

**PORTER BANCORP, INC.**

**CODE OF ETHICS  
FOR THE CHIEF EXECUTIVE OFFICER AND SENIOR FINANCIAL OFFICERS**

This Code of Ethics for the President and Chief Executive Officer (the "CEO") and the Chief Financial Officer of the Company, Senior Vice President Bank Operations and Reporting, and Chief Financial Officer of PBI Bank (together, the "Senior Financial Officers") contains specific principles to which the CEO and the Senior Financial Officers are expected to adhere. This Code of Ethics is intended to supplement our general Code of Business Conduct and Ethics and be our Code of Conduct for Senior Financial Officers pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 and the related rules of the Securities and Exchange Commission.

- a. The CEO and all Senior Financial Officers are responsible for full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company with all regulatory agencies, including the Securities and Exchange Commission, and in the Company's other public communications. Accordingly, it is the responsibility of the President and CEO and each Senior Financial Officer promptly to bring to the attention of the Audit Committee any material information of which he or she may become aware that affects the disclosures made by the Company in its financial reports.
- b. The CEO and each Senior Financial Officer shall promptly bring to the attention of the Audit Committee any information he or she may have concerning (a) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.
- c. The CEO and each Senior Financial Officer shall promptly bring to the attention of the Audit Committee any information he or she may have concerning any violation of the Company's Code of Business Conduct and Ethics, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.
- d. The CEO and each Senior Financial Officer shall promptly bring to the attention of the Audit Committee any information he or she may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to the Company and the operation of its business, by the Company or any agent thereof, or of a violation of this Code or of these additional procedures.

- e. The Board of Directors shall determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of this Code or of these additional procedures by the CEO and the Company's Senior Financial Officers. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to this Code and to these additional procedures, and shall include written notices to the individual involved that the Board has determined that there has been a violation, censure by the Board, demotion or re-assignment of the individual involved, suspension with or without pay or benefits (as determined by the Board) and termination of the individual's employment. In determining what action is appropriate in a particular case, the Board of Directors or such designee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.

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