



COVENANT BANK

***ETHICS IN PRACTICE
PROGRAM***



COVENANT BANK

July 20, 2009

To Covenant Bank Customers and Employees:

Our Code of Ethics and Business Conduct is more than an expression of our commitment to integrity. It represents the guiding values of our organization and helps to instill ethically sound behavior and accountability among all Covenant Bancgroup directors and employees and its subsidiary, Covenant Bank. We diligently educate employees about our standards and provide opportunities to ask questions or report concerns. Every employee, including me, certifies compliance with our standards annually. We hold one another accountable because we understand that our reputation is fundamental to our success.

We believe you want to conduct business with an organization that values honesty and integrity, not only because the law requires it, but also because it is the right thing to do.

Very Truly Yours,

Hayes

Hayes Parnell, III
President & CEO

Leeds Office
P.O. Box 309
Leeds, AL 35094
ph: (205) 702.2265
fx: (205) 702.2257

Moody Office
P.O. Box 819
Moody, AL 35004
ph: (205) 640.2265
fx: (205) 640.3244

www.covenantbank.com



COVENANT BANK

MISSION

To fulfill our covenant to improve the quality of life for our citizens, businesses, shareholders, and the community through distinctive banking and financial services.

VISION

We are the bank of choice for those who need financial services in our area and match our values.

- Clients appreciate how well we serve them and recommend us to their friends.
- Covenant Bank is a fun, faith-based place to work with a family atmosphere.
- We are a great community host and a responsible corporate citizen.

CORE VALUES

Honesty ~ We seek and provide truth as the foundation of each new relationship.

Integrity ~ We earn your trust through ethical practices and services.

Fairness ~ We seek a win-win relationship, balancing concerns for clients and resources.

Stewardship ~ We are productive and performance-oriented with available resources.

COVENANT BANK

CODE OF CONDUCT

Our Ethics In Practice Program consists of a prescribed Code of Conduct to set the standard of ethical business conduct for Covenant Bancgroup and its subsidiary, Covenant Bank. This Code of Conduct applies to all members of the Board of Directors, officers and employees of Covenant Bank.

It is a long-established policy that Covenant Bank employees observe and comply with all laws and regulations of federal, state and local governments affecting Covenant Bank. All associates must avoid activities that could lead to involvement of Covenant Bank or themselves in any unlawful or unethical practice. Any violation of any provision of this Code may subject the associate to any and all punishments up to and including dismissal. Further, associates are required to avoid situations, which although not unlawful or unethical, may give the appearance of impropriety.

PRINCIPLES & GUIDELINES:

The most important personal aspect of our bank is the trust and confidence of our depositors and customers. The individuals who work here now, and who have worked here in the past have built Covenant Bank's reputation for integrity. A good reputation is a fragile thing, which must be earned on a continuing basis by conducting our affairs in a fair and honest way, complying not only with the letter, but also with the spirit of the law.

CONFIDENTIAL INFORMATION:

One of our most critical responsibilities is to maintain the trust placed in us by our customers. Confidential information – whether obtained from those with whom Covenant Bank does business or from sources within Covenant Bank – must be safeguarded.

This concern applies to more than customer information which has been explicitly designated confidential. Confidentiality is important regardless of the form the information takes – oral, in print, or on electronic equipment. We take care in what is said, to whom and where, whether written or spoken.

Information received from a customer is disclosed only when necessary and only to those within Covenant Bank who need the information to serve that particular customer unless the customer requests we share this information to further their interests elsewhere. Customer information from sources within Covenant Bank such as customer

identification, balances, loans, and other account information is disclosed only to those in Covenant Bank who require the information to perform their duties.

Customer information is never be disclosed to anyone outside Covenant Bank - other than Covenant Bank's independent auditors, legal counsel, or regulatory examiners - unless authorized by the customer or required by proper legal process as determined by legal counsel.

Other Information:

Inside information, information about Covenant Bank employees and associates, and requests for information are tightly controlled.

Covenant Bank employees and associates are required to be prudent about their own financial houses and with business associates.

Covenant Bank encourages associate participation in civic, charitable and professional organizations.

Covenant Bank employees and associates are required to periodically revisit all Code of Ethics policies to ensure a thorough knowledge and commitment.

Thank you.