

Employer ID No: 13-6321489  
Plan Number: 333

Financial Statements with Supplemental Schedule and Independent  
Auditors' Report

**PENTEGRA DEFINED CONTRIBUTION PLAN FOR  
FINANCIAL INSTITUTIONS**

As of December 31, 2020 and 2019, and  
for the year ended December 31, 2020

# PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS

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Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



## INDEPENDENT AUDITORS' REPORT

Board of Directors and Plan Participants  
Pentegra Defined Contribution Plan for Financial Institutions  
White Plains, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Pentegra Defined Contribution Plan for Financial Institutions (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019, and the related statement of changes in net assets available for benefits for the year ended December 31, 2020, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2020 and 2019, and the changes in net assets available for benefits for the year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2020 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
September 24, 2021

# PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS

## Statements of Net Assets Available for Benefits

As of December 31, 2020 and 2019

(In thousands)

	2020	2019
ASSETS		
Cash	\$ 2,040	\$ 2,825
Investments - at fair value	2,356,503	2,410,196
Receivables		
Notes receivable from participants	34,203	40,922
Accounts receivable - administrative	2,227	2,080
Employer contributions	6,413	5,098
Participant contributions	681	330
Prepaid expense	4	-
Receivables for securities sold, not yet settled	18,875	43,351
Total receivables	62,403	91,781
Total assets	2,420,946	2,504,802
LIABILITIES		
Other liabilities	4,581	4,707
Transfers out of the plan, not yet settled	19,693	44,119
Total liabilities	24,274	48,826
Net assets available for benefits	\$ 2,396,672	\$ 2,455,976

The accompanying notes are an integral part of these financial statements.

# PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS

## Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2020

(In thousands)

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ADDITIONS	
Contributions	
Employers	\$ 50,925
Participants	80,635
Rollovers	10,711
Total contributions	<u>142,271</u>
Investment income	
Net appreciation in fair value of investments	309,538
Earnings on self-directed brokerage accounts	1,029
Interest bearing cash	228
Dividends	3,820
Less asset-based fees	(9,090)
Net investment gain	<u>305,525</u>
Interest income on notes receivable from participants	2,004
Administrative income	9,990
Total income	<u>459,790</u>
DEDUCTIONS	
Benefits paid to participants	177,700
Corrective distributions	241
Administrative expenses	11,218
Total deductions	<u>189,159</u>
Net Increase in net assets before plan transfers	270,631
TRANSFERS OF ASSETS	
Transfers into the Plan	21,318
Transfers out of the Plan	<u>(351,253)</u>
Net transfers out of the Plan	<u>(329,935)</u>
Total Increase in net assets	(59,304)
NET ASSETS AVAILABLE FOR BENEFITS	
Beginning of year	<u>2,455,976</u>
End of year	<u>\$ 2,396,672</u>

The accompanying notes are an integral part of this financial statement.

# **PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS**

## **Notes to Financial Statements**

**December 31, 2020 and 2019**

**(Amounts in thousands)**

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### **1. DESCRIPTION OF THE PLAN**

The following description of the Pentegra Defined Contribution Plan for Financial Institutions (the "Plan") is provided for general information purposes only. Participants should refer to their respective Summary Plan Descriptions ("SPD") for more complete information.

#### **General**

The Plan is a multiple-employer, tax-exempt trustee savings plan. The Board of Directors (the "Board") of the Plan controls and manages the operation and administration of the Plan. Reliance Trust Company ("RTC") serves as the trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

#### **Contributions**

Participating employers may, at their option, elect the 401(k) feature of the Plan that permits participants to defer current federal income tax, and the income taxes of most states, on the amounts contributed to and earned on the 401(k) account. Employers may, at their option, elect the Roth feature which permits participants to contribute to the plan on an after tax basis. If certain conditions are met, earnings on Roth accounts generally will not be subject to taxation. Employers may also, at their option, elect the after-tax savings feature, which permits participants to contribute to the plan on an after-tax basis. While the earnings on this account are taxable upon distribution, the basis in the account is tax-free upon distribution. These contributions are made in cash and are subject to certain Internal Revenue Code ("IRC") limitations. Certain participants who meet the eligibility requirements may contribute additional amounts (e.g., age 50 catch-up).

Contributions on behalf of each participant are invested in accordance with the participant's instructions, entirely in one fund or in any combination of funds in increments of 1%. If a participant fails to make an investment election, contributions by participants or on their behalf are invested in the Plan's Qualified Default Investment Option (State Street Global Advisors Target Retirement Fund Series).

The profit sharing feature offers employers the option of allowing participant-directed investments as described above or investing at the employer's discretion. Additional employer contributions may be made in accordance with the Plan at the employer's discretion, including, but not limited to, matching contributions.

Participants may also rollover balances from other qualified defined benefit or defined contribution plans or individual retirement accounts.

# **PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS**

## **Notes to Financial Statements**

**December 31, 2020 and 2019**

**(Amounts in thousands)**

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An employer may elect automatic 401(k) elective deferrals on behalf of a participant in accordance with the Automatic Contribution Arrangement, with or without annual escalation. The automatic contributions would cease if the participant affirmatively elects to make contributions in a different amount or percentage or not to have deferrals made on his or her behalf. Automatic 401(k) elective deferrals will be invested in a qualified default investment alternative until a participant affirmatively indicates how such amounts shall be invested.

### **Participant Accounts**

Individual accounts are maintained for each plan participant. Participant accounts are credited with participant contributions, employer contributions, forfeitures, loan repayments and investment earnings and charged with withdrawals, administrative expenses, loan advances and investment losses. Allocations, if any, are based on participant account balances or compensation. Any additions to the participant's account purchase units are based on the unit values of the respective investment funds. Any distributions from the account result in a decrease in units. The difference between the value of a participant's account at the end of the previous day and the value at the end of the current day, net of all transactions occurring during the current day (contributions, withdrawals, etc.), is the amount of earnings (losses) credited to the participant's account. The total value of a participant's account is determined by multiplying the number of units in each investment fund by the unit value of such fund and aggregating the results. The benefit to which a participant is entitled is their vested account balance. Employers select the vesting schedule that will apply to employer contributions made to the Plan.

### **Investments**

The Plan did not have any nonparticipant-directed investments as of December 31, 2020 and 2019. In addition, investments totaling \$1,436 and \$1,408 as of December 31, 2020 and 2019, respectively, are held by the Plan for liquidity purposes, and primarily used to pay expenses incurred by the Plan. Generally, participants direct the investment of their contributions into various investment options offered by the Plan. Participants should refer to their SPD. The Plan offers a wide variety of investment options spanning the risk/return spectrum, including equity, fixed income, stable value, target date and asset allocation funds. Plan assets are generally invested in common/collective trust funds ("CCTs") under one menu (Option I), and in CCTs and mutual funds under another menu (Option II). The investments are managed by State Street Global Advisors ("SSgA"), American Beacon Advisors, Inc., BlackRock Advisors, LLC, Capital Research and Management Company, Dimensional Fund Advisors, Dodge and Cox, Massachusetts Financial Services Company ("MFS"), Principal Global Investors Trust Company, Principal Management Corp., T. Rowe Price Associates, Inc., RTC and MetLife. In addition to the investment options managed by the listed advisors, employers, at their option, may offer expanded



# **PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS**

## **Notes to Financial Statements**

**December 31, 2020 and 2019**

**(Amounts in thousands)**

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investment flexibility through the Personal Choice Retirement Account ("PCRA"). The PCRA is a self-directed brokerage feature that works in tandem with the other investment options, providing access to additional mutual funds and individual securities. It is administered through Charles Schwab and Company, Inc.

### **Vesting**

Participants are vested immediately in their contributions plus earnings thereon. Participants should refer to their respective SPD to determine the vesting schedule for employer contributions.

### **Notes Receivable from Participants**

Employers may also, at their option, make available a loan program to their employees. This program, depending on the option elected by the employer, allows a participant to borrow from their account balance subject to limitations imposed by federal law. The balance in the participant's account secures the loans. The rate of interest for the term of the loan is established as of the loan date and shall bear interest rates comparable to the rates of interest in effect at a major banking institution (the Barron's Prime Rate plus one percent). Loan repayments of principal and interest are credited to participants' accounts. A one-time setup fee and an annual maintenance fee is charged to participant accounts. Loan defaults are classified as withdrawals and treated as taxable distributions. Participants should refer to their respective SPD for more complete information. As of December 31, 2020, participant loans have maturities through 2046 at interest rates ranging from 2.45 percent to 10.25 percent.

### **Payment of Benefits**

A participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in their account or a portion of their account, subject to limitations imposed by federal law or options elected by the participating employer. Participants should refer to their respective SPD for more information.

Participants are also eligible to make hardship withdrawals from their accounts in the event of certain financial hardships. In order to determine if a hardship exists, the Plan uses the facts and circumstances test as permitted by Internal Revenue Service ("IRS") regulations.

### **Transfers**

Transfers into the Plan represent participant accounts related to new employers coming into the Plan and transfers out of the Plan represent monies related to participant accounts whose employers are leaving the Plan.

# **PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS**

## **Notes to Financial Statements**

**December 31, 2020 and 2019**

**(Amounts in thousands)**

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### **Forfeited Accounts**

When participants terminate employment, the non-vested portion of the participant's account as defined by the Plan, represents a forfeiture. The Plan document permits the use of forfeitures to reduce future employer contributions, offset plan administrative expenses or be reallocated among eligible participants for the Plan year. However, if a participant is reemployed and fulfills certain requirements, as defined in the Plan document, the account will be reinstated. At December 31, 2020 and 2019, forfeitures totaled \$647 and \$695, respectively. During the year ended December 31, 2020, forfeitures of \$650 were used to offset employer contributions or allocated to eligible participants and \$42 were used to offset administrative fees.

### **CARES Act**

In April 2020, certain provisions under the CARES Act relating to participant distributions and loans were enacted. The CARES Act allows for utilization of these provisions immediately but requires formal adoption of the amendment no later than the last day of the plan year beginning on or after January 1, 2022.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Accounting**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### **Cash**

The Plan's cash is in noninterest-bearing checking accounts that are used to process client activity, outside vendor transactions and administrative expenses. The Plan maintains deposits with high quality institutions in amounts that are in excess of the Federal Deposit Insurance Corporation limits of \$250; however, the Plan has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk.

### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

# **PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS**

## **Notes to Financial Statements**

**December 31, 2020 and 2019**

**(Amounts in thousands)**

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### **Risk and Uncertainties**

The Plan provides various investment options to its participants. Investment securities in general are exposed to various risks, such as interest rate, credit risk and overall market volatility. Due to the level of risk associated with a majority of the investment options, management believes it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect participants' account balances, the amounts reported in the statements of net assets available for benefits, and the related notes to the financial statements (Note 3).

### **Income Recognition**

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date.

Asset based fees charged to the Plan include fees for recordkeeping and administrative services, trustee and custodial services and investment management expenses, and are reflected as component of net investment income on the Statement of Changes in Net Assets Available for Benefits.

Realized gains or losses on investment transactions are recorded as the difference between proceeds received and cost. Cost is generally determined on the average cost basis for CCTs and the identified cost method for the mutual funds. Net appreciation or depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### **Investment Valuation**

The Plan's investments are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A more detailed description of the individual types of securities and fair value measurement methods can be found in Note 3.

### **Notes Receivable from Participants**

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when incurred. No allowance for credit losses has been recorded as of December 31, 2020 and 2019. In accordance with IRS regulations, if a repayment is missed, the loan is treated as a distribution at the end of the quarter following the quarter in which the repayment was missed.

# **PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS**

## **Notes to Financial Statements**

**December 31, 2020 and 2019**

**(Amounts in thousands)**

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### **Administrative Income**

Administrative income includes asset-based fees, flat base fees, per participant fees and transactional fees that are charged to employers or participants and are used to pay for administrative expenses of the Plan.

### **Administrative Expenses**

Total administrative expenses include administrative fees, professional fees, transactional fees and board of director expenses that are paid by the Plan or charged against the Plan's assets.

To the extent the amount of total administrative expense is greater or less than total collections, such amount is recorded as a deferred liability and is included in other liabilities in the Statements of Net Assets Available for Benefits. The net deferred liability at December 31, 2020 and 2019 was \$1,353 and \$1,332, respectively, which is adequately covered by a portion of the \$1,436 and \$1,408 as of December 31, 2020 and 2019, respectively, held by the Plan for liquidity purposes as discussed in the investments caption in Note 1 and available cash.

Fiduciary liability insurance premiums aggregating \$113 and board of director fees aggregating \$102 in 2020 were billed directly to and paid by participating employers and are not reflected in the Plan's financial statements.

### **Payment of Benefits**

Benefit payments to participants are recorded upon distribution.

## **3. FAIR VALUE MEASUREMENTS**

ASC 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows: Level 1, which refers to securities valued using unadjusted quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

# **PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS**

## **Notes to Financial Statements**

**December 31, 2020 and 2019**

**(Amounts in thousands)**

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### **Asset Valuation Techniques**

Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at December 31, 2020 and December 31, 2019.

The following is a description of the valuation methodologies used for assets measured at fair value:

Self-Directed Brokerage Account - Valued at quoted market prices except for the fixed income investments that may be valued using pricing models maximizing the use of observable inputs for similar securities. The Self-Directed Brokerage Account consists common stocks, mutual funds and fixed income investments.

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. The funds are required to publish their daily NAV and to transact at that price.

Cash Series U.S. Government Fund - The Cash Series U.S. Government Fund invests in U.S. government securities and in repurchase agreements collateralized by U.S. government securities. NAV is a readily determinable fair value and is the basis for current transactions. Participant transactions (Purchases and Sales) may occur daily.

Common/Collective Trust Funds - Valued at NAV of units of the bank collective trust. NAV is a readily determinable fair value and is the basis for current transactions. Participant transactions (Purchases and Sales) may occur daily.

# PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS

## Notes to Financial Statements

December 31, 2020 and 2019

(Amounts in thousands)

The following tables set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2020 and 2019.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2020 Total
Self-directed brokerage account	\$ 5,825	\$ 84	\$ -	\$ 5,909
Common/collective trust funds	-	2,154,125	-	2,154,125
Mutual funds	137,387	-	-	137,387
Cash series, U.S government fund	-	59,082	-	59,082
Investments, at fair value	<u>\$ 143,212</u>	<u>\$ 2,213,291</u>	<u>\$ -</u>	<u>\$ 2,356,503</u>

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	2019 Total
Self-directed brokerage account	\$ 5,415	\$ 39	\$ -	\$ 5,454
Common/collective trust funds	-	2,230,316	-	2,230,316
Mutual funds	119,281	-	-	119,281
Cash series, U.S government fund	-	55,145	-	55,145
Investments, at fair value	<u>\$ 124,696</u>	<u>\$ 2,285,500</u>	<u>\$ -</u>	<u>\$ 2,410,196</u>

### Transfers Between Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the Plan's policy is to recognize significant transfers between levels at the beginning of the reporting period.

# **PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS**

## **Notes to Financial Statements**

**December 31, 2020 and 2019**

**(Amounts in thousands)**

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We evaluate the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2020 and 2019, there were no transfers between levels.

### **Securities Lending**

There are no direct securities lending by the Plan; however certain investment funds permit securities lending. Should there be a default on loaned securities, the funds are generally reimbursed for the amount of the default. In certain market circumstances, there is the possibility that the funds may impose withdrawal restrictions. As of December 31, 2020 and 2019, there were no withdrawal restrictions. In addition, there were no losses allocated to participants as a result of the loss of collateral with respect to securities lending programs as of and for the years ended December 31, 2020 and 2019.

## **4. EXEMPT PARTIES-IN-INTEREST TRANSACTIONS**

The Board is comprised of executive officers of participating employers in the Plan and as such are participants in the Plan. Pentegra Services Inc. ("PSI"), a participating employer in the Plan, entered into a five-year service agreement effective May 1, 2007 whereby PSI provides administrative services to the Plan. This agreement outlines the fees that PSI charges the Plan and as such, the Plan and PSI are related parties. The agreement has remained in effect pursuant to automatic one-year renewals. PSI and the Plan entered into a new five-year service agreement effective as of December 1, 2018. For the year ended December 31, 2020, the Plan incurred \$9,929 in administrative expenses charged by PSI.

Pentegra Trust Company, a wholly owned subsidiary of PSI was the sub-advisor to the Pentegra Advantage Asset Allocation Strategies ("PAAAS") trustee by RTC. Total party-in-interest investments were \$0 and \$39,690 as of December 31, 2020 and 2019, respectively. Total net appreciation in fair value of investments on party-in-interest investments was \$1,133, .37% of the Plan's net appreciation in fair value of investments and asset-based fees on party-in-interest investments was \$142, 2% of the Plan's asset based fees on investments for the year ended December 31, 2020.

## **5. PLAN TERMINATION**

The Board shall have the right to amend or terminate the Plan or trust agreement subject to the provisions set forth in ERISA, at any time in whole or in part, for any reason, and without the consent of any participating employer or participant, and each employer by its adoption of the Plan and trust agreement shall be deemed to have delegated this authority to the Board. No amendment, however, shall impair such rights of payment as the participant would have had, if such amendment had not been made, with respect

# **PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS**

## **Notes to Financial Statements**

**December 31, 2020 and 2019**

**(Amounts in thousands)**

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to contributions made by them or on their behalf to the Plan. The Board of each participating employer reserves the right at any time, at its sole discretion, to terminate participation by that participating employer, subject to the provisions of ERISA.

### **6. FEDERAL INCOME TAX STATUS**

The IRS has determined and informed the Plan by letter dated November 14, 2014 that the Plan and related trust are designed in accordance with the applicable regulations of the IRC. It is the view of the Plan administrator and the Plan's counsel that the Plan continues to be designed and operated in compliance with the applicable requirements of the IRC and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Therefore, no provision for income taxes has been included in the Plan's financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### **7. LITIGATION**

The Plan is periodically subject to various claims and legal proceedings covering matters that arise in the ordinary course of its administrative activities. Management believes that the final resolution of these matters will not have a materially adverse effect on the net assets available for benefits or changes in net assets available for benefits of the Plan.

### **8. SUBSEQUENT EVENTS**

The Plan has evaluated subsequent events through September 24, 2021, the date the financial statements were available to be issued.



**SUPPLEMENTAL SCHEDULE**

## PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)  
December 31, 2020

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral par, or Maturity Value	(d) Cost	(e) Current Value
	State Street Global Advisors	S&P 500 (R) Indx NL SF CL A	**	\$ 347,825,588
*	Reliance Trust Company	Stable Value Fund, MetLife Series 25053 CL 0	**	332,173,638
	State Street Global Advisors	S&P Midcap (R) Indx NL SF CL A	**	177,789,753
	State Street Global Advisors	Russell Large Cap Growth R Indx SL SF	**	129,983,325
	State Street Global Advisors	NASDAQ 100 Indx (R) NL SF CL A	**	148,902,032
	State Street Global Advisors	Target Retirement 2025 NL SF CL A	**	100,917,832
	State Street Global Advisors	Russell Small Cap (R) Indx NL SF CL A	**	76,736,290
	State Street Global Advisors	Intl Indx NL SF CL A	**	57,961,367
	State Street Global Advisors	Moderate Strategic Balanced SL Fund	**	104,651,797
	State Street Global Advisors	Russell Large Cap Value R Indx SL SF	**	55,860,292
	State Street Global Advisors	Aggressive Strategic Balanced SL Fund	**	62,864,611
	State Street Global Advisors	Target Retirement 2035 NL SF CL A	**	81,096,426
	State Street Global Advisors	Target Retirement 2030 NL SF CL A	**	90,206,026
	State Street Global Advisors	Target Retirement 2020 NL SF CL A	**	40,106,436
	State Street Global Advisors	US Long Treasury Indx NL SF CL A	**	39,108,033
	State Street Global Advisors	Target Retirement 2045 NL SF CL A	**	50,639,924
	State Street Global Advisors	Target Retirement 2040 NL SF CL A	**	51,823,937
	State Street Global Advisors	Conservative Strategic Balanced SL Fund	**	38,020,938
	State Street Global Advisors	US Bond Indx NL SF CL A	**	37,293,023
	State Street Global Advisors	Tuckerman US REIT Indx NL SF CL A	**	17,142,500
	State Street Global Advisors	Target Retirement 2050 NL SF CL A	**	34,427,616
	State Street Global Advisors	Target Retirement 2055 NL SF CL A	**	22,683,516
	State Street Global Advisors	US Inflation Pro Bond Indx NL SF CL A	**	14,426,136
	State Street Global Advisors	Target Retirement Income NL SF CL A	**	27,467,296
	State Street Global Advisors	Target Retirement 2060 NL SF CL A	**	12,640,464
	State Street Global Advisors	Target Retirement 2065 NL SF CL A	**	226,497
	Principal Global Investors	Morley Stable Value Fund	**	1,149,248
	Total investments in common collective trust funds			2,154,124,541
	T. Rowe	T.Rowe Blue Chip Growth Fund I	**	51,971,833
	American Funds	American Funds EuroPacific Growth Fund R6	**	18,852,576
	Principal Global Investors	Principal Midcap Fund R-6	**	23,056,133
	American Beacon Funds	American Beacon Large Cap Value Fund Institutional R6	**	12,578,016
	Dodge and Cox	Dodge and Cox Income Fund	**	12,621,494
	BlackRock Advisors, LLC	Blackrock Advantage Small Cap Core K	**	8,607,163
	MFS	MFS Massachusetts Investors Fund R6	**	9,700,112
	Total investments in mutual funds			137,387,327

See accompanying Independent Auditors' Report.

**PENTEGRA DEFINED CONTRIBUTION PLAN FOR FINANCIAL INSTITUTIONS**

**Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)  
December 31, 2020**

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(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral par, or Maturity Value	(d) Cost	(e) Current Value
	Charles Schwab and Company Inc.	Self Directed Brokerage Account	**	\$ 5,908,886
	State Street Global Advisors	Cash Series US Government Fund	**	59,082,041
	Total Investments			<u>\$ 2,356,502,795</u>
*	Notes Receivable from participants	Loans - interest rates 2.45% to 10.25%, maturity dates 2021 through 2046	**	<u>\$ 34,202,889</u>

\* Party-in-interest.

\*\* Cost information not required for participant directed investments.

*See accompanying Independent Auditors' Report.*