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

June 17, 2026

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. This report covers the second and third quarters 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 138 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, five (5) are required to collateralize 100% of their balance of public funds, and one (1) voluntarily collateralizes 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 2026 Quarter 2 and State Fiscal Year 2026 Quarter 3

June 17, 2026

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 second and third quarters of state fiscal year 2026.

While the IBFD believes this source data is reliable, the IBFD neither assumes responsibility for nor certifies to the accuracy of any of the reported data, as the source statistics are provided directly by the depositories themselves.

## 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 were:

| | FY26 2nd Quarter | FY26 3rd Quarter |
|---|---|---|
| Number of Approved Depositories | 139 | 138 |
| Average Daily Balance of Net Public Funds | $ 26,709,916,877.75 | $ 24,887,382,395.70 |

The following collateralization matrix outlines collateral requirements initiated by FedFis and Bank Insight ratings. These are independent third-party ratings that evaluate the financial condition of a depository.

| 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%) |

Below is a collateral summary showing the number of depositories that voluntarily pledge collateral or are required to pledge collateral based on the depository's FedFis or Bank Insight ratings.

**Collateral Summary Report**

| | State FY 26 2nd Quarter Report | | | State FY 26 3rd Quarter Report | | |
|---|---|---|---|---|---|---|
| Pct | Count | Total Average Daily Balance | Total Estimated Collateral | Count | Total Average Daily Balance | Total Estimated Collateral |
| 0 | 128 | $ 24,839,555,092.03 | $ - | 128 | $ 23,480,630,330.86 | $ - |
| 50 | 3 | $ 153,192,279.91 | $ 76,596,139.96 | 4 | $ 19,885,515.76 | $ 9,942,757.88 |
| 100 | 7 | $ 383,560,965.20 | $ 383,560,965.20 | 5 | $ 369,467,014.70 | $ 369,467,014.70 |
| Vol 100 | 1 | $ 1,333,608,540.61 | $ 1,333,608,540.61 | 1 | $ 1,017,399,534.38 | $ 1,017,399,534.38 |
| | **139** | **$26,709,916,877.75** | **$ 1,793,765,645.77** | **138** | **$ 24,887,382,395.70** | **$ 1,396,809,306.96** |

**Percentage**

| | State FY 26 2nd Quarter Report | | | State FY 26 3rd Quarter Report | | |
|---|---|---|---|---|---|---|
| Pct | Count | Total Average Daily Balance | Total Estimated Collateral | Count | Total Average Daily Balance | Total Estimated Collateral |
| 0 | 92.09% | 93.00% | 0.00% | 92.75% | 94.35% | 0.00% |
| 50 | 2.16% | 0.57% | 4.27% | 2.90% | 0.08% | 0.71% |
| 100 | 5.04% | 1.44% | 21.38% | 3.62% | 1.48% | 26.45% |
| Vol 100 | 0.72% | 4.99% | 74.35% | 0.72% | 4.09% | 72.84% |
| | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |

## Public Deposit Insurance Fund

The collateralization program summarized above supplements the PDIF. The PDIF had a fund balance of **$360,295,497.70** million as of May 29, 2026.

There was no cause for the IBFD to pay any claim on insured public deposits under IC 5-13-13 during the quarters covered in this report.