

Statement Studies:
It's what you make of it.



ANNUAL STATEMENT STUDIES

Bridge, Electronic &
Spreadsheet Generated

SUBMISSIONS
HANDBOOK

Institutions submitting via Moody's KMV: please reference p. 10.

HIGHLIGHTS OF WHAT YOU NEED TO DO, WHAT YOU CAN EXPECT, AND WHEN

February

- Read and review the Submissions Handbook.
- Respond to RMA staff via e-mail with any questions.

March–April

- Expect to hear from an RMA Statement Studies staff person who will verify your contact information and your level of commitment for this year.

- Check to be sure that the most recent version of the Bridge submission software has been installed and is operating properly. If it is not, contact your spreadsheet vendor.
- Check with your respective vendor for possible Bridge updates via the Internet.
- Contact your spreadsheet vendor if you have not received your 2010 Bridge software by April 23.

Please note:

RiskAnalyst[™] 5.2 users should install the January 2010 *RiskAnalyst* 5.2 Patch 1 before submitting to RMA this year. A separate RMA submissions patch is available to RA 5.0 and 5.1 users as well. Refer to Moody's KMV Support Web (<https://support.moodykmv.com>) for further information about these patches. Note: *RiskAnalyst* users not on version 5.x may continue to use the existing RMA submissions program.

Please note: 2009 was the last supported RMA submission year for *Moody's KMV Financial Analyst*[®] users.

OnePoint clients will be able to download the submission from Baker Hill website on or after 3/20/10. There are no changes to the program.

May

- If you are using the Bridge software to submit, run a small sample to ensure that everything is in working order. You may e-mail your sample to studies@rmahq.org

June *Deadline for paper submissions is Friday, June 25, 2010.*

- Make plans to submit your full allotment of *paper-based* submissions during the week of June 21-25. Don't forget to include a transmittal form.

July *Deadline for Bridge/electronic submissions is Friday, July 9, 2010.*

- Make plans to submit your full allotment of *Bridge* or *electronic-based* submissions during the week of July 5-9. Don't forget to include a transmittal form.

August

- Enjoy what's left of the summer, while we process all the data and make preparations for the product.

November

- Final product will be shipped and access to eStatement Studies will be provided.

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<i>Blank form to photocopy and return with your submissions</i>	

INTRODUCTION

On behalf of the Board of Directors, the Executive Committee of RMA, the Statement Studies Committee, and the Statement Studies staff, we thank you for accepting the Statement Studies contact position within your institution. The success of this year's campaign, as it is every year, is very much related to your dedication and perseverance.

Last year, 280 institutions submitted statements to RMA. Nearly 95% of all submissions were received on disk via the Bridge software program or by some other electronic means. We fully anticipate that this figure will continue to grow.

Your individual bank's goal for the new year will be your actual number of submissions from the prior year *plus 10%* (that is, 2010's goal is 110% of the actual number of usable submissions we received from you in 2009).

Our credo is "Contribute every statement you have." We would like to continue this approach in 2010 and look forward to similar increases in submissions and participation. Remember, the *Annual Statement Studies* is what you make of it, so contribute every statement you have.

The Statement Studies staff of RMA will contact you and be available throughout the collection process to answer any questions. In most cases, you can expect the staff person to discuss with you a goal for number of submissions. This goal is a target minimum. Again, the *Annual Statement Studies* is what you make of it, so contribute every statement you have, regardless of target minimum.

The deadlines for submissions continue to be split: Paper-based submissions are due Friday, June 25, and Bridge or electronic-based submissions are due Friday, July 9. The split is necessary to account for the extra time needed to process paper-based submissions. We encourage those using the Bridge or electronic means to wait until the last possible moment to submit. This strategy will ensure the greatest number of available statements.

As always, help is available. Please feel free to contact the Statement Studies staff in Philadelphia. One last favor: Please keep the Statement Studies staff informed of any changes in contact names, 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.

RMA Statement Studies Unit
Ten Penn Center
1801 Market Street, Suite 300
Philadelphia, PA 19103
215/446-4087 (phone)
215/446-4101 (fax)
studies@rmahq.org

GENERAL FACTS ON PREPARING SUBMISSIONS

1. Submit as many statements as possible, regardless of your goal. (Just click **Submit** on the Bridge software.) If your commercial loan portfolio contains 250 customers for whom you have statements that meet the data criteria, send them all in, even if your goal is just 175.
2. We encourage those using the Bridge program to wait until the last possible moment to submit. However, to avoid any last-minute problems, we ask you to test the Bridge application a month or more in advance of the due date so that any problems can be identified and solved well before July 9, 2010.
3. All types of statements/companies are welcome:
 - All industries—all NAICS/SIC codes. **Please note: We prefer NAICS codes.**
 - All asset or sales sizes.
 - All loan grades or risk ratings.
 - All types of statements—CPA prepared, company prepared, tax forms, etc.
4. The Bridge program is designed to reject unacceptable submissions, and RMA will reject paper-based submissions that do not follow these parameters:
 - The fiscal year must fall within the current period—only 12-month fiscal statements falling within 4/1/09 to 3/31/10 are acceptable.
 - The balance sheet must balance.
 - The legal form of the entity must be noted.
 - The type of financial statement must be noted.
 - A valid NAICS or SIC code must be present. RMA accepts either an SIC code (four-digit) or a NAICS code (six-digit). **Please note: We strongly encourage submission via NAICS.**
 - The income statement must be complete.
5. Supply the state and zip code for each statement/company. This information is critical to our ability to create regionalized data for you.
6. Due Dates:
 - **Paper submissions: Friday, June 25** **Bridge submissions: Friday, July 9**
7. All industry formats are acceptable (e.g., general, service, middle market, corporate, and small business).

Note: This year, the NAICS Supplemental Guide will be available via the Annual Statement Studies information page:

<http://www.estatestudies.org/submissioninfo.aspx>

Statement of Confidentiality

RMA shall treat the data and information received in the course of the Statement Studies as confidential and shall take all reasonable steps to protect the source of information and identity of its subject from unauthorized discovery. The borrower/company name of a statement submitted need not be part of the transmitted data. This obligation shall survive the conclusion of the 2010 campaign and remain in effect indefinitely.

ANSWERS TO FREQUENTLY ASKED QUESTIONS

When do I use the transmittal form?

Complete and send a transmittal form with every batch of submissions. Please see the back cover of this handbook for important information on completing the transmittal form. Be sure that the transmittal accurately identifies the bank, location, RMA chapter, and member number that should receive credit for the submissions. Please identify the software product being used if your submissions are done via a vendor's spreading package. See the sample transmittal form on page 13 of this document.

When should I provide feedback to RMA staff?

Feel free to call RMA at any time (215-446-4087), particularly in the event of a change in the contact person or when a situation occurs that will influence your ability to meet your goal. It is critical that we have up-to-date information. Accordingly, we ask that you be the eyes and ears of RMA to help us understand what's going on so we can provide more accurate information.

What happens if an institution consolidates its submissions into one location? For example, Bank ABC has offices in three states, but this year it will submit from one central location.

Once so notified, we will adjust each institution's goal accordingly. In other words, the goal of the institution submitting the statements on behalf of all its offices will increase. The goals of the offices no longer submitting will be reduced to zero. If you become aware of such a situation, please inform RMA as quickly as possible.

Will RMA notify me and give me the opportunity to correct and resubmit statements that have been deemed unusable?

RMA will typically contact you if the following two conditions exist:

- The total number of unusable submissions exceeds 10% of your total submissions.
- The net amount of your submissions (gross minus unusable) does not equal or exceed your goal.

For Bridge-based submissions, we will reject statements only if they are duplicates from your bank or if they contain an invalid industry code. So unless there is a major problem with your data files/Bridge software, there is really nothing to correct. In the event two banks submit a statement on the same borrower, both banks will receive credit for the submission and RMA will delete the duplicate from the final *Statement Studies*.

What is the involvement of the RMA chapter network this year?

RMA headquarters will handle contact with all banks, regardless of their goals. Chapter leaders have told us they have less time to devote to RMA activities and would like to focus more on events for the local chapter. With more banks submitting via the Bridge program, RMA headquarters will now handle all questions and concerns related to Statement Studies. We may be reached via phone (215-446-4087), e-mail (studies@rmahq.org), or fax (215-446-4101).

Once a goal has been set, is it etched in stone?

Absolutely not. Mergers and consolidations are excellent examples of when it makes sense to modify a goal. If you think your situation merits a change in goal, please call. There is no checklist of acceptable reasons. Each situation will be viewed on its own merits. Please notify us as soon as you believe you need to modify your goal. It is far better to learn of a problem in May, in the middle of the campaign, than it is in August, when the process is over and there is nothing we can do to mitigate the problem.

Can institutions contribute statements via e-mail?

Yes. In fact, in 2009 most institutions did submit in this fashion. Send a file containing your submissions to studies@rmahq.org. In the subject line, please include your bank name and bank ID number. Please be sure to include all transmittal information with your submission.

Instead of using the Bridge, can we use a database table (e.g., Microsoft® Access) or a spreadsheet format (e.g., Microsoft® Excel) to deliver data to RMA?

Yes. Both are ideal alternatives for delivering data to RMA. Many banks have created database tables, for instance, to evaluate their customer base from a portfolio management perspective. If you would like to submit this way, please visit our submission information site <http://www.estatementstudies.org/submissioninfo.aspx> and there you can download the file layout in which to enter your data.

GOALS

This year's goal is the number of usable submissions received from your institution in 2009 *plus 10%*. In other words, if you submitted 35 usable statements in 2009, your 2010 goal will be 39.

Note: If a bank normally submits to the Statement Studies but failed to do so last year because of system changes, personnel changes, or some other reason, the goal will be the number of submissions in 2008 plus 10%.

AWARDS AND INCENTIVES

Awards for Submitting Institutions

This year, submitting institutions are eligible to receive the *Annual Statement Studies: Financial Ratio Benchmarks* and *Industry Default Probabilities and Cash Flow Measures* books based on one simple criterion: Meet the assigned goal for submissions. Based on positive feedback from submitters, we are planning to migrate to *eStatement Studies* as the primary incentive for submitting institutions in the following year.

Please note:

- Only usable statements will count toward the goal.
- Each institution's goal is based on usable number of statements submitted last year plus 10%.

Each August we send out a broadcast fax to verify your contact information for the shipment of books and ask you for the number of books you need. Our intent is to move from the printed books to *eStatement Studies* as the primary method of providing access to the Statement Studies for participants in the submission process. Nonetheless, we understand that many will also prefer to receive some quantity of books and we will always provide you with the books you need.

For institutions that **meet their goal**, the free-to-member distribution of the *Annual Statement Studies* will be based on the following:

# of Usable Statements	eStatement Studies	Maximum # of Books
1-250	Bank-wide access (via IP)	1
251-500	Bank-wide access (via IP)	10
501-999	Bank-wide access (via IP)	20
1,000 & Over	Bank-wide access (via IP)	30

Example

An institution with a goal of 260 submissions submits 260 usable statements. This institution has two choices:

- 1. Receive up to ten books.*
- 2. Receive up to ten books and eStatement Studies.*

Be assured that when it comes to distribution of books and/or *eStatement Studies*, we intend to be reasonable when dealing with the submission goals and with submitters unable to meet their target. It is impossible to predict the reasons for not meeting the goal, and there is no checklist of acceptable reasons for missing goals. Nevertheless, you need to notify RMA as soon as you realize you will not be able to meet your goal.

eStatement Studies Access

This year, submitting institutions are eligible to receive the complimentary access to eStatement Studies, the online version of the Annual Statement Studies, for one year. If you have received eStatement Studies in the past, you previously had to submit lists of names for individual usernames and passwords.

eStatement Studies now has an IP-login capability. Instead of having to maintain a user list, your institution will have access to eStatement Studies without needing usernames and password. You'll simply go to the URL for IP-logins, and you'll automatically be logged in to eStatement Studies. You will no longer have to send requests to RMA to add or delete users. eStatement Studies will be accessible to everyone in your institution.

Please coordinate with your IT staff and determine the addresses or ranges that make up your IP-addresses. We will be able to input them into eStatement Studies, providing you easy access for your entire institution.

There are no security risks with providing your external IP address (this is the address that your network broadcasts to the internet, every time it is connected- accessible through <http://www.whatismyip.com/>). You can then post the IP-login link (which we will provide you) on your intranet, or communicate to your staff via e-mail, and everyone at your institution will have easy access to eStatement Studies, without having to remember usernames or passwords.

Please note that all submitting institutions that request eStatement Studies will only receive access only through IP, and not through individual usernames and passwords.

With questions, please contact our Statement Studies department at (215)-446-4087 or studies@rmahq.org

INFORMATION ON BRIDGE/ELECTRONIC SUBMISSIONS

The Bridge programs provided by Baker Hill, Moody's KMV, and others are updated annually by these companies based on specifications from RMA. These specifications were delivered to the vendors in late 2009. RMA has asked each vendor to provide you with the newest version no later than April 2010. If you do not receive your update by April 24, 2010, please contact your vendor. The programs have been reformatted by the vendors, so please be sure to update the software for this year's submissions.

Please note:

RiskAnalyst™ users may continue to use the existing RMA submissions program. No changes are required for this year's submission. Moody's KMV Financial Analyst® is no longer supported for RMA submission. For questions regarding Moody's KMV Financial Analyst, please contact Moody's KMV Technical Support (page 11).

OnePoint clients will be able to download the submission from Baker Hill website on or after 3/20/10. There are no changes to the program.

1. The Bridge program is designed to automate much of the audit work done manually by both the financial institution (prior to submission) and RMA (upon receipt of a submission). In other words, by identifying errors and omissions, the Bridge program either immediately eliminates the financial statement from further consideration or targets it for remedial action before it gets to RMA. In many ways, the Bridge software has codified (automated) a manual process. The Bridge will eliminate a statement or target it for remedial action for several basic reasons that have been around for years:
 - The fiscal year does not fall within the parameters for the 2010 campaign.
 - The statement is not a fiscal year-end, but rather an interim.
 - The balance sheet does not balance.
 - A numeric NAICS code is missing.
 - The income statement is incomplete.

It is critical that the company information file or setup screen contained in your spreadsheet package be completely and accurately filled in. This area is where zip code, industry code, and legal form, to name just a few items, are found and serve to establish the basis for statement submissions.

2. A Bridge-prepared statement will be rejected once it reaches RMA for only two reasons: 1) it is a duplicate of another statement submitted by your institution; or 2) it has an invalid NAICS code. Our software takes a first-cut sort on each of your submissions based on industry, total assets, net worth, and sales, and then company ID, to determine if duplication exists.

In addition, if you have pulled the data from the wrong year, we cannot accept the submission. A special note on the company ID field: We do not require you to supply the name of the borrower/statement. However, we encourage you to use this field to assign a unique, meaningful identifier, such as an obligor number. That way (provided that your

spreadsheet software has this feature), you will be able to quickly review your submissions for duplicates before sending them to RMA. Also, if the Bridge program kicks out a statement, you will be able to more readily match up the obligor number, for instance, with a company name, and perhaps be able to correct that statement more easily. You do not lose credit for submitting the same company as another bank. Rather, the duplicate in such a case is eliminated from our final database. Generally, you can avoid duplicates by submitting all your statements at one time, rather than submitting several times during the campaign.

3. The Bridge program is a product provided by each vendor, not by RMA. The spreadsheets (and the Bridge within each) are a proprietary product of each provider—RMA does not have access to the code. RMA did not build the program and relies entirely on each vendor to customize our data requirements to its specific application. Therefore, we cannot provide the type of support you might get from your vendor’s technical support line. If you encounter a Bridge problem, please call your spreadsheet provider *first* before calling RMA headquarters.
4. In many Bridge versions, the user must take some type of affirmative action—enter *Yes – Submit to RMA*—for a statement to be submitted. Please check to make sure that ALL your statements are defaulted to the *Yes – Submit* status.
5. Please do a “dry run” of the Bridge this year, sometime between April and June. That way, you can identify any problems, reduce anxiety, and keep with the spirit of last-minute submissions to ensure maximum submission levels.

6. The Bridge program is available from the following spreadsheet providers:

Baker Hill	800/821-2220	www.bakerhill.com
Moody’s KMV	866/995-9659	www.moodykmv.com
Financial Tools	888/765-4939	www.financialtools.com
Inmatrix, Inc.	800/685-1773	www.inmatrixinc.com

The data for each submission record must, at a minimum, meet the following criteria:

- The fiscal year must fall within the current period—only 12-month fiscal statements falling within 4/1/09 to 3/31/10 are acceptable.
 - A valid SIC or NAICS code must be present. RMA accepts either an SIC code (four-digit) or a NAICS code (five- and six-digit). Please note: We strongly encourage submission via NAICS.
 - The balance sheet must balance.
7. The primary product or service description field is optional, which places greater emphasis on accurate NAICS numbers.
 8. The name of the submission file for this campaign will be **RMASUBM10.TXT**. If your Bridge program or whatever process you use to create a file for RMA uses a name other than **RMASUBM.TXT**, please indicate to us on your transmittal form what that name is. If you have loaded and installed this year’s Bridge program from **Moody’s KMV**, your file name will be **RMASUBM10.TXT**. If you use a **Baker Hill, RMA, or previous year’s Bridge**

from Moody's KMV, the submission file will be either **RMASUBM.TXT or **RMASUB9.TXT**.**

9. The name of the transmittal file for this campaign is **RMATRAN.TXT**. If you are mailing a disk to RMA, please indicate on the disk label your bank's name and ID number. If you are e-mailing the data, please indicate in the Re: line of the e-mail your bank name and ID number. Also include your name and phone number in the body of the text.

The bridge programs do create many other files. Please submit only one of the following submission files: **RMASUBM.TXT, **RMASUBM8.TXT**, or **RMASUBM9.TXT**, along with a transmittal file: **RMATRAN.TXT**. Set the scope of your financial statement search to include fiscal year-ends between April 1, 2009 and March 31, 2010.**

10. Please submit statements from all formats (i.e., general and service industries, middle market, corporate, and small business).
11. Contractor data can be reported in either the contractor (percentage-of-completion basis) or the noncontractor format (sometimes referred to as the general industries format).
12. There is no asset/sales size cap on either contractors or noncontractors.
13. The Bridge program accommodates six-digit NAICS codes.
14. Make sure to enter your bank's RMA Member # where appropriate. Please use only the RMA Member # to identify your institution. If you do not know your RMA Member #, please contact us to obtain that information.
15. There are no changes in the type of data we wish to collect for 2010.
 - All industries
 - All asset sizes
 - All risk grades
16. Hundreds of institutions use the Bridge software with no problems at all; the success rate is 98%. However, this statistic offers little solace to the 2% of users that encounter some level of difficulty with the program.

The Bridge has evolved to the point at which many of the problems are system oriented and not Bridge-related, meaning that any problems may be due to the spreadsheet software's setup by network administration, access rights for users, hardware limitations, and so forth. All of these issues can be very frustrating and problematic, but they are not Bridge related.

Other problems surface when first-time users attempt to run the Bridge. We strongly encourage new users to attempt a "dry run" early on—March to May—to identify any glitches.

SAMPLE STATEMENT STUDIES SUBMISSION TRANSMITTAL FORM

Complete and Mail with Your Submission

DATE: **MAY 15, 2010**

MAIL TO: **RMA, Statement Studies Unit, Ten Penn Center, Suite 300
1801 Market Street, Philadelphia, PA 19103-1628**

BANK NAME: **First American National Bank**

BANK ADDRESS: **123 Market Street**
 P.O. Box 10895
 Richmond, VA 23219

RMA CHAPTER #: **2**

RMA MEMBER #: **512499**

BANK'S 2010 SUBMISSIONS
GOAL*: **750**

SUBMISSIONS ENCLOSED:
Handwritten or typed: **0**

Hard-copy spreadsheet, application
generated: **95**

Bridge program: **800**

Microsoft® Access table, etc.: **0**

Software used to generate submissions: **Sam's Spreadsheet Program Version 3.0**
 (Vendor & Version)

Total: **895**

Name of person completing this form: Laura Jones

 (804) 555-9581 **(804) 555-9582 (F)**
Phone and fax numbers (including area code)

 Ljones@famb.com
E-mail address

*Please contact the RMA Statement Studies staff (215-446-4087) if you have questions about your goal.

STATEMENT STUDIES SUBMISSION TRANSMITTAL FORM

Complete and Mail with Your Submission

DATE: _____

MAIL TO: **RMA, Statement Studies Unit, Ten Penn Center, Suite 300**
1801 Market Street, Philadelphia, PA 19103-1628
studies@rmahq.org

BANK NAME: _____

BANK ADDRESS: _____

RMA CHAPTER #: _____

RMA MEMBER #: _____

BANK'S 2010 SUBMISSIONS GOAL*: _____

SUBMISSIONS ENCLOSED:

Handwritten or typed: _____

Hard-copy spreadsheet application generated: _____

Bridge program: _____

Microsoft® Access table, etc.: _____

Software used to generate submissions: _____

(Vendor & Version)

Total: _____

Name of person completing this form: _____

Phone and fax numbers (including area code)

E-mail address

*Please contact the RMA Statement Studies staff (215-446-4087) if you have questions about your goal.