



and



Code of Ethics

Approved 5/24/2018

Table of Contents

Foreword.....	3
The Code of Ethics	4
Holding Office/Appointments	6
Internal Accounting and Disclosure Controls	7
Internet and Email Usage	7
Trading in the Stock of Bank Customers, Suppliers, or Vendors	8
Compliance	8
Supervision.....	9
Administration.....	9
ANTI-FRAUD POLICY APPENDIX II	11
I. OVERVIEW	11
II. FRAUD TYPES	11
A. Employee Fraud	11
B. Customer Fraud.....	11
C. Vendor Fraud	12
D. Other	12
III. FRAUD AWARENESS.....	12
IV. FRAUD REPORTING and INVESTIGATIONS	13
V. FRAUD MONITORING	13
VI. TONE at the TOP	13
VII. INDEPENDENT TESTING.....	14
VIII. POLICY REVIEW	14
CODE OF ETHICS Exhibit A	15
APPENDIX III	16

CODE OF ETHICS

To achieve its potential as a top-tier financial services company, Carver Bancorp, Inc. (the “Company”), Carver Federal Savings Bank (“Carver Federal”) and all associated affiliates (collectively referred to as “Carver”) must attract and retain quality employees dedicated to the performance of their duties in a highly ethical and moral fashion.

Foreword

Carver has established this Code of Ethics to protect the reputation and integrity of Carver and its directors, officers and employees, and to assist its directors, officers and employees in following uniform standards of ethical conduct.

The Code of Ethics is intended to govern the actions and working relationships of Bank directors, officers and employees with current or potential customers, consumers, fellow employees, competitors, suppliers, government representatives, the media, and anyone else with whom Carver has contact. In these relationships, directors, officers and employees must observe the highest standards of ethical conduct. The success of Carver as a provider of banking and other financial services is built upon the trust and confidential relationships maintained between Carver and its customers; therefore, each director, officer and employee are expected in all business matters to place Carver’s interest above his or her own self-interest.

This Code of Ethics reaffirms and clarifies Carver’s basic policy that conflicts of interest, or the appearance of conflicts of interest, must always be resolved in keeping with the policies of Carver. It is Carver’s policy that a director, officer or employee maintain no position or interest, financial or otherwise, which (1) could conflict with the performance of their duties and responsibilities to Carver, (2) affects or could affect their independence or judgment concerning transactions between Carver and its customers, suppliers, or others with whom Carver competes or has existing or pending or potential business relationships, or (3) otherwise reflects negatively on Carver (each a “Conflict of Interest”).

Employees must resolve any doubt as to the meaning of the Code of Ethics in favor of good, ethical judgment. It is each employee’s responsibility to avoid even an appearance of impropriety.

Implicit in the Code of Ethics is Carver’s policy that Carver, its directors, officers and its employees comply with the law. The law prescribes a minimum standard of conduct; the Code of Ethics prescribes conduct that often exceeds the legal standard. Any request made of an employee by any supervisor carries with it, whether articulated, the caveat that the employee is to comply with the request only to the extent he or she can do so while complying both with the law and this Code of Ethics.

This Code of Ethics supersedes and replaces all previously published Bank Code of Ethics.

The Code of Ethics

The following principles apply to all Directors, Officers and Employees of Carver:

Confidentiality

Nonpublic information regarding Carver or its businesses, directors, officers, employees, customer, suppliers, or consumers is confidential (Confidential Information), and, except for job duties at Carver and where permissible under Carver's Privacy Policy or required by law, employees may neither disclose Confidential Information nor use it for trading in securities or for other personal gain during or after employment.

Confidential Information should be guarded to ensure that unauthorized personnel, including customers and other employees of Carver, cannot gain access. Appropriate methods of guarding Confidential Information include holding verbal conversations away from unauthorized personnel and the locking away of documentation containing Confidential Information. Any sharing of Confidential Information either verbally or in writing could result in lawsuits or regulatory sanctions against Carver, its directors, officers, employees and customers and could severely damage the reputation of Carver.

Public communication involving Carver must have prior clearance from the Chief Executive Officer (CEO) or the CEO's designee.

Self-Interest

Directors, officers and employees are prohibited from taking any actions that present a conflict of interest or the appearance of a conflict of interest, including the following:

1. Accepting employment or engaging in a business (including consulting and similar arrangements or arrangements with competitors) that may conflict with the performance of their duties or Carver's interest
2. Hiring relatives within the same department and/or division of Carver
3. Soliciting or demanding or accepting or agreeing to accept (except as provided below), anything of value from any person in conjunction with the performance of their duties at Carver.
4. Accepting personal fees, commissions, other compensation paid, or expenses paid or reimbursed from others, not in the usual course of Carver's business, in connection with any business or transaction involving Carver.
5. Acting on behalf of Carver in any transaction involving others with whom they or their immediate families have any significant direct or indirect financial interest.
6. Borrowing money from customers or suppliers unless the customer or supplier is a financial institution that makes such loans in the ordinary course of its business.
7. Purchasing property, whether real, personal, or intangible, from Carver without the approval of the Board of Directors or the Board's unless Carver makes a general offer of extraneous property to employees on a non-discriminatory basis.

8. Purchasing property obtained by Carver through repossession or foreclosure, including the sale of such property to any member of an individual's family.
9. Making any political contribution of money or other property on behalf of Carver that would violate federal or state law. All political contributions on behalf of Carver must be approved by the CEO of Carver along with notification to the Human Resources Executive.
10. Engaging in excessive speculation, borrowing, or gambling.
11. Permitting Bank property (including data transmitted or stored electronically, products and services developed by Carver, and computer resources) to be damaged, lost, or used in an unauthorized manner.
12. Providing Bank customers with legal, tax or investment advice or recommending attorneys, accountants, securities dealers, insurance agents, brokers, real estate agents, or other service providers if the recommending employee receives a personal reciprocal benefit for the referral from the service provider.
13. Engaging or investing in any business that directly or indirectly competes with services provided by Carver or any subsidiary of Carver, except where such an investment represents insignificant ownership in a publicly traded company.
14. Using Confidential Information for personal benefit or disclosing such information to others outside of job duties.
15. Misusing Carver's electronic message communications system.
16. Doing any of the above actions indirectly through another person.

A director, officer or employee may accept normal business amenities that facilitate the discussion of business, foster good business relations, or serve some other demonstrable business purpose. Gifts of nominal value may be accepted from present or prospective customers, suppliers, or vendors with whom a director, officer, or employee maintains an actual or potential business relationship, but generally **must not exceed, in the aggregate, \$200 in value from any one individual/entity in any one calendar year unless approval is obtained** from the employee's immediate supervisor, in the case of an employee, or from the Chairman of the Finance and Audit Committee of the Board of Directors, in the case of a director, and the Human Resources Executive. Discounts and price reductions not generally available to others are considered gifts. Directors, officers and employees may not accept cash gifts in any amount and must report any such attempted gift to the Chairman of the Finance and Audit Committee or their immediate supervisor. Further, directors, officers and employees are expressly prohibited from soliciting, demanding or accepting anything of value with the intent to be influenced or rewarded in connection with any business transaction or relationship involving Carver. The term "gift" does not include any discounts or programs that are available to all employees under a general offer that has been approved by Carver's Human Resource Department.

Reasonable entertainment may be engaged in between an employee and present or prospective customers, suppliers or vendors. However, the value of such entertainment **may not exceed, in the aggregate, \$200 per calendar year unless the customer, supplier, or vendor is present**. For purposes of this Code of Ethics, "reasonable entertainment" means entertainment, the purpose of which is to hold bona fide business discussions, and for which the expense would be paid by Carver as a reasonable business expense if Carver had paid the expense itself.

If there is any question about the propriety or reasonableness of any entertainment, such as when the host will not be present, the employee should secure the approval of the employee's

immediate supervisor and the Human Resources Executive. Approval by the employee's immediate supervisor and the Human Resources Executive is also required for any entertainment more than \$200 in value if the customer, supplier or vendor is not present or for any gift more than \$200 in value. Prior approval is required for all out-of-town sporting or other social events even if the customer, vendor, or supplier will be present, and the employee may accept only the ticket to the event and any meals and entertainment served or provided in conjunction with the event. If an employee is offered or receives something of value beyond what is authorized in this Code of Ethics, the employee must promptly disclose such fact to the Human Resources Executive.

In certain circumstances, Bank employees are prohibited from accessing or viewing personal information of Bank customers or consumers, from sharing non-public information about Bank customers or consumers with unaffiliated third parties, and from marketing to Bank customers or prospective customers. For specific information about customer privacy requirements, see Carver's Privacy Policy.

All directors, officers and employees are expected to demonstrate the ability to properly manage their personal finances, particularly the prudent use of credit. Directors, officers and employees should remain aware that the improper handling of personal finances could undermine their personal as well as Carver's credibility and that a precarious financial position could be thought to influence actions or judgments made for Carver. Directors, officers or employees who encounter personal financial problems are encouraged to obtain counseling. Managers who are aware of individuals having difficulty in managing personal finances should report this information immediately to the Human Resources Executive. All directors, officers and employees should refer to Carver's Human Resources policies for additional guidance.

Holding Office/Appointments

The written approval of the Board of Directors, or the Board's designee(s), and the Human Resources Executive, is needed before an officer or employee may become a director, officer, or partner of any business organized for profit. If such service is on behalf of Carver, the director, officer, or employee must turn over all compensation received for such service to Carver other than reimbursement of out-of-pocket expenses.

Directors, officers, and employees are encouraged to participate in organizations that are involved in charitable, educational, or community activities, and no approval is needed for involvement with such organizations.

Directors, officers, and employees are encouraged to participate in civic and political activities. A director, officer, or employee may hold a part-time elective or appointive office and may participate in political campaigns provided written approval of the Board of Directors, or the Board's designee and the Human Resources Executive is obtained. Full disclosure of the time involved and the compensation to be received must be included with the request for approval. In most cases when a director, officer, or employee seeks or is appointed to a political office, he or she must obtain an opinion from the political entity's legal counsel stating that the candidacy is not prohibited and that the election or appointment will not bar the political entity from doing business with Carver.

Employees must avoid appointments, including fiduciary appointments, which may conflict with the performance of their duties for Carver or otherwise interfere with their employment relationship with Carver. The employee's supervisor and the Human Resources Executive must approve all fiduciary and other appointments, except those on behalf of the employee's immediate family members, prior to the employee's acceptance of the appointment.

If, prior to the next certification period, the employee's responsibilities within Carver change, the employee must repeat any required approval process, even though the employee's former manager approved the position/appointment.

Internal Accounting and Disclosure Controls

It is the legal responsibility of Carver to develop and maintain systems of internal accounting and disclosure controls that permit the preparation of its financial statements and disclosures in accordance with applicable laws, rules, and accounting principles, including the full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by Carver.

No one shall, directly or indirectly, knowingly falsify or cause to be falsified any book, record or account of Carver or knowingly disclose any false or misleading information about Carver. This includes expense accounts, approval of invoices submitted by vendors, records of transactions with customers, records of disposition of Bank assets, records of consumers, records submitted in accordance with Carver's Expense Reimbursement Policy, or any other record regardless of whether it is financial in nature.

Any director, officer, or employee who becomes aware, directly or indirectly, of inadequate accounting or disclosure controls, a failure of controls, or a circumvention of controls, that transactions or other items are improperly recorded on Carver's books or records, or that disclosures made or to be made by Carver are false or misleading must promptly report the situation to Carver's Human Resources Executive.

Internet and Email Usage

All users (employees, consultants, contract workers or other Bank agents) ("Persons") are personally responsible for ensuring that Carver's technology is used for business purposes. Email and access to the Internet is NOT intended for use for personal reasons, to promote the interest of any employee organization or group, or for illegal or unethical activities that would jeopardize the legitimate interest of Carver.

The term **Occasional Personal Use** is used throughout the policies and procedures of Carver. It shall be applied only in the context of using Personal Productivity Tools, Electronic Communication Tools and office automation technology. Personal Productivity Tools and Electronic Communications Tools include (but are not limited to) the Microsoft Office Suite, telephone access, Internet access, e-mail, and office automation technology (e.g. copy machines, calculators). Furthermore, specific guidelines and restrictions are defined within the specific standards for the usage of Carver's e-mail and Internet capabilities. Banking Applications and services (as defined in Section IV. D. Banking Applications Control of Carver's Information Security End User Standards) are prohibited from Occasional Personal Use under all circumstances by all Persons. Occasional Personal Use is permitted during non-working time periods, provided that such use otherwise conforms to the permissible uses and limitations set forth in Carver policies and this Code of Ethics. Such Occasional Person Use must not hinder or interfere in any manner with the performance of the duties and other responsibilities of any Person's position and duties performed for Carver. This is a privilege and Persons are expected to exercise appropriate discretion and judgment when using Carver's technology for Occasional Personal Use. Occasional Personal Use will be monitored, and appropriate disciplinary actions will be administered for abuse of these privileges.

Examples of use that **is prohibited** would include, but not be limited to, the following:

1. Communicating material for personal gain or use (e.g., apartment rental, sales of goods and services, outside employment, or nonbank related business activities, etc.)
2. Viewing, exchanging, or initiating pornography, slurs, epithets or other material that is disparaging or offensive based on race, color, national origin, sex, sexual orientation, age, disability, religious or political beliefs, or an individual's status in any protected group or class.
3. Attempting to download, copy store or transmit material that may violate copyright or licensee restrictions or is offensive, defamatory, obscene or

discriminatory.

4. Degrading, criticizing or impugning the motives or ethics of other companies, individuals, or groups, including our competitors.
5. Disseminating information regarding matters of concern to employee organizations or unions (bulletin boards for posting bulletins and notices and materials issued by employee organizations are provided for this purpose).
6. Engaging in any activity of a political nature (e.g. to campaign, solicit signatures on petitions, solicit political contributions, etc.)

Trading in Carver Stock

No one shall buy, sell, donate, or otherwise participate in a transaction involving Carver stock while in possession of information concerning Carver which has not been released to the public but which when released may have an impact on the market price of Company stock. Directors and officers are prohibited from transacting in Company stock except during safe harbor periods as defined by the Securities and Exchange Commission ("SEC"). Any transactions during the safe harbor periods must be communicated to Carver's Corporate Secretary for possible disclosure of insider trading activities with the SEC. For further information regarding transactions in Carver stock, directors, officers and other employees are encouraged to review the Insider Trading Policy (see Appendix I). Questions concerning the propriety of participating in a Carver stock transaction should be directed to Carver's Corporate Secretary.

Trading in the Stock of Bank Customers, Suppliers, or Vendors

Customer Securities. No employee may knowingly invest in the securities of a customer of Carver if (a) the employee (i) participates in, (ii) is expected to participate in, or (iii) is responsible for, extensions of credit to the customer or (b) the customer's securities are publicly traded and the employee has nonpublic information concerning the customer at the time of the proposed investment. In no case may the employee invest in the customer's securities until after making disclosure of the proposed investment to the Board of Directors, to the person approving the transaction with the customer, and to the Human Resources Executive.

Supplier or Vendor Securities. No employee may knowingly invest in the securities of a supplier or vendor if (a) the employee (i) participates in, (ii) is expected to participate in, or (iii) is responsible for, decisions involving business transactions with the supplier or vendor, or (b) the securities are publicly traded and the employee has nonpublic information about the supplier or vendor at the time of the proposed investment. If an employee has an existing investment in the securities of a supplier or vendor of Carver and such employee participates or is expected to participate in or is responsible for decisions involving business transactions with the vendor or supplier, the employee shall promptly disclose the investment to his or her immediate supervisor and the Human Resources Executive and shall refrain from further participation in such decisions unless expressly authorized in writing by his or her immediate supervisor and the Human Resources Executive. An employee may make an insubstantial investment in the publicly traded securities of a supplier or vendor even though such employee participates or is expected to participate in or is responsible for decisions involving the supplier or vendor if the employee obtains the prior approval of the employee's immediate supervisor and the Human Resources Executive.

Compliance

Each director, officer and employee of Carver shall act on Carver's behalf in a manner that complies with all laws and regulations under which Carver must operate. As an example, Carver is required to report large cash transactions and certain types of monetary instruments as a means of preventing crimes such as money laundering and tax evasion (See Carver's policy and procedure on Bank Secrecy Act (BSA)/Anti-Money Laundering Act (AML) Program) Any employee who becomes aware, either directly or indirectly, of a Bank employee's violation of a law involving a breach of trust must report

the violation promptly to Carver's Human Resources Executive or Internal Counsel (see Antifraud and Whistleblower Policy – Appendix II).

If a director, officer or employee becomes aware of or suspects embezzlement, false entries in Carver's records, false statements to Carver's regulators, false statements by customers or consumers (where the director, officer or employee knows that the statement is false or has reason to inquire as to its falseness), or any fraud or potential fraud, or other actual, suspected or potential criminal violation involving Carver, its employees or customers, such director, officer or employee must immediately contact Carver's Human Resources Executive (see Antifraud and Whistleblower Policy – Appendix II).

A director, officer or employee who is convicted of a crime, including a crime involving a breach of trust or a crime classified as a felony, or who becomes subject to a suspension or removal order by a bank regulatory agency, must report the event to the employee's immediate supervisor, in the case of an employee or officer, or the Chairman of the Finance and Audit Committee of the Board of Directors, in the case of a director, and the Human Resources Executive.

Supervision

It is the responsibility of each supervisor to train and supervise employees so that they can perform their job in a competent manner and in conformity with Carver's policies, including this Code of Ethics. When assigning responsibilities to an employee, it is the supervisor's responsibility to ensure that the employee has demonstrated the capability to discharge the assigned responsibility in conformity with this Code of Ethics. It is also the supervisor's responsibility to ensure that all employee questions concerning the operation and requirements of this Code of Ethics are fully addressed and understood by each employee. Whenever an employee violates this Code of Ethics, the adequacy of such employee's training and supervision will be reviewed.

Administration

1. Carver's Human Resources Executive is responsible for the administration of this Code of Ethics. Questions on this Code of Ethics should be referred to an employee's supervisor or the Human Resources Executive.
2. Whenever this Code of Ethics requires disclosure or approval, directors, officers or employees shall promptly make a written report with a full account of the circumstances to the Finance and Audit Committee of the Board of Directors or their supervisor, as applicable, and the Human Resources Executive.
3. The Human Resources Executive will document the resolution of any known Code of Ethics violations or any outside economic interest of directors, officers, and employees and notify the Finance and Audit Committee of the Board of Directors (who will in turn notify the Board of Directors) at the next scheduled meeting.
4. Anyone wishing to communicate known or suspected violations of the Code of Ethics directly to Carver's Finance and Audit Committee of the Board of Directors may do so by contacting Carver's Compliance Line at 1-800-399-2305 or by forwarding written correspondence, marked "CONFIDENTIAL", to the address below. Contact may be made anonymously and will remain confidential to the extent possible to fully investigate allegations:

Chairman of the Finance and Audit Committee c/o
Carver Bancorp, Inc.
75 W. 125th St., 4th Floor
New York, NY 10027

5. New directors, officers and employees shall either receive a printed copy or be directed to review an electronic version of this Code of Ethics as a part of their orientation. They

will be required to acknowledge receipt. The policy will also be made available on Carver's intranet for employee access.

6. All supervisors are responsible for reviewing this Code of Ethics with their subordinates each time a new edition of the Code of Ethics is published.
7. All directors, executives and officers shall complete and return an annual acknowledgement of receipt and compliance with this Code of Ethics.
8. All directors and officers must disclose in the annual acknowledgement, loans and other financial transactions with Carver. In addition, directors and executive officers shall annually submit an accurate Directors and Officers Questionnaire for inclusion in the SEC Form 10K, including disclosure of outside economic interests.
9. Each director, officer and employee are responsible for reporting to the Human Resources Executive any activity that may violate the Code of Ethics, whether the activity involves the director, officer or employee or another director, officer or employee. Reporting the activity will not subject the individual to discipline absent a knowingly false report.
10. The Code of Ethics is part of Carver's personnel policies so that employees who violate the Code of Ethics are subject to the disciplinary measures set forth in those policies up to and including termination.
11. The Human Resources Executive shall provide reports, as required, to regulators, with respect to matters arising under the Code of Ethics and the resolution thereof.
12. Carver prohibits retaliation against any individual who reports an actual or suspected violation of the Code of Ethics or participates in an investigation of such violation. Reporting actual or suspected violations will not subject the individual to discipline absent a knowingly false report. Retaliation against an individual for reporting violations or for participating in an investigation of a violation is a serious violation of this Code of Ethics and, like a Code of Ethics violation itself, may be subject to disciplinary action, up to and including termination (see whistleblower protection in Antifraud and Whistleblower Policy – Appendix II).

Carver, acting by and through its Board of Directors, shall have the sole and absolute discretionary authority to administer and approve any deviation from this Code of Ethics. The Board of Directors shall appoint a non-management member of the Board to be responsible for maintaining or overseeing the maintenance of all records, including the receipt and retention of acknowledgements and confidential correspondence regarding violations of this Code of Ethics regarding the matters governed by this Code of Ethics. These duties may be delegated by such director to the Corporate Secretary's Office.

Employees should feel free to contact the Human Resources Executive for related communications on this Code of Ethics or to seek guidance on the procedures to be followed regarding reporting items under this Code of Ethics.

Each of the Carver Bancorp, Inc. and Carver Federal Savings Bank Board of Directors adopts this Code of Ethics via resolution as of the date on the cover of this document.

I. OVERVIEW

This anti-fraud policy for Carver Bancorp, Inc. and Carver Federal Savings Bank (collectively “Carver” or the “Bank”), establishes the requirement that management develop procedures to educate, prevent, detect, and report any form of fraudulent behavior.

II. FRAUD TYPES

Fraud is defined as “any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain”. The Board of Directors of Carver (the “Board”) and Senior Management have a strong commitment to detecting and preventing fraud. This document serves to convey the expectations of the Board and Senior Management. Examples of fraud include, but are not limited to the following:

A. Employee Fraud**1. Financial Misstatement**

- Forgery or alteration of any financial document;
- Improper revenue recognition;
- Overstatement of assets;
- Understatement of liabilities; and
- Deviation from full and fair reporting of the financial condition.

2. Misappropriation of Assets

- Misappropriation of funds, supplies, or another asset;
- Impropriety in the handling or reporting of money or financial transactions; and
- Use of Bank-owned assets for personal use.

3. Misconduct

- Theft of a check or other payment;
- Profiting because of insider knowledge;
- Use of confidential information for non-Bank purposes;
- Improper disclosure of confidential information;
- Intentional noncompliance with internal controls; and
- Improper receipt of payment or service.

B. Customer Fraud

- Identity theft;
- Automatic Clearing House (“ACH”) and Wire Transfer Fraud;
- Check fraud and counterfeit checks; and
- Check kiting;
- Forging applications.

C. Vendor Fraud

- Improper billing;
- Collusive bidding, false fronts and criminal associations;
- Unreliable or insolvent vendors with a history of contract failures;
- Bribes in the form of cash payments or improper services; and
- Substandard products.

D. Other

- Phishing schemes- attempts to acquire sensitive information such as usernames, passwords and credit card details by masquerading as a trustworthy entity in an electronic communication;
- ATM skimming- insertion of a small device (“skimmer”) that goes over the normal card reading slot of an ATM and reads the card’s magnetic strip. The skimmer is used to capture the ATM card number and is disguised to look like normal ATM equipment;
- Attacks on Carver’s networks- unauthorized hacking attempts for malicious purposes.

III. FRAUD AWARENESS

Management shall conduct such training as may be appropriate to ensure that each employee has a basic understanding of fraud, is aware of the red flags that are indicative of fraud and know their role within the internal control framework. Fraud involves not just monetary issues, but also can have a significant impact on an organization’s financial reporting, operations, reputation, legal obligations, and ability to be regulatory compliant. Employees should have an awareness of how their job procedures are designed to help mitigate fraud risks and when noncompliance may open the opportunity for fraud to occur. Each member of the management team shall be familiar with the types of improprieties that might occur within their area of responsibility and shall be alert for any indication of possible irregularity.

Frequent indicators of fraud opportunities include the following:

- Poorly written or poorly enforced policies, procedures, internal controls or security;
- Irregular or unexplained variances in financial reporting;
- Failure to act on audit findings;
- Unusually high expenses or purchases;
- Frequent customer or third-party complaints;
- Missing or incomplete files, records, and documentation;
- Employee comments concerning possible fraud;
- Complex business arrangements not widely understood and that appear to serve little or no purpose;
- Financial results that seem “too good to be true”;
- A consistently close match between reported results and planned results; and
- Changes in employee behavior.

IV. FRAUD REPORTING and INVESTIGATIONS

Any employee who has knowledge of an occurrence of employee, customer or vendor dishonesty, theft, or fraud, or has reason to suspect that an event has occurred, **shall immediately notify his or her manager, the Human Resources Executive, or other appropriate Bank officer.** The employee shall not attempt to investigate the suspected fraud or to discuss the matter with anyone other than his or her manager, the Human Resources Executive, other appropriate Bank officer or the officials conducting the investigation. Allegations will be treated with the highest degree of sensitivity and confidentiality. Employees who knowingly make false allegations will be subject to discipline up to and including dismissal.

Upon learning of an alleged misconduct, the Human Resources Executive shall promptly conduct an internal investigation and, if necessary, retain counsel. If, after careful evaluation, actual misconduct is determined, it must be reported to the CEO and promptly corrected. Investigation results should be documented and reported to the CEO, the Finance & Audit Committee, and, if appropriate, to the proper authorities.

V. FRAUD MONITORING

The Bank shall maintain processes for preventing and detecting fraud, which shall include the following:

- Maintaining Sarbanes-Oxley ("SOX") type controls and certifications;
- Quarterly financial reporting certifications;
- Segregation of duties where appropriate;
- Authorization limits;
- Physical security and restricted access;
- Clear lines of authority;
- Enforcement of conflict of interest restrictions;
- Two-week vacation policy;
- Independent audits;
- Audit Committee oversight;
- Anonymous reporting and "whistleblower" protections;
- Bank Secrecy Act policy and procedures;
- Red Flags policy and procedures;
- Pre-employment, background checks; and
- Obtaining critical information from vendors including an independent assessment of their internal controls (commonly referred to as a SAS 70 Report).

These controls help to create an environment where employees, vendors and customers and other parties believe that dishonest acts will be detected, reported, and dealt with appropriately.

VI. TONE at the TOP

Policies are to be reviewed at the management level and generally approved by the Board of Directors. Certain policies, as management deems appropriate, are to be reviewed during orientation, and made accessible through the Bank's Intranet. Management is also to post on Carver's website the Code of Ethics, the Code of Ethics for Senior Financial Officers, the Confidential Information and Stock and Securities Trading Policy and the Excessive and Luxury Expenditure Policy. As appropriate, management shall revise and submit revised policies to the Board for review and approval.

Every employee is required to read and understand policies and procedures upon employment with Carver. The policies that help prevent and detect fraud include:

- Code of Ethics Policy
- Code of Ethics Policy for Senior Financial Officers
- Bank Secrecy Act Policy
- Identity Theft Prevention Policy
- Information Security Policy
- Privacy Policy
- Employee Handbook

Failure to comply with these policies subjects any employee to disciplinary action, which can include immediate termination.

VII. INDEPENDENT TESTING

Carver's internal auditors have sufficient knowledge to evaluate the risk of fraud and how it is managed by the Bank. The Internal Audit Department is responsible for assisting the Bank to prevent fraud by examining and evaluating the adequacy and effectiveness of the internal controls system. The audits included in the annual approved audit schedule by the Finance and Audit Committee are designed to provide reasonable assurance that fraudulent, illegal, or dishonest activity by employees, officers, business contacts or others is prevented or detected. The Internal Audit Department also performs an annual independent test of the whistle blower hotline to evaluate its effectiveness.

In addition, the Bank's external auditor evaluates whether the Bank's programs and controls that address identified risks of material misstatement due to fraud have been suitably designed and implemented.

VIII. POLICY REVIEW

This policy will be reviewed and approved by the Board annually.

CODE OF ETHICS

Exhibit A

Carver Bancorp, Inc. &
Carver Federal Savings Bank

CODE OF ETHICS ACKNOWLEDGMENT

I hereby acknowledge that I have received a copy of the Code of Ethics and Anti-fraud Policy and Whistleblower Policy, (collectively, the "Code") of Carver Bancorp, Inc., Carver Federal Savings Bank and all associated affiliates (collectively, "Carver") updated May 2018; and that I have read and understand the Code and will abide by the provisions thereof. Additionally, I have checked the box below and provided information that appropriately reflects my current compliance with the Code:

_____ I am not in violation of Carver's Code nor am I aware of any such activities

_____ I am required to disclose activities related to Carver's Code as follows

Signature: _____

Name: _____

Title/Position: _____

Date: _____

_____ Initial Acknowledgment

_____ Annual Acknowledgment

2018 Code of Ethics – Version Control History

	<p>Last Approved Date:</p> <p>March 26, 2015 June 29, 2017 May 24, 2018</p>	Significant Changes:
<p>Prepared By: S. Martin, Compliance Dept</p> <p>Reviewed By: Human Resources Executive</p>	April 24, 2018	<p>-Highlighted Gift standards, page 5; -Clarified responsibility of HR for approval on bequests, page 5; -Updated the first paragraph under Compliance Section on page 8 -Highlighted employee responsibility in first paragraph under Fraud Reporting, page13 -removed commentary on Tone-at-the-Top and Fraud monitoring which are housed in different manuals.</p>
Approved by the Board	May 24, 2018	