

Preface

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), is conducting a Senior Financial Officer Survey (FR 2023; OMB No. 7100-0223) in collaboration with the Federal Reserve Bank of New York. Surveys conducted under FR 2023 have been used intermittently to obtain information about deposit pricing and behavior, bank liability management, the provision of financial services, and reserve management strategies and practices. Approval for this survey expires August 31, 2027.

The purpose of this survey is to systematically gather views from a number of depository institutions (DIs) concerning their individual DI's balance sheet and reserve management behavior. This information, along with other data, will provide useful information for the Federal Reserve in monitoring and interpreting developments in financial markets and the banking system as the level of reserve balances in the banking system changes. The Federal Reserve System regards the information provided by each respondent as confidential. A summary of aggregated survey results will be published.

Please respond by September 29, 2025, to the questions below. Your voluntary cooperation in submitting this report is needed to make the results comprehensive, accurate, and timely. All answers will be used solely for analytical, not supervisory, purposes. Your time and input are greatly appreciated.

Disclaimer

This survey is authorized under sections 2A, 12A, and 11 of the Federal Reserve Act (12 U.S.C. 225(a), 263, and 248(a)). The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The public reporting burden for this information collection is estimated to average three hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing the burden, may be sent to Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0223), Washington, DC 20503.

Part 1: Balance Sheet Management

- 1) This question asks about changes to the projected level of different categories on your institution's balance sheet.¹ For each of the categories listed, please indicate your institution's expectation about its most likely strategy between September 2025 and March 2026.

I expect my institution to: (select one; please select "N/A" only if your institution does not or cannot have the asset or liability on its balance sheet)

- a) Take actions intended to decrease, or limit the growth in, the size of this item
- b) Take actions intended to maintain the current size of this item
- c) Take actions intended to increase, or limit the decline in, the size of this item
- d) Not take actions to affect the size of this item
- e) N/A

Balance Sheet Item	Strategy
Liabilities	
i. Term wholesale funding (brokered deposits, term repo, term CP/CD)	
ii. Overnight wholesale funding (fed funds, on repo, overnight CP/CD)	
iii. FHLB advances	
Assets	
iv. Reserves	
v. Level 1 HQLA securities	
vi. Level 2 HQLA securities	
vii. Loans	

- 2) Looking ahead to March 2026, please select the rationale that most closely aligns with your institution's deposit rate-setting strategy for each of the deposit types listed. (select one)
- a) Rates will be set to increase deposit balances.
 - b) Rates will be set to maintain deposit balances.
 - c) Rates will be set to decrease deposit balances.

Deposit type	Strategy
i. Retail deposits (excluding brokered retail deposits/ brokered retail CDs)	
ii. Brokered retail deposits/brokered retail CDs	
iii. Wholesale operational deposits	
iv. Wholesale nonoperational deposits	

- 3) [Gated for all FBOs] Please rate on a scale of 1 (not important or not applicable) to 5 (very important) the factors driving net borrowing from your parent organization over the last year?

¹ Please refer to Regulation WW for HQLA definitions, which is available at <https://www.ecfr.gov/current/title-12/chapter-II/subchapter-A/part-249/subpart-C>.

Factors	Rating
I. Cross-currency basis spreads	
II. Nominal interest rate differentials between jurisdictions	
III. Domestic branch customer activity/funding needs	
IV. Head office or other affiliate customer activity	
V. Market volatility/stress	
VI. Supervisory guidance	
VII. Other [please explain]	

[Comment box]

- 4) Which statement best characterizes your institution's reserve management strategy over the past few months? (select one)
- I. My institution has taken actions intended to decrease, or limit the growth in, the amount of its reserves.
 - II. My institution has taken actions intended to maintain the current amount of its reserves.
 - III. My institution has taken actions intended to increase, or limit the decline in, the amount of its reserves.
 - IV. My institution has taken limited or no actions intended to affect the amount of its reserves.
- 5) Aggregate reserves have declined from \$3.26 trillion to \$[to be updated on 9/18/2025] between the start of July and mid-September. Moreover, the results of the July 2025 Survey of Market Expectations showed median dealer expectations for the average level of reserves to decline by \$205 billion between 2025 Q3 and 2025 Q4.
- A) Has your institution adjusted its reserves or liquidity management strategy in response to the recent and expected future decline in aggregate reserves or in anticipation of potentially higher funding costs? (select one)
- I. Yes
 - II. No
 - III. No, but my institution's reserves and liquidity management strategy has been discussed more frequently with management in light of these developments
- B) [Gated if respondent answered "I" to part 5A] Which, if any, of the following actions has your institution pursued as part of the adjustments to its reserves or liquidity management strategy referenced in part A of this question? Please only specify changes that your institution in the past few months has taken **in response to** the declining trend in aggregate reserves.
- My institution has: (select all that apply)
- I. Increased its reserve holdings on a sustained basis
 - II. Increased its reserve holdings only ahead of high payment flow days
 - III. Increased its holdings of non-reserve HQLA securities
 - IV. Increased its readiness to use contingent funding sources or considered adding new sources
 - V. Increased the amount of collateral it has positioned at either FHLBs or the discount window

- VI. Decreased reserves by reducing arbitrage activity that had been conducted to earn a spread between different money market rates
- VII. Decreased reserves by lending in money markets at attractive rates
- VIII. Other (please elaborate in comment box)
[comment box]

Part 2: Preferred Reserve Levels

Questions in Part 2 ask about your institution’s lowest comfortable level of reserves (LCLOR) – the lowest dollar level of reserve balances your institution would feel comfortable holding before it began taking active steps to maintain or increase its reserve balances. “Active steps” could include, but are not limited to, borrowing in the federal funds or other wholesale funding markets or bidding more aggressively in those markets, reducing holdings of other liquid assets, or raising deposit rates.

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

Estimated LCLOR (\$ millions)

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

Estimated preferred additional reserves (\$ millions)

- 8) [Gated for institutions with 10% change in LCLOR and/or buffer relative to March 2025] Please rate on a scale of 1 (not important) to 5 (very important) the factors that affected the *change* in your institution’s LCLOR and/or preferred additional reserves level **since March 2025**. (Please select “N/A” only if the factor does not apply to your institution.)

Factors driving <i>change</i>	Rating	
	LCLOR (A)	Additional reserves (B)
Changes in liquidity outflow assumptions		
a. Changes in liability outflow assumptions		
b. Changes in assumptions for routine intraday payment or settlement needs		
Changes to monetization		
c. Changes in capacity to access liquidity in the market (or via FHLB advances)		
d. Changes in capacity to access liquidity through Federal Reserve facilities like the standing repo facility (SRF) or discount window		
Changes in balance sheet composition		
e. Changes in balance sheet composition		
f. Changes in composition or level of off-balance-sheet exposures		
g. Changes to balance sheet interest rate risk / duration of equity		
Other considerations		
h. Changes to broader market conditions (for example, level of volatility or stress)		
i. Changes in the relative rate of return between reserves and other assets		
j. Changes to aggregate banking system reserve levels		

- 9) [Gated: question only appears to banks with surplus reserves (as defined as holding, on average, 10% more reserves than reported LCLOR + preferred additional reserves)] Your institution's average daily reserve balances over the past few months have been higher than the sum of the LCLOR plus preferred additional reserves as reported in questions [6] and [7].

Please rate on a scale of 1 (not important or not applicable) to 5 (very important) the factors that have resulted in your institution holding reserves above its LCLOR plus preferred additional reserves.

Factors	Rating
I. Relative or risk-adjusted rate of return between interest on reserves <i>and other HQLA</i>	
II. Spread between interest on reserves <i>and overnight borrowings</i>	
III. Low duration of reserves	
IV. Differential in foreign exchange/cross-currency basis resulting in a preference for holding dollar reserves	
V. Higher-than-expected uncertainty in your institution's deposit base	
VI. Elevated economic uncertainty or market volatility	
VII. Anticipation of an acceleration in future loan growth/capital markets activity	
VIII. [For FBOs only] Changes in your net due to/net due from position vis-à-vis your parent organization (intended for foreign banking organizations)	
IX. Other (please use the comment box)	

[comment box]

- 10) For each hypothetical change in the level of overnight interest rates relative to the interest rate on reserve balances (IORB) shown in the first column of the following table in basis points, please provide an approximate forecast of your institution's reserve balance in \$ millions.

Relative to IORB, the constellation of overnight interest rates is:	Approximate level of reserve balance (\$ millions):
At the same level as it was over the past month	[import institution's recent reserve level]
I. 4 basis points higher than it was over the past month	
II. 8 basis points higher than it was over the past month	
III. 12 basis points higher than it was over the past month	
IV. 16 basis points higher than it was over the past month	

- 11) Assume you are considering re-allocating a portion of your institution's reserves into Treasury securities and relative or risk-adjusted rate of return is your only consideration for making this re-allocation.
- A) Do you expect that your institution would re-allocate reserves and invest in Treasury securities on either a hedged (e.g. asset swap) or unhedged basis? If you would expect to do both, please select the one that is most likely. (select one)
- Hedged
 - Unhedged
- B) [Gated for those that selected "i. hedged"] For each of the following hypothetical Secured Overnight Financing Rate (SOFR) swap spreads, please estimate the amount of reserves you

would be willing to re-allocate and invest in Treasury securities. *(Note: highlighted values in parentheses will be updated closer to survey distribution.)*

The 2-year SOFR swap spread (UST yield – SOFR swap) is:	Approximate level of reserve balance re-allocated to Treasury securities (\$ millions):
I. Near current levels (-16 bps)	[greyed out]
II. 8 bps lower than current levels (-24 bps)	
III. 16 bps lower than current levels (-32 bps)	

The 5-year SOFR swap spread (UST yield – SOFR swap) is:	Approximate level of reserve balance re-allocated to Treasury securities (\$ millions):
I. Near current levels (-29 bps)	[greyed out]
II. 5 bps lower than current levels (-34 bps)	
III. 10 bps lower than current levels (-39 bps)	

- C) [Gated for those that selected “ii. Unhedged”] For each of the following hypothetical spreads between nominal Treasury yields and IORB, please estimate the amount of reserves you would be willing to re-allocate and invest in Treasury securities. *(Note: highlighted values in parentheses will be updated closer to survey distribution.)*

The 2-year spread (UST yield – IORB) is:	Approximate level of reserve balance re-allocated to Treasury securities (\$ millions):
I. Near current levels (-68 bps)	[greyed out]
II. Near 25 bps	
III. Near 50bps	

The 5-year spread (UST yield – IORB) is:	Approximate level of reserve balance re-allocated to Treasury securities (\$ millions):
I. Near current levels (-61 bps)	[greyed out]
II. Near 50 bps	
III. Near 100 bps	

- D) Please describe any assumptions behind your responses to parts B and/or C.
[comment box]

12) This question asks about your institution’s activity in secured funding markets (repo markets).

- A) Is your institution an active lender in repo markets? For the purposes of this question, consider an active lender as an institution that lends for non-test purposes at least once a month. (select one)
- Yes. My institution has been an active lender in repo markets.
 - No. While my institution currently has the operational capacity to lend in repo markets, it has *not* done so in recent months.

- iii. No. My institution currently does not have the operational capacity to lend in repo markets and has not been an active lender.

B) [Gated for those who answer either i or ii to part A of this question] Please rate on a scale of 1 (not important or not applicable) to 5 (very important) the following non-price factors that drive your institution's decision-making around lending in repo *on quarter-end*.

- i. Leverage capital constraints
 - ii. Risk-based capital constraints
 - iii. Internal risk management guidelines/limits (excluding those related to i and ii)
 - iv. My institution's reserve levels
 - v. Counterparty relationship management
 - vi. Other
- [comment box]

C) [Gated for those who answer either i or ii to part A of this question] Under each of the scenarios outlined in the table below, what is the smallest spread above the IORB rate in the cleared and uncleared repo segments at which your institution would (*actively consider*) lending? Please consider lending activity through an affiliated dealer and/or lending directly to a client.

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

Scenario	Cleared repo (basis points)	Uncleared repo (basis points)
Quarter-end date		
Non quarter-end date		

Part 3: Federal Reserve Liquidity

- 13) A) Do you include the discount window in your monetization assumptions when your institution stress tests your liquidity position against potential outflows? (Select one: Yes/no)
- B) [gated for those who say "yes" to 13A] Does your institution's monetization assumptions for the discount window affect your estimated LCLOR plus preferred additional level of reserves? (Select one: Yes/no)
- C) [gated for those who say "yes" to 13B] Please estimate your institution's LCLOR and preferred additional level of reserves given the following scenarios.

Scenario	Estimated LCLOR plus preferred additional reserves (\$ millions)
i. baseline	[pipe in from Q6+Q7]
ii. your institution assumes no monetization related to the discount window	
iii. your institution's monetization assumptions related to the discount window double	

D) Please provide any comments on this topic you would like to share, including whether there are any other ways outside of your monetization assumptions in which the discount window affects your LCLOR and/or preferred reserve level. [comment box]

14) [Gated for SRF counterparties] A) Do you include the standing repo facility (SRF) in your monetization assumptions when your institution stress tests your liquidity position against potential outflows? (Select one: Yes/no)

B) [gated for those who say "yes" to A] Does your institution's monetization assumptions for the SRF affect your estimated LCLOR plus preferred additional level of reserves? (Select one: Yes/no)

C) [gated for those who say "yes" to 14B] Please estimate your institution's LCLOR and preferred additional level of reserves given the following scenarios.

Scenario	Estimated LCLOR plus preferred additional reserves (\$ millions)
i. baseline	[pipe in from Q6+Q7]
ii. your institution assumes no monetization related to the SRF	
iii. your institution's monetization assumptions related to the SRF double	

D) Please provide any comments on this topic you would like to share, including whether there are any other ways outside of your monetization assumptions in which the SRF affects your LCLOR plus preferred additional reserve level. [comment box]

15) A) Which of the following private sector liquidity sources would your institution be most likely to use to meet an overnight funding need? (select one)

- i. overnight FHLB advance
- ii. Treasury repo
- iii. fed funds

B) At what spread between [above option] and the primary credit rate would your bank be indifferent between borrowing from the discount window and from that funding source? (If

applicable, please provide the spread between the effective FHLB rate that your institution would be charged (i.e. the dividend adjusted rate) and the primary credit rate.)

Spread (basis points)

Part 4: Stablecoins and Digital Assets

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

My institution: (select one)

- i. Does not intend to prioritize growth and development
- ii. Views growth and development in this area to be a low priority
- iii. Views growth and development in this area to be a medium priority
- iv. Views growth and development in this area to be a high priority
- v. Other

Products and services	Option
a. Issuing its own stablecoin	
b. Issuing tokenized deposits	
c. Holding reserve assets for other stablecoin issuers	
d. Providing retail custodial/wallet services for stablecoins or other crypto assets issued by other entities	
e. Other (please describe in comment box)	

[comment box]

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

- i. Payment activity during hours when the Fedwire Funds Service is not operating
- ii. Volume of your institution’s payment flows over the Fedwire Funds Service
- iii. Settlement speed of your institution’s money market transactions
- iv. Predictability of your institution’s payments flows over the Fedwire Funds Service
- v. Funding cost of your institution’s liabilities
- vi. Outflow rates associated with your institution’s deposits
- vii. Level of deposits at your institution
- viii. Level of your institution’s reserves holdings
- ix. Duration of your institution’s HQLA

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

[comment box]