

Commonly Asked Questions – Banking Sector

By: Dennis Gustafson, Senior Vice President, Shareholder & Financial Institutions Practice Leader

GENERAL

1. Describe your response plan for working with borrowers and customers impacted by COVID-19.
2. Describe your response plan for maintaining business continuity, including employee and branch availability while COVID-19 persists.
3. Provide an estimate of total credit exposures as a result of COVID-19, including:
 - a. Expected amount of emergency credit (in the form of new loans)
 - b. Expected amount of credit line drawdowns
 - c. Amount of loan modifications and forbearance expected, that are eligible under section 4013 of the CARES Act (Temporary Relief from Troubled Debt Restructurings, section 4013)
 - d. Describe any other fee, foreclosure or forbearance programs in place or planned, including the total amount of credit exposure expected with such programs.
4. Provide your total credit exposure, including outstanding and committed, for the following industry sectors:
 - a. Oil & Gas/Energy
 - b. Transportation
 - c. Retail Trade (including property)
 - d. Hospitality (including property)
 - e. Recreation (including property)
5. Are there any other industry sectors you're monitoring for adverse impacts due to COVID-19? If so, provide a list of each sector and the total credit exposure.
6. Describe any stress testing results that would be informative in the current risk environment, including key assumptions used in stress testing process (macroeconomic variables, etc.).

FINANCIAL

7. Describe how you are managing capital currently. For example, have you suspended capital distributions (dividends, share buybacks)? Do you anticipate taking any actions that would change your capital position during the next 12 months?
8. Are there any investments in breach of their debt covenants as a function of the COVID-19 crisis? Does the company foresee any potential debt defaults by any investments in the next 18 months?

EMPLOYMENT MATTERS

9. Are any layoffs or furloughs anticipated? If so, please explain. What are your plans to rehire or restart operations if halted?
10. What are you doing to be accommodating and flexible to employees during any state-required government quarantines?
11. If you have employees working within a company office, how are you ensuring a safe work environment?
12. How are you ensuring that you are up to date with the state and federal changes relating to employer/employee relations as a result of Covid-19? Who is responsible for ensuring that this is carried out and maintained?

CYBER

13. How has COVID-19 impacted your ability to maintain and secure your network?
14. What changes to remote access protocols and/or capabilities have been made as a result of COVID-19?
15. If employees are working from home, what steps have you taken to make sure information security is a priority?

FOR PUBLICLY LISTED BANKS

16. To what level have you provided guidance to shareholders and are you in compliance with recent SEC disclosure guidelines? With whom have you consulted regarding compliance guidelines (internally and externally)? Have you requested an extension from the SEC to file audited financials? Have you amended, or do you anticipate amending, your insider trading policy?
17. Are you in the process of an acquisition, financing or other transaction that might now be delayed or terminated? If so, explain.

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