

Press Release

January 11, 2016

Federal Reserve Board announces Reserve Bank income and expense data and transfers to the Treasury for 2015

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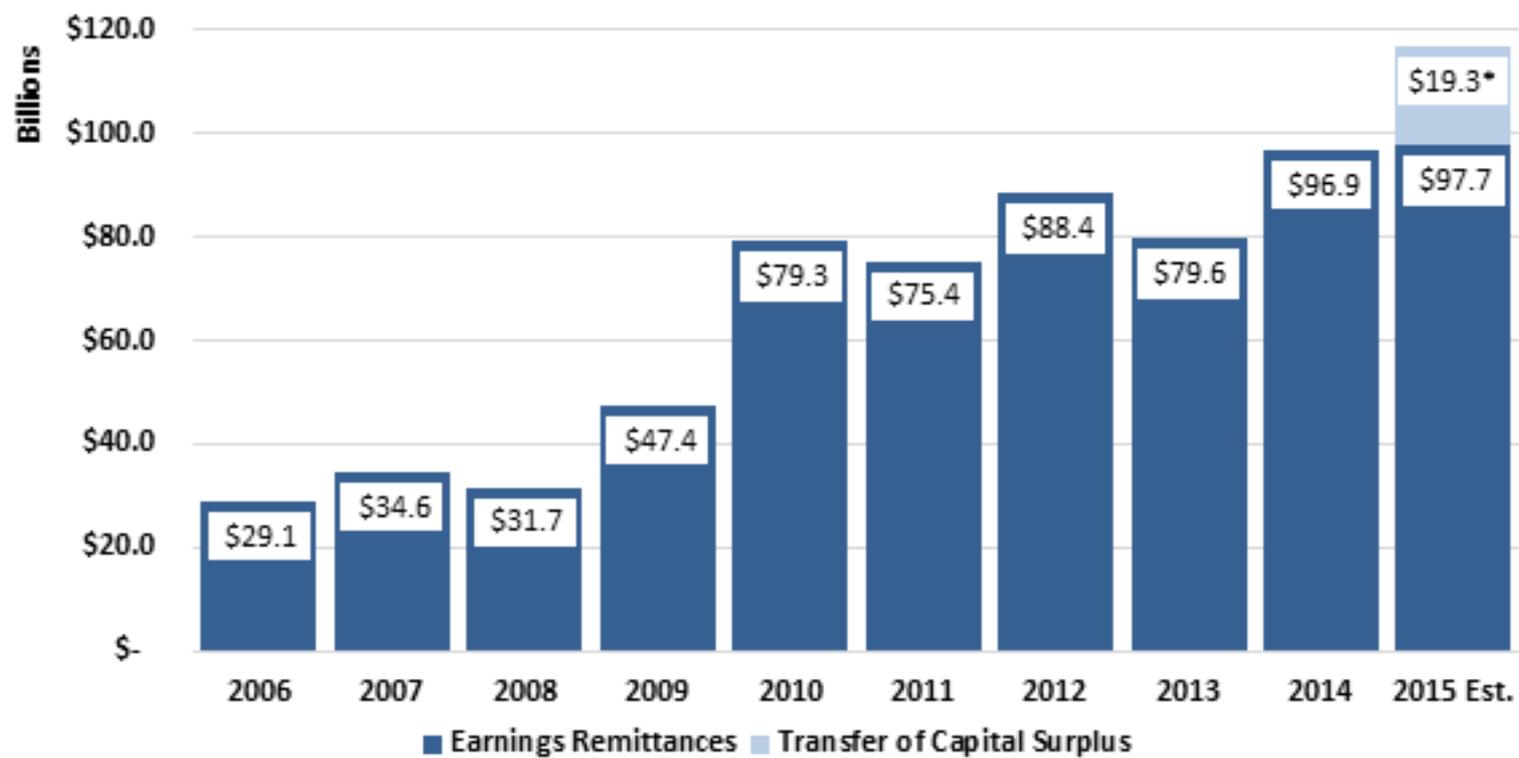
The Federal Reserve Board on Monday announced preliminary results indicating that the Reserve Banks provided for payments of approximately \$97.7 billion of their estimated 2015 net income to the U.S. Treasury. In addition, the Federal Reserve transferred to the Treasury \$19.3 billion from Reserve Bank capital surplus on December 28, 2015, which was the amount necessary to reduce aggregate Reserve Bank surplus to the \$10 billion surplus limitation in the Fixing America's Surface Transportation Act (FAST Act). The FAST Act, which was enacted on December 4, 2015, requires that aggregate Federal Reserve Bank capital surplus not exceed \$10 billion. The 2015 audited Reserve Bank financial statements are expected to be published in March and may include adjustments to these preliminary unaudited results.

The Federal Reserve Banks' 2015 estimated net income of \$100.2 billion was derived primarily from \$113.6 billion in interest income on securities acquired through open market operations (U.S. Treasury securities, federal agency and government-sponsored enterprise (GSE) mortgage-backed securities (MBS), and GSE debt securities). Operating expenses of the Reserve Banks, net of amounts reimbursed by the U.S. Treasury and other entities for services the Reserve Banks provided as fiscal agents, totaled \$3.9 billion in 2015. In addition, the Reserve Banks were assessed \$689 million for the costs related to producing, issuing, and retiring currency, \$705 million for Board expenditures, and \$490 million to fund the operations of the Consumer Financial Protection Bureau. The Reserve Banks had interest expense of \$6.9 billion associated with reserve balances and term deposits held by depository institutions, recorded foreign currency translation losses of \$1.4 billion that result from the daily revaluation of foreign currency denominated asset holdings at current exchange rates, and incurred interest expense of \$248 million on securities sold under agreement to repurchase.

Additional earnings were derived from income from services of \$432 million. In 2015, statutory dividends totaled \$1.7 billion and \$778 million of net income was transferred to surplus.

The attached chart illustrates the amount the Reserve Banks distributed to the U.S. Treasury from 2006 through 2015 (estimated).

Federal Reserve Remittances to the U.S. Treasury



* The Reserve Banks transferred to the Treasury \$19.3 billion from their capital surplus on December 28, 2015, which was the amount necessary to reduce aggregate Reserve Bank surplus to the \$10 billion surplus limitation in the Fixing America's Surface Transportation Act (FAST Act).

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