



F E D E R A L  
H O M E L O A N B A N K  
D E S M O I N E S

# **Code of Ethics**

**June 29, 2006**



## Code of Ethics Certification

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### Annual Certification – Employees

I certify that I have received, read and understand the Code of Ethics (“Code”). I also certify that I have complied with and will continue to comply with the standards contained in the Code and all other Bank policies which may be applicable to me. I understand that I have an obligation to report any suspected violations of the Code and/or illegal or potentially illegal behavior and that failure to do so is in violation of the Code. I acknowledge that the Code is a statement of standards for business conduct and ethics and does not provide any rights, contractual or otherwise, to any employee, director or third party.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Date



## Code of Ethics Certification

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### Annual Certification – Elective Directors

I certify that I have received, read and understand the Code of Ethics (“Code”). I also certify that I have complied with and will continue to comply with the standards contained in the Code and all other Bank policies that may be applicable to me. I understand that I have an obligation to report any suspected violations of the Code and/or illegal or potentially illegal behavior and that failure to do so is in violation of the Code. I acknowledge that the Code is a statement of standards for business conduct and ethics and does not provide any rights, contractual or otherwise, to any employee, director or third party.

\_\_\_\_\_  
Director Signature

\_\_\_\_\_  
Director Name

\_\_\_\_\_  
Date



# Code of Ethics Certification

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## Annual Certification – Appointive Directors

As required by Federal Housing Finance Board (Finance Board) regulations and the Finance Board prescribed Appointive Director Eligibility Certification Form, I certify that:

1. Neither I nor my Immediate Family Members own any debt or equity security issued by a member of the Federal Home Loan Bank of Des Moines.

2. Any deposit accounts, savings accounts, or extensions of credit transactions between any Bank member and me or my Immediate Family Members have been obtained in the normal course of business on terms available to the public except as follows:

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3. Any other Financial Interest, including, without limitation, any transaction, relationship, activity, or property, contractual or otherwise, that involves receiving or providing something of monetary value, between a Bank member and me, a Bank member and any of my Immediate Family Members or Business Associates, have been in the normal course of business except as follows:

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I certify that I have received, read and understand the Code of Ethics (“Code”). I also certify that I have complied with and will continue to comply with the standards contained in the Code and all other Bank policies which may be applicable to me. I understand that I have an obligation to report any suspected violations of the Code and/or illegal or potentially illegal behavior and that failure to do so is in violation of the Code. I acknowledge that the Code is a statement of standards for business conduct and ethics and does not provide any rights, contractual or otherwise, to any employee, director or third party.

\_\_\_\_\_  
Director Signature

\_\_\_\_\_  
Director Name

\_\_\_\_\_  
Date

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## Introduction

The Federal Home Loan Bank of Des Moines (“Bank”) has adopted this Code of Ethics (“Code”) to provide standards to deter wrongdoing and 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 reports and documents filed with regulators and in other public communications from the Bank; the prompt internal reporting of violations of the Code of Ethics to appropriate persons; and accountability for adherence to this Code of Ethics. Except as may be otherwise indicated in the text, this Code applies to all employees, officers (collectively referred to herein as “employees”) and Board of Directors (“Board”) members.

Each employee and director of the Bank must maintain the highest standards of honesty, integrity, impartiality, and conduct at all times. It is essential that every decision in which an employee or director participates be made objectively and in the Bank's interest, free from any undue influence of competing personal interests.

Each employee and director has the obligation to avoid any action, whether or not specifically prohibited by law, regulation, policy, or this Code of Ethics, which might result in using his or her employment or position at the Bank for private gain, giving preferential treatment to any organization or person, losing complete independence or impartiality, making decisions outside official channels, disclosing certain Bank information that is not made available to the public generally, or adversely affecting the confidence of the public in the integrity of the Bank or the Federal Home Loan Bank System (“Bank System”).

There are numerous federal, state and local laws and regulations that apply to the Bank, including the regulations and policies of the Federal Housing Finance Board (“Finance Board”) and the Securities and Exchange Commission (“SEC”). Each employee and director is expected to carry out all Bank-related duties and responsibilities in accordance with those laws and regulations. Violating any of them could subject the employee, director or Bank to criminal and civil penalties. If an employee has any questions about any laws or regulations or how they apply to a particular situation, he or she should bring them to the attention of the Director of Human Resources, the Director of Internal Audit, or the General Counsel. Directors should raise such questions either with the chair of the Audit Committee, the chair of the Compensation, Diversity and Governance Committee, or the General Counsel.

**This Code of Ethics supplements and is in addition to all other Bank policies and procedures. Each employee and director is responsible for complying with and adhering to all other Bank policies and procedures, as applicable.**

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## Accountability and Compliance

Each employee and director is responsible for acquiring sufficient knowledge of the ethical standards set forth in this Code, as well as other policies of the Bank, to recognize potential ethical issues applicable to his or her duties, and for appropriately seeking advice regarding those issues. Upholding the ethical standards set forth in this Code and complying with each of its provisions is the duty of each employee and director of the Bank.

Each employee or director is responsible for reporting promptly any violation of the Code of Ethics, any illegal activity, or any potential violation or illegal activity, through one of the methods described under the heading, “*Reporting Code Violations*” below. If an employee or director has any questions or concerns about any provision of this Code of Ethics, he or she should consult with the Bank’s Director of Human Resources, the Director of Internal Audit, or the General Counsel. Directors should raise such questions either with the chair of the Audit Committee, the chair of the Compensation, Diversity and Governance Committee, or the General Counsel.

## Non-Public Confidential and Proprietary Information

In carrying out his or her duties, an employee or director may be given access to nonpublic confidential, proprietary or sensitive information of the Bank, the Bank System, the Finance Board, and members and housing associates (collectively, “member institutions”) of the Bank System. Such information may include, but is not limited to, member examination reports, underwriting information, financial information about the Bank itself, Bank security and auditing procedures, and Bank personnel information. Member examination reports must be treated in accordance with applicable regulations and Bank policies.

Each employee and director should use discretion when talking about work or service to the Bank to avoid compromising the Bank's position or the confidence of its members. Confidential information should not be transmitted to other employees or directors of the Bank unless the recipient has a valid business reason for receiving the confidential information. In addition, care and attention should be given to any sensitive materials to ensure that confidentiality is maintained at all times. All employees and directors are required to maintain the confidentiality of the information entrusted to them by the Bank, its regulator, the Bank System, or a member institution, except when disclosure is legally mandated.

Confidential information should not be transmitted to any person outside the Bank, unless such person has a valid business reason for receiving the confidential information and is under an obligation to keep such information confidential. Casual conversations held with acquaintances and Family Members (as defined in Appendix A, attached hereto) can violate the duty of confidentiality. Even if an employee or director understands that the conversation is

confidential, the confidante may not understand the significance of a breach of that confidence. Even when no harm or criminal wrongdoing is intended, confidential information of the Bank that is communicated to anyone outside the Bank can be used to compromise the integrity of the Bank, the Finance Board, or member institutions. Further, such communications may violate applicable laws. When in doubt, employees and directors should always consider information learned at the Bank to be confidential unless informed otherwise.

The Bank has an interest in maintaining sole control of proprietary information. This includes, without limitation, the Bank's business plans, methods of doing business, products, services, computer software and models, computer databases, financial information, any other information having present or potential commercial value to the Bank, and confidential information of any kind belonging to others but licensed or disclosed to the Bank for use in its business. An employee or director may not disclose or use any proprietary information, except in accordance with his or her duties with the Bank, without approval by the Bank's Disclosure Committee. An employee's or director's duty to maintain the confidentiality of such information shall continue after such person's position with the Bank has ended.

Employees and directors may not discuss Bank matters with the media or stock analysts, unless authorized in advance by the Bank's Disclosure Committee.

## **Insider Trading and 'Tipping'**

Federal and state securities laws prohibit a director or employee of the Bank from buying or selling the Bank's or another entity's securities at a time when that employee or director possesses material nonpublic information relating to the Bank or the entity. Such conduct is known as "insider trading." Passing such information on to someone else who may buy or sell securities of an entity to which such information relates – known as "tipping" – is also illegal. Information is generally considered material if there is a substantial likelihood that a reasonable investor would consider the information important in deciding whether to purchase, sell or hold a security. Information is nonpublic unless it has been broadly disseminated or made widely available to the general public.

An employee or director of the Bank in possession of material nonpublic information relating to the Bank may not misuse such information by (1) buying or selling securities of the Bank or engaging in any other action to take advantage of that information, or (2) communicating that information to other persons that do not need to know the information for legitimate Bank-related purposes. These prohibitions also apply to securities of and material nonpublic information pertaining to member institutions and any other company (i.e., vendors, counterparties) if the employee or director acquires such information in the course of his or her Bank-related duties.

An employee or director in violation of these insider trading rules may become subject to prosecution and/or liability under federal and state banking and/or securities laws, which may result in civil and criminal penalties. Therefore, employees and directors must be extremely cautious to avoid the misuse of material nonpublic information. If an employee or director has any doubt about whether or not something constitutes material nonpublic information, he or she should consult the General Counsel.

All employees and directors are expected to be familiar with the Bank's *Policy on the use of Material Nonpublic Information*, which provides greater detail on the Bank's policies regarding insider trading, and which provides special rules governing transactions in the Bank's securities by member institutions affiliated with Bank directors.

## **Conflicts of Interest – General**

Employees and directors are expected to guide their business decisions made on behalf of the Bank solely on the basis of what is best for the Bank, and ensure that personal interests do not improperly influence them. Conflicts of interest arise in any situation where there is a potential for divided loyalties between an employee's or director's personal interest and his or her obligations to the Bank. While an activity that raises an actual conflict of interest is never acceptable, employees and directors should also be cautious to avoid activities that create even the appearance of such a conflict. If an employee has any question about any potential conflicts of interest, the employee should prepare and submit the *Guidance Report Memorandum*, attached hereto, to the Director of Internal Audit, Director of Human Resources, or the General Counsel for resolution. If a director has any question about any potential conflicts of interest, he or she should prepare and submit the *Guidance Report Memorandum* to the chair of the Audit Committee or the chair of the Compensation, Diversity and Governance Committee.

### *Directors*

The Board has responsibility for overseeing the management of the Bank. Directors are required to exercise reasonable care when directing the Bank's activities, and directors must always consider the Bank's interests before their own. To help ensure this, Bank directors shall disclose all actual or apparent conflicts of interest to the Board and, as appropriate or required, furnish any necessary reports. The Board shall determine whether an actual conflict exists after receiving full disclosure. Such deliberations shall occur outside the affected director's hearing. If an actual conflict is found to exist, the director shall be recused from all further considerations relating to that matter. Each director shall also ensure that any requests for information pertaining to directors that are required by Finance Board regulations are filed.

All issues regarding conflicts of interests involving directors shall be handled either by the Audit Committee or the Compensation, Diversity and Governance Committee. The Bank's General Counsel shall work with the Audit Committee or the Compensation, Diversity and Governance Committee, as the case may be, to (a) help address conflicts when they arise; (b) help ensure that all reports required to be filed by individual directors pursuant to Federal Housing Finance Board regulations are filed; (c) help ensure that conflicts are disclosed and resolved in accordance with this Code; and (d) monitor compliance with these provisions.

## Financial Conflicts of Interest

### *Financial Relationships -- Employees*

An employee may borrow money from any entity or individual with whom the Bank transacts or is considering transacting business (for example, a member institution), (i) provided that the entity or individual is a recognized lending institution, and (ii) provided further that the loan is made at the same rate, and upon the same security, repayment terms, and other terms as made available to other borrowers under the same or similar circumstances.

An employee may have deposits, checking accounts, NOW accounts, savings accounts, IRAs, Keoghs, pension or retirement plans, or other financial relationships with any entity or individual with whom the Bank transacts or is considering transacting business that is a recognized financial institution provided that the relationship is transacted on the same terms and conditions as would be available to other customers under the same or similar circumstances.

### *Financial Interests -- Employees*

Except as provided below, an employee may not have a Financial Interest (as defined in Appendix A) in any customer (including member institutions), vendor or counterparty (or a subsidiary, holding company, or affiliate of a customer, vendor or counterparty) of the Bank.

Even though the following Financial Interests described below might be permissible, employees must always be sensitive to taking any actions that might be construed as a conflict of interest or a violation of the insider trading prohibitions discussed above.

- A. An employee may have a Financial Interest in a customer, vendor or counterparty that arises solely through ownership of shares or other investment units of one or more diversified mutual funds or indexed funds that have invested in such

institution, so long as the employee does not contribute to the investment decisions of the fund.

- B. An employee may have a Financial Interest in a customer, vendor or counterparty if the Financial Interest was acquired through: former employment with such institution; current or former employment with such institution by the employee's Immediate Family Member (as defined in Appendix A); or the death of another person.
- C. An employee may have a Financial Interest in a customer, vendor or counterparty where such interest was acquired through the issuance or sale to the employee in connection with the conversion of a mutual institution to a stock institution, provided such interest was issued or sold to the employee only because he or she was an account holder in the institution.
- D. An employee may have a Financial Interest in 1% or less of the issued and outstanding shares of a publicly-held corporation that is a customer, vendor or counterparty of the Bank.

An employee with a Financial Interest in a customer, vendor or counterparty may not participate in any Bank decision affecting such institution.

### *General Rules Applicable to Directors*

Each director shall disclose to the Bank and its Board of Directors ("Board") any Financial Interests he or she has, as well as any Financial Interests known to the director or an Immediate Family Member or Business Associate (as defined in Appendix A) of the director, in any matter to be considered by the Board and in any other matter in which another person or entity does, or proposes to do, business with the Bank. A director shall fully disclose the nature of his or her interest in the matter. A director shall refrain from considering or voting on any issue in which the director has a Financial Interest, directly or indirectly.

An elected director may have a Financial Interest in the member institution (or a subsidiary, holding company, or affiliate of a member institution) where the elected director serves as an officer or director of such institution.

Appointed directors may not own any debt or equity security issued by a member institution or have any other Financial Interest in a member institution.

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## *Gifts*

An employee or director may neither give nor accept gifts that create a feeling of obligation between the employee or director and a customer or supplier or jeopardize public confidence in the Bank. All employees and directors should use the following guidelines in determining whether to accept a gift from a customer or supplier or in any other situation that may give rise to an actual or apparent conflict of interest or jeopardize public confidence in the Bank.

1. An employee or director may not accept or give cash checks, or other marketable securities in any amount under any circumstance.
2. An employee or director may not provide directly or indirectly any gift of more than nominal value (a fair market value of not more than \$200 in any calendar year), including cash equivalents such as gift cards and gift certificates, to any individual or company in consideration for doing business with the Bank as a customer or supplier of equipment or services.
3. An employee or director may not accept any gift of more than nominal value (a fair market value of not more than \$200 in any calendar year), including cash equivalents such as gift cards and gift certificates, from any single actual or potential customer or supplier, or any fee from any single actual or potential customer or supplier in connection with any transaction or business of the Bank. However, gifts in the form of expenses exceeding \$200 paid for accommodations, meals, sporting events or other entertainment events, and related group activities by customers or suppliers, including spousal expenses, offered in connection with business meetings or to foster better business relations may be accepted if approved in advance by the General Counsel.
4. An employee or director may not accept discounts or rebates on merchandise or services from customers or suppliers unless they are available to all employees or directors or to the general public.
5. An employee or director may not accept honoraria or similar fees and payments that are given for publications, speeches, or lectures based on Bank duties or employment.
6. An employee or director may accept gifts or favors based on obvious personal or family relationships when circumstances make it clear that it is the personal relationship, rather than the business of the Bank, that is the motivating factor.

7. An employee or director who is offered or receives something of value beyond what is permitted by the preceding paragraphs must report the gift or favor to the General Counsel. Such disclosure will evidence the employee's or director's good faith and will help protect him or her from being implicated in circumstances that may suggest corrupt intentions or breach of trust. Except for gifts in the form of expenses approved in accordance with Section 3 above, any gift of more than nominal value (a fair market value of more than \$200 in any calendar year) must be returned to the giver. When an employee or director is in doubt as to whether a particular gift or favor may be accepted or retained, the General Counsel should be consulted for a written determination.

## **Referrals**

If there is a need for an employee or director to refer customers to professionals for specific advice, the employee or director should provide multiple names wherever possible without indicating favoritism. An employee or director may not accept a fee for such referrals.

## **Taking Advantage of Business Belonging to the Bank**

Business development ideas and growth potential that arise in the conduct of Bank business are Bank assets. For this reason, each employee or director is prohibited from engaging in a competing business or diverting business from the Bank. Business opportunities available to or developed by an employee or director while engaged in Bank work or through use of Bank facilities belong to the Bank and must not be acquired by any employee or director except after full disclosure and consent by the Bank.

## **Fair Dealing**

Employees and directors are expected to perform their duties fairly and impartially and without discrimination in favor of or against any member institution or nonmember borrower. Employees and directors must also deal fairly with other Bank customers, suppliers, competitors and other directors and employees.

## **Affordable Housing Program Projects**

If an employee or director, or any person related to the employee or director by blood, marriage, or adoption, has a Financial Interest in, or is a director, officer, or employee of an organization involved in a project that is the subject of a pending or approved Affordable Housing Program (AHP) application, the employee or director shall not participate in or attempt to influence decisions by the Bank regarding evaluation, approval, funding, monitoring or any remedial process for such project. Any questions about whether or not a relationship as described in this

section exists shall seek resolution of the matter by preparing and submitting the *Guidance Report Memorandum* in the manner described under the section entitled *Conflicts of Interest – General*, above.

## **Asset and Investment Purchase Programs**

If an employee or director or any person related to the employee or director by blood, marriage or adoption has a Financial Interest in, or is a director, officer or employee of the entity that originated, issued, or is selling an asset or investment to the Bank, the employee or director shall not participate in or attempt to influence decisions by the Bank regarding the evaluation, approval, funding, monitoring or any other actions relating to the asset or investment. Any questions about whether or not a relationship as described in this section exists shall seek resolution of the matter by preparing and submitting the *Guidance Report Memorandum* in the manner described under the section entitled *Conflicts of Interest – General*, above.

## **Outside Activities**

1. Every employee and director is encouraged to participate in cultural, religious, charitable, professional, social, fraternal, nonprofit, educational, recreational, public service or civic organizations, provided that such participation does not interfere or conflict with the employee's or director's duties. An employee or director may not participate in any way in any decision or transaction, either on behalf of the Bank or any outside organization, if the interests of the Bank and the organization conflict, and the records of both parties should clearly reflect this abstention. An employee or director must report immediately any actual or potential conflict of interest to the General Counsel.
2. An employee or director may not use supplies, materials, and other property belonging to the Bank, in more than an incidental way, in the performance of outside activities unless approved in advance by the Bank. An employee may not use official Bank stationery in connection with any non-Bank related correspondence unless approved in advance by the Bank's General Counsel.
3. The Bank encourages activities such as speaking engagements and authorship of professional articles. Speeches, manuscripts, or articles reflecting Bank policy should be carefully reviewed with the Bank's Disclosure Committee prior to dissemination.
4. Official Bank sponsorship or support of any outside event or organization, except as to organizations in which the Bank holds a membership or is coordinated by the Bank's Community Involvement Task Force, requires the advance approval of the Bank.

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## Outside Employment

- A. A full-time employee's first work priority must be employment at the Bank. An employee may undertake outside employment, with or without compensation, provided it does not interfere with work for the Bank. However, an employee may not be employed by a member institution or brokerage firm and an employee should not undertake outside employment which might influence, or appear to influence, actions taken, judgments made, or advice given in that person's capacity as a Bank employee. A full-time employee must inform his supervisor before accepting outside employment.
- B. An employee is not prohibited from seeking or negotiating other employment, even if a prospective employer is a member institution, or has other dealings with the Bank, or from accepting reimbursement for reasonable expenses, such as meals and travel-related expenses, associated with interviews with a prospective employer. However, an employee who is negotiating or has reached an agreement concerning future employment must advise his supervisor, remove himself from participation in any matter(s) involving the prospective employer, and take no action that would influence the outcome of any such matters.
- C. An appointed director is prohibited from serving as an officer of any Federal Home Loan Bank, or as an officer or director of any member of any Federal Home Loan Bank.
- D. An employee or director may not accept compensation for services performed for the Bank from any source other than the Bank.

## Protection of Bank Property and Records

Without proper authorization, an employee or director may not remove Bank property or use it other than in connection with official Bank business.

All Bank records and documents are Bank property and are for official purposes only. An employee or director may not conceal, alter, mutilate, obliterate, destroy, remove or attempt to remove records or documents from the Bank, except in accordance with Bank policies and procedures. If an employee or director learns that documents or records of any type may be required in connection with an audit, bankruptcy, lawsuit or government investigation, he or she must preserve all possibly relevant documents, and must not knowingly alter, destroy, mutilate, conceal, cover up, falsify or make a false entry in any record or document with the intent to impede, obstruct or influence the investigation or litigation.

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## **Fraud**

Each employee and director is responsible for adhering to internal controls and for reporting any incidence of fraud. This responsibility is met by carrying out duties in accordance with established policies and procedures and by reporting any known or suspected misappropriation of assets or fraudulent financial reporting to the General Counsel, the Director of Internal Audit, or the Audit Committee.

## **Improper Influence on Conduct of Audits and Examinations**

Employees, directors, and any agents of the Bank must cooperate in any audit, investigation or examination conducted by the Bank's internal and external auditors or by the Bank's regulators, and are prohibited from taking any action to fraudulently influence, coerce or mislead any internal or external auditor or regulator engaged in the performance of any audit, investigation or examination.

## **Political Activity**

An employee or director participating in political activities does so as an individual and not as a representative of the Bank. In addition, campaigning for oneself or for other candidates should not impair an employee's or director's effective functioning or job performance. An employee may hold a part-time elected position if performance of such position does not conflict with the performance of the employee's job. A director may hold an elected position if performance of such position does not conflict with the performance of the director's obligations to the Bank.

## **Election of Directors**

An employee or director may not communicate in any manner that a director, officer, attorney, employee or agent of the Finance Board or of the Bank, directly or indirectly, supports the nomination or election of a particular individual for an elective directorship. An employee or director may not take any other action to influence votes for a particular individual for a directorship except as provided below.

A director acting in his or her personal capacity may support the nomination or election of any individual for an elective directorship, provided that the director shall not purport to represent the views of the Bank, the Finance Board, any other director, or any officer, attorney, employee, or agent of the Bank or of the Finance board concerning the nomination or election of a particular individual for an elective directorship.

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## Disclosures and Public Communications

All employees and directors responsible for submission of disclosures in reports and documents the Bank may file with regulatory authorities or in the distribution of any public communications by the Bank shall each undertake to ensure that the information provided is full, fair, accurate, understandable and timely.

## Waivers

A request for a waiver of any provision of this Code must be made whenever there is a reasonable likelihood that a contemplated action will violate the Code. All requests for waivers should be made in writing to the Board, who may refer the matter to the Compensation, Diversity and Governance Committee or the Audit Committee of the Board for evaluation. Any waiver or amendment of any provision of this Code must be approved by the Board and disclosed or reported promptly, as required by applicable laws and regulations, and any waiver or amendment shall be posted on the Bank's public website for at least 12 months. Information regarding waivers or amendments shall be retained by the Bank for a period of six years.

## Reporting Code Violations

If an employee or director believes or becomes aware that any violation of this Code or any illegal or potentially illegal activity has been engaged in by any other employee, director or third party acting on behalf of the Bank, he or she must promptly report the violation or illegal or potentially illegal activity. Depending on the nature of the activity, employees may report the activity either to the Director of Internal Audit, the Director of Human Resources, or the General Counsel. Directors should report the activity either to the chair of the Audit Committee, the chair of the Compensation, Diversity and Governance Committee, or the General Counsel.

The Bank and its Board of Directors will review and investigate all such reports in a prompt manner and take all appropriate corrective action in accordance with all applicable Bank policies and procedures. Investigations of reports related to accounting, internal controls, Affordable Housing Program or auditing matters shall be coordinated with the Audit Committee of the Board of Directors. Investigations of reports related to all other matters shall be coordinated with the Board's Compensation, Diversity and Committee. Every affected employee and director is required to cooperate fully with any inquiry that results from any reported conduct.

All employees and directors are required to report any violation of this Code or any illegal or potentially illegal activity, and failure to do so shall amount to a violation of this Code. Complaints of violations of this Code or of any illegal or potentially illegal act or any other misconduct, harassment or discrimination will be kept confidential to the fullest extent possible consistent with the Bank's need to conduct a thorough review of the reported activity.

## *Retaliation*

The Bank is committed to promoting ethical business practices and achieving compliance with all applicable laws and regulations (including securities laws and regulations), accounting standards and controls and audit practices. Therefore, the Bank will not discharge, demote, suspend, threaten, harass or in any manner discriminate or retaliate against any employee or director with regard to the terms and conditions of employment based upon any lawful actions of such person with respect to good faith reporting of, or cooperation with the investigation of, illegal or potentially illegal acts or violations of this Code, including any reports regarding accounting and auditing matters. Any employee or director who believes that such retaliation has occurred should inform the General Counsel.

## **Administration of Code of Ethics**

The provisions set forth in this Code are intended to be interpreted and applied under a reasonableness standard. The Bank's General Counsel, Director of Human Resources, Director of Internal Audit, Audit Committee or Compensation, Diversity and Governance Committee, as appropriate, shall be responsible for interpreting the Code and rendering final rulings regarding violations of this Code. Any person or Committee that makes an interpretation or ruling or conducts an investigation under this Code shall provide a report of such interpretation, ruling or investigation to the General Counsel, who shall maintain a record of such interpretations, rulings and related investigations.

A copy of the Code of Ethics is distributed, at least annually, to each employee and director. Each employee and director is required to read this Code of Ethics and, at least annually, sign an acknowledgement form stating that the employee or director has read the Code of Ethics, understands its provisions, and agrees to abide by it.

Violations of this Code of Ethics by an employee are grounds for remedial or disciplinary action up to and including dismissal or, in the case of a director, removal from office by the Board of Directors. Disciplinary action for employees may include, but is not limited to, oral or written warning, suspension or termination. Remedial action, when appropriate, may include, but is not limited to, divestment of conflicting interests, changes in assigned duties, or disqualification for a particular assignment or position.

This Code of Ethics shall be reviewed annually by the General Counsel. Any amendments to this Code shall be approved by the Compensation, Diversity and Governance Committee. Amendments to the Code may be made at any time.



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## Appendix A

### Definitions

For purposes of this policy--

- (1) Family Member means any individual related to a person by blood, marriage, or adoption.
- (2) Immediate Family Member means parent, sibling, spouse, child, or dependent, or any other relative sharing the same residence as the director or employee.
- (3) Financial Interest means a direct or indirect financial interest in any activity, transaction, property, or relationship that involves receiving or providing something of monetary value, and includes, but is not limited to any right, contractual or otherwise, to the payment of money, whether contingent or fixed. It does not include a deposit or savings account maintained with a member, nor does it include a loan or extension of credit obtained from a member in the normal course of business on terms that are generally available to the public.
- (4) Business Associate means any individual or entity with whom a director has a business relationship, including, but not limited to:
  - (i) Any corporation or organization of which the director is an officer or partner, or in which the director beneficially owns ten percent or more of any class of equity security, including subordinated debt;
  - (ii) Any other partner, officer, or beneficial owner of ten percent or more of any class of equity security, including subordinated debt, of any such corporation or organization; and
  - (iii) Any trust or other estate in which a director has a substantial beneficial interest or as to which the director serves as trustee or in a similar fiduciary capacity.