

Indiana Board for Depositories

One North Capitol Avenue, Suite 900, Indianapolis, IN 46204

Phone: (317) 232-5257 Fax: (317) 232-6650 Web Site: www.in.gov/tos/deposit



November 21, 2025

State Budget Committee Members:

Under Ind. Code § 5-13-12-12, the Indiana Board for Depositories (the “Board”) is required to prepare a written report semi-annually that generally summarizes the Board’s activities and the status of the public deposit insurance fund (the “PDIF”) for the previous six (6) months. Because the first quarter of the state fiscal year 2026 is the most recent full quarter of which we have data, this report covers the fourth quarter of the state fiscal year 2025 and the first quarter of state fiscal year 2026, attached herein.

The Board is tasked with managing the PDIF which is accomplished in part by tracking depositories approved by the State to hold public funds and requesting compliance with a collateralization system adopted by the Board. The Board tracks depository activity related to public funds on a quarterly basis and requires certain depositories whose financial ratings fall below certain thresholds to pledge and deliver collateral to the Board to potentially mitigate PDIF losses if depositories fail. A depository whose rating falls below the values outlined in the collateralization program must supplement their quarterly reporting requirements with daily reports to the Board until their rating is increased and the depository is no longer required to collateralize. This allows the Board to track compliance with the collateralization process and allows for day-to-day oversight of the depositories of greatest concern.

Of the 141 depositories approved by the State to hold public funds, nine (9) currently deliver collateral to the Board: four (4) are required to collateralize 50% of their balance of public funds, four (4) is required to collateralize 100% of their balance of public funds, and one (1) voluntarily collateralize at 100% to receive exemption from assessments as established by Ind. Code § 5-13-13-7(e).

As previously stated, these daily reports and the collateralization requirements serve to minimize the Board’s concerns regarding the failure of a depository that is in compliance with the system. At this time, all depositories required to provide daily reports and collateral to the Board are doing so.

If you have any questions or concerns regarding the information in this letter or the attached report, please do not hesitate in reaching out to the Board.

Sincerely,

Chad Ranney
Chairman
Indiana Board for Depositories
Email: cranney@gov.in.gov



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Indiana Board for Depositories Semi-Annual Report to the State Budget Committee

State Fiscal Year 2025 Quarter 4 and State Fiscal Year 2026 Quarter 1

November 21, 2025

In the 2010 legislative session, the Indiana General Assembly passed HEA 1336 giving the Indiana Board for Depositories (IBFD) the tools to be more strategic in the safekeeping and prompt payment of public funds held in Indiana depositories, which allowed for the creation of a collateralization program and requirements for public depositories.

The primary tool in fulfilling this mission is the maintenance and operation of the Public Deposit Insurance Fund (PDIF), which can be drawn upon to pay claims of those public funds held by a failed depository that were not covered by a federal deposit insurance program. The collateral system supplements the PDIF by allowing the IBFD to require the delivery of collateral from depositories that fall below a specified financial profile rating.

Included in the 2010 legislation, it became a requirement for the IBFD to prepare a report regarding its activities and the status of the PDIF. The following report covers the fourth quarter of the State Fiscal Year 2025 and the first quarter of State Fiscal Year 2026.

Collateralization Program

The collateralization program is a tiered system based on the financial profile ratings of Indiana depositories and the amount of non-federally insured public deposits held.

If required to collateralize, Indiana depositories have the option of pledging marketable government securities or a letter of credit from a qualified Federal Home Loan Bank. A majority of depositories required to collateralize use letters of credit to satisfy all or a portion of their pledging requirements.

The average daily balances of net public funds (after deducting FDIC coverage) that Indiana’s approved depositories reported for the first and second quarters of State Fiscal Year 2025 were:

	State FY 25 4th Quarter	State FY 26 1st Quarter
Number of Approved Depositories	140	141
Average Daily Balance of Net Public Funds	\$24,253,709,700.71	\$25,620,427,825.54

Based on their financial profile ratings supplied by FedFIS and Bank Insight, Indiana’s public depositories were required to comply with the following collateral requirements for the first and second quarters of State Fiscal Year 2025:

Collateral Matrix:

100% Collateralization Trigger
>4.0 FedFIS or <10 S&P BI (1 Quarter Triggers 100%)
50% Collateralization Trigger
>3.5 and <4.0 FedFIS or >10 S&P BI (2 Consecutive Quarters Triggers 50%)

Collateral Summary						
State FY 25 4th Quarter				State FY 26 1st Quarter		
Pct	Count	Total Average Daily Balance	Total Estimated Collateral	Count	Total Average Daily Balance	Total Estimated Collateral
0	130	\$ 22,949,188,633.40	\$ -	132	\$ 24,032,139,995.79	\$ -
50	3	\$ 76,910,616.18	\$ 38,455,308.09	4	\$ 315,396,275.82	\$ 157,698,137.95
100	6	\$ 195,410,259.52	\$ 195,410,259.52	4	\$ 119,060,667.91	\$ 119,060,667.91
Vol 100	1	\$ 1,032,200,191.61	\$ 1,032,200,191.61	1	\$ 1,153,830,886.02	\$ 1,032,200,191.61

Percentage						
State FY 25 4th Quarter				State FY 26 1st Quarter		
Pct	Count	Total Average Daily Balance	Total Estimated Collateral	Count	Total Average Daily Balance	Total Estimated Collateral
0	92.86%	94.62%	0.00%	93.62%	93.80%	0.00%
50	2.14%	0.32%	3.04%	2.84%	1.23%	12.05%
100	4.29%	0.81%	15.43%	2.84%	0.46%	9.10%
Vol 100	0.71%	4.26%	81.53%	0.71%	4.50%	78.86%

Public Deposit Insurance Fund

The collateralization program summarized above supplements the PDIF. The PDIF had a fund balance of \$350,913,814.04 million as of October 31, 2025.

There were no draws on the PDIF for the last fiscal year to the date of this report.