

POLICY STATEMENT

The nature of North American Savings Bank's relationships with its public, directors, shareholders, customers, and employees has been and must continue to be built on integrity. The Bank's reputation has been earned and must be maintained on the highest level. It is one of our most important assets. Banks by necessity are held to the highest standards of honesty, fidelity and fairness. This means complying with the spirit of the law as well as the letter of the law.

Although the Ethical Standards Policy can neither cover every situation in the daily conduct of the Bank's many varied activities nor substitute for common sense, individual judgment or personal integrity, it is the duty of each employee of the Bank to adhere, without exception, to the principles set forth herein.

All conflicts of interest, real or perceived, must be avoided. Employees are expected to examine their own actions from an objective third party viewpoint. The policy that follows will give direction to that examination. Willful disregard for these rules may be grounds for discipline or dismissal. Some of the major principles to be observed are the following:

- 1. Conducting Affairs in Accordance with the Highest Ethical Standards.** It is the duty of the Bank, its directors, officers and employees, to conduct all activities in accordance with the highest ethical standards of the community and their respective professions at all times and in a manner which shall uphold NASB's reputation and standing. No director, officer or employee shall make false or misleading statements to any person or entity doing business with NASB. Directors, officers and employees will accept individual responsibility for their actions without seeking shelter behind the name of North American Savings Bank.
- 2. Maintaining the Appropriate Levels of Confidentiality for Information and Documents Entrusted to the Bank.** Employees of the Bank have access to a variety of sensitive and proprietary information, the confidentiality of which must be protected. All directors, officers and employees must adhere to the appropriate laws, regulations, policies, and procedures to ensure that confidential information is properly maintained from creation to destruction, and inappropriate or unauthorized release is prevented. NASB shall create and keep records and documentation that conform to legal, professional and ethical standards.
- 3. Avoiding Conflicts of Interest.** Directors, officers, and employees must faithfully conduct their duties, in their assigned roles and tasks, for the purpose, benefit and interest of the Bank and the community whom it serves. Bank directors, officers, and employees have a duty to avoid conflicts with the interests of NASB and may not use their positions and affiliations with the Bank for personal benefit. Directors, officers and employees must consider and avoid not only actual conflicts but also the appearance of conflicts of interest.

4. **Compliance with All Applicable Laws.** It is the duty of the Bank, its directors, officers and employees, to uphold all applicable laws and regulations. All directors, officers and employees must be aware of the legal requirements and restrictions applicable to their respective positions and duties. It is expected that directors, officers and employees will refrain from engaging in any activity that may jeopardize the Bank's charter, including inappropriate lobbying and political activities.

5. **Providing Equal Employment Opportunity and Respecting the Dignity of Customers.** NASB is committed to providing employment for all persons, without regard to race, color, religion, sex, national origin, ancestry, age, disability, veteran status or any other protected characteristic as established by law. The Bank is committed to maintaining a work environment that respects the dignity of each customer and employee of NASB. Therefore, prohibited discrimination in any form or context will not be tolerated.

Officers, managers and supervisors of the Bank have a special duty to adhere to the principles set forth in this policy, to support other employees in their adherence to the policy, to recognize and detect violations of the policy, and to enforce the standards set forth in support of the policy. It is the duty of each employee of the Bank to uphold the standards set forth in this policy and the Code of Ethics and to report violations by following the reporting procedures established by policy. Alleged violations of the Ethical Standards Policy, or other policies and procedures of the Bank will be investigated by persons designated by, and pursuant to, procedures established by the Bank.

This policy addresses who we are and how we want our various constituents to view us.

David H. Hancock
Chairman, CEO

CODE OF ETHICS

A financial institution's activities are affected by laws and regulations, as well as its responsibilities to its shareholders, customers, employees and the community in which it serves. The Bank's Code of Ethics provides the avenue for ensuring that the conduct of its employees is consistent with the institution's corporate responsibilities. This Code of Ethics embodies not only legal and regulatory requirements, but also the standards by which our employees must conduct themselves.

ETHICAL STANDARDS COMMITTEE

The Ethical Standards Committee shall consist of the CEO, President and the Audit Committee of the Board of Directors. The committee will make policy and review all questions of compliance with this policy. Any employee aware of violations of the policy should report the facts to their supervisor, the Internal Audit Manager or the Risk Manager. They will report any information to the Audit Committee Chairman. The committee will be convened to review matters as deemed necessary by the Audit Committee Chairman. If any employee has a doubt or concern about a violation or possible conflict of interest they are encouraged to put the facts forward in the above manner for resolution.

SITUATIONS TO BE REPORTED

While it is not possible to list all types of situations that may be in violation of this policy, the following are some examples of situations that must be reported:

- Any time an employee is approached to make a purchase, extension of credit or other favor in exchange for personal fees or gifts;
- Any known act of wrongdoing involving NASB employee(s), especially where losses or potential embarrassment could be suffered by NASB. This would include any embezzlement or unreported cash differences;
- Any convictions of employees or directors for crimes of theft, dishonesty or deceit;
- Any write-offs, settlements, or forgiveness of principal or interest that may be undertaken by an employee who has a potential conflict of interest;
- Any changes in internal control or operating policy, as it pertains to safeguards and physical security;
- Any situation where computer software owned by NASB is being used illegally or where software not owned, leased, authorized or controlled by NASB is being utilized on Bank owned computers.
- Any misuse of Internet access or violations of NASB's Technology policies. It should be noted that all employees will be required to read and agree in writing with NASB's Technology Policies. This will also cover use of e-mail through the Internet, as well as all other electronic technology furnished by NASB. In

general, any employee misusing Internet access will be subject to disciplinary action, up to and including termination and/or suspension of access to the Internet.

- Any deviation from the vacation rule requiring personnel to be out of NASB at least one consecutive week each calendar year. In certain cases the committee may make exceptions to this rule but pre-approval is necessary.
- Any collection efforts against our employees or noted credit problems. This would include levies and garnishments. These situations would be reviewed on a case by case basis to assess any security risk to NASB.
- Subpoenas by the IRS (Criminal division) FBI, Police, SEC, Grand Jury or other enforcement, regulatory, or investigative authority for information on any employee, director, or borrower or any interests owned by that group.
- Any communications from any bank or government regulators requesting information or requiring action by NASB or its Board other than normal routine publicly accessible reports.

Each employee must recognize and accept his/her responsibility to safeguard the assets of NASB. If an employee becomes aware of the misconduct of another, it is his/her obligation to report it to their supervisor or the Human Resources department, whichever is most appropriate. Those employees who harbor unreported misconduct of others will be dealt with in the same manner as those engaged in the misconduct.

CUSTOMER AND VENDOR PROTOCOL

Even an appearance of impropriety or conflict of interest may be as damaging to NASB's image and reputation as an actual conflict. It is therefore important to avoid embarrassing situations by looking at all actions as an uninvolved observer such as a regulator, customer, stockholder, auditor or vendor might. You must report any situations where:

- The privacy of customer information has been breached;
- Business is done with a supplier or vendor because of family ties, friendship, gifts or gratuities, or to endear a special interest group;
- NASB's name or business is used to create leverage by an employee for their personal gain or opportunity; or
- A NASB employee treats a customer, vendor or other employee with other than business like language, actions, or manners.

It is the policy of the Bank to purchase equipment, services, supplies and materials based on quality and price. The choice of vendor will not be based on reciprocity. There must be no impression of preferential treatment. This is imperative if NASB is to maintain the ability to get competitive bids.

CONFIDENTIAL INFORMATION

The unauthorized use or release of confidential information during or after employment with NASB is a breach of the Bank's Ethical Standards as well as Privacy and Information Security policies. **Confidential information with respect to NASB, its customers, prospective customers, suppliers, shareholders, and employees acquired in the course of business is to be used solely for business purposes and never to be discussed with or divulged to unauthorized people.** The need for confidentiality extends to everyone, including family, friends and acquaintances.

Customers, suppliers, shareholders and employees expect NASB and its employees to keep information regarding their personal and business affairs in strict confidence at all times. Examples of confidential information include the following: customers', suppliers', shareholders' or employees' business relationships, loans, accounts, balances, credit ratings, experiences, or any other transaction with NASB. Other examples of confidential information include, but are not limited to corporate policies, objectives, goals and strategies; lists of clients, customers or vendors; employee records; and other materials such as graphs, memoranda, documents, manuals, reports, records, software or hardware for use in computer or word processing equipment, training materials, bulletins, and similar originals or copies of records whether or not you have contributed to their creation. **When an employee leaves NASB, the employee may not retain any confidential information.**

All Bank provided computers, laptops, copiers, faxes, mobile phones, personal digital assistants ('PDAs'), flash drives, software, internet access and other electronic equipment, or resources (including the company data that resides on those resources) shall remain sole property of the Bank. Management reserves the right to view and review all computer and resource usage, software and data stored on Bank provided electronic resources at any time. **Employees should have no expectation of personal privacy regarding the use of technology or data stored on Bank owned electronic systems and resources.** All officers and employees are expected to comply with all applicable sections of the IT Policy, the Internet Usage Policy and the Remote Access Policy, and any violations are subject to disciplinary action.

All employees must be constantly alert to ensure that customer information and NASB "insider" financial information is not obtained by anyone other than authorized employees. This applies to unintentional breaches as well as intentional. To help ensure this confidentiality all employees should:

- Refrain from discussing customers' finances with other employees, except as necessary to complete a transaction or provide a service;
- Ensure receipt of proper authorization before releasing any customer information (refer to the Information Security Program: Employee Guidelines);
- Securely store all confidential paperwork and sensitive customer information in drawers, cabinets or desks while unattended, including CDs, DVDs, flash drives,

microfilm, microfiche, or any other paper or electronic medium that contains customer information;

- Password protect company-issued computers, laptops, cell phones, Blackberries, and/or data storage devices while unattended;
- Confidential information available to one department of NASB should only be communicated to other departments when there is a legitimate business need to know.
- Securely store company-issued laptops, cell phones, Blackberries, data storage devices (such as CDs and DVDs), microfilm and/or microfiche in drawers, cabinets, desks or offices during non-business hours;
- Ensure access to corporate facilities is restricted to authorized personnel and vendors;
- During non-business hours, ensure access to branch facilities is restricted to authorized personnel and vendors;
- Ensure access to Bank assets and customer records is restricted to authorized personnel;
- Maintain proper control over all shred-bins; and
- Remain sensitive to any information about the company that might be considered by the SEC to be “material non-public information” and make sure that it is not used by anyone for purposes of the trading of NASB stock.

Customer lists, balance information, product specifications, software and all company proprietary information must not be shared with any unauthorized persons. If this information is given to competitors or other unauthorized persons NASB will take legal action to recover its losses from any current or former employees that are responsible.

INFORMATION ABOUT NASB EMPLOYEES

NASB is committed to protecting the privacy of its employees. Only that information that is needed for legitimate business purposes is gathered and retained. The information is used only for the specific purpose for which it was collected. Every employee has the right to examine their personnel file and the right to request amendments to any inaccurate or incomplete information contained therein.

Any requests from outside the Bank for employee information, including those required by law, should be referred to the Human Resources Department. All necessary measures are taken to protect the confidentiality of employee information and only that information required for performance of duties in the Bank is disclosed. Medical information is never disclosed without employee consent.

CONFLICTS OF INTEREST

NASB's reputation for integrity is a valuable asset and is directly affected by the conduct of its employees. For this reason, employees must not use their position for private gain, to advance personal interests, or to obtain favors or benefits for themselves, members of their families, or any other individuals, corporations or business entities.

A basic premise of this Code of Ethics is that each employee represents NASB and is obligated to act in the best interest of the Bank and its stockholders, without regard to the employee's personal or financial interest or activities. Employees are expected to recognize and avoid those situations where personal or financial interest or relationships might influence or appear to influence the employee's judgment on matters affecting the Bank.

Employees should understand that a conflict of interest may arise when there is a mere opportunity for conflict to occur. Although employees may not intend to create a conflict of interest, they should manage their affairs to avoid even the appearance of such a conflict. If an employee has any doubt about a certain situation, the employee should contact his/her supervisor to discuss it immediately.

INSIDER TRADING

An employee's position with NASB may provide that employee with access to "material non-public information." "Material non-public information" includes information that is not available to the public at large which would be important to an investor in making a decision to buy, sell or retain a security. Common examples of information that will frequently be considered material are as follows: projections of future earnings or losses; news of a pending or proposed merger or acquisition, tender offer or exchange offer; news of a significant sale of assets or the disposition of a subsidiary; changes in dividend policies or the declaration of a stock split or the offering of additional securities; significant changes in management; significant new products or discoveries; or impending financial or liquidity problems.

It should be noted that either positive or negative information may be considered "material non-public information." An employee in possession of such material non-public information shall not pass that information on to others, and shall not purchase or sell a security or recommend a security transaction of the employee's own account, the account of a family member, the account of NASB, any customer of NASB or any other person. After the information has been publicly disclosed through appropriate channels, an employee should allow a reasonable time to elapse (at least three business days) before trading in the security, to allow for public dissemination and evaluation of the information. The use or disclosure of such information can result in civil or criminal penalties under federal securities laws, both for the individual concerned and for NASB.

RELATIONSHIP WITH THE INVESTMENT COMMUNITY

Institutional investors and securities analysts play a critical role in establishing the pricing and liquidity of NASB's stock and other publicly held securities. To ensure proper disclosure and consistency of information, all communications with members of the investment community should be coordinated with the CEO, President, Chief Credit Officer or Chief Financial Officer.

FINANCIAL ACCOUNTABILITY AND INTERNAL CONTROLS

NASB has numerous internal control policies and procedures. The Board expects all employees to be familiar with and operate within established internal controls. NASB's internal and external auditors periodically audit internal control policies, procedures and compliance in order to assess the sufficiency of these controls. All employees involved in these periodic assessments must provide accurate information and complete the internal control certifications in a timely manner.

Integrity of Accounting and Financial Information

NASB maintains the highest standards in preparing the accounting and financial information disclosed to the public. Generally accepted accounting principles ('GAAP') are used to account for all bank transactions and the resulting accounting data is used to prepare accurate financial reports that fairly represent the Bank's financial position in accordance with GAAP. Bank officers and employees must be careful never to present NASB's financial data in any way that might mislead a third party regarding the Bank's true financial situation.

No payments on behalf of NASB shall be approved, or any transaction made, with the intention or understanding that part or all of such payment will be used for any purpose other than that described by the documents supporting it. No fund, asset, or liability of NASB shall, under any circumstances or for any purpose, be concealed or used for an unlawful or improper purpose.

Money Laundering and Transaction Structuring

NASB may unknowingly be used to launder money derived from criminal activity. The intention behind these types of transactions is to hide ownership of the funds from the government. NASB's systems of internal control are designed to mitigate the risk of money laundering or any other type of criminal activity by its constituents.

Any employee who knowingly and willfully launders money, or attempts or assists someone in laundering money is subject to prosecution. Also, in accordance with the Bank Secrecy Act ('BSA'), any employee who willfully structures a transaction, or attempts or assists someone in structuring a transaction to avoid the currency reporting requirements of BSA is subject to substantial fines and up to twenty years imprisonment. All employees are required to immediately report all attempts to launder money, structure a transaction and/or all suspicious activities.

Embezzlement, Theft and Misapplication of Funds

The Board holds each employee responsible for maintaining accurate and complete records. Anyone who embezzles, steals, or willfully misappropriates any monies, funds, or credits of NASB is subject to prosecution. NASB's prosecution and restitution policy will apply in all cases.

USE OF COMPANY NAME AND LETTERHEAD

NASB's name, logo or company letterhead may not be used for any purpose other than in the normal course of official company business, unless expressly approved by senior management.

RELATIONSHIP WITH THE MEDIA

NASB's relationship with the media is an important one that affects our image in the community. Employees should refer all questions or requests for information from reporters or other media representatives to the CEO, President, Chief Credit Officer, or Chief Financial Officer to ensure consistency and accuracy of information.

RULES ON GIFTS

Offered to Employees

It is a federal crime for any officer, director, employee, or agent of NASB to corruptly solicit, demand or accept for the benefit of any person anything of value from anyone in return for any business, service or confidential information of the Bank, intending to be influenced or rewarded, either before or after a transaction is discussed or consummated. Although all transactions and businesses are covered, some examples include extensions of credit, underwriting transactions, investment advice, checking accounts and purchases from suppliers. The person who improperly offers or promises something of value under these circumstances is guilty of the same offense. Substantial criminal penalties can result from non-compliance.

It is not uncommon for bankers to have close social or family ties with some of those with whom they do business. Things of value exchanged between a Bank employee and family members or social friends are not covered by this Code of Ethics if they are exchanged solely because of the family or social relationship and not in connection with a Bank transaction or Bank business; however, the exchange of things of value that may create the appearance of a conflict of interest should be avoided.

Although acceptance of things of value in connection with Bank business is generally prohibited, an employee may accept meals, refreshments, travel arrangements or accommodation, or entertainment, all of reasonable value, in the course of a meeting or other occasion the purpose of which is to hold bona fide business discussions or to foster better business relations, provided the benefit would be paid for by NASB as a reasonable expense if not paid for by another party; advertising or promotional material of nominal value, such as pens, pencils, note pads, key chains, calendars and similar items; discounts or rebates on merchandise or services that do not exceed those available to other customers;

gifts of modest value that are related to commonly recognized events or occasions, such as a promotion, new job, wedding, retirement, Christmas; civic, charitable, educational or religious organizational awards for recognition of service and accomplishment. However, an employee may not receive things of value for purely personal benefit, or for the personal benefit of anyone other than NASB, which serve no demonstrable business purpose. Gifts of cash in any amount are expressly prohibited.

On a case-by-case basis, the CEO or President may approve other circumstances, not described herein, in which employees may accept something of value in connection with NASB business. Approval may be given on the basis of a full written disclosure of all relevant facts submitted by the employee, providing compliance with federal law.

Whenever any situation arises with regard to matters concerning things of value, employees must make full disclosure to their supervisor, the CEO or President. Permanent files must be maintained of all disclosures and responses.

Offered by Employees

Employees may not, on behalf of NASB in connection with any transaction or business of the Bank, directly or indirectly give, offer, or promise anything of value to any individual, business entity, organization, governmental unit, public official, political party or any other person for the purpose of influencing the actions of the recipient. This standard of conduct is not intended to prohibit normal business practices such as providing meals, entertainment, tickets to cultural and sporting events, promotional gifts, favors, discounts, price concessions, gifts given as token of friendship or special occasions (such as Christmas), so long as they are of nominal and reasonable value under the circumstances and promote NASB's legitimate business interests.

REIMBURSABLE BUSINESS EXPENSES

Business expenses incurred outside the office should avoid all appearances of conflict of interest or creating a reputation for self-enrichment at the expense of NASB. If you need clarification, the Controller or Assistant Controller can help you interpret the guidelines. It is not the policy of NASB to pay for dues or assessments for any social clubs. NASB will pay bills for entertainment and meals with customers at these clubs when submitted on a Company form with proper documentation.

RULES ON LEGACIES

No employee or member of an employee's family (with certain limited exceptions) may accept any benefit under a will or trust instrument of a customer of NASB unless the customer is a member of the employee's family or the CEO or President has approved. An employee may never demand, request or solicit any benefit under a will or trust instrument of a customer of NASB.

No employee or member of an employee's family may act in any fiduciary capacity under a will, trust or other instrument of a customer of NASB unless prior approval

has been obtained from the CEO or President and the employee turns over to NASB any commission or fees received. This does not apply to a will, trust or other instrument established by a member of the employee's family.

SPECIAL RULES THAT APPLY TO INVESTMENT OFFICERS

A person making investments on behalf of the Bank is prohibited from taking advantage of the special circumstances associated with this duty. . The investment officer is also prohibited from accepting gifts, free travel and so forth from a securities dealer or from a person who works for a securities firm.

OUTSIDE POSITIONS OR DIRECTORSHIPS

Employees' activities must not interfere or conflict with the interest of NASB. Acceptance of outside employment, outside speaking engagements, election to the Board of Directors of other organizations, representation of Bank customers in dealings with NASB, and participation in activities on behalf of outside organizations or in political activities represent potential conflicts of interest.

Employees should not engage in outside employment that interferes with the time and attention that must be devoted to their duties at NASB or adversely affects the quality of the work they perform.

Outside employment should not compete or conflict with the activities of NASB; involve any use of company equipment, supplies, or facilities; imply NASB's sponsorship or support; or adversely affect NASB's reputation. Employees must disclose all outside employment to senior management; and, all outside employment or participation in the affairs of an outside organization must be approved by Bank management. For non-officers, approval must be by a vice president in the employee's chain of command. For officers, approval must come from the CEO or President. NASB will be liberal in granting approvals unless there is a potential appearance of a conflict of interest.

Specific types of outside activities which require prior approval include, but are not limited to the following:

- Employment by a firm that competes with NASB;
- Preparation of any material that will be presented to NASB by an entity seeking a loan;
- Rendering of investment counsel;
- Rendering of accounting services;
- Drafting of wills or practicing law;
- Use of Bank equipment, supplies, or facilities; or
- Performance of any service that NASB could perform.

Any time an employee is asked to be a director of an outside corporation it will generally involve the use of NASB's name, which can create the impression of an endorsement. It is NASB's policy that employees notify the CEO or President before they serve as directors of for-profit corporations.

Other activities and business relationships also require prior approval. For example, approval is necessary for a staff member to become:

- An officer of any corporation
- A member of a partnership (passive investments in limited partnerships are excluded)
- A member of a protective or reorganization committee
- An executor, trustee, guardian, or similar fiduciary advisor (other than for a family member)
- A financial advisor outside NASB (whether compensated or not)

Of course, any position assumed by a staff member at the request of NASB need not have prior approval.

Management encourages employees to participate in worthwhile civic, social, educational and charitable organizations and activities. Employees are also encouraged to serve on the committees and boards of such organizations; however, no full-time employee should have an outside interest which will:

- Materially encroach on the time and attention that should be devoted to the employee's bank duties;
- Imply sponsorship by NASB; or
- Affect the reputation of NASB.

Employees must not, however, act without senior management approval in the following capacities: any signing capacity on any account of another, except a family member, held at NASB; an official of any organization, except for social, religious, philanthropic or civic organization, colleges or schools, neighborhood associations, clubs or trade or professional organizations associated with banking or business.

Since service on a nonprofit board will also carry the implication of NASB's endorsement of standards and responsibility, the employee should notify the CEO or President before they commit to serve.

POLITICAL CONTRIBUTIONS

The Federal Election Commission's ('FEC') rules and regulations prohibit savings associations from making political contributions and paying political expenditures. For federal associations these prohibitions apply to any election. Besides the FEC regulations, NASB may also be subject to state and local political activity laws.

Any Bank purchase of tickets or advertising for political events requires the prior approval of the CEO or President. The Bank does not make loans for political campaigns or activities. This is not meant to limit or restrict individual political contributions or involvement by directors or employees.

Employees should report apparent violations to their supervisor or the Bank Secrecy Act Compliance Officer ('BSACO'). A Suspicious Activity Report ('SAR') will be filed by the BSACO when a violation is determined to be of a "serious, knowing, and willful nature."

SOUND PERSONAL FINANCES

The manner in which employees manage their personal finances can affect on-the-job performance and NASB's image in the community. Therefore employees must avoid any circumstances that may lead to over extension of credit or salary attachments or drawing checks against insufficient funds or other financially embarrassing situations.

NASB has developed an employee overdraft policy that includes disciplinary action for non-compliance. It is the responsibility of every employee to adhere to this policy and the responsibility of every supervisor and the Human Resources Director to make sure that the policy is enforced.

Employees and their families should borrow only from financial institutions that regularly lend money. Borrowing may be done only on a normal basis with no favored treatment.

Employees and their families may not borrow from customers and suppliers except those who engage in lending in the usual course of their business and then only on terms customarily offered to others under similar circumstances without special concessions as to interest rate, terms, security, repayment terms and penalties.

EMPLOYMENT OF RELATIVES OR PERSONS HAVING CLOSE PERSONAL RELATIONSHIPS

To minimize security risks and avoid conflicts of interest, *immediate family members or other persons with whom an employee has close personal relationships should not work in the same department, be placed in positions where one may supervise another or be placed where one may be in a position of processing, tracking, monitoring or recording of transactions initiated by the family member.* Exceptions to the policy must be approved by the CEO or President. If one employee marries another, employment of both may continue only with approval of the CEO or President. If one employee must leave NASB, it will be left to the discretion of the employees affected to decide which one of them will resign.

DISCLOSURE AND RECORDKEEPING

If an employee believes s/he will be in violation of this Code of Ethics, the employee must disclose the facts of the situation to his or her supervisor, the Internal Audit Manager or the Risk Manager. Failure to do so is a separate breach of this Code.

Disclosure should always be in writing, and a written response to the employee should be given by senior management. A file of disclosures and responses will be maintained by the Human Resources Department.

ACKNOWLEDGEMENT

The Bank does not desire to probe needlessly into an individual's private business. It is the Board and management's objective to keep the reputation of NASB above reproach. Each of us must strive to maintain the Bank's high standards and to promptly disclose or submit for review any situations that might lead to a conflict of interest. To accomplish this, all newly hired employees will be given a copy of the Ethical Standards Policy and counseled on the Code of Ethics standards by the Human Resources Department or the employee's supervisor. All employees are requested to re-read the policy and standards every two years and sign an acknowledgement that they have read, understand and agree to abide by them.

CODE OF ETHICS VIOLATIONS

Any employee who violates any section of this Code of Ethics will be reported to the Board of Directors directly or through the Audit Committee. The Board will consider the situation and appropriate action will be taken by the Human Resources Department. Action will be commensurate with the seriousness of the misconduct. Failure to comply with this policy may result in disciplinary action, up to and including termination of employment.

Suspensions of violations to the Code of Ethics and/or other criminal activity or business abuses should be reported immediately to one's supervisor, the Internal Audit Manager or the Risk Manager.

BOARD APPROVAL

The Board approved and adopted this Ethical Standards Policy on September 22, 2011, to govern the disclosure of potential conflicts of interest and to prevent the development of improper relationships between NASB's employees, the Bank, customers, and/or vendors.