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MEMORANDUM

To: The Banking Subcommittee (BSC) of the Cash Management Policy Board (Board)
From: Fiah M. Kwessey, Director of Operations & Fund Management
CC: Colleen C. Davis, State Treasurer, Brennon Fountain, Deputy Treasurer, Jason Staib, Deputy Attorney General
Date: July 8, 2026
RE: Collateralization of State Deposits – June 30, 2026

Purpose

This memorandum provides the Banking Subcommittee and Cash Management Policy Board with a point-in-time summary of how State deposits are protected as of June 30, 2026, including collateral levels and collateral composition across Federal Home Loan Bank Letters of Credit (FHLB LOC), pledged securities, and tri-party collateral arrangements.

Collateral Policy

Pursuant to 29 Del. C. § 2716(a)(1) and Cash Management Policy Board guidelines, all uninsured State deposits are required to be secured at a minimum of 100% collateralization. OST requires an additional 2% overcollateralization under its banking contracts. As of June 30, 2026, all reported uninsured deposits were secured at or above the required 102% threshold.

Delaware Treasury Collateralization Summary

As of June 30, 2026, reported State deposit balances across participating depository institutions totaled approximately \$797.4 million, excluding Northern Trust balances pending final confirmation as applicable. After FDIC coverage, the uninsured portion totaled approximately \$796.2 million.

- JPMorgan Chase held approximately 85.2% of reported deposits, or \$679.1 million, secured by a \$500 million FHLB Cincinnati LOC and approximately \$651.9 million in U.S. Treasury securities, for total collateral support of 169.68%.
- M&T Bank held approximately 12.2% of reported deposits, or \$97.6 million. Its collateral structure includes a \$173 million FHLB New York LOC and approximately \$97.3 million in BNY Mellon tri-party collateral, for total collateral available of approximately \$270.3 million, or 277.75%.
- Citizens Bank held approximately 1.1% of reported deposits, or \$8.7 million, secured through a BNY Mellon tri-party collateral arrangement, with collateral provided at the required 102% level.
- TD Bank held approximately 1.0% of reported deposits, or \$8.1 million, secured by a \$13 million FHLB Pittsburgh LOC, for total collateral support of 165.17%.
- Bank of America held approximately 0.5% of reported deposits, or \$4.1 million, secured through a BNY Mellon tri-party collateral arrangement, for total collateral support of approximately 102%.
- Northern Trust collateralizes funds held pending investment through a direct Federal Reserve pledge. As of June 30, 2026, Federal Reserve-held securities totaled approximately \$13.9 million, with the related deposit balance pending final confirmation.

Overall, all reported uninsured State deposits met or exceeded OST's required 102% collateralization threshold as of June 30, 2026.