

Title: Tell my why I read this in Dr. Evils voice!

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Federal Reserve Board announces Reserve Bank income and expense data and transfers to the Treasury for 2021

The Federal Reserve Board on Friday announced preliminary financial information indicating that the Reserve Banks had estimated net income of \$107.8 billion during 2021, of which \$107.4 billion was remitted to the U.S. Treasury as required under the Federal Reserve Act. The Federal Reserve Act requires the Reserve Banks to remit excess earnings to the U.S. Treasury after providing for operating expenses, payment of dividends, and the amount necessary to maintain surplus. The 2021 audited Reserve Bank financial statements are expected to be published later this year and may include adjustments to these preliminary unaudited results.

The Federal Reserve Banks' 2021 estimated net income of \$107.8 billion is an increase of \$19.3 billion from 2020. The increase is primarily from a \$25.1 billion increase in interest income associated with U.S. Treasury securities, offset by decreases in interest income on federal agency and government-sponsored enterprise (GSE) mortgage-backed securities (MBS) of \$2.7 billion, and a decrease of \$3.4 billion in the annual amount of net gain or loss that results from the daily revaluation of foreign currency denominated asset holdings at current exchange rates.

Net income for 2021 was derived primarily from interest income on securities acquired through open market operations—U.S. Treasury securities, federal agency and GSE MBS, and GSE debt securities of \$122.4 billion. It was offset by interest expense associated with reserve balances held by depository institutions of \$5.3 billion, foreign currency revaluation losses of \$1.9 billion, and interest expense of \$414 million on securities sold under agreement to repurchase. The Federal Reserve Banks realized net income of \$275 million from facilities established in response to the COVID-19 pandemic.

[**<https://www.federalreserve.gov/newsevents/pressreleases/other20220114a.htm>**])(<https://www.federalreserve.gov/newsevents/pressreleases/other20220114a.htm>)

<https://preview.redd.it/j9s1451gn2c81.png?width=635&format=png&auto=webp&s=60557801b62d2971133bdb98a8a75bc8f1b5250b>

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