	27,279	86,138	167,133
Consumer Financial Protection Bureau ⁵	23,224	30,972	16,085	4,503	7,673	17,042	96,774
Assessments by the Board of Governors	231,648	155,252	75,860	29,867	47,241	126,940	417,664
Consolidated variable interest entities							
Net income from consolidated variable interest entities	0	0	0	0	0	0	0
Non-controlling interest in consolidated variable interest entities (income), net	0	0	0	0	0	0	0
<i>Reserve Bank and consolidated variable interest entities net income before providing for remittances to the Treasury</i>	645,166	-8,210,389	-34,463	-197,600	-485,682	-1,563,127	-5,338,114
Earnings remittances to the Treasury	179,395	-8,367,234	-79,805	-216,785	-499,248	-1,627,132	-5,430,056
Net (loss) income after providing for remittances to the Treasury	465,771	156,845	45,342	19,185	13,566	64,005	91,942
Other comprehensive income	-399,752	16,180	-8,976	-8,215	7,937	-9,248	2,104
Comprehensive income	66,019	173,025	36,366	10,970	21,503	54,757	94,046
Distribution of comprehensive income							
Dividends on capital stock	49,555	76,193	36,297	11,384	19,659	34,657	196,395
Transferred to/from surplus and change in accumulated other comprehensive income ⁶	18,914	96,831	67	-417	1,841	20,104	-102,350
Remittances transferred to the Treasury ⁷	565,605	0	-18,388	-1,638	-8,787	0	0
Deferred asset increase	-386,210	-8,367,234	-61,416	-215,147	-490,461	-1,627,132	-5,430,056
Earnings remittances to the Treasury, net	179,395	-8,367,234	-79,805	-216,785	-499,248	-1,627,132	-5,430,056
Total distribution of comprehensive income	247,864	-8,194,210	-43,441	-205,818	-477,748	-1,572,371	-5,336,011
<p>Note: Components may not sum to totals because of rounding.</p> <p>¹ Represents interest income recognized on swap agreements with foreign central banks.</p> <p>² Includes expenses for labor and materials capitalized and depreciated or amortized as charges to activities in the periods benefited.</p> <p>³ Reflects the effect of the Financial Accounting Standards Board's Codification Topic (ASC 715) Compensation-Retirement Benefits. Pension service costs for the System Retirement Plan is recorded on behalf of the System in the books of the Federal Reserve Bank of New York.</p> <p>⁴ For additional details, see the Board of Governors Financial Statements at https://www.federalreserve.gov/aboutthefed/audited-annual-financial-statements.htm.</p> <p>⁵ The Board of Governors assesses the Reserve Banks to fund the operations of the Consumer Financial Protection Bureau. These assessments are allocated to each Reserve Bank based on each Reserve Bank's capital and surplus balances as of the most recent quarter.</p> <p>⁶ The total transferred to/from surplus and change in accumulated other comprehensive income for the Federal Reserve Bank of Atlanta excludes \$2 million transfer from surplus due to the Office of Employee Benefits' (OEB) postretirement net actuarial gain resulting from the integration of operations into the Bank.</p> <p>⁷ Represents excess earnings remitted to the Treasury after providing for the cost of operations, payment of dividends, and reservation of surplus. On a weekly basis, if earnings become less than the cost of operations, payment of dividends, and any amount necessary to maintain surplus, the Reserve Banks suspend weekly remittances to the Treasury and record a deferred asset.</p>							

Table G.10. Income and expenses of the Federal Reserve Banks, 1914–2023

Thousands of dollars

Federal Reserve Bank and period	Current income	Net expenses	Net additions or deductions (-) ¹	Assessments by the Board of Governors			Other comprehensive income (loss)	Dividends paid	Distributions to the U.S. Treasury		Transferred to/from surplus ⁴	Transferred to/from surplus and change in accumulated other comprehensive income ⁵
				Board expenditures	Costs of currency	Consumer Financial Protection Bureau and Office of Financial Research ²			Statutory transfers ³	Interest on Federal Reserve notes		
All banks												
1914-15	2,173	2,018	6	302	n/a	n/a	n/a	217	n/a	n/a	n/a	n/a
1916	5,218	2,082	-193	192	n/a	n/a	n/a	1,743	n/a	n/a	n/a	n/a
1917	16,128	4,922	-1,387	238	n/a	n/a	n/a	6,804	1,134	n/a	n/a	1,134
1918	67,584	10,577	-3,909	383	n/a	n/a	n/a	5,541	n/a	n/a	n/a	48,334
1919	102,381	18,745	-4,673	595	n/a	n/a	n/a	5,012	2,704	n/a	n/a	70,652
1920	181,297	27,549	-3,744	710	n/a	n/a	n/a	5,654	60,725	n/a	n/a	82,916
1921	122,866	33,722	-6,315	741	n/a	n/a	n/a	6,120	59,974	n/a	n/a	15,993
1922	50,499	28,837	-4,442	723	n/a	n/a	n/a	6,307	10,851	n/a	n/a	-660
1923	50,709	29,062	-8,233	703	n/a	n/a	n/a	6,553	3,613	n/a	n/a	2,546
1924	38,340	27,768	-6,191	663	n/a	n/a	n/a	6,682	114	n/a	n/a	-3,078
1925	41,801	26,819	-4,823	709	n/a	n/a	n/a	6,916	59	n/a	n/a	2,474
1926	47,600	24,914	-3,638	722	1,714	n/a	n/a	7,329	818	n/a	n/a	8,464
1927	43,024	24,894	-2,457	779	1,845	n/a	n/a	7,755	250	n/a	n/a	5,044
1928	64,053	25,401	-5,026	698	806	n/a	n/a	8,458	2,585	n/a	n/a	21,079
1929	70,955	25,810	-4,862	782	3,099	n/a	n/a	9,584	4,283	n/a	n/a	22,536
1930	36,424	25,358	-93	810	2,176	n/a	n/a	10,269	17	n/a	n/a	-2,298
1931	29,701	24,843	311	719	1,479	n/a	n/a	10,030	n/a	n/a	n/a	-7,058
1932	50,019	24,457	-1,413	729	1,106	n/a	n/a	9,282	2,011	n/a	n/a	11,021
1933	49,487	25,918	-12,307	800	2,505	n/a	n/a	8,874	n/a	n/a	n/a	-917
1934	48,903	26,844	-4,430	1,372	1,026	n/a	n/a	8,782	n/a	n/a	-60	6,510
1935	42,752	28,695	-1,737	1,406	1,477	n/a	n/a	8,505	298	n/a	28	607
1936	37,901	26,016	486	1,680	2,178	n/a	n/a	7,830	227	n/a	103	353
1937	41,233	25,295	-1,631	1,748	1,757	n/a	n/a	7,941	177	n/a	67	2,616
1938	36,261	25,557	2,232	1,725	1,630	n/a	n/a	8,019	120	n/a	-419	1,862
1939	38,501	25,669	2,390	1,621	1,356	n/a	n/a	8,110	25	n/a	-426	4,534
1940	43,538	25,951	11,488	1,704	1,511	n/a	n/a	8,215	82	n/a	-54	17,617
1941	41,380	28,536	721	1,840	2,588	n/a	n/a	8,430	141	n/a	-4	571
1942	52,663	32,051	-1,568	1,746	4,826	n/a	n/a	8,669	198	n/a	50	3,554
1943	69,306	35,794	23,768	2,416	5,336	n/a	n/a	8,911	245	n/a	135	40,327
1944	104,392	39,659	3,222	2,296	7,220	n/a	n/a	9,500	327	n/a	201	48,410
1945	142,210	41,666	-830	2,341	4,710	n/a	n/a	10,183	248	n/a	262	81,970
1946	150,385	50,493	-626	2,260	4,482	n/a	n/a	10,962	67	n/a	28	81,467
1947	158,656	58,191	1,973	2,640	4,562	n/a	n/a	11,523	36	75,284	87	8,366
1948	304,161	64,280	-34,318	3,244	5,186	n/a	n/a	11,920	n/a	166,690	n/a	18,523
1949	316,537	67,931	-12,122	3,243	6,304	n/a	n/a	12,329	n/a	193,146	n/a	21,462

(continued)

Table G.10—continued												
Federal Reserve Bank and period	Current income	Net expenses	Net additions or deductions (-) ¹	Assessments by the Board of Governors			Other comprehensive income (loss)	Dividends paid	Distributions to the U.S. Treasury		Transferred to/from surplus ⁴	Transferred to/from surplus and change in accumulated other comprehensive income ⁵
				Board expenditures	Costs of currency	Consumer Financial Protection Bureau and Office of Financial Research ²			Statutory transfers ³	Interest on Federal Reserve notes		
1950	275,839	69,822	36,294	3,434	7,316	n/a	n/a	13,083	n/a	196,629	n/a	21,849
1951	394,656	83,793	-2,128	4,095	7,581	n/a	n/a	13,865	n/a	254,874	n/a	28,321
1952	456,060	92,051	1,584	4,122	8,521	n/a	n/a	14,682	n/a	291,935	n/a	46,334
1953	513,037	98,493	-1,059	4,100	10,922	n/a	n/a	15,558	n/a	342,568	n/a	40,337
1954	438,486	99,068	-134	4,175	6,490	n/a	n/a	16,442	n/a	276,289	n/a	35,888
1955	412,488	101,159	-265	4,194	4,707	n/a	n/a	17,712	n/a	251,741	n/a	32,710
1956	595,649	110,240	-23	5,340	5,603	n/a	n/a	18,905	n/a	401,556	n/a	53,983
1957	763,348	117,932	-7,141	7,508	6,374	n/a	n/a	20,081	n/a	542,708	n/a	61,604
1958	742,068	125,831	124	5,917	5,973	n/a	n/a	21,197	n/a	524,059	n/a	59,215
1959	886,226	131,848	98,247	6,471	6,384	n/a	n/a	22,722	n/a	910,650	n/a	-93,601
1960	1,103,385	139,894	13,875	6,534	7,455	n/a	n/a	23,948	n/a	896,816	n/a	42,613
1961	941,648	148,254	3,482	6,265	6,756	n/a	n/a	25,570	n/a	687,393	n/a	70,892
1962	1,048,508	161,451	-56	6,655	8,030	n/a	n/a	27,412	n/a	799,366	n/a	45,538
1963	1,151,120	169,638	615	7,573	10,063	n/a	n/a	28,912	n/a	879,685	n/a	55,864
1964	1,343,747	171,511	726	8,655	17,230	n/a	n/a	30,782	n/a	1,582,119	n/a	-465,823
1965	1,559,484	172,111	1,022	8,576	23,603	n/a	n/a	32,352	n/a	1,296,810	n/a	27,054
1966	1,908,500	178,212	996	9,022	20,167	n/a	n/a	33,696	n/a	1,649,455	n/a	18,944
1967	2,190,404	190,561	2,094	10,770	18,790	n/a	n/a	35,027	n/a	1,907,498	n/a	29,851
1968	2,764,446	207,678	8,520	14,198	20,474	n/a	n/a	36,959	n/a	2,463,629	n/a	30,027
1969	3,373,361	237,828	-558	15,020	22,126	n/a	n/a	39,237	n/a	3,019,161	n/a	39,432
1970	3,877,218	276,572	11,442	21,228	23,574	n/a	n/a	41,137	n/a	3,493,571	n/a	32,580
1971	3,723,370	319,608	94,266	32,634	24,943	n/a	n/a	43,488	n/a	3,356,560	n/a	40,403
1972	3,792,335	347,917	-49,616	35,234	31,455	n/a	n/a	46,184	n/a	3,231,268	n/a	50,661
1973	5,016,769	416,879	-80,653	44,412	33,826	n/a	n/a	49,140	n/a	4,340,680	n/a	51,178
1974	6,280,091	476,235	-78,487	41,117	30,190	n/a	n/a	52,580	n/a	5,549,999	n/a	51,483
1975	6,257,937	514,359	-202,370	33,577	37,130	n/a	n/a	54,610	n/a	5,382,064	n/a	33,828
1976	6,623,220	558,129	7,311	41,828	48,819	n/a	n/a	57,351	n/a	5,870,463	n/a	53,940
1977	6,891,317	568,851	-177,033	47,366	55,008	n/a	n/a	60,182	n/a	5,937,148	n/a	45,728
1978	8,455,309	592,558	-633,123	53,322	60,059	n/a	n/a	63,280	n/a	7,005,779	n/a	47,268
1979	10,310,148	625,168	-151,148	50,530	68,391	n/a	n/a	67,194	n/a	9,278,576	n/a	69,141
1980	12,802,319	718,033	-115,386	62,231	73,124	n/a	n/a	70,355	n/a	11,706,370	n/a	56,821
1981	15,508,350	814,190	-372,879	63,163	82,924	n/a	n/a	74,574	n/a	14,023,723	n/a	76,897
1982	16,517,385	926,034	-68,833	61,813	98,441	n/a	n/a	79,352	n/a	15,204,591	n/a	78,320
1983	16,068,362	1,023,678	-400,366	71,551	152,135	n/a	n/a	85,152	n/a	14,228,816	n/a	106,663
1984	18,068,821	1,102,444	-412,943	82,116	162,606	n/a	n/a	92,620	n/a	16,054,095	n/a	161,996
1985	18,131,983	1,127,744	1,301,624	77,378	173,739	n/a	n/a	103,029	n/a	17,796,464	n/a	155,253
1986	17,464,528	1,156,868	1,975,893	97,338	180,780	n/a	n/a	109,588	n/a	17,803,895	n/a	91,954

(continued)

Table G.10—continued

Federal Reserve Bank and period	Current income	Net expenses	Net additions or deductions (-) ¹	Assessments by the Board of Governors			Other comprehensive income (loss)	Dividends paid	Distributions to the U.S. Treasury		Transferred to/from surplus ⁴	Transferred to/from surplus and change in accumulated other comprehensive income ⁵
				Board expenditures	Costs of currency	Consumer Financial Protection Bureau and Office of Financial Research ²			Statutory transfers ³	Interest on Federal Reserve notes		
1987	17,633,012	1,146,911	1,796,594	81,870	170,675	n/a	n/a	117,499	n/a	17,738,880	n/a	173,771
1988	19,526,431	1,205,960	-516,910	84,411	164,245	n/a	n/a	125,616	n/a	17,364,319	n/a	64,971
1989	22,249,276	1,332,161	1,254,613	89,580	175,044	n/a	n/a	129,885	n/a	21,646,417	n/a	130,802
1990	23,476,604	1,349,726	2,099,328	103,752	193,007	n/a	n/a	140,758	n/a	23,608,398	n/a	180,292
1991	22,553,002	1,429,322	405,729	109,631	261,316	n/a	n/a	152,553	n/a	20,777,552	n/a	228,356
1992	20,235,028	1,474,531	-987,788	128,955	295,401	n/a	n/a	171,763	n/a	16,774,477	n/a	402,114
1993	18,914,251	1,657,800	-230,268	140,466	355,947	n/a	n/a	195,422	n/a	15,986,765	n/a	347,583
1994	20,910,742	1,795,328	2,363,862	146,866	368,187	n/a	n/a	212,090	n/a	20,470,011	n/a	282,122
1995	25,395,148	1,818,416	857,788	161,348	370,203	n/a	n/a	230,527	n/a	23,389,367	n/a	283,075
1996	25,164,303	1,947,861	-1,676,716	162,642	402,517	n/a	n/a	255,884	5,517,716	14,565,624	n/a	635,343
1997	26,917,213	1,976,453	-2,611,570	174,407	364,454	n/a	n/a	299,652	20,658,972	0	n/a	831,705
1998	28,149,477	1,833,436	1,906,037	178,009	408,544	n/a	n/a	343,014	17,785,942	8,774,994	n/a	731,575
1999	29,346,836	1,852,162	-533,557	213,790	484,959	n/a	n/a	373,579	n/a	25,409,736	n/a	479,053
2000	33,963,992	1,971,688	-1,500,027	188,067	435,838	n/a	n/a	409,614	n/a	25,343,892	n/a	4,114,865
2001	31,870,721	2,084,708	-1,117,435	295,056	338,537	n/a	n/a	428,183	n/a	27,089,222	n/a	517,580
2002	26,760,113	2,227,078	2,149,328	205,111	429,568	n/a	n/a	483,596	n/a	24,495,490	n/a	1,068,598
2003	23,792,725	2,462,658	2,481,127	297,020	508,144	n/a	n/a	517,705	n/a	22,021,528	n/a	466,796
2004	23,539,942	2,238,705	917,870	272,331	503,784	n/a	n/a	582,402	n/a	18,078,003	n/a	2,782,587
2005	30,729,357	2,889,544	-3,576,903	265,742	477,087	n/a	n/a	780,863	n/a	21,467,545	n/a	1,271,672
2006	38,410,427	3,263,844	-158,846	301,014	491,962	n/a	n/a	871,255	n/a	29,051,678	n/a	4,271,828
2007	42,576,025	3,510,206	198,417	296,125	576,306	n/a	324,481	992,353	n/a	34,598,401	n/a	3,125,533
2008	41,045,582	4,870,374	3,340,628	352,291	500,372	n/a	-3,158,808	1,189,626	n/a	31,688,688	n/a	2,626,053
2009	54,463,121	5,978,795	4,820,204	386,400	502,044	n/a	1,006,813	1,428,202	n/a	47,430,237	n/a	4,564,460
2010	79,300,937	6,270,420	9,745,562	422,200	622,846	42,286	45,881	1,582,785	n/a	79,268,124	n/a	883,724
2011	85,241,366	7,316,643	2,015,991	472,300	648,798	281,712	-1,161,848	1,577,284	n/a	75,423,597	n/a	375,175
2012	81,586,102	7,798,353	18,380,835	490,001	722,301	387,279	-52,611	1,637,934	n/a	88,417,936	n/a	460,528
2013	91,149,953	9,134,656	-1,029,750	580,000	701,522	563,200	2,288,811	1,649,277	n/a	79,633,271	n/a	147,088
2014	116,561,512	10,714,872	-2,718,283	590,000	710,807	563,000	-1,611,569	1,685,826	n/a	96,901,695	n/a	1,064,952
2015	114,233,676	11,139,956	-1,305,513	705,000	689,288	489,700	366,145	1,742,745	25,955,921	91,143,493	n/a	-18,571,798
2016	111,743,998	17,262,620	-114,255	709,000	700,728	596,200	-183,232	711,423	91,466,545	n/a	n/a	0
2017	114,193,573	33,397,138	1,932,579	740,000	723,534	573,000	650,808	783,599	80,559,689	n/a	n/a	0
2018	112,861,657	47,353,636	-382,959	838,000	848,807	337,100	41,831	998,703	65,319,280	n/a	n/a	-3,175,000
2019	103,220,435	45,423,825	-169,458	814,000	836,975	518,600	148,923	713,931	54,892,569	n/a	n/a	0
2020	102,036,168	13,454,957	2,266,152	947,000	831,133	517,300	-1,275,509	386,312	86,890,110	n/a	n/a	0
2021	123,058,495	11,007,927	-1,489,296	970,000	1,035,105	627,500	1,639,423	583,417	109,024,672	n/a	n/a	-40,000
2022	170,683,732	107,849,830	-1,207,343	1,015,000	1,053,616	722,200	1,818,927	1,209,101	59,445,569	n/a	n/a	0
2023	175,136,109	286,480,845	-131,200	1,144,000	1,047,430	720,500	-275,578	1,488,823	-116,063,336	n/a	n/a	0

(continued)

Table G.10—continued

Federal Reserve Bank and period	Current income	Net expenses	Net additions or deductions (-) ¹	Assessments by the Board of Governors			Other comprehensive income (loss)	Dividends paid	Distributions to the U.S. Treasury		Transferred to/from surplus ⁴	Transferred to/from surplus and change in accumulated other comprehensive income ⁵
				Board expenditures	Costs of currency	Consumer Financial Protection Bureau and Office of Financial Research ²			Statutory transfers ³	Interest on Federal Reserve notes		
Total 1914–2023	2,429,982,082	682,312,307	38,184,109	16,176,118	21,583,623	6,939,577	612,889	29,100,118	501,604,977	1,198,433,402	-4	12,727,389⁶
Aggregate for each Bank, 1914–2023												
Boston	77,234,257	17,002,027	281,881	702,406	1,097,706	307,129	34,315	1,273,871	11,891,692	44,842,511	135	491,391
New York	1,158,651,610	361,401,775	27,110,403	4,862,508	5,387,426	2,279,609	254,168	8,405,931	253,867,128	545,077,826	-433	4,776,724
Philadelphia	69,900,060	15,533,377	721,196	883,705	959,960	376,518	54,040	1,888,518	14,319,913	36,308,189	291	405,335
Cleveland	95,219,039	22,409,748	499,421	1,291,740	1,265,379	579,615	67,357	2,241,595	17,354,800	49,612,575	-10	1,023,445
Richmond	171,924,163	58,882,600	1,878,800	3,164,095	1,865,699	1,459,365	158,431	5,839,553	19,035,258	81,295,580	-72	2,439,416
Atlanta	160,353,024	34,052,070	1,760,900	953,796	2,568,188	352,738	-288,254	1,794,673	45,947,335	75,616,315	5	572,781
Chicago	182,911,275	46,887,963	1,810,155	942,152	2,115,480	246,311	92,074	1,675,293	22,387,710	109,806,844	12	749,360
St. Louis	52,249,552	9,613,367	378,748	275,326	736,236	97,136	51,901	485,639	10,046,205	31,149,772	-27	258,647
Minneapolis	28,784,916	7,599,512	416,253	237,403	418,594	41,340	53,571	494,633	4,826,592	15,436,029	65	195,980
Kansas City	57,092,205	12,393,393	555,764	263,717	737,247	71,276	26,114	498,715	9,036,774	34,476,668	-9	194,439
Dallas	103,077,981	24,841,623	1,069,226	404,707	1,452,120	116,705	66,140	731,836	26,445,366	49,889,286	55	289,213
San Francisco	272,583,990	71,694,854	1,711,363	2,194,566	2,979,586	1,011,842	43,033	3,769,860	66,446,207	124,921,807	-17	1,330,661
Total	2,429,982,082	682,312,307	38,194,109	16,176,118	21,583,623	6,939,577	612,889	29,100,118	501,604,977	1,198,433,402	-4	12,727,389

Note: Components may not sum to totals because of rounding.

¹ For 1987 and subsequent years, includes the cost of services provided to the Treasury by Federal Reserve Banks for which reimbursement was not received.

² Starting in 2010, as required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Board of Governors began assessing the Reserve Banks to fund the operations of the Consumer Financial Protection Bureau and, for a two-year period beginning July 21, 2010, the Office of Financial Research. These assessments are allocated to the Reserve Banks based on each Reserve Bank's capital and surplus balances as of the most recent quarter.

³ Represents transfers made as a franchise tax from 1917 through 1932; transfers made under section 13b of the Federal Reserve Act from 1935 through 1947; transfers made under section 7 of the Federal Reserve Act for 1996, 1997, and 2015 to present. Starting in 2022, represents earnings remittances to the Treasury, net of the deferred asset change.

⁴ Transfers made under section 13b of the Federal Reserve Act.

⁵ Transfers made under section 7 of the Federal Reserve Act. Beginning in 2006, accumulated other comprehensive income is reported as a component of surplus.

The total transferred to/from surplus and change in accumulated other comprehensive income for the Federal Reserve Bank of Atlanta excludes \$2 million transfer from surplus due to the Office of Employee Benefits' (OEB) postretirement net actuarial gain resulting from the integration of operations into the Bank.

⁶ The \$12,727,389 thousand transferred to surplus was reduced by direct charges of \$500 thousand for charge-off on Bank premises (1927); \$139,300 thousand for contributions to capital of the Federal Deposit Insurance Corporation (1934); \$4 thousand net upon elimination of section 13b surplus (1958); \$106,000 thousand (1996), \$107,000 thousand (1997), and \$3,752,000 thousand (2000) transferred to the Treasury as statutorily required; and \$1,848,716 thousand related to the implementation of SFAS No. 158 (2006) and was increased by a transfer of \$11,131 thousand from reserves for contingencies (1955), leaving a balance of \$6,785,000 thousand on December 31, 2021.

n/a Not applicable.

Table G.11. Operations in principal departments of the Federal Reserve Banks, 2020–23				
Operation	2023	2022	2021	2020
Millions of pieces				
Currency processed	29,347	29,695	28,172	26,596
Currency destroyed	3,639	3,884	1,351	2,044
Coin received	37,028	31,932	30,370	33,994
<i>Checks handled</i>				
U.S. government checks ¹	40	46	131	83
Postal money orders	62	65	70	74
Commercial	3,146	3,374 ^r	3,657	3,767
Securities transfers ²	26	22	19	21
Funds transfers ³	193	196	204	184
<i>Automated clearinghouse transactions</i>				
Commercial	18,858	18,518 ^r	17,895	16,549
Government	1,708	1,661	1,959	1,878
Millions of dollars				
Currency processed	738,523	707,947	657,495	561,278
Currency destroyed	81,914	83,906 ^r	20,426 ^r	30,536 ^r
Coin received	3,500	2,770	2,811	3,294
<i>Checks handled</i>				
U.S. government checks ¹	286,054	220,813	272,637	205,905
Postal money orders	19,522	19,467	20,161	20,558
Commercial	8,448,698	8,947,734	8,757,539	7,874,721
Securities transfers ²	434,469,882	341,806,733	310,827,220	361,728,932
Funds transfers ³	1,087,195,950	1,060,257,294	991,810,545	840,483,038
<i>Automated clearinghouse transactions</i>				
Commercial	39,464,185	38,685,527	31,446,232	31,446,232
Government	8,001,098	7,890,609	8,118,875	6,852,715
¹ Includes government checks handled electronically (electronic checks). ² Data on securities transfers do not include reversals. ³ Data on funds transfers do not include non-value transfers. r Revised.				

Table G.12. Number and annual salaries of officers and employees of the Federal Reserve Banks, December 31, 2023

Federal Reserve Bank (including Branches)	President	Other officers		Employees			Total		
	Annual salary (dollars) ¹	Number	Annual salaries (dollars) ¹	Number			Annual salaries (dollars) ¹	Number	Annual salaries (dollars) ¹
				Full time	Part time	Temporary/ hourly ²			
Boston	481,800	113	34,264,608	1,158	7	3	166,237,836	1,282	200,984,244
New York	551,000	576	176,921,270	2,367	14	0	375,963,642	2,958	553,435,912
Philadelphia	481,000	71	18,526,800	796	8	12	95,816,054	888	114,823,854
Cleveland	473,700	78	20,434,000	980	10	26	113,158,595	1,095	134,066,295
Richmond	448,600	105	26,356,400	1,445	5	4	166,245,557	1,560	193,050,557
Atlanta ³	461,700	135	35,913,620	1,603	10	12	183,103,041	1,761	219,478,361
Chicago	464,000	168	46,656,997	1,505	18	5	197,009,439	1,697	244,130,436
St. Louis ⁴	0	103	27,745,000	1,370	10	4	159,045,565	1,487	186,790,565
Minneapolis	481,100	64	16,735,554	1,023	39	14	109,684,982	1,141	126,901,636
Kansas City	431,500	110	25,824,300	1,932	14	1	189,605,635	2,058	215,861,435
Dallas	459,100	80	20,993,750	1,221	10	3	133,599,798	1,315	155,052,648
San Francisco	533,800	129	38,500,407	1,666	13	17	224,370,138	1,826	263,404,345
Federal Reserve Information Technology	n/a	84	23,211,200	1,632	1	5	230,911,672	1,722	254,122,872
Total	5,267,300	1,816	512,083,906	18,698	159	106	2,344,751,955	20,790	2,862,103,161

Note: Components may not sum to totals because of rounding.

¹ Annual salary (excluding outside agency costs) based on salaries effective on December 31, 2023.

² Temporary/hourly employees are paid by the Bank, generally work less than 780 hours, and are employed on a temporary basis (such as interns).

³ In 2023, the Office of Employee Benefits became part of the Federal Reserve Bank of Atlanta.

⁴ The president of the Federal Reserve Bank of St. Louis retired in August 2023.

n/a Not applicable.

Table G.13. Acquisition costs and net book value of the premises of the Federal Reserve Banks and Branches, December 31, 2023

Thousands of dollars

Federal Reserve Bank or Branch	Acquisition costs			Net book value	Other real estate
	Land	Buildings (including vaults) ¹	Total		
Boston	27,293	241,418	268,711	94,771	n/a
New York	73,867	675,168	749,035	372,324	n/a
Philadelphia	8,146	174,766	182,912	73,502	n/a
Cleveland	4,585	171,076	175,661	84,297	n/a
Cincinnati	4,877	35,717	40,594	10,570	n/a
Richmond	32,524	209,672	242,196	94,787	n/a
Baltimore	7,916	48,741	56,657	23,686	n/a
Charlotte	7,885	49,592	57,477	25,409	n/a
Atlanta	26,193	166,417	192,610	110,615	n/a
Birmingham	5,347	14,618	19,965	10,292	n/a
Jacksonville	2,185	28,594	30,779	11,518	n/a
New Orleans	3,785	19,524	23,309	10,701	n/a
Miami	11,173	62,344	73,517	48,694	n/a
Chicago	7,459	291,544	299,003	120,347	n/a
Detroit	13,812	77,447	91,259	59,418	n/a
St. Louis	9,467	159,001	168,468	74,512	n/a
Memphis	2,472	28,265	30,737	11,305	n/a
Minneapolis	28,199	135,938	164,137	94,565	n/a
Helena	3,316	10,470	13,786	5,821	n/a
Kansas City	39,011	223,374	262,385	183,767	n/a
Denver	5,346	24,932	30,278	18,271	n/a
Omaha	5,605	16,155	21,760	12,429	n/a
Dallas	37,960	167,714	205,674	106,650	n/a
El Paso	263	6,673	6,936	1,404	n/a
Houston	32,893	108,108	141,001	94,486	n/a
San Francisco	21,423	171,981	193,404	81,000	n/a
Los Angeles ²	6,306	107,732	114,038	53,117	n/a
Salt Lake City	1,294	7,371	8,665	2,727	n/a
Seattle	14,856	54,278	69,134	48,843	n/a
Total	445,458	3,488,630	3,934,088	1,939,828	n/a

¹ Includes expenditures for construction at some offices, pending allocation to appropriate accounts.
² In 2023, the Phoenix office costs were consolidated into the Los Angeles Branch because it is an office of that Branch.
n/a Not applicable.



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