

## CONFLICT OF INTEREST AND PROFESSIONAL ETHICS

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The Board of Directors has adopted the following Code of Ethics for the Bank's associates to follow without exception. Associates are also required to follow the standards and policies or guidelines set forth in the Bank's employee handbook. We expect each associate to avoid conflicts of interest, the appearance of conflicts of interest, and comply with all applicable government rules and regulations. Any violation of this Code of Ethics may result in disciplinary action, including termination of employment.

The purpose of this Code of Ethics is to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in the periodic and other reports required to be filed by the Bank; and
- Compliance with applicable government rules and regulations.

Because we are a financial institution we must be absolutely above suspicion or reproach. Both individually and as a company we must uphold the finest standards of business practice. Therefore, the following applies to all associates of the Bank and its subsidiaries:

No associate shall disclose to anyone, either during or after his or her employment, any confidential information obtained by him or her as a result of his or her employment, unless the written consent of an executive officer of the Bank has first been obtained. On termination of employment, no associate will, without permission of an executive officer of the Bank, take any material or media from the Bank in any form written or otherwise.

Each associate shall devote all of his or her time and attention to the business of the Bank, during normal working hours with the Bank, and shall not work for any other employer during said normal working hours with the Bank.

Each associate shall not use the Bank's property or equipment for other than officially approved activities of the Bank and for no other use or purpose.

No associate shall give gifts or provide entertainment totaling over \$100.00 in value, or any other personal favor to, or accept the same from any person or organization with whom or with which the Bank may now have or may, in the future, have any business dealings.

Each associate is required to disclose any outside activities of a business nature or other employment to the Human Resources department on at least a yearly basis, in written form.

No associate may perform any business activity that conflicts or suggests a potential conflict with the best interest of the Bank or its subsidiaries.

No associate, during his or her term of employment with the Bank shall pursue or become directly or indirectly interested in any business or occupation that is in conflict with either the business of the Bank or its subsidiaries or with the rights, duties and responsibilities of such associate to the Bank.

No contract or other transaction between the Bank or its subsidiaries and any other party or entity shall be initiated by an associate who is pecuniary or otherwise interested in the transaction, without disclosure to the Bank and their written consent thereto.

Each associate shall comply with all rules and regulations of federal, state, and local governments, and other appropriate private and public regulatory agencies.

Each associate who collects, provides or analyzes information for or otherwise contribute in any way in preparing or verifying the Bank's periodic and other reports to the OTS or other regulatory agencies should strive to ensure that our financial disclosure is accurate and transparent and that our reports contain all of the information about the Bank that would be important to enable stockholders and investors to assess the soundness and risks of our business and finances and the quality and integrity of our accounting and disclosures.

All violations of this Code of Ethics shall be promptly reported to the Chief Executive Officer or President of the Bank. No exemption from the provisions of this policy shall be valid or given unless made in writing and signed by the Chief Executive Officer or President of the Bank in advance of the transaction contemplated by the associate.

Federal regulations require that certain associates are required to file reports with the Bank relating to securities transactions. You will be advised if this applies to you.