

Pentegra Defined Benefit Plan for Financial Institutions

Consolidated Financial Statements as of June 30,
2010 and 2009, and for the Year Ended June 30,
2010, Supplemental Schedules as of and for the
Year Ended June 30, 2010, and Independent
Auditors' Report

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statements of Net Assets Available for Benefits as of June 30, 2010 and 2009	2
Consolidated Statement of Changes in Net Assets Available for Benefits for the Year Ended June 30, 2010	3
Notes to Consolidated Financial Statements as of June 30, 2010 and 2009 and for the Year Ended June 30, 2010	4-17
SUPPLEMENTAL SCHEDULES:	
Form 5500, Schedule H, Part IV, Line 4i — Schedule of Assets (Held at End of Year) as of June 30, 2010	18-25
Form 5500, Schedule H, Part IV, Line 4j — Schedule of Reportable Transactions for the Year Ended June 30, 2010	25
<p>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.</p>	

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Participants of
The Pentegra Defined Benefit Plan for Financial Institutions

We have audited the accompanying consolidated statements of net assets available for benefits of the Pentegra Defined Benefit Plan for Financial Institutions (the "Plan") as of June 30, 2010 and 2009, and the related consolidated statement of changes in net assets available for benefits for the year ended June 30, 2010. These consolidated financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these consolidated 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial status of the Plan as of June 30, 2010 and 2009, and the changes in its financial status for the year ended June 30, 2010 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules of (1) Schedule H, line 4i—Schedule of Assets (Held At End of Year) and (2) Schedule H, line 4j — Schedule of Reportable Transactions, are presented for the purpose of additional analysis and are not a required part of the basic consolidated financial statements, but are 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. These schedules are the responsibility of the Plan's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic 2010 consolidated financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic consolidated financial statements taken as a whole.

Deloitte & Touche LLP

April 14, 2011

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

CONSOLIDATED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF JUNE 30, 2010 AND 2009 (IN THOUSANDS)

	2010	2009
ASSETS:		
Investments - at fair value as determined by quoted market price	\$ 180,019	\$ 183,054
Investments - at estimated fair value	2,095,849	1,894,841
Total investments	<u>2,275,868</u>	<u>2,077,895</u>
Accrued income from investments	11,788	12,886
Accounts receivable	2,767	2,402
Employer contributions receivable	63,313	19,511
Receivables for securities sold, not yet settled	6,690	9,503
Goodwill and intangible assets	7,418	7,866
Other assets	10,732	3,921
Total assets	<u>2,378,576</u>	<u>2,133,984</u>
LIABILITIES:		
Accounts payable and other liabilities	15,519	14,515
Interest rate swaps	26,101	74,565
Payables for securities purchased, not yet settled	7,761	11,092
Total liabilities	<u>49,381</u>	<u>100,172</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 2,329,195</u>	<u>\$ 2,033,812</u>

See accompanying notes to consolidated financial statements.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED JUNE 30, 2010 (IN THOUSANDS)

ADDITIONS:

Contributions	\$	197,974
Investment income / (loss):		
Net change in appreciation in fair value of investments whose fair value was determined based on quoted market prices		6,370
Net change in appreciation in fair value of investments whose fair value was estimated		191,654
Net appreciation in fair value of investments		<u>198,024</u>
Interest		55,127
Dividends		1,167
Less: Administrative asset fee		(7,982)
Investment advisory services		<u>(1,497)</u>
Net investment income		<u>244,839</u>
Other income:		
Administrative and service income		33,920
Other		<u>3</u>
Total additions		<u>476,736</u>

DEDUCTIONS:

Benefit payments		154,630
Administrative expenses		33,783
Other		1,253
Total deductions		<u>189,666</u>

NET INCREASE 287,070

TRANSFER OF ASSETS:

Transfers into the Plan		14,574
Transfers out of the Plan		<u>(6,261)</u>

TOTAL INCREASE IN NET ASSETS 295,383

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of Year		<u>2,033,812</u>
End of Year		<u><u>\$2,329,195</u></u>

See accompanying notes to consolidated financial statements.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2010 AND 2009 AND FOR THE YEAR ENDED JUNE 30, 2010
(AMOUNTS IN THOUSANDS)

1. DESCRIPTION OF THE PLAN

The following description of the Pentegra Defined Benefit Plan for Financial Institutions (“the Plan”) is provided for general information purposes only. Participants should refer to their Summary Plan Description for more complete information including pension benefits.

General—A description of the Plan’s Comprehensive Retirement Program (“the Plan”), effective June 1, 2007 has been published in the Plan’s Regulations, 26th Revision (“the Regulations”). This document, and various amendments to it, has been made available to participating employers and their participants. The Plan operates as a multiemployer plan for accounting purposes under Accounting Standards Codification (“ASC”) 715-10-05 and as amended under ASC 715-20-55 and as a multiple-employer plan under the Employee Retirement Income Security Act of 1974 (“ERISA”) and the Internal Revenue Code (“IRC”). The Plan files one Form 5500 on behalf of all employers who participate in the Plan. The Bank of New York Mellon (“BNY Mellon”) serves as the trustee of the Plan. The Plan is subject to the provisions of ERISA. The Plan’s management is responsible for monitoring and controlling the activity of the Plan in accordance with the provisions of the IRC.

The Plan’s consolidated financial statements include the consolidation of the results of operations and net assets of Pentegra Services, Inc. (“PSI”), a wholly owned subsidiary of the Plan (see note 12).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting— The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates— The preparation of consolidated financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated benefits and changes therein at the date of the consolidated financial statements. Actual results could differ significantly from those estimates. Estimates that are particularly susceptible to change include assumptions used in determining the actuarial present value of accumulated plan benefits and the fair value of investments.

Risk and Uncertainties— Investment securities (see note 6) are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

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

Realized gains and losses on the sales of investment securities are recorded as the difference between proceeds received and cost. Cost is determined on an average cost basis. Net appreciation or depreciation includes realized gains and losses and the change in the fair value of securities held for the year ended June 30, 2010.

Investment Valuation— Investments are stated at fair value. Fair value of a financial instrument is the amount 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 (see note 6).

Administrative Expenses— Other than the administrative expenses of PSI (see note 12), administrative expenses incurred to administer the Plan are assessed to employers and are paid out of the Plan assets. Administrative expenses include expenses for Pension Benefit Guaranty Corporation (“PBGC”) insurance premiums as well as asset-based fees.

Fiduciary liability insurance premiums aggregating \$268 in 2010 were paid by employers and are not reflected in the Plan’s consolidated financial statements.

Payment of Benefits—Benefit payments to participants are recorded upon distribution. As of June 30, 2010 and 2009, net assets available for benefits included \$ 11,111 and \$8,745, respectively, of benefits due to participants who have withdrawn from the Plan, or beneficiaries who have not yet received their distribution.

Contributions — The Plan accepts contributions for the current plan year up to eight and a half months after the plan year end as allowed by ERISA.

Vesting—Participants are vested immediately in their contributions plus actual earnings thereon. Participants should refer to their respective Summary Plan Descriptions to determine the vesting schedule for employer contributions.

Pension Benefits — Pension benefits are provided to participants under several types of retirement options based upon years of continuous service and age. Retirement benefits are paid to participants in various forms of joint and survivor annuities, including a lump-sum payment option. Participants should refer to their respective Summary Plan Description for more information.

New Accounting Standards Adopted — The accounting standards initially adopted in the 2010 financial statements described below affected certain note disclosures but did not impact the statements of net assets available for benefits or the statements of changes in net assets available for benefits.

Accounting Standards Codification — The Financial Accounting Standards Board’s (“FASB”) ASC became effective on July 1, 2009. At that date, the ASC became FASB’s official source of authoritative GAAP applicable to all public and nonpublic nongovernmental entities, superseding existing guidance issued by the FASB, the American Institute of Certified Public Accountants, the Emerging Issues Task Force, and other related literature. The FASB also issues Accounting Standards Updates (“ASU”). An ASU communicates amendments to the ASC. An ASU also provides information to help a user of GAAP understand how and why GAAP is changing and when the changes will be effective.

Subsequent Events — In May 2009, the FASB issued ASC 855, *Subsequent Events* (originally issued as FASB Statement No. 165, *Subsequent Events*) to establish general standards of accounting for and disclosing events that occur after the balance sheet date, but prior to the issuance of financial statements. ASC 855 provides guidance on when financial statements should be adjusted for subsequent events and requires companies to disclose subsequent events and the date through which subsequent events have been evaluated. ASC 855 is effective for periods ending after June 15, 2009. For the year ended June 30, 2010, subsequent events were evaluated by management through April 15, 2011, which is the date that the consolidated financial statements were available to be issued. The effect of the adoption of ASC 855 had no impact on the consolidated statements of net assets available for benefits and the consolidated statement of changes in net assets available for benefits. Additional disclosures required by ASC 855 are in note 13.

Updates to Fair Value Measurements and Disclosures — In 2009, FASB Staff Position (“FSP”), 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*, was issued prospectively and later codified into ASC 820, *Fair Value Measurements and Disclosures*, which expanded disclosures and required that major category for debt and equity securities in the fair value hierarchy table be determined on the basis of the nature and risks of the investments. The effect of the adoption of FSP 157-4 had no impact on the consolidated statements of net assets available for benefits and the consolidated statement of changes in net assets available for benefits. Additional disclosures required by FSP 157-4 are in note 6.

In September 2009, the FASB issued ASU No. 2009-12, *Fair Value Measurements and Disclosures: Investments in Certain Entities That Calculate Net Asset per Share (or Its Equivalent)*, (“ASU 2009-12”), which amended ASC Subtopic 820-10, *Fair Value Measurements and Disclosures — Overall*. ASU No. 2009-12 is effective for the first reporting period ending after December 15, 2009. ASU No. 2009-12 expands the required disclosures for certain investments with a reported net asset value (“NAV”). ASU No. 2009-12 permits, as a practical expedient, an entity holding investments in certain entities that calculate NAV per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that NAV per share or its equivalent without adjustment. The ASU requires enhanced disclosures about the nature and risks of investments within its scope. Such disclosures include the nature of any restrictions on an investor’s ability to redeem its investments at the measurement date, any unfunded commitments, and the investment strategies of the investee. The Plan has adopted ASU No. 2009-12 on a prospective basis for the year ended June 30, 2010. The effect of the adoption of ASU No. 2009-12 had no impact on the consolidated statements of net assets available for benefits and the consolidated statement of changes in net assets available for benefits. Additional disclosures required by ASU 2009-12 are in note 6.

Derivatives and Hedging — ASC 815, *Derivatives and Hedging* (originally issued as FASB Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133*), was issued on March 19, 2008, and is effective for fiscal years beginning after November 15, 2008. ASC 815 expands the required disclosures about an entity’s derivative instruments and hedging activities. The Plan has adopted ASC 815 on a prospective basis for the year ended June 30, 2010 (see note 8). The effect of the adoption of ASC 815 had no impact consolidated statements of net assets available for benefits and the consolidated statement of changes in net assets available for benefits. Additional disclosures required by ASC 815 are in note 8.

ASU No. 2010-06, Fair Value Measurement and Disclosures — In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurement and Disclosures* (“ASU No. 2010-06”), which amends ASC 820 (originally issued as FASB Statement No. 157, *Fair Value Measurements*), adding new disclosure requirements for Levels 1 and 2; separate disclosures of purchases, sales, issuances, and settlements relating to Level 3 measurements and clarification of existing fair value disclosures. ASU No. 2010-06 is effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010. The Plan is currently evaluating the impact ASU No. 2010-06 will have on the consolidated financial statements.

3. SUMMARY OF ACTUARIAL ASSUMPTIONS

Actuarial Cost Methods— The actuarial cost method used to value all benefits is the traditional unit credit method. As part of the valuation process, the funded status of each employer is separately determined. Employers in an unfunded position are billed for their required contributions. Employers in an over funded position can use their surplus to offset all or a portion of their contribution requirement.

Actuarial Asset Valuation— The actuarial valuation uses the market value of assets.

Actuarial Valuation Assumptions— The significant assumptions used in the actuarial valuation are:

- For the 2010 actuarial valuation, the interest rates used are based on the 3-segment yield rates for July 2010 in IRC Section 430(h) (2). The rates for select years are as follows:

<u>Years</u>	<u>Rate</u>
1-5	4.05%
6-20	6.47%
21+	6.65%

- For the 2009 actuarial valuation, the interest rates used were based on the corporate bond yield curve for March 2009. The rates for the select years are as follows:

<u>Year</u>	<u>Rate</u>
1	4.77%
5	6.88%
10	7.53%
15	7.60%
30	7.81%

- Normal retirement is assumed to occur at age 65. For the period prior to the normal retirement date, future withdrawals, deaths, disabilities, early retirements and salary increases are anticipated.
- The mortality table used is based on IRC Section 430(h) (3) (A), using the generational option.
- The interest rate assumed for lump sum benefits is the same as the valuation interest rate, as required by the Pension Protection Act of 2006 (“PPA”).
- Normal cost for each employer includes the estimated administrative expenses for the plan year, as required under PPA.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

4. FUNDING POLICY

The Plan is a defined benefit pension plan to which employers make contributions based upon calculations prepared annually by the Plan’s outside actuary, Towers Watson. The calculations are designed to determine the amounts necessary to fund the target normal cost of pension benefits and the 7 year amortization of the Plan’s funding shortfall. The Plan met the minimum funding requirements of ERISA for the year ended June 30, 2010. For the 2010-2011 Plan year, employers have the option to fund a portion of their shortfall over a 15 year period rather than over a 7 year period.

Certain employers have elected to participate on a contributory basis, whereby participants are required to contribute a percentage of their salaries. Participants are always 100% vested in the value of their contributions. Participants’ accumulated contributions, including interest, were \$7,626 and \$7,611 at June 30, 2010 and 2009, respectively. Pursuant to federal regulations, the interest rate credited to these contributions at June 30, 2010 and 2009 was 3.32% and 4.14%, respectively.

5. ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan’s provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The actuarial present value of accumulated plan benefits as of June 30, 2010 and 2009 is as follows:

	2010	2009
	(in thousands)	
Vested benefits for:		
Retirees and beneficiaries currently receiving payments	\$ 927,066	\$ 886,325
Other participants	<u>1,685,644</u>	<u>1,576,180</u>
Total vested benefits	2,612,710	2,462,505
Non vested benefits	<u>86,333</u>	<u>59,006</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 2,699,043</u></u>	<u><u>\$ 2,521,511</u></u>

The actuarial present value of accumulated plan benefits for the year ended June 30, 2010 is as follows:

Changes in accumulated plan benefits:	
Beginning of year	<u>\$ 2,521,511</u>
Increase (decrease) during the year attributable to:	
Interest due to decrease in the discount period	152,700
Benefits paid	(154,630)
Withdrawn employers	(2,037)
New employers	8,249
Changes in benefits adopted by employers	(571)
Benefits accumulated and actuarial experience	<u>173,821</u>
Net increase	<u>177,532</u>
End of year	<u><u>\$ 2,699,043</u></u>

6. FAIR VALUE MEASUREMENTS

ASC 820 established a single authoritative definition of fair value, set a framework for measuring fair value, and required additional disclosures about fair value measurements. In accordance with ASC 820, the Plan classifies its investments into Level 1, which refers to securities valued using 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.

If available, quoted market prices are used to value investments. The valuation of securities that have no quoted market price represent estimates of fair value. Management estimates are based on information provided by the investment managers, trustees, general partners or other institutional sources. The following is a description of the valuation methodologies and inputs used to measure fair value for major categories of investments.

- Common stocks are valued at quoted prices in active markets.
- U.S. government securities are valued at prevailing market prices traded on the secondary markets or are valued by management based on information provided by BNY Mellon, as trustee, using the following observable inputs: matrix pricing, market pricing, market corroborated pricing and inputs such as yield curves and indices.
- Corporate debt securities (excluding equity linked notes), interest rate swaps (see note 8), and preferred stock, are valued by management based on information provided by BNY Mellon, as trustee, including the following inputs: matrix pricing, market pricing, market corroborated pricing and inputs such as yield curves and indices.
- Common collective trust funds (“Funds”), are valued at NAV, which is calculated by the investment manager or sponsor of the Funds and can be redeemed daily except for Barlow Partners Group Trust of \$52,875 which can be redeemed annually with a 1-60 days’ notice. As of June 30, 2010 and 2009, the Plan had no unfunded commitments for the Funds.
- Equity linked notes, which are included in the category corporate debt securities, are valued at bid price that the originating trading desk would be willing to execute a trade. (see note 8).
- Real estate funds are valued at NAV, which is calculated by the investment manager or sponsor of the funds. The assets underlying the real estate funds are valued based on data obtained from real estate appraisals, comparables, or valued based on valuation techniques such as the cash flow projection model. Redemption from these funds varies as per the funds’ cash flow availability. As of June 30, 2010 and 2009, the Plan had reserve commitments of \$1,368 and \$1,410, respectively, which may or may not be called during the life of the investment.
- Limited partnerships are valued at NAV, which is calculated by the fund manager and is based on the valuation of the underlying investments, which include inputs such as cost, operating results, discounted future cash flows and market based comparable data. These funds can be redeemed monthly or quarterly with a 15-90 days’ notice. There are various strategies employed including: combining core long holdings of equities with short sales of stock or stock index options, event driven and other directional. As of June 30, 2010 and 2009, the Plan had remaining capital commitments for additional contributions to the limited partnerships totaling \$600 and \$700, respectively.

Additionally, in certain circumstances, the Plan may adjust NAV reported by an asset manager when sufficient evidence indicates NAV is not representative of fair value. For those investments reported on lagged basis, the Plan uses NAVs, adjusted for subsequent cash flows and significant events.

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 June 30, 2010 and 2009.

In accordance with the update to ASC 820 (originally issued as FSP FAS 157-4), the table below includes the major categorization for debt and equity securities on the basis of the nature and risk of the investments as of June 30, 2010.

Fair Value Measurements as of June 30, 2010

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common stocks:				
Consumer non durables	\$ 20,512	\$ -	\$ -	\$ 20,512
Technology	17,669	-	-	17,669
Materials and services	11,218	-	-	11,218
Financial services	8,925	-	-	8,925
Utilities	5,808	-	-	5,808
Energy	5,010	-	-	5,010
Capital goods and services	4,203	-	-	4,203
Total common stocks	<u>73,345</u>	<u>-</u>	<u>-</u>	<u>73,345</u>
Corporate debt securities:				
AAA credit rating	-	34,521	-	34,521
AA credit rating	-	109,080	-	109,080
A credit rating	-	428,945	36,556	465,501
BBB credit rating	-	170,527	-	170,527
Below BBB credit rating	-	14,641	-	14,641
Not rated	-	56,828	-	56,828
Total corporate debt securities	<u>-</u>	<u>814,542</u>	<u>36,556</u>	<u>851,098</u>
U.S. government securities	106,558	171,061	-	277,619
Limited partnerships	-	-	89,325	89,325
Preferred stock	-	-	1,203	1,203
Common collective trust funds - equity	-	292,191	52,875	345,066
Common collective trust funds - fixed income	-	437,902	-	437,902
Common collective trust funds - short term	-	172,584	-	172,584
Real estate funds	-	-	27,130	27,130
Other investments	116	480	-	596
Total	<u>\$ 180,019</u>	<u>\$ 1,888,760</u>	<u>\$ 207,089</u>	<u>\$ 2,275,868</u>
Other financial instruments*				
Interest rate swaps	<u>\$ -</u>	<u>\$ 26,101</u>	<u>\$ -</u>	<u>\$ 26,101</u>

*Other financial instruments are interest rate swap derivatives classified as liabilities which are not reflected in the total investments in the consolidated statement of net assets available for benefits.

Fair Value Measurements as of June 30, 2009

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common stocks	\$ 67,115	\$ -	\$ -	\$ 67,115
U.S. government securities	115,939	147,176	-	263,115
Limited partnerships	-	-	87,447	87,447
Preferred stock	-	951	-	951
Corporate debt securities	-	770,627	64,368	834,995
Common collective trust funds-equity	-	243,418	50,728	294,146
Common collective trust funds-fixed income	-	295,297	-	295,297
Interest bearing cash	-	204,802	-	204,802
Real estate funds	-	-	30,027	30,027
Total	<u>\$ 183,054</u>	<u>\$ 1,662,271</u>	<u>\$ 232,570</u>	<u>\$ 2,077,895</u>
Other financial instruments*				
Interest rate swaps	<u>\$ -</u>	<u>\$ 74,565</u>	<u>\$ -</u>	<u>\$ 74,565</u>

*Other financial instruments are interest rate swap derivatives classified as liabilities which are not reflected in the total investments in the consolidated statement of net assets available for benefits.

The following tables present a reconciliation of the beginning and ending balances of the fair value measurements using significant unobservable inputs (Level 3) for the year ended June 30, 2010:

	Limited Partnerships	Real Estate Funds	Corporate Debt Securities	CCT Equity	Preferred Stock	Total
Beginning balance — July 1, 2009	\$ 87,447	\$ 30,027	\$ 64,368	\$ 50,728	\$ -	\$ 232,570
Realized gains	189	-	-	-	-	189
Unrealized gains (losses)	6,245	(3,838)	4,702	2,147	252	9,508
Purchases, issuances, and settlements	(4,556)	941	-	-	-	(3,615)
Transfers in and/or out of Level 3	-	-	(32,514)	-	951	(31,563)
Ending balance — June 30, 2010	<u>\$ 89,325</u>	<u>\$ 27,130</u>	<u>\$ 36,556</u>	<u>\$ 52,875</u>	<u>\$ 1,203</u>	<u>\$ 207,089</u>

The amount of total gains or losses for the year ended June 30, 2010 included in changes in net assets attributable to the change in unrealized gains or losses related to assets still held at the reporting date

<u>\$ 6,245</u>	<u>\$ (3,838)</u>	<u>\$ 4,702</u>	<u>\$ 2,147</u>	<u>\$ 252</u>	<u>\$ 9,508</u>
-----------------	-------------------	-----------------	-----------------	---------------	-----------------

The valuation methods as described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

7. INVESTMENTS

For the year ended June 30, 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$198,024 as presented in the consolidated statement of changes in net assets available for benefits as follows:

Net change in appreciation in fair value of investments whose fair value was determined based on quoted market prices:	
Common stocks	\$ 6,318
U.S. government securities	52
Net change in appreciation (depreciation) in fair value of investments whose fair value was estimated:	
Limited partnerships	6,434
Preferred stocks	253
U.S. government securities	(3,322)
Corporate debt securities	84,694
Common collective trust funds - equity	36,077
Common collective trust funds - fixed income	61,293
Real estate funds	(3,838)
Interest rate swaps	10,063
Net change in appreciation in fair value of investments	<u>\$ 198,024</u>

The Plan's investments which represent five percent or more of net assets available for benefits as of June 30, 2010 and 2009 as follows:

	<u>2010</u>	<u>2009</u>
Blackrock Long Term Credit Bond Index Fund*	\$170,109	\$128,127
State Street Long Term Credit Index Fund	143,136	105,017
Bank of New York Mellon Short Term	172,584	195,928

*Name was formerly BGI Long Term Credit Bond Index Fund in 2009.

8. DERIVATIVES

On July 1, 2009, the Plan adopted ASC 815 on a prospective basis. ASC 815 requires qualitative disclosure about objectives and strategies for using derivatives, quantitative disclosure about fair value amounts of and gains and losses on derivatives, and disclosures about credit-risk-related contingent features in derivative agreements. As a result of the adoption, the Plan has expanded its disclosures regarding derivative instruments. The Plan's derivative financial instruments are not designated as hedging instruments under ASC 815.

Derivative financial instruments are used as hedging investments and to provide incremental income. The Plan holds equity linked notes covering a notional amount of \$160,147 and \$168,400 and an estimated fair value of \$148,259 and \$161,782 as of June 30, 2010 and 2009, respectively. An equity linked note consists of a discount fixed income instrument plus a longer term call option on an underlying equity market index, such as the Standard Poor's 500. When the note matures, the Plan will receive the principal of the note plus the value of the option. If the value of the underlying equity market has appreciated, the option will appreciate commensurately. If the underlying equity market has not appreciated, the value of the option will be zero and the Plan will receive the maturity value of the note. At June 30, 2010, approximately 94% of the value of the equity linked notes was comprised of the discount fixed income instrument and 6% was comprised of the call option. At June 30, 2009, approximately 96% of the value of the equity linked notes was comprised of the discount fixed income instrument and 4% was comprised of the call option.

The Plan holds interest rate swaps covering a notional amount of \$228,748 and \$293,148 as of June 30, 2010 and 2009, respectively. The Plan utilizes the interest rate swaps to hedge interest rate exposure for a portion of its liabilities. The interest rate swap structure consists of one counterparty agreeing to pay a sequence of floating rate payments while receiving a series of fixed rate payments (based on the terms of a fixed income security). The swap cash flows are based off the notional amount. Since the Plan initiated the interest rate swaps in August 2008, the Plan has been a receive-fixed and pay-floating counterparty. The net market value of the fixed and floating positions of the interest rate swaps was (\$26,101) and (\$74,565) as of June 30, 2010 and 2009, respectively. United States treasury and United States agency securities, in the amount of \$27,615, are held by counterparties to fully collateralize the net swap position as of June 30, 2010.

The following tables summarizes the Plan's use of derivatives and the effect on the consolidated statements of net assets available for benefits as of June 30, 2010 and 2009, respectively, and the consolidated statement of changes in net assets available for benefits for the year ended June 30, 2010.

Fair Value of Derivative Instruments as of June 30, 2010

	<u>Consolidated Statement of Net Assets Available for Benefits</u>	<u>Asset Derivatives</u>	<u>Liability Derivatives</u>	<u>Total</u>
Interest rate swap contracts	Liabilities: Interest rate swaps	\$ 202,647	\$ (228,748)	\$ (26,101)
Equity linked notes	Assets: Investments - at estimated fair value	<u>148,259</u>	<u>-</u>	<u>148,259</u>
Total derivatives		<u>\$ 350,906</u>	<u>\$ (228,748)</u>	<u>\$ 122,158</u>

Fair Value of Derivative Instruments as of June 30, 2009

	<u>Consolidated Statement of Net Assets Available for Benefits</u>	<u>Asset Derivatives</u>	<u>Liability Derivatives</u>	<u>Total</u>
Interest rate swap contracts	Liabilities - Interest rate swaps	\$ 206,997	\$ (281,562)	\$ (74,565)
Equity linked notes	Assets- Investments - at estimated fair value	<u>161,782</u>	<u>-</u>	<u>161,782</u>
Total derivatives		<u>\$ 368,779</u>	<u>\$ (281,562)</u>	<u>\$ 87,217</u>

Effect of Derivative Instruments on the Consolidated Statement of Changes in Net Assets Available for Benefits for the year ended June 30, 2010

	<u>Consolidated Statement of Changes in Net Assets Available for Benefits</u>	<u>Realized Gain / (Loss)</u>	<u>Net Unrealized Appreciation</u>	<u>Total</u>
Interest rate swap contracts	Net change in appreciation (depreciation) in fair value of investments whose fair value was estimated	\$ (38,400)	\$ 48,463	\$ 10,063
Equity linked notes	Net change in appreciation (depreciation) in fair value of investments whose fair value was estimated	<u>4,892</u>	<u>5,876</u>	<u>10,768</u>
Total derivatives		<u>\$ (33,508)</u>	<u>\$ 54,339</u>	<u>\$ 20,831</u>

9. EXEMPT PARTIES-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by BNY Mellon. BNY Mellon is the trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Investments managed by BNY Mellon totaled \$269,741 and \$302,831 as of June 30, 2010 and 2009 respectively, are included in the consolidated statements of net assets available for benefits. Income earned on these investments was \$9,172 for the year ended June 30, 2010 and is included in Interest as

shown in the consolidated statement of changes in net assets available for benefits. Fees paid by the Plan for investment management services of \$623 for the year ended June 30, 2010 is included in investment advisory services as shown in the consolidated statement of changes in net assets available for benefits. The board of directors of the Plan are comprised of executive officers of participating employers of the Plan and as such are participants in the Plan.

10. PLAN TERMINATION

The board of directors 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 shall be deemed to have delegated this authority to the board of directors. No amendment, however, shall impair such rights of payment as the participant would have had, if such amendment had not been made, with respect to contributions made by them or on their behalf to such amendment. In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations there under and the Plan document.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

11. FEDERAL INCOME TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Plan by letter dated December 5, 2007, that the Plan's Regulations and related trust are designed in accordance with applicable sections of the IRC. The Regulations have been amended and restated since receiving the determination letter and the restatement has been submitted to the IRS. The Plan Administrator and the Plan's tax counsel believe that the Plan's Regulations are designed and are currently being 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 consolidated financial statements.

12. CONSOLIDATED FINANCIAL STATEMENTS

The Plan's consolidated financial statements include the accounts of the Plan and PSI. Intercompany transactions and balances have been eliminated.

PSI is a full service retirement benefits consulting firm including plan design, compliance and administration, strategic consulting, actuarial services, and investment management to qualified and nonqualified plans. Fee income is recognized as services are performed. Income related to the operations of PSI in the amount of \$22,228 the year ended June 30, 2010 is included in administrative and service income in the consolidated statement of changes in net assets available for benefits as presented herein.

Administrative expenses related to the operations of PSI totaled \$21,916 for the year ended June 30, 2010. PSI administrative expenses include payroll, other employee, professional, office and other expenses.

Non-interest bearing cash from PSI is included in other assets in the consolidated statements of net assets available for benefits in the amount of \$6,363 and \$1,401 as of June 30, 2010 and 2009, respectively.

The management of PSI makes certain complex judgments with respect to its goodwill and intangible assets which are a direct result of PSI's acquisition of the subsidiaries of Retirement Services Group during the year ended June 30, 2009. These include assumptions and estimates used to determine the fair value of the amount reported. Fair value is determined using historical financial statements, financial projections, comparable company public findings, the purchase agreement, and other relevant company data. Goodwill totaled \$3,700 and \$3,776 and intangible assets totaled \$3,718 and \$4,090 as of June 30, 2010 and 2009, respectively, and are included on the consolidated statements of net assets available for benefits.

13. SUBSEQUENT EVENTS

Subsequent events were evaluated by management that have occurred subsequent to the year ended June 30, 2010 through April 15, 2011, which is the date the consolidated financial statements are available to be issued. On February 1, 2011, PSI completed its acquisition of Alliance Benefit Group Carolinas, LLC ("ABG") for approximately \$4.2 million. ABG is a benefits consulting, actuarial, and third party administration firm. ABG administers many types of qualified retirement plans, 401(k), defined benefit, ESOP, and 412(i) plans for various sized companies, closely held corporations, partnerships, and non-profit organizations.

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Employer ID No.: 13-5645888

Plan No.: 333

FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS

(HELD AT END OF YEAR)

AS OF JUNE 30, 2010

(a)	(b) Identity of issue, 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
		Rate	Maturity	Par Value		
	Federal Farm Cr Bks	4.500	17-Oct-12	355,000	379,850.00	383,954.69
	Federal Home Ln Bks	3.625	18-Oct-13	355,000	367,535.94	380,293.75
	Federal Home Ln Bks	3.375	24-Jun-11	1,055,000	1,094,518.19	1,083,353.13
	Federal Home Ln Bks Deb	5.000	17-Nov-17	90,000	95,568.75	102,712.50
	Federal Home Ln Bks Deb	1.875	20-Jun-12	9,285,000	9,392,455.04	9,488,109.38
	Federal Home Ln Bks	4.500	16-Sep-13	115,000	123,337.50	126,464.06
	Federal Home Ln Bks	4.625	18-Feb-11	815,000	861,098.44	836,648.44
	Federal Home Ln Bks	4.875	17-May-17	425,000	451,960.94	484,101.56
	Federal Home Ln Mtg Corp	4.500	15-Jan-13	215,000	231,393.75	234,014.06
	Federal Home Ln Mtg Corp Deb	4.500	15-Jan-14	235,000	252,037.50	259,675.00
	Federal Home Ln Mtg Corp	5.500	15-Sep-11	145,000	158,791.04	153,654.69
	Federal Home Ln Mtg Corp	0.000	1-Apr-11	2,000,000	2,002,986.00	2,002,360.00
	Federal Home Ln Mtg Corp	5.125	15-Jul-12	140,000	153,212.50	152,643.75
	Federal Home Ln Mtg Corp	5.750	15-Jan-12	875,000	966,328.13	942,812.50
	Federal Home Ln Mtg Corp	0.000	11-Jan-12	2,500,000	2,498,100.00	2,496,850.00
	Federal Home Ln Mtg Corp	0.000	5-Aug-11	1,000,000	1,000,007.00	1,000,100.00
	Federal Home Ln Mtg Corp	5.125	18-Apr-11	325,000	347,343.75	337,187.50
	Federal Home Ln Mtg Corp	5.250	18-Apr-16	135,000	147,487.50	154,996.88
	Federal Home Ln Mtg Corp	5.000	16-Feb-17	715,000	773,093.75	815,993.75
	Federal Home Ln Mtg Corp	4.875	13-Jun-18	100,000	106,781.25	113,187.50
	Federal Home Ln Mtg Corp	2.125	23-Mar-12	10,890,000	11,074,233.50	11,158,846.88
	Federal Judiciary Office	0.000	15-Aug-16	8,265,000	1,074,779.22	6,778,043.85
	Federal Judiciary Office	0.000	15-Feb-20	8,615,000	857,633.23	5,797,981.15
	Federal Natl Mtg Assn	7.250	15-May-30	205,000	262,079.69	282,323.44
	Federal Natl Mtg Assn	4.625	1-May-13	130,000	135,209.10	140,385.70
	Federal Natl Mtg Assn	6.000	15-May-11	950,000	1,031,937.50	996,609.38
	Federal Natl Mtg Assn	7.125	15-Jan-30	230,000	289,584.38	313,087.50
	Federal Natl Mtg Assn	4.375	15-Mar-13	325,000	348,968.75	354,148.44
	Federal Natl Mtg Assn	2.000	9-Jan-12	2,363,000	2,367,120.11	2,410,998.44
	Federal Natl Mtg Assn	5.000	15-Apr-15	175,000	190,914.06	198,570.31
	Federal Natl Mtg Assn	2.750	13-Mar-14	190,000	188,812.50	198,134.38
	Federal Natl Mtg Assn	1.750	10-Aug-12	8,750,000	8,848,504.00	8,919,531.25
	Financing Corp	10.700	6-Oct-17	10,000,000	10,812,500.00	15,031,250.00
	Financing Corp	9.800	30-Nov-17	10,000,000	9,937,500.00	14,493,750.00
	Financing Corp Cpn Fico Strips	0.000	11-Nov-10	700,000	72,086.00	697,501.00
	Financing Corp Cpn Fico Strips	0.000	30-May-17	165,000	19,846.00	132,491.70
	Financing Corp Cpn Fico Strips	0.000	6-Dec-10	3,500,000	472,675.00	3,485,195.00
	Financing Corp Cpn Fico Strips	0.000	6-Jun-16	10,500,000	888,930.00	8,812,860.00
	Financing Corp Cpn Fico Strips	0.000	6-Jun-15	1,107,000	157,194.00	975,078.81
	Financing Corp Cpn Fico Strips	0.000	27-Jun-16	3,000,000	389,880.00	2,509,620.00
	Financing Corp Cpn Fico Strips	0.000	11-May-15	5,400,000	771,282.00	4,771,278.00
	Financing Corp Cpn Fico Strips	0.000	30-May-17	909,000	109,334.52	729,908.82
	Financing Corp Cpn Fico Strips	0.000	30-May-17	1,130,000	135,916.40	907,367.40
	Financing Corp Cpn Fico Strips	0.000	6-Dec-18	13,200,000	1,037,652.00	9,874,524.00
	Israel St	7.250	15-Dec-28	2,800,000	2,669,436.00	3,512,404.00
	Israel St U S Govt Gtd Nts	0.000	15-Sep-22	16,650,000	1,935,063.00	10,032,790.50
	Israel St U S Govt Gtd Nts	0.000	15-Sep-11	4,400,000	1,389,124.00	4,364,976.00
	Israel St U S Govt Gtd Nts	0.000	15-May-13	7,000,000	2,261,700.00	6,721,260.00
	Israel St U S Govt Gtd Nts	0.000	15-Aug-13	12,251,000	2,706,000.88	11,674,100.41
	Israel St U S Govt Gtd Nts	0.000	15-Aug-14	8,251,000	1,682,956.47	7,591,827.61
	Resolution Fdg Corp	8.875	15-Jul-20	1,000,000	994,010.00	1,380,320.00
	Resolution Fdg Corp	0.000	15-Apr-13	1,000,000	154,299.86	963,350.00
	Tennessee Valley Auth	4.750	1-Aug-13	145,000	155,325.45	159,368.05
	Tennessee Valley Auth	0.000	15-Jul-37	6,000,000	1,271,100.00	1,592,280.00
	Tennessee Valley Auth	0.000	15-Jan-38	6,000,000	1,238,460.00	1,550,100.00
	U S T-Bill	4.250	15-Oct-10	3,722,000	3,911,441.91	3,765,324.08
	U S T-Bill	1.125	15-Jan-12	1,425,000	1,416,571.43	1,438,523.25
	U S T-Bill	1.125	15-Jan-12	3,863,600	3,842,179.60	3,900,265.56
	U S T-Bill	1.375	15-May-12	10,560,000	10,450,289.17	10,715,100.00
	U S Treasury Bonds	6.125	15-Nov-27	125,000	149,335.94	164,531.25
	U S Treasury Bonds	6.250	15-Aug-23	750,000	892,851.53	972,187.50
	U S Treasury Bonds	7.625	15-Feb-25	240,000	326,025.00	352,575.00
	U S Treasury Bonds	4.500	15-Feb-36	480,000	472,724.98	530,250.00
	U S Treasury Bonds	8.000	15-Nov-21	790,000	1,072,548.40	1,148,956.25
	U S Treasury Bonds	7.500	15-Nov-16	770,000	972,186.60	1,008,940.63
	U S Treasury Bonds	6.250	15-May-30	300,000	367,078.11	405,750.00
	U S Treasury Bonds	5.375	15-Feb-31	675,000	745,031.25	830,460.94

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Employer ID No.: 13-5645888

Plan No.: 333

FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS

(HELD AT END OF YEAR)

AS OF JUNE 30, 2010

(a)	(b) Identity of issue, 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
		Rate	Maturity	Par Value		
	U S Treasury Bonds	4.375	15-Feb-38	220,000	211,887.50	237,875.00
	U S Treasury Notes	2.375	31-Aug-10	750,000	764,677.50	752,722.50
	U S Treasury Notes Stripped	0.000	15-Aug-10	565,000	53,782.35	564,911.72
	U S Treasury Notes	3.625	31-Dec-12	355,000	375,440.90	380,709.10
	U S Treasury Bonds	5.000	15-May-37	310,000	329,665.63	369,481.25
	U S Treasury Bonds	3.500	15-Feb-39	165,000	135,660.94	153,269.53
	U S Treasury Bonds	4.250	15-May-39	165,000	155,692.96	174,461.72
	U S Treasury Notes	5.000	15-Feb-11	340,000	361,993.75	349,999.40
	U S Treasury Notes	5.000	15-Aug-11	690,000	745,041.30	725,659.20
	U S Treasury Notes	5.750	15-Aug-10	1,400,000	1,476,286.00	1,409,576.00
	U S Treasury Notes	4.250	15-Aug-13	620,000	669,259.00	681,274.60
	U S Treasury Notes	4.000	15-Feb-14	745,000	796,684.38	816,877.60
	U S Treasury Notes	4.500	15-Feb-16	75,000	81,000.00	84,885.00
	U S Treasury Notes	3.375	31-Jul-13	780,000	816,562.50	836,306.25
	U S Treasury Notes	4.000	15-Aug-18	445,000	455,916.38	489,464.40
	U S Treasury Notes	3.125	31-Aug-13	960,000	994,349.95	1,021,800.00
	U S Treasury Notes	3.125	30-Sep-13	965,000	998,322.61	1,027,423.44
	U S Treasury Notes	2.000	30-Sep-10	1,165,000	1,183,567.19	1,170,184.25
	U S Treasury Notes	1.500	31-Oct-10	1,100,000	1,111,044.00	1,104,730.00
	U S Treasury Notes	3.750	15-Nov-18	910,000	913,412.50	980,525.00
	U S Treasury Notes	1.750	15-Nov-11	1,210,000	1,222,378.30	1,231,417.00
	U S Treasury Notes	2.000	30-Nov-13	125,000	123,242.19	128,320.31
	U S Treasury Notes	3.500	15-Feb-18	850,000	843,359.38	908,633.00
	U S Treasury Notes	1.125	15-Jan-12	8,811,400	8,761,953.96	8,895,020.19
	U S Treasury Notes	4.250	15-Nov-14	510,000	548,409.38	567,971.70
	U S Treasury Notes	4.125	15-Aug-10	1,000,000	1,060,022.04	1,004,843.75
	U S Treasury Notes	4.250	15-Aug-15	645,000	690,001.65	721,239.00
	U S Treasury Notes	4.250	15-Oct-10	9,778,000	10,309,788.07	9,891,815.92
	U S Treasury Notes	5.125	15-May-16	300,000	334,806.00	350,085.00
	U S Treasury Notes	4.625	31-Aug-11	7,000,000	7,470,804.70	7,339,850.00
	U S Treasury Notes	4.500	30-Sep-11	1,080,000	1,156,701.60	1,135,101.60
	U S Treasury Notes	4.500	30-Nov-11	220,000	236,275.60	232,615.63
	U S Treasury Notes	4.625	15-Feb-17	750,000	811,462.50	856,815.00
	U S Treasury Notes	4.875	30-Jun-12	1,000,000	1,094,218.70	1,085,860.00
	U S Treasury Notes	4.750	15-Aug-17	980,000	1,065,443.75	1,133,046.60
	U S Treasury Notes	1.875	28-Feb-14	425,000	414,109.38	433,101.56
	U S Treasury Notes	1.375	15-Mar-12	895,000	893,461.67	907,968.55
	U S Treasury Notes	0.875	30-Apr-11	675,000	673,758.00	678,003.75
	U S Treasury Notes	1.375	15-May-12	5,000,000	5,036,579.25	5,073,437.50
	U S Treasury Notes	1.125	30-Jun-11	1,195,000	1,196,768.60	1,203,639.85
	U S Treasury Notes	1.375	15-Oct-12	845,000	844,232.64	857,542.97
	U S Treasury Notes	1.375	15-Feb-13	17,890,000	17,971,971.12	18,124,806.25
	US T-Bill	1.375	15-Oct-12	2,200,000	2,198,002.16	2,232,648.00
	US T-Bill	1.375	15-Oct-12	<u>2,955,000</u>	<u>2,952,316.55</u>	<u>2,998,863.28</u>
	TOTAL US GOVERNMENT SECURITIES			289,841,000.00	194,494,513.04	277,619,021.99
	Abbott Labsnt	5.600	15-May-11	175,000	187,094.25	182,255.50
	Altria Group Incnt	9.250	6-Aug-19	5,000,000	5,538,500.00	6,240,550.00
	American Honda Fin Corp Medium *Pp*Term Nts 144A Tranche # Tr 00516	5.125	15-Dec-10	1,000,000	1,011,870.00	1,017,870.00
	Anr Pipeline Co Deb	7.375	15-Feb-24	1,440,000	1,587,096.00	1,673,100.00
	Anr Pipeline Co Deb	9.625	1-Nov-21	1,590,000	2,013,973.50	2,173,991.10
	Apache Corpnt	6.250	15-Apr-12	8,450,000	8,940,015.50	9,125,070.50
	Apache Fin Cda Corpnt	4.375	15-May-15	5,000,000	4,805,200.00	5,428,650.00
	Asian Development Bankglobal Nt	5.500	27-Jun-16	80,000	86,931.20	93,219.20
	Associates Corp North Amer Sr Nt	6.950	1-Nov-18	5,000,000	5,075,200.00	5,118,200.00
	Astrazeneca Plc	6.450	15-Sep-37	70,000	77,235.90	84,826.00
	At&T Broadband Corpnt	9.455	15-Nov-22	5,000,000	5,808,300.00	6,897,300.00
	At&T Wireless Svcs Incsr Nt	7.875	1-Mar-11	300,000	325,011.00	313,698.00
	Atlantic Richfield Co	9.125	1-Aug-31	2,500,000	2,567,450.00	2,599,050.00
	Banc One Corp	7.625	15-Oct-26	3,000,000	3,878,010.00	3,508,530.00
	Bank Amer Corp Medium Term Nts Ser L Fdic Gtd Tranche # Tr 00001	3.125	15-Jun-12	530,000	547,505.90	553,494.90
	Bank Amer Corp Sub Nt	5.420	15-Mar-17	5,000,000	4,549,850.00	4,981,500.00
	Bank Austria A G *Pp*Sub Nt 144A	7.250	15-Feb-17	8,000,000	8,442,400.00	9,681,920.00
	Bankers Trust N Y Corp	7.250	15-Oct-11	1,000,000	1,041,400.00	1,046,300.00
	Barclays Bank Plc Prin Prot Nt S&P 500		9-Mar-15	10,000,000	10,000,000.00	9,455,000.00
	Bear Stearns & Co Incglobal Nt	5.700	15-Nov-14	3,500,000	3,332,350.00	3,876,635.00

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Employer ID No.: 13-5645888

Plan No.: 333

FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS

(HELD AT END OF YEAR)

AS OF JUNE 30, 2010

(a)	(b) Identity of issue, 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
		Rate	Maturity	Par Value		
	British Telecommunications L Cnt	9.625	15-Dec-30	325,000	347,551.24	396,636.50
	Burlington Northn Santa Fecorpnt	7.000	1-Feb-14	8,000,000	8,651,360.00	9,323,520.00
	Canadian Pac Ltd Equip Tr	9.450	1-Aug-21	1,250,000	1,424,060.81	1,724,512.50
	Chesapeake & Potomac Tel Co Md	8.300	1-Aug-31	5,765,000	6,576,434.35	6,824,203.45
	Citibank N A Fdic Gtd Tlpgnt	1.875	4-Jun-12	330,000	328,472.10	336,646.20
	Citicorp Pass-Thru Tr *Pp*Ser 1999-1 Pass Thru Tr Ctf144A A-2	8.040	15-Dec-19	10,000,000	11,411,500.00	11,663,600.00
	Coca-Cola Enterprises Inc	6.950	15-Nov-26	200,000	218,890.00	246,781.25
	Columbia Finl Inc Restr	8.090	15-Oct-11	1,000,000	1,035,000.00	996,500.00
	Commonwealth Edison Co Deb	5.950	15-Aug-16	11,826,000	11,735,649.36	13,514,752.80
	Commonwealth Edison Co1St Mtg Ser 106	6.150	15-Sep-17	3,000,000	3,369,900.00	3,443,250.00
	Conocophillips Australia Fdgcogtd Nt	5.500	15-Apr-13	5,000,000	5,205,050.00	5,522,100.00
	Conocophillips Cda Fdg Fdg Coint	5.625	15-Oct-16	5,000,000	5,263,800.00	5,808,000.00
	Conocophillipsgtd Nt	4.400	15-May-13	2,913,000	2,898,726.30	3,138,058.38
	Continental Airls Pass Thrutrsrser 2000-2 Ctf CI A-1	7.707	2-Oct-22	8,000,000	5,191,121.64	5,101,533.32
	Countrywide Cr Inds Inc	6.250	15-May-16	4,789,000	3,771,337.50	4,992,484.61
	Credit Suisse N Y Branch Restrarden Leveraged Ntser M Tranche 1		30-Jun-11	9,000,000	6,588,166.55	271,800.00
	Csx Transn Incnt	9.750	15-Jun-20	1,512,000	1,518,940.08	2,080,270.08
	Cvs Caremark Corpsr Nt	6.250	1-Jun-27	5,000,000	4,864,350.00	5,455,250.00
	Cwalt Inc2004-35T2 Mtg Passthru Ctf Clb-2-Fixed Rt	6.000	25-Feb-35	1,602,000	1,406,944.32	32,289.12
	Dayton Hudson Corpdeb	10.000	1-Jan-11	4,100,000	4,171,750.00	4,273,799.00
	Dayton Hudson Corpdeb	9.875	1-Jul-20	6,275,000	6,724,852.75	8,514,045.50
	Deere & Coglobal Nt	6.950	25-Apr-14	100,000	113,171.87	118,451.00
	Deere John Cap Corp M/T/N	4.500	3-Apr-13	8,000,000	7,935,600.00	8,617,040.00
	Dte Energy Co	7.050	1-Jun-11	3,750,000	3,921,525.00	3,935,156.25
	Duke Energy Co	6.000	1-Dec-28	5,000,000	5,291,000.00	5,492,400.00
	Eafe Capl Prot Ms Glbl Med Term Nt Ser F		27-Feb-13	10,000,000	11,747,000.00	10,596,000.00
	Edf S A Restrnt	6.500	26-Jan-19	5,000,000	5,755,000.00	5,818,050.00
	Edp Fin B V Amsterdam Restrnt 144A	6.000	2-Feb-18	5,000,000	5,160,400.00	4,924,300.00
	European Invnt Bkeib 10 Yr Global Bd	5.125	30-May-17	310,000	330,909.50	350,114.00
	Farmers Exchange Cap *Pp*144A	7.050	15-Jul-28	10,000,000	8,093,200.00	9,538,700.00
	General Amern Life Ins Co 144A	7.625	15-Jan-24	10,000,000	8,345,100.00	11,551,200.00
	General Elec Cap Corp M/T/Nterm Nts Tranche # Tr 00528	6.750	15-Mar-32	8,000,000	8,678,000.00	8,609,920.00
	General Elec Cap Corp Medium Term Nts Tranche # Tr 00811	5.625	1-May-18	5,000,000	4,833,407.89	5,313,550.00
	General Elec Cap Corp Medium Term Sr Nts Fdic Tranche # Tr 00004	3.000	9-Dec-11	700,000	720,715.80	723,100.00
	Genworth Life Instl Fdg Tr Restr Global Secd Medium Term Nts Tranche # Tr 00005	5.875	3-May-13	5,000,000	4,431,250.00	5,169,700.00
	Globalsantafe Corpsr Nt	5.000	15-Feb-13	5,000,000	4,997,200.00	4,857,650.00
	Gmac Llcdeb Defd Int	0.000	1-Dec-12	4	4,720.00	33,400.00
	Gmacm Home Ln Trgmacm Home Ln Trb-Fixed Rt	5.000	25-Jul-35	1,537,000	1,306,891.02	693,112.10
	Goldman Sachs Group	5.950	15-Jan-27	5,000,000	4,749,850.00	4,719,000.00
	Goldman Sachs Group Inc	6.875	15-Jan-11	5,000,000	5,154,400.00	5,126,400.00
	Goldman Sachs Group Inc Fdicgtd Tlpgnt	2.150	15-Mar-12	700,000	708,022.00	716,695.00
	Goldman Sachs Group Inc Fdicgtd Tlpgnt Fltg	0.000	15-Mar-11	1,000,000	1,001,747.00	1,001,760.00
	Goldman Sachs Inc	6.600	15-Jan-12	600,000	645,288.00	634,584.00
	GS S&P 500 Capped Eln		4-Aug-10	20,000,000	20,000,000.00	20,874,600.00
	GS S&P 500 Eln Intl Idx Lvl 1191.95		20-Apr-15	25,000,000	25,000,000.00	23,514,250.00
	GS S&P 500 Eln Prin Prot		13-Jun-11	10,000,000	10,000,000.00	10,148,400.00
	GTE Southwest Inc 1St Mtg	8.500	15-Nov-31	3,000,000	3,564,600.00	3,792,000.00
	Hancock John Mut Life Ins Co 144A Ppsurplus Nt	7.375	15-Feb-24	9,500,000	8,138,650.00	11,175,990.00
	Harley-Davidson Fdg Corp Restr Medium Term Nt Ser C	6.800	15-Jun-18	5,000,000	4,903,650.00	5,264,700.00
	Honeywell Intl Incnt	6.125	1-Nov-11	225,000	245,207.25	240,189.75
	Hydro-Quebec Deb	8.050	7-Jul-24	85,000	100,567.75	122,174.22
	Hydro-Quebec Deb Ser Hk	9.375	15-Apr-30	5,000,000	5,276,050.00	7,757,400.00
	I.B.M. Corp	6.500	15-Jan-28	5,000,000	5,283,400.00	6,059,750.00
	Inter Amer Dev Bk	3.500	8-Jul-13	95,000	97,683.75	100,734.20
	Interamer Development Bk	7.000	15-Jun-25	3,220,000	3,761,507.40	4,110,531.25
	Inter-American Devel Bk	3.000	22-Apr-14	160,000	159,550.00	167,300.00
	International Bank For Recon & Dev	0.000	42050	320,000	32,496.00	288,176.00
	International Bk For Recon & Dev	7.625	19-Jan-23	7,810,000	10,409,971.88	10,909,593.75
	International Business Machs Corp Deb	7.000	30-Oct-25	9,720,000	11,340,341.90	12,220,664.40
	Intuitsr Nt	5.400	15-Mar-12	5,000,000	4,949,650.00	5,308,100.00
	Italy Rep Deb	6.875	27-Sep-23	10,450,000	8,712,358.00	11,889,174.00
	Jackson Natl Life Global Fdg *Pp*	4.700	1-Jun-18	5,000,000	4,900,000.00	5,052,450.00
	Jefferies Group Inc New Jefferies Group Inc Newsr Nt	6.450	8-Jun-27	7,222,000	6,369,484.71	6,803,918.42
	Johnson & Johnsonnt	5.150	15-Jul-18	115,000	120,808.65	130,498.55
	Jp Morgan Ch Nikkei Eln		1-Dec-11	9,000,000	9,000,000.00	8,812,800.00
	Jp Morgan Chase Djia Eln		1-Feb-12	15,000,000	15,000,000.00	14,733,000.00
	Jpmorgan Chase & Co Fdic Gtdtlgnt Var	0.000	1-Apr-11	1,000,000	1,002,613.00	1,001,770.00

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Employer ID No.: 13-5645888

Plan No.: 333

FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS

(HELD AT END OF YEAR)

AS OF JUNE 30, 2010

(a)	(b) Identity of issue, 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
		Rate	Maturity	Par Value		
	Jpmorgan Chase & Co Fdic Gtdtgpshr Nt	3.125	1-Dec-11	1,000,000	1,038,859.00	1,034,510.00
	Jpmorgan Chase Bk New York N Y	6.000	1-Oct-17	10,000,000	9,914,800.00	10,889,600.00
	Keybank Na Sr Nts Fdic Gtd Tlgprtranche # Sr 00001	3.200	15-Jun-12	1,000,000	1,043,722.00	1,046,170.00
	Keycorp Medium Term Sr Nts Tranche # Sr 00098	6.500	14-May-13	5,000,000	4,350,000.00	5,469,350.00
	Korea Repnt	4.875	22-Sep-14	225,000	222,446.25	239,316.75
	Kraft Foods Incnt	6.250	1-Jun-12	200,000	216,592.00	217,996.00
	Kreditanstalt Furwiederaufbau Kfwnt	4.500	16-Jul-18	125,000	127,223.75	135,851.25
	Kreditanstalt Furwiederaufbauglobal Nt	4.625	20-Jan-11	565,000	587,187.55	575,333.85
	Kroger Cosr Nt	6.150	15-Jan-20	5,000,000	4,982,650.00	5,775,850.00
	Laclede Gas Co1St Mtg Bd	7.000	1-Jun-29	5,000,000	5,812,500.00	5,930,750.00
	Lilly Eli & Cont	5.500	15-Mar-27	5,000,000	4,902,300.00	5,443,050.00
	Loews Corp Deb	8.875	15-Apr-11	4,000,000	4,544,840.00	4,235,200.00
	Massachusetts Mut Life Ins Co 144A	7.500	1-Mar-24	4,550,000	3,908,040.00	5,405,536.50
	Merck & Co Inc	5.950	1-Dec-28	5,000,000	5,116,400.00	5,751,562.50
	Merrill Lynch & Co Inc Mediumterm Nts Tranche # Tr 00667	5.450	5-Feb-13	1,000,000	1,002,500.00	1,049,040.00
	Metlife Inc	5.000	24-Nov-13	100,000	100,515.00	108,187.50
	Minnesota Mut Life Ins Co Nt 144A *Pp*	8.250	15-Sep-25	9,055,000	11,332,423.05	9,466,719.53
	Mobil Corp Deb	8.625	15-Aug-21	240,000	313,238.40	342,604.80
	Morgan Stanley	5.950	28-Dec-17	4,000,000	3,519,671.22	4,050,625.00
	Morgan Stanley Fdic Gtd Tlgpgtd Nt	2.250	13-Mar-12	1,000,000	1,022,760.00	1,025,980.00
	Morgan Stanley Fdic Gtd Tlgpnt Fltg	0.000	4-Mar-11	1,000,000	1,007,099.00	1,003,730.00
	Morgan Stanleysr Nt	6.000	28-Apr-15	6,000,000	6,541,980.00	6,270,480.00
	Ms Russell 1000 Growth Ein		11-Feb-13	25,000,000	25,000,000.00	24,165,000.00
	Nasd-100 Index Trust 144A 93% Part Int Idx 1721.7		15-Jul-13	25,000,000	25,000,000.00	25,960,000.00
	National City Bk Clevelandohio Medium Term Sub Bk Ntstranche # Sb 00003	6.200	15-Dec-11	2,040,000	1,632,000.00	2,159,482.80
	National City Corp	4.900	15-Jan-15	5,000,000	4,502,150.00	5,389,750.00
	National City Corpsr Nt Conv	4.000	1-Feb-11	5,000,000	4,750,000.00	5,037,500.00
	National Rural Utils Coop Fincorp Cfc Internotes Tranche # Tr 00218	5.350	15-Jan-11	3,300,000	3,300,000.00	3,366,561.00
	Nationsbank Corp Sub Nts	7.250	15-Oct-25	10,000,000	11,252,700.00	10,582,400.00
	New England Tel & Teleg	7.875	15-Nov-29	6,663,000	7,842,817.41	7,773,722.10
	New Zealand Govtnt	8.750	1-Apr-16	3,575,000	3,617,058.25	4,589,227.50
	News Amer Hldgs Inc	7.430	1-Oct-26	10,000,000	10,228,500.00	11,315,625.00
	News Amer Hldgs Nt	9.250	1-Feb-13	4,400,000	4,484,304.00	5,181,000.00
	Nextel Communications Incsr Serial Redeemable Nt Ser D	7.375	1-Aug-15	14,450,000	14,608,800.00	13,727,500.00
	Norfolk Southern Corp	7.800	15-May-27	2,177,000	2,655,047.43	2,802,082.01
	Norfolk Southn Ry Co Vant	9.750	15-Jun-20	2,088,000	2,097,583.92	2,911,006.08
	Norsk Hydro A S	7.750	15-Jun-23	100,000	116,246.00	131,581.00
	Norsk Hydro A S	7.150	15-Nov-25	3,650,000	4,678,752.50	4,433,728.00
	Novartis Secs Invt Ltdnt	5.125	10-Feb-19	80,000	82,345.60	89,556.00
	Occidental Pete Corpdeb	9.250	1-Aug-19	500,000	496,250.00	688,645.00
	Oil Cas Ins Ltd *Pp*Deferrable Sub Deb 144A	8.000	15-Sep-34	5,000,000	5,000,000.00	4,813,350.00
	Oracle Corp / Ozark Hldg Incnt	5.250	15-Jan-16	2,090,000	2,082,037.10	2,371,585.70
	Pacific Bell Deb	7.125	15-Mar-26	5,000,000	5,138,400.00	5,724,050.00
	Peoples Bk Bridgeport Conn Sub Nt	9.875	15-Nov-10	5,500,000	6,021,585.00	5,603,070.00
	Pepsi Bottling Group Incgtd Sr Nt	7.000	1-Mar-29	10,000,000	12,094,000.00	12,748,200.00
	Pfizer Incnt	6.200	15-Mar-19	90,000	99,620.10	106,956.00
	Ppl Energy Supply Llcreset Put Secs	5.700	15-Oct-15	2,000,000	1,890,460.00	2,180,460.00
	Procter & Gamble Co	4.950	15-Aug-14	50,000	54,105.50	56,038.00
	Procter & Gamble Cont	4.700	15-Feb-19	130,000	130,936.00	142,452.70
	Prudential Hldgs Llc Restrser B Insured Nt 144A	7.245	18-Dec-23	5,000,000	4,902,500.00	5,607,200.00
	Royal Bk Cda Montreal Que	5.650	20-Jul-11	100,000	107,575.00	105,178.00
	Safeway Incnt	4.950	16-Aug-10	1,300,000	1,319,266.00	1,304,836.00
	Santander Fin Iss Ltd Gtd Sub Nt	7.250	1-Nov-15	5,000,000	5,089,700.00	5,159,200.00
	Sara Lee Corpn	6.250	15-Sep-11	5,000,000	5,370,750.00	5,294,700.00
	Sbc Communications Incglobal Nt	5.100	15-Sep-14	150,000	158,812.50	166,401.00
	Seariver Maritime Finl Hldgs Incgtd Defd Int Deb	0.000	1-Sep-12	2,020,000	252,500.00	1,929,079.80
	Shell Intl Fin B V	4.000	21-Mar-14	185,000	192,091.05	195,672.65
	Siemens Restr Nt144A	6.125	17-Aug-26	11,000,000	11,619,970.00	12,404,480.00
	Southern Calif Edison Co1St & Refunding Mtg Bd Ser	5.000	15-Jan-14	100,000	105,822.00	109,464.00
	Sovereign Bk Fsb Wyoming Pasub Nt Accd Invs	8.750	30-May-18	5,000,000	4,606,250.00	5,731,600.00
	Ssaris Fund		30-Jun-11	35,000,000	35,000,000.00	55,560,128.98
	Statoilhydro Asa	7.875	9-Dec-22	12,000,000	15,069,750.00	15,015,000.00
	Tele Communications Inc Sr Deb	10.125	15-Apr-22	5,000,000	5,715,850.00	7,048,900.00
	Time Warner Companies Inc Deb	9.150	1-Feb-23	5,000,000	5,912,049.28	6,731,500.00
	Time Warner Companies Incgtd Deb	6.950	15-Jan-28	5,000,000	4,779,100.00	5,648,650.00
	Time Warner Entmt Co L P Sr Deb	8.375	15-Mar-23	10,000,000	11,319,400.00	12,821,100.00
	Torchmark Corp Nt	7.875	15-May-23	2,000,000	2,083,040.00	2,293,660.00

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Employer ID No.: 13-5645888

Plan No.: 333

FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS

(HELD AT END OF YEAR)

AS OF JUNE 30, 2010

(a)	(b) Identity of issue, 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
		Rate	Maturity	Par Value		
	Total Capital Sa	5.000	22-May-12	5,000,000	5,393,100.00	5,330,390.00
	Trans Canadian Pipeline	7.125	15-Jan-19	5,000,000	5,922,500.00	6,077,700.00
	Transalta Corpsr Nt	6.650	15-May-18	6,000,000	5,989,740.00	6,684,600.00
	Transamerica Financ	0.000	1-Sep-12	2,220,000	262,507.70	2,016,004.20
	Transgas De Occidente Sa 144A Sr Secd Nt	9.790	1-Nov-10	7,000,000	171,132.63	155,078.00
	U S Bancorp Medium Term Sr Nts Fdic Gtd Tlgptranche # Sr 00001	2.250	13-Mar-12	1,000,000	1,022,966.00	1,025,980.00
	U S Bk Natl Assn Cincinnati Mtnohio Medium Term Bk Nts Tranche # Tr 00230	4.950	30-Oct-14	125,000	131,145.00	136,222.50
	Unilever Cap Corpnt	7.125	1-Nov-10	347,000	370,113.67	354,342.52
	United Parcel Svc Incsr Nt	6.200	15-Jan-38	25,000	26,823.25	30,054.25
	United Technologies Corp	6.700	1-Aug-28	50,000	52,937.00	60,966.00
	Unum Corporation	6.750	15-Dec-28	1,000,000	798,400.00	982,990.00
	Vale Overseas Ltdgtd Nt	6.875	21-Nov-36	75,000	72,729.00	78,188.25
	Voto-Votorantim Overseas *Pp*Trading Iv Ltdnt144A	7.750	24-Jun-20	2,500,000	2,521,875.00	2,668,750.00
	Wal-Mart Stores Incnt	3.000	3-Feb-14	2,900,000	2,955,216.00	3,023,743.00
	Wells Fargo & Co Fdic Gtd Tlgpnt	3.000	9-Dec-11	1,000,000	1,037,106.00	1,033,580.00
	XI Cap Ltd	6.375	15-Nov-24	2,000,000	2,130,480.00	2,065,480.00
	TOTAL CORPORATE DEBT INSTRUMENTS			780,181,004	787,738,881.73	851,098,431.52
	California St For Previous Issues See 13062T	7.550	1-Apr-39	75,000	74,636.25	80,478.75
	TOTAL STATE AND MUNICIPAL SECURITIES			75,000	74,636.25	80,478.75
	Irs Rec Fxd Db	3.6325	22-Sep-13	46,530,000.00	\$ 46,530,000.00	50,222,374.19
	Irs Pay Fit 3M Lib Db	0.5382	22-Sep-13	(46,530,000.00)	\$ (46,530,000.00)	(46,530,000.00)
	Irs Rec Fxd Db	2.3810	22-Dec-38	84,718,000.00	\$ 84,718,000.00	64,591,316.00
	Irs Pay Fit 3M Lib Db	0.5382	22-Dec-38	(84,718,000.00)	\$ (84,718,000.00)	(84,718,000.00)
	Irs Rec Fxd Citi	2.4440	22-Dec-23	97,500,000.00	\$ 97,500,000.00	87,833,060.25
	Irs Pay Fit 3M Lib Citi	0.5382	22-Dec-23	(97,500,000.00)	\$ (97,500,000.00)	(97,500,000.00)
	TOTAL INTEREST RATE SWAPS			0	0.00	(26,101,249.56)
	Firstar Rlty L L C Cum Pfd Restrmon Cum Pfd Ser B 8.875%144A			1,000	914,950.00	1,203,437.50
	TOTAL NON-CONVERTIBLE PREFERRED			1,000	914,950.00	1,203,437.50
	3M Cocom			400	28,690.00	31,596.00
	American Tower Corp Cl A			54,490	1,472,160.87	2,424,805.00
	Amgen Inc			10,650	582,385.27	560,190.00
	Apple Inc Com			15,540	2,054,450.88	3,908,776.20
	Avon Products Inc Com			49,380	1,136,996.52	1,308,570.00
	Baxter Intl Inc Com			47,730	2,697,994.14	1,939,747.20
	Bed Bath & Beyond Inc			25,860	1,094,985.53	958,888.80
	Biogen Idec Inccom			23,200	1,132,945.36	1,100,840.00
	Broadcom Corp Cl Acom			29,180	759,332.99	962,064.60
	Cisco Sys Inc			106,780	2,360,480.03	2,275,481.80
	Cme Group Inccom			4,820	1,519,187.95	1,357,071.00
	Coca-Cola Co			14,850	703,898.47	744,282.00
	Costco Whsl Corp Newcom			33,370	1,616,647.99	1,829,677.10
	Crown Castle Intl Corp			47,030	905,805.19	1,752,337.80
	Danaher Corp			22,920	901,942.26	850,790.40
	Ecolab Inc Com			23,180	1,023,283.30	1,041,013.80
	Equinix Inccom New			11,280	1,066,364.95	916,161.60
	Express Scripts Inc Common Stock			15,380	509,325.50	723,167.60
	F S Bancorp			16,896	760,320.00	768,768.00
	Gilead Sciences Inc			25,840	1,102,636.08	885,795.20
	Google Incl A			3,681	1,544,686.46	1,637,860.95
	Halliburton Company			72,140	2,407,750.71	1,771,037.00
	Johnson & Johnson Com			39,580	2,426,289.68	2,337,594.80
	Jpmorgan Chase & Cocom			19,450	835,717.90	712,064.50
	Kraft Foods Incl A			26,560	792,564.24	743,680.00
	Lowes Companies Inc Com			87,850	2,035,510.12	1,793,897.00
	Mastercard Incl A			6,280	1,426,542.80	1,253,048.40
	Mc Donalds Corporation Common			21,900	1,264,724.51	1,442,553.00
	Merck & Co Inc Newcom			23,400	1,227,384.02	818,298.00
	Microsoft Corp Com			115,550	3,183,393.77	2,658,805.50
	Monsanto Co New			12,410	627,989.26	573,590.20

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Employer ID No.: 13-5645888

Plan No.: 333

FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS

(HELD AT END OF YEAR)

AS OF JUNE 30, 2010

(a)	(b) Identity of issue, 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
		Rate	Maturity	Par Value		
	Morgan Stanley Co			32,830	900,937.13	761,984.30
	Netapp Inccom			18,990	661,158.73	708,516.90
	Nike Inc Cl B			21,580	1,407,945.08	1,457,729.00
	Northern Trust Corp			27,170	1,411,012.47	1,268,839.00
	Occidental Petroleum Corporation Common			13,150	1,028,334.55	1,014,522.50
	Oracle Corporation			85,200	1,574,611.07	1,828,392.00
	Peoples Utd Finl Inccom			52,370	860,482.80	706,995.00
	Pepsico Inc Com			46,780	2,252,811.91	2,851,241.00
	Praxair Inc			17,050	1,285,709.19	1,295,629.50
	Procter & Gamble Co Com			35,740	1,826,218.99	2,143,685.20
	Qualcomm Inc			61,610	2,077,628.24	2,023,272.40
	Raytheon Cowt Exp			113	1,871.28	1,357.13
	Schlumberger Limited Com			40,190	2,167,198.81	2,224,114.60
	Schwab Charles Corp Newcom			66,660	1,145,577.51	945,238.80
	Southwestern Energy Co			31,990	1,273,686.12	1,236,093.60
	St Jude Medical Inc			44,700	1,611,581.13	1,613,223.00
	Staples Inc Com			64,720	1,425,994.10	1,232,916.00
	Target Corpcom			32,730	1,695,922.64	1,609,334.10
	Teva Pharmaceutical Inds Ltd Adr			13,300	640,332.29	691,467.00
	Thermo Fisher Scientific Inc			18,910	730,189.37	927,535.50
	United Technologies Corp			16,660	944,596.82	1,081,400.60
	Viacom Inc Newcl B			25,386	918,472.06	796,358.82
	Visa Inccom Cl A			9,200	540,320.57	650,900.00
	Western Un Cocom			57,190	937,651.39	852,702.90
	Xilinx Inc			<u>53,010</u>	<u>1,320,047.61</u>	<u>1,339,032.60</u>
	TOTAL EQUITY			1,894,806	71,842,679	73,344,934.90
	Arden Endowment Advisors Commingled			210,360	23,986,005.81	28,294,486.89
	Arden Liquidating Trust			434	43,446.61	51,996.12
	Barlow Partners Offshore Ltd Cl A			23,354	25,000,000.00	38,373,517.00
	Ivy Offshore Spv			369	369,413.56	408,217.36
	Ivy Rising Stars Offshore Fd,Class A			1,581	3,726,786.86	3,339,593.93
	Morgan Stanley Instit Cayman Fund Lp			10,000,000	9,914,898.00	12,922,935.00
	VCFA Private Equity Partners IV*			3,599,656	3,599,656.00	3,194,901.81
	VCFA Venture Partners III*			<u>3,302,090</u>	<u>3,302,089.92</u>	<u>2,739,403.03</u>
	TOTAL LIMITED PARTNERSHIPS			17,137,845	69,942,297	89,325,051
	Sentinel Real Estate Funds			617	40,356,488.57	26,013,444.40
	MSREF Domestic			1,002,982	1,002,982.10	1,116,877.00
	MSREF International			<u>1,313,064</u>	<u>1,313,063.60</u>	<u>-</u>
	TOTAL REAL ESTATE FUNDS			2,316,662	42,672,534.27	27,130,321.40
	Barlow Partners Group Trust			14,693,900	14,693,900.00	52,874,632.00
	Blackrock Eafe Equity Index Fund			459,739	56,096,063.50	64,131,777.31
	Blackrock Equity Index Fund			130,908	44,271,171.92	41,071,714.62
	Blackrock Int Govt/Credit Bd Index			1,889,102	49,992,670.61	51,802,260.65
	Blackrock Long Govt/Credit Bond Index			3,014,801	59,420,732.62	72,278,395.67
	Blackrock Long Term Credit Bd Index Fd			3,369,121	137,353,331.05	170,109,194.96
	Blackrock Russell 1000 Value Fund			1,502,652	68,060,625.46	70,598,647.27
	Blackrock Russell 2000 Equity Index Fund			2,423,147	27,924,076.74	44,152,077.41
	SSGA S & P 500 Flagship			341,828	81,408,349.31	72,237,138.43
	SSGA Long Credit Index			5,573,389	111,983,855.87	143,135,762.10
	SSGA Quality Trust Liquidating Trust			576,061	576,061.49	576,135.61
	* Bank of New York Mellon Collective Short Term Investment Fund			50,700,600	50,700,599.70	50,700,599.70
	* Bank of New York Mellon Collective Short Term Investment Fund			<u>121,883,713</u>	<u>121,883,712.77</u>	<u>121,883,711.61</u>
	TOTAL COMMON COLLECTIVE			206,558,960.16	824,365,151.04	955,552,047.34
	Bank of America NA CD	1.05	11/5/2010	100,000.00	100,000.00	100,000.00
	GE Money Bank	3.15	12/30/2010	100,000.00	100,000.00	100,000.00
	American Express Centurion Bk CD	1	2/25/2011	100,000.00	100,000.00	100,000.00
	Ally Bank Utah CD	0.65	4/8/2011	<u>100,000.00</u>	<u>100,000.00</u>	<u>99,662.42</u>

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Employer ID No.: 13-5645888

Plan No.: 333

FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS

(HELD AT END OF YEAR)

AS OF JUNE 30, 2010

(a)	(b) Identity of issue, 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
		Rate	Maturity	Par Value		
	TOTAL CERTIFICATE OF DESPOSITS			400,000.00	400,000.00	399,662.42
	Peoples United Bank				<u>115,345.92</u>	<u>115,345.92</u>
	TOTAL INTEREST BEARING CASH				115,345.92	115,345.92

PENTEGRA DEFINED BENEFIT PLAN FOR FINANCIAL INSTITUTIONS

Employer ID No.: 13-5645888

Plan No.: 333

FORM 5500, SCHEDULE H, PART IV, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

FOR THE YEAR ENDED JUNE 30, 2010

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling Price	(e) Lease Rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
SERIES IN THE SAME SECURITY								
Bank of New York-Mellon	Short Term Investment Fund CUSIP S99990690	305,809,666.76	253,860,793.17	-	-	253,860,793.17	121,883,712.77	-
Bank of New York-Mellon	Short Term Investment Fund CUSIP S99990700	291,938,082.04	367,230,414.12	-	-	367,230,414.12	50,700,599.70	-