

Borrower Name

Company Name

General Instructions: This Form is to be used to compare the borrower's business over a period of years. Each term is defined as follows:

Gross Income: Gross receipts or Sales (-) Returns and Allowances Expenses: Cost of goods sold (+) Total deductions Taxable Income: from IRS Form 1040, Schedule C = Net Profit or Loss (Sole Proprietorship) IRS Form 1065 = Ordinary Income or Loss (Partnership) IRS Form 1120(S) = Ordinary Income or Loss (S Corporation) IRS Form 1120 = Taxable Income (Corporation)

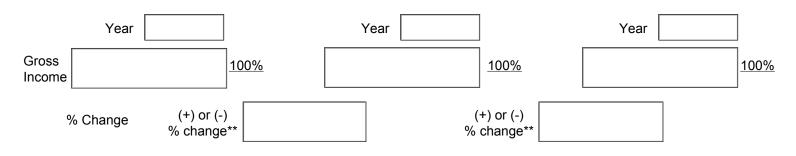
Calculation Instructions: Determine year-to-year trends in gross income, expenses, and taxable income as described below.

Gross Income

Step 1. Enter the gross income figure from each year's statement where indicated.

- Step 2. Determine the percentage change in gross income from one year to the next by
 - (a) calculating the dollar difference between the two years, and then
 - (b) dividing the dollar difference by the previous year's gross income.

Enter the percentage of increase or decrease where indicated. Be sure to indicate a + (plus) or - (minus) sign.



Expenses

Step 1. Enter the expense income figure from each year's statement where indicated.

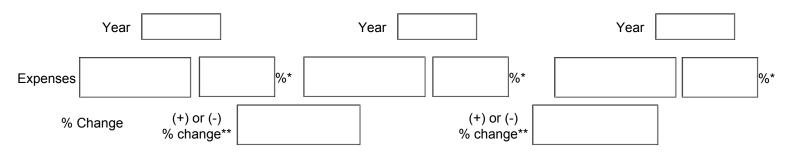
Step 2. Determine what percentage expenses are of gross income by dividing the expense amount by the dollar amount of gross income for each year. Enter the results where indicated.

Step 3. Determine the percentage change in expenses from one year to the next by

(a) calculating the dollar difference between the two years, and then

(b) dividing the dollar difference by the previous year's expenses.

Enter the percentage of increase and decrease where indicated. Be sure to indicate a + (plus) or - (minus) sign.



*The expenses and taxable income each period as a percentage of gross income for that period. **The percentage change for each item from the previous period.

Taxable Income

Step 1. Enter the taxable income figure from each year's statement where indicated.

Step 2. Determine what percentage taxable income is of gross income by dividing the dollar amount of taxable income by the dollar amount of gross income. Enter the results where indicated.

Step 3. Determine the percentage change in taxable income from one year to the next by

(a) calculating the dollar difference between the two years, and then

(b) dividing the dollar difference by the previous year's taxable income.

Enter the percentage of increase or decrease where indicated. Be sure to indicate a + (plus) or - (minus) sign.

	Year			Year			Year	
Taxable Income			%*]%*		%*
% C	change	(+) or (-) % change** [(+) c % cha	or (-) inge**		
	The	Taxable Income 1	rend is					

*The expenses and taxable income each period as a percentage of gross income for that period.

**The percentage change for each item from the previous period.

Instructions

Comparative Income Analysis

The lender uses this form to compare the performance of a self-employed borrower's business over a period of years to determine its viability.

Copies

Original

Printing Instructions

This form must be printed on letter size paper, using portrait format. When printing this form, you may need to use the "shrink to fit" option in the Adobe Acrobat print dialogue box.

Instructions

The lender should calculate the percentage change for the borrower's gross income, expenses, and taxable income from one period to the next, covering at least a two-year period.

Gross Income equals

Gross receipts (or sales) less Returns and allowances.

Expenses equal

Cost of goods sold plus Total deductions.

Taxable Income

is taken from one of the following IRS Forms:

IRS Form 1040, Schedule C = for the Net Profit or Loss for a Sole Proprietorship IRS Form 1065 = for Ordinary Income or Loss for a Partnership IRS Form 1120(S) = for Ordinary Income or Loss for an S Corporation (a small, start-up business) IRS Form 1120 = for Taxable Income for a Corporation