



OFFICE OF THE ILLINOIS STATE TREASURER
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Invest In Illinois Rate Methodology

Invest in Illinois is a collection of impact investment programs offered by the Office of the Illinois Treasurer (“Treasurer”) – (1) Ag Invest, (2) Community Invest, and (3) Business Invest – that provide impact deposits to lending institutions to finance business expansion, provide consumer loans, assist with farm-related expenses, and fund other important economic development activities. By providing access to State investment capital at a below market rate, ***Invest in Illinois incentivizes financial institutions to lend to groups marginalized by limited loans or high-interest rates at a lower cost to borrowers.***

Rate Methodology for Invest in Illinois – Ag Invest, Business Invest, Community Invest *(excluding Community Invest: Cannabis Banking Services)*

- 50% of the applicable deposit maturity, 30 day moving average
 - C0841Y BFV USD United State Government Agency 1 year
- 55% of the applicable deposit maturity, 30 day moving average
 - C0842Y BFV USD United State Government Agency 2 year
 - C0843Y BFV USD United State Government Agency 3 year
- Fixed term rates to reset on the 1st calendar day of the month.
- 1-year, 2-year, and 3-year fixed terms available
- Rates associated with 3-year deposit term shall not be lower than 2-year deposit term rates
- **Funding availability may vary depending on the need to maintain sufficient liquidity or on current market conditions.**
- Deposits allocated to financial institutions shall be no more than 10% of institution’s deposits.
- Collateralized in accordance with our prescribed guidelines.

Community Invest: Cannabis Banking Services

- Rate shall be the spread representative of the current Federal overnight Excess Funds rate minus 64bps but shall not be lower than .01% (0.0001).
- Variable monthly rates, reset on the 1st calendar day of the month.
- 2-year variable term available.
- Utilization of Community Invest: Cannabis Banking Services program will not count towards program limits on each financial institution.
- Deposits allocated to financial institutions shall be no more than 10% of institution’s deposits.

- Collateralized in accordance with our prescribed guidelines.
- Deposits are available in \$5mm increments but shall not exceed \$50mm.

After a prudent analysis and evaluation of the market environment, competitive forces, economic conditions, and intended objectives, effective 01/03/2023, the rate methodology is adjusted as follows:

Deposit Rate Methodology: Basis and Market Environment

Updated 01/03/2023

- Current methodology for community development linked deposits: 50% of the U.S. Agency Security 1 year security and 55% of the U.S. Agency Security 2- and 3-year security.
- Current rate structure for State Treasurer’s Community Development Linked Deposits 01/03/2023:
 - 1 Year: 2.36%
 - 2 Year: 2.44.%
 - 3 Year: 2.44%
- Current rates for U.S. Treasury securities Daily Treasury Par Yield Curve Rates ([US Department of the Treasury](#)):01/03/2023
 - 1 Year: 4.72%
 - 2 Year: 4.40%
 - 3 Year: 4.18%
- Current rates for U.S. Agency securities (US Agencies Curve - Bloomberg): 01/03/2023
 - 1 Year: 4.7858%
 - 2 Year: 4.4072%
 - 3 Year: 4.2322%
- Current rate structure for wholesale funding (Community Fixed Rate Advance) from the Federal Home Loan Bank ([Federal Home Loan Bank of Chicago](#)): 01/03/2023
 - 1 Year: 4.81%
 - 2 Year: 4.34%
 - 3 Year: 4.03%
- Current rate structure for wholesale funding (discount window primary credit) and interest in reserve balances from the Federal Reserve Bank System Discount Window Primary Credit ([Federal Reserve Bank System – Primary Credit](#)) and ([Federal Reserve Bank System - Reserve Balances](#)): 01/03/2023
 - Primary Credit: 4.50%
 - Interest Rate on Reserve Balances: 4.40%
- 3 prominent STO linked deposit depositories and cost of “time deposits over \$250,000” ([Call Report Data](#) as of 12/31/2021):
 - STO-Affiliated Institution #1: Carrollton Bank – 1.50%
 - STO-Affiliated Institution #2: Peoples Bank & Trust, Pana – 0.07%
 - STO-Affiliated Institution #3: Blackhawk Bank & Trust, Milan – 0.54%
- 3 prominent STO linked deposit depositories and cost of “fed funds purchased and repo” ([Call Report Data](#) as of 12/31/2021):
 - STO-Affiliated Institution #1: Carrollton Bank – N/A
 - STO-Affiliated Institution #2: Peoples Bank & Trust, Pana – 0.18%

- STO-Affiliated Institution #3: Blackhawk Bank & Trust, Milan – 0.33%
- 3 prominent STO linked deposit depositories and cost of “other borrowed money” ([Call Report Data](#) as of 12/31/2021):
 - STO-Affiliated Institution #1: Carrollton Bank – 6.13%
 - STO-Affiliated Institution #2: Peoples Bank & Trust, Pana – N/A
 - STO-Affiliated Institution #3: Blackhawk Bank & Trust, Milan – N/A
- 3 prominent STO linked deposit depositories and cost of “other interest expense” ([Call Report Data](#) as of 12/31/2021):
 - STO-Affiliated Institution #1: Carrollton Bank – N/A
 - STO-Affiliated Institution #2: Peoples Bank & Trust, Pana -0.60%
 - STO-Affiliated Institution #3: Blackhawk Bank & Trust, Milan – 1.90%
- 3 random Illinois-based community depositories and cost of “time deposits over \$250,000” ([Call Report Data](#) as of 12/31/2021):
 - Random Institution #1: People’s National Bank, Mt Vernon – 0.88%
 - Random Institution #2: Bank of Springfield – 1.26%
 - Random Institution #3: First Mid-Bank & Trust, Mattoon – 0.64%
- 3 random Illinois-based community depositories and cost of “fed funds purchased and repo” ([Call Report Data](#) as of 12/31/2021):
 - Random Institution #1: People’s National Bank, Mt Vernon – 0.00%
 - Random Institution #2: Bank of Springfield – 0.40%
 - Random Institution #3: First Mid-Bank & Trust, Mattoon – 0.13%
- 3 random Illinois-based community depositories and cost of “other borrowed money” ([Call Report Data](#) as of 12/31/2021):
 - Random Institution #1: People’s National Bank, Mt Vernon – 1.11%
 - Random Institution #2: Bank of Springfield – 1.84%
 - Random Institution #3: First Mid-Bank & Trust, Mattoon – 1.45%
- 3 random Illinois-based community depositories and cost of “other interest expense” ([Call Report Data](#) as of 12/31/2021):
 - Random Institution #1: People’s National Bank, Mt Vernon – N/A
 - Random Institution #2: Bank of Springfield – N/A
 - Random Institution #3: First Mid-Bank & Trust, Mattoon – N/A
- State average yields for financial institutions (under \$3B or similar) on the following deposits and interest bearing instruments ([Call Report Data](#) as of 12/31/2021):
 - *Financial institutions in Illinois
 - Time deposits over \$250,000 – 0.92%
 - Fed funds purchased and repo – 0.18%
 - Other borrowed money – 1.11%
 - Other interest expense – 0.64%
 - All interest-bearing funds – 0.43%
 - *\$1B-\$3B financial institutions across the nation
 - Time deposits over \$250,000 – 0.90%
 - Fed funds purchased and repo – 0.16%
 - Other borrowed money – 1.31%
 - Other interest expense – 1.25%
 - All interest-bearing funds – 0.37%

- State average yields for financial institutions (under \$3B or similar) on the following loans and investment instruments ([Call Report Data](#) as of 12/31/2021):
 - *Financial institutions in Illinois
 - Total Loans and Leases – 4.83%
 - Total Investment Securities
 - TE: 1.77%
 - Book: 1.63%
 - Interest Bearing Bank Balances – 0.49%
 - Fed Funds Sold – 0.08%
 - *\$1B-\$3B financial institutions across the nation
 - Total Loans and Leases – 4.70%
 - Total Investment Securities
 - TE: 1.85%
 - Book: 1.73%
 - Interest Bearing Bank Balances – 0.15%
 - Fed Funds Sold – 0.09%