



Annual Statement Studies Submission Campaign

Participant Guide

www.prosightfa.org/statement-studies-submissions

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Letter from the Statement Studies Team



On behalf of the Board of Directors, the Executive Committee of ProSight, and the Statement Studies staff, we thank you for participating in the Annual Statement Studies Submission Campaign. The success of this year's campaign, as it is every year, is very much related to your dedication and collaboration to this.

For over 100 years, RMA now ProSight Members have driven the success of the annual campaign year after year. Therefore, what Members put into the campaign, is what comes out of it. Annual Statement Studies **STRIVES** and **THRIVES** on the participation of our Members – made by bankers, for bankers!

Your individual bank's submissions goal for the upcoming year will be the number of submissions from the prior year *plus 10%*. This goal should be a target *minimum*, and of course, ProSight will never penalize a Member for not making this goal. It is simply a suggestion on behalf of keeping the Statement Studies relevant, and robust! Every financial statement counts, so please contribute all that you have. If you believe there are other areas of your institution that should also be contributing financial statements, please do share their contact information with us.

This year we are encouraging Members to submit a test file early. This will help to correct any errors found in the file allowing you to submit a new file by the end of the campaign. The deadline to submit your borrowers' anonymized financial statements is **September 1st**.

The Statement Studies Unit will contact you throughout the campaign and will be available to answer any questions. As always, help is available! If you are not able to receive support from your Software Vendor, please reach out to us. One last favor: Please keep the Statement Studies Unit informed of any changes in contact information, bank mergers, and so forth. In many instances, you may be the first to know, and communication is critical to ensure accurate reporting and the product's continued success.

I look forward to working with you, and to a successful Submission Campaign!

A handwritten signature in black ink that reads "Jorge Mera".

Jorge Mera | Associate Product Manager

A handwritten signature in black ink that reads "Ann Adams".

Ann Adams | Product Manager

Statement of Confidentiality & Privacy



The anonymized, commercial bank borrower financial statements received in the course of the Statement Studies submission process (collectively, “Statements”) are stripped of all customer identifying information prior to being submitted to ProSight. The Statements DO NOT CONTAIN INDIVIDUAL BANK BORROWER INFORMATION AND SPECIFICALLY DO NOT CONTAIN ANY BANK BORROWER PERSONAL IDENTIFIABLE INFORMATION (PII). Upon receipt, the Statements are aggregated and further anonymized to remove all references between the commercial borrower and participating bank.

ProSight treats the Statements as confidential information. ProSight takes all commercially reasonable steps to ensure that the Statements cannot be traced to the submitting member.

What are the Statement Studies?



A catalog of industry benchmarking reports, featuring common-size metrics for the Balance Sheet, and Income Statement line items, in addition to 22-classical financial ratios, aggregated from anonymized borrower financial statements. Industry reports include 12-peer categories, based on Asset or Sales Size, along with 5-years aggregate historical data.

RESTAURANT/LODGING—Full-Service Restaurants NAICS 722511				Comparative Historical Data	
Current Data Sorted by Assets					
1	5	4	7	Type of Statement	
6	12	1		Unqualified	99
18	5			Reviewed	88
49	5		1	Compiled	104
141	84	25	16	Tax Returns	272
				Other	238
	974 (10/1/21-3/31/22)				1046
2-10MM	10-50MM	50-100MM	100-250MM		949
215	111	30	24		1162
%	%	%	%		1129
32.9	26.7	20.2	19.7		4/1/17-3/31/18
1.1	2.6	1.4	1.8		4/1/18-3/31/19
2.6	2.2	2.7	1.9		ALL
3.8	3.6	1.2	2.0		ALL
40.4	35.1	25.6	25.3	NUMBER OF STATEMENTS	2683
39.7	40.2	46.5	38.1	ASSETS	2487
9.1	14.6	22.1	27.3	Cash & Equivalents	%
10.8	10.0	5.8	9.2	Trade Receivables (net)	20.0
100.0	100.0	100.0	100.0	Inventory	2.0
				All Other Current	5.8
				Total Current	3.4
				Fixed Assets (net)	31.2
				Intangibles (net)	32.3
				All Other Non-Current	46.6
				Total	11.7
					10.9
					10.6
					10.8
					100.0
					100.0
					6.0
					6.1
					3.5
					3.3
					9.4
					9.3
					.2
					.3
					22.6
					22.9
					41.7
					41.9
					30.3
					29.9
					1
					1

RESTAURANT/LODGING—Full-Service Restaurants NAICS 722511				Comparative Historical Data		Current Data Sorted by Assets	
				Type of Statement			
				Unqualified	44	1	4
				Reviewed	28	1	15
				Compiled	43	9	12
				Tax Returns	142	52	167
				Other	63	74	67
					325		105
					324		
					960		
					717		
					648		
					4/1/19-3/31/20		
					4/1/20-3/31/21		
					4/1/21-3/31/22		
					ALL		
					1784		
					1173		
					1099		
				NUMBER OF STATEMENTS			
				ASSETS			
				Cash & Equivalents	%	%	%
				Trade Receivables (net)	21.3	30.1	37.0
				Inventory	1.8	1.8	1.5
				All Other Current	6.0	4.3	3.8
				Total Current	3.3	3.2	4.4
				Fixed Assets (net)	32.4	39.4	46.6
				Intangibles (net)	45.7	37.4	33.1
				All Other Non-Current	10.2	11.2	10.4
				Total	11.7	12.0	9.8
					100.0	100.0	100.0
				LIABILITIES			
				Notes Payable-Short Term	6.1	9.7	4.6
				Cur. Mat.-L.T.D.	3.1	3.8	2.8
				Trade Payables	9.1	6.6	5.8
				Income Taxes Payable	.3	.3	.2
				All Other Current	21.7	18.3	16.9
				Total Current	40.2	38.6	30.3
				Long-Term Debt	31.3	47.2	37.9
					0	1	0
					0	0	0

Where do the financial statements that compile the Statement Studies come from?

ProSight Member Institutions voluntarily, submit to ProSight the anonymized, borrower financial statements in a batch format generated through banking spreading software.

Depending on the size of the institution, approval for participation should begin at a senior level (Chief Credit Officer, Chief Risk Officer), while preparing and generating the submission file may be done within Commercial Credit, or Business Systems.

Who can use the Statement Studies? And for what purpose?

Statement Studies has a wide range of users, but primarily **financial institutions**. Banks will use the benchmarking metrics for underwriting purposes, creating a credit memo, determining your lending landscape, etc.

Other non-financial institution users include **financial professionals** in all industries, for example Auditors, CPA's, Consultants, Business Valuers, Attorneys/Lawyers, Credit/Leasing Managers, Small Business Owners, and more. Use cases are vast, but an Attorney working on a bankruptcy case needing to determine liquidity of a business, is one prime example.

Submission Criteria



General Financial Statement Criteria for an acceptable submission file:

- All Industries using a 6-digit NAICS
- All asset or sales size range
- All loan grades or risk ratings
- All types of statements i.e., tax returns, company prepared, CPA prepared, etc.
- All industry types i.e., Small Business, Business Banking, Commercial, Large Corporate, Middle Market, Service, Construction, Real Estate, etc.

ALL statements to include the companies **Zip Code**. This helps to produce regional level data reports.

AUTOMATIC REJECTION of a statement if any one of the following parameters are not met:

- Must be within the date range: April 1 through March 31
- Must include a valid 6-digit NAICS
- Balance sheet must balance
- Legal form of the entity must be included
- Type of financial statement must be included
- Income statement must be complete

While all submission files are encrypted at the time of generation, Members should NEVER include borrower identifying information.

Campaign Timeline



Friday April 28:

Deadline to submit any new contact information and confirm your commitment!



Monday May 1:

Submission Campaign Officially Opens! Can begin to accept submission files!

Thursday July 27:
HALFWAY Into the Campaign!



Friday August 18:
2 weeks to go!!



Friday September 1:
Submission Deadline!



Friday September 15:
Confirm submission reward with ProSight.



Tuesday November 1:
Annual Statement Studies is released!



Why Your Participation Matters!

According to a recent User Group discussion, the Annual Statement Studies are described, and thought of, as the **'Gold Standard'** for industry benchmarking data.

Since its first publication in **1919**, the Annual Statement Studies have remained *consistent, dependable, and transparent*. In fact, ProSight was heavily founded on the basic principles that led to the creation of the industry reports, and those same principles still exist today!

ProSight continues the **tradition** of working with Members to create benchmarking metrics, in order to **support** credit lending decisions!



Engage with your professional organization and support your peers!



The more data in, the more data out! The more ProSight Members that are involved, and nurture the data, the bigger and better it becomes!



There is little, to NO risk to your institution! ProSight guarantees 100% anonymity of your borrowers' identity.

Benefits for your Participation



Complimentary. enterprise-wide access to eStatement Studies online



Utilize your own data for benchmarking, and to make better credit lending decisions

Frequently Asked Questions



Does it cost anything to participate?

No! There is **NO** fee to participate in this program, but your institution must be an ProSight Member.

Will ProSight notify me if my file has rejected statements? Will I be able to resubmit my file?

Yes! Once you submit your file to ProSight, you will be sent a Submission Summary containing the number of statements accepted, rejected, and the reason for rejection. You can typically hear back from us within 1 to 2 business days of your submission. If your file has more than a 10% rejection rate, we will ask that you fix the rejected statements, and re-submit your file. We can send you a summary of the rejected statements, by request.

How long does it take to generate a submission file?

This can depend on a number of factors such as, size of your portfolio, spreading tool, available resources, etc. In most cases, we found that it typically takes under 1 hour, if you are using one of our partnered vendors for spreading. For larger banks, it may take longer. If you are not using one of the partnered vendors, it will take longer since you will be using one of the manual methods. For example, if you chose to do a submission using a paper form, a single Member from 2021 had returned 15 statements back within 1 hour of receiving instructions.

What security measures are in place for sharing our borrowers' financial statements?

ProSight can assure you that it is extremely safe to submit your clients' financial statements. At the time you generate your submission file, the file is encrypted by the software directly. Note, ProSight will NEVER request your clients identifying information (company name, contact name, address, phone, etc). When ready, you may choose to send your file to ProSight by various secure formats, such as secure email system, or SFT. Please be sure to send us the instructions to conduct the file download. Finally, the ProSight server is protected by two firewalls, which are monitored 24/7, and ProSight staff are required to enter an OTP for accessing the network. In addition, all files transferred between our systems are encrypted via SHA-256 VPN connection, and we have a third-party security vendor that monitors our network and logs 24/7.

Frequently Asked Questions



When I am ready to send my files to ProSight, where do I send them?

You can email files to the Statement Studies Unit, estatementstudies@prosightfa.org. Make sure you receive a confirmation from ProSight within 1 to 3 business days, otherwise ProSight did NOT receive your submission. NOTE, your software vendor is NOT responsible for sending a submission file on behalf of your institution.

What software vendors participate in the submission program, and how can I contact them?

Software Vendor	Support Email	Support Phone
Baker Hill	support@bakerhill.com	(800) 821-4455
Finastra	Finastra Community Support Portal, https://support.finastra.com	(800) 274-7287
FIS	Ambitrisk.us.help@fisglobal.com	(617) 717-3266
Global Wave Group	support@globalwavegroup.com	(888) 315-4704
Jack Henry & Associates	n/a	(407) 475-0005
Moody's Credit Lens (or RA)	MA_Support@moodys.com	(212) 553-1653
Moody's Lending Cloud	supportwes@moodys.com	n/a
Vision Software Solutions	support@fiscalcs.com	(800) 248-5550
Wolters Kluwer	cashsupport@wolterskluwer.com	(888) 765-4939

Tips for Preparing a Software Generated Submission



1. Be sure to connect with your software vendor early, prior to the opening of the campaign, to confirm that you are utilizing the most current version. We highly encourage participants to generate a test file early in the campaign (April to June), to eliminate issues or errors with the software, or financial statement records.
2. Download your software vendor submission instructions, [<https://www.prosightfa.org/decision-support-solutions/statement-studies/statement-studies-submissions/>]
3. Have handy your ProSight Bank ID, and Chapter ID. If you do not have this information, contact ProSight.
4. The software automation process, or ProSight Submission Utility, is designed to identify errors and omissions immediately either by omitting the statement or prompts for remediation, before it is sent to ProSight. These instances include:
 - Fiscal year does not fall within the years parameters
 - Balance sheet does not balance
 - Income statement is incomplete
 - Numeric 6-digit NAICS is missing, or invalid
5. When you select 'Yes, submit to ProSight,' you will need to email your file to estatementstudies@prosightfa.org. The files that you will send to ProSight for the Campaign will have the following file names i.e:
 - If in text format: **ProSightSubm26.txt**, and **prosighttran.txt**
 - If in Excel format: **ProSightSubm26.xlsx**
 - If in Access format: **ProSightSubm26.accdb**
6. While your file is being processed by ProSight, our software will check for duplicate records, invalid NAICS, etc. Your file will contain a company ID field. This is a unique code you assign to each obligor and is used simply for you to quickly identify the record for a correction, or resubmission. Again, ProSight will never ask for your clients identifying information.
7. Once the file has completed processing at ProSight, we will return to you a confirmation of receipt, or Submission Summary within 1 to 2 business days. If you do NOT hear from ProSight, it is possible we did not receive your submission, and you will need to resend the files.
8. The software program for generating the ProSight Submission, is a product produced by each vendor individually. ProSight does not have access to these products or the code. If you need support with the program, we first suggest reaching out to your provider directly. Support information for each vendor is located on page 9.

Tips for Preparing a Manual Submission

A **manual prepared submission** is an alternative method developed for institutions that are not utilizing one of the ProSight partnered vendors. This provides the opportunity for those Members wishing to support the campaign, a way to produce a successful ProSight submission file.

You may choose 1 of the 3 methods located on the right, and download our data specifications, and corresponding templates/forms here:

<https://www.prosightfa.org/decision-support-solutions/statement-studies/statement-studies-submissions/>

1. Have handy your ProSight Bank ID, and Chapter ID. If you do not have this information, contact ProSight.
2. Using the submission specifications, complete the forms, tables, or spreadsheets either by hand/manually, or export your financial statements into Excel or Access. You then must reformat your table or spreadsheet to mimic the ProSight template.
3. Complete, and return one transmittal form if you are using the handwritten paper form.
4. When ready send your forms, or files, to estatementstudies@prosightfa.org. We will return to you a confirmation of receipt, or Submission Summary within 1 to 2 business days. If you do NOT hear from ProSight, it is possible we did not receive your submission, and you will need to resend the files.
5. While your file is being processed by ProSight, our software will check for duplicate records, invalid NAICS, etc. Your file will contain a company ID field. This is a unique code you assign to each obligor and is used simply for you to quickly identify the record for a correction, or resubmission. Again, ProSight will never ask for your clients Personal Identifying Information.



Handwritten Paper Form

A 1-page form requesting balance sheet and income statement items of an individual borrower. Complete 1-page per borrower. In addition, complete 1-transmittal form on behalf of the institution.

MSExcel Format

Use to either dump your borrower financial statements into the ProSight template or manually enter each borrower record into the spreadsheet. One row of data = one borrower record. Spreadsheet contains two tabs: Submission, and Transmittal.

MSAccess Format

Use to either dump your borrower financial statements into the submission template or manually enter each borrower record into the table. One row of data = one borrower record. Database contains two tables: Submission, and Transmittal.

Your Submission Checklist



- ☐ Confirm contact information and commitment to ProSight, by April 27th
- ☐ Confirm software version with Software Vendor, and downloaded software submission instructions; or downloaded ProSight Data Specifications and Templates for a manual submission
- ☐ Receive Bank ID, Chapter ID, and Goal from Prosight
- ☐ Generate, and send to ProSight a test submission files (aim for period between May and June)
- ☐ **Generate, and send to ProSight the FINAL submission files, no later than Friday, September 4th.**
- ☐ Respond to the ProSight Submission Reward email, no later than September 15th
- ☐ Enjoy the rest of summer!
- ☐ Access the new Annual Statement Studies, starting November!



We look forward to your participation!

For more information about the Campaign:
www.prosightfa.org/statement-studies-submissions

Additional questions, or ProSight Support:
Statement Studies Unit

estatementstudies@prosightfa.org

Ann Adams, Product Manager

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