

I. Introduction

The Board of Directors (the “Board”) of Cullen/Frost Bankers, Inc. (together with its subsidiaries, “Cullen/Frost”) has adopted this code of business conduct and ethics (this “Code”) to:

- promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure;
- promote compliance with applicable laws and governmental rules and regulations;
- ensure the protection of Cullen/Frost’s legitimate business interests, including corporate opportunities, assets and confidential information; and
- deter wrongdoing.

All directors, officers and employees of Cullen/Frost are expected to be familiar with this Code and to adhere to the principles and procedures set forth in it that apply to them. Cullen/Frost’s reputation for integrity is its most valuable asset and is determined by the individual and collective actions of its directors, officers and employees. No business demands more integrity and high personal example than does banking, and public trust is the cornerstone of Cullen/Frost’s operations. The public at large, as well as Cullen/Frost’s customers, have a right to expect from each director, officer and employee of Cullen/Frost the highest degree of personal performance and example.

Cullen/Frost’s more detailed policies and procedures set forth in its Employee Standards of Conduct Policy are separate requirements and are not part of this Code.

For purposes of this Code, the “Code of Ethics Contact Person” will be Cullen/Frost’s General Counsel/Corporate Secretary, in the case of directors, executive officers and Senior Financial Officers (as defined below), and will be the Human Resource Executive Officer, in the case of employees other than directors, executive officers and Senior Financial Officers.

II. Honest and Candid Conduct

Each director, officer and employee owes a duty to Cullen/Frost to act with integrity. Integrity requires, among other things, being honest and candid. Deceit and subordination of principle are inconsistent with integrity.

Each director, officer and employee must:

- Act with integrity, including being honest and candid while still maintaining the confidentiality of information where required or consistent with Cullen/Frost’s policies.
- Observe both the letter and spirit of laws and governmental rules and regulations, accounting standards and Cullen/Frost policies.
- Adhere to a high standard of business ethics.

III. Conflicts of Interest

A “conflict of interest” occurs when an individual’s private interest interferes or appears to interfere with the interests of Cullen/Frost. A conflict of interest can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her work for Cullen/Frost objectively and effectively. Conflicts of interest can also arise if a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position with Cullen/Frost.

Service to Cullen/Frost should never be subordinated to personal gain and advantage. Conflicts of interest should, wherever possible, be avoided. Any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the Code of Ethics Contact Person.

A transaction or relationship that would present a conflict for a director, officer or employee would likely also present a conflict if it is related to a member of his or her family. For purposes of this Code, the term “family” means a person’s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than a domestic employee) who shares such person’s home.

IV. Disclosure

Each director, officer or employee involved in Cullen/Frost’s disclosure process, including the Chief Executive Officer, the Chief Financial Officer, the Treasurer and each member of Cullen/Frost’s Disclosure Committee (collectively, the “Senior Financial Officers”), is required to be familiar with and comply with Cullen/Frost’s disclosure controls and procedures and internal control over financial reporting, to the extent relevant to his or her area of responsibility, so that Cullen/Frost’s public reports and documents filed with the Securities and Exchange Commission (the “SEC”) comply in all material respects with applicable federal securities laws and SEC rules. In addition, each such person having direct or supervisory authority regarding Cullen/Frost’s SEC filings, or Cullen/Frost’s other public communications concerning its general business, results of operations, financial condition and prospects, should, to the extent appropriate within his or her area of responsibility, consult with other Cullen/Frost officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

Each director, officer or employee who is involved in Cullen/Frost’s disclosure process, including, without limitation, the Senior Financial Officers, must:

- Familiarize himself or herself with the disclosure requirements applicable to Cullen/Frost, as well as the business and financial operations of Cullen/Frost.
- Not knowingly misrepresent, or cause others to misrepresent, facts about Cullen/Frost to others, whether within or outside Cullen/Frost, including to Cullen/Frost’s independent auditors, governmental regulators and self-regulatory organizations.
- Properly review and critically analyze proposed disclosure for accuracy and completeness (or, where appropriate, delegate this task to others).

V. Compliance with Laws, Rules and Regulations

It is Cullen/Frost's policy to comply with all applicable laws, rules and regulations, and it is the personal responsibility of each employee, officer and director to adhere to the standards and restrictions imposed by such laws, rules and regulations.

It is against Cullen/Frost policy and in many circumstances illegal for a director, officer or employee to profit from undisclosed information relating to Cullen/Frost or any other company.

A director, officer or employee may not purchase or sell any of Cullen/Frost's securities while in possession of material nonpublic information relating to Cullen/Frost. Also, a director, officer or employee may not purchase or sell securities of any other company while in possession of any material nonpublic information relating to that company.

A director, officer or employee who is uncertain about the legal rules involving a purchase or sale of Cullen/Frost securities, or any securities of companies that he or she is familiar with by virtue of his or her work for Cullen/Frost, should consult with Cullen/Frost's General Counsel/Corporate Secretary before making any such purchase or sale.

VI. Corporate Opportunities

Directors, officers and employees owe a duty to Cullen/Frost to advance Cullen/Frost's business interests when the opportunity to do so arises. Directors, officers and employees are prohibited from taking (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless Cullen/Frost has already been offered the opportunity and turned it down. More generally, directors, officers and employees are prohibited from using corporate property, information or position for personal gain and from competing with Cullen/Frost.

Sometimes the line between personal and Cullen/Frost benefits is difficult to draw, and sometimes there are both personal and Cullen/Frost benefits in certain activities. Directors, officers and employees who intend to make use of Cullen/Frost property or services in a manner not solely for the benefit of Cullen/Frost should consult beforehand with the Code of Ethics Contact Person.

VII. Confidentiality

In carrying out Cullen/Frost's business, directors, officers and employees often learn confidential or proprietary information about Cullen/Frost, its customers, suppliers, or other parties. Directors, officers and employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information of Cullen/Frost, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.

VIII. Fair Dealing

Cullen/Frost has a history of succeeding through honest business competition, and it does not seek competitive advantages through illegal or unethical business practices. Each director, officer and employee should endeavor to deal fairly with Cullen/Frost's customers, service providers, suppliers, competitors and employees. No director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

IX. Protection and Proper Use of Assets

Directors, officers and employees should protect Cullen/Frost's assets and ensure their efficient use. All Cullen/Frost assets, including facilities, equipment and supplies, should be used only for legitimate business purposes and should not be used for personal benefit.

X. Reporting and Accountability

A director, officer or employee who becomes aware of any existing or potential violation of this Code is required to notify promptly the Code of Ethics Contact Person. Failure to do so is itself a violation of the Code. In addition, retaliation against any director, officer or employee who in good faith reports a potential violation is prohibited.

Questions relating to how this Code should be interpreted or applied should be addressed to the Code of Ethics Contact Person. A director, officer or employee who is unsure of whether a situation violates this Code should discuss the situation with the Code of Ethics Contact Person to prevent possible misunderstandings and embarrassment at a later date.

Cullen/Frost will utilize the following procedures in investigating and enforcing this Code:

- Violations and potential violations will be reported by the Code of Ethics Contact Person to the Corporate Governance and Nominating Committee, in the case of a violation or potential violation involving a director, executive officer or Senior Financial Officer, or the Human Resource Executive Officer, in the case of a violation or potential violation involving any other employee.
- The Corporate Governance and Nominating Committee and the Human Resource Executive Officer will take all appropriate action to investigate any violations or potential violations reported to them.
- If the Corporate Governance and Nominating Committee determines that a violation by a director, executive officer or Senior Financial Officer has occurred, it will inform the Board. The Board will take such disciplinary or preventive action as it deems appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of appropriate governmental authorities.
- If the Human Resource Executive Officer determines that a violation by an employee (other than a director, executive officer or Senior Financial Officer) has occurred, the Human Resource Executive Officer will, with the concurrence of Cullen/Frost's General Counsel/Corporate Secretary and, if appropriate, Cullen/Frost's Chief Executive Officer, take such disciplinary or preventive action as he or she deems appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of appropriate governmental authorities.

From time to time, Cullen/Frost may waive some provisions of this Code. Any waiver of the Code for directors, executive officers or Senior Financial Officers may be made only by the Board or the Corporate Governance and Nominating Committee and must be disclosed within four business days as required by SEC or NYSE rules. Any waiver for employees other than directors, executive officers and Senior Financial Officers may be made only by the Human Resource Executive Officer with the concurrence of Cullen/Frost's General Counsel/Corporate Secretary and, if appropriate, Cullen/Frost's Chief Executive Officer.

This Code does not confer any rights or remedies upon any persons other than directors, officers and employees of Cullen/Frost.