

# Consolidated Statements of Income

CharterMac & Subsidiaries

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(Dollars in thousands except per share amounts)

	Years Ended December 31,		
	2003	2002	2001
Revenues:			
Revenue bond interest income	\$ 113,655	\$ 92,681	\$ 71,500
Fee income:			
Mortgage banking	13,712	13,681	--
Fund management	12,643	--	--
Other income	12,200	10,051	3,125
Total revenues	152,210	116,413	74,625
Expenses:			
Interest expense	19,859	15,823	13,641
Interest expense - distributions to preferred shareholders of subsidiary	9,448	--	--
Recurring fees - securitizations	4,028	3,181	2,491
General and administrative	40,945	24,506	5,209
Depreciation and amortization	11,926	8,891	865
Loss on impairment of assets	1,759	920	400
Total expenses	87,965	53,321	22,606
Income before gain (loss) on repayment of revenue bonds, sale of loans and equity in earnings of ARCap	64,245	63,092	52,019
Equity in earnings of ARCap	2,219	2,219	456
Gain on sale of loans	5,532	10,683	--
Gain (loss) on repayment of revenue bonds	1,951	3,885	(912)
Income before allocation to preferred shareholders of subsidiary and minority interest	73,947	79,879	51,563
Income allocated to preferred shareholders of subsidiary	(9,449)	(17,266)	(12,578)
Income allocated to SCUs	(4,038)	--	--
(Income) loss allocated to minority interest	54	(496)	--
Income before benefit (provision) for income taxes	60,514	62,117	38,985
Benefit (provision) for income taxes	6,072	(1,284)	--
Net income	\$ 66,586	\$ 60,833	\$ 38,985
Allocation of net income to:			
Special distribution to Manager	\$ 5,332	\$ 4,872	\$ 3,621
Manager	\$ 6	\$ 56	\$ 354
Common shareholders	\$ 54,608	\$ 52,516	\$ 32,558
Convertible CRA shareholders	6,640	3,389	2,452
Total for shareholders	\$ 61,248	\$ 55,905	\$ 35,010
Net income per share			
Basic	\$ 1.31	\$ 1.31	\$ 1.14
Diluted	\$ 1.31	\$ 1.31	\$ 1.14
Weighted average shares outstanding:			
Basic	46,653,270	42,697,195	30,782,161
Diluted	46,735,232	42,768,139	30,837,340

See accompanying notes to consolidated financial statements