

NOTE 19 • Business Segments

We have three reportable business segments with include portfolio investing, mortgage banking, and fund management.

The portfolio investing segment consists primarily of subsidiaries holding investments in revenue bonds producing primarily tax-exempt interest income and includes our credit enhancement activities.

The mortgage banking segment consists of subsidiaries which originate mortgages on behalf of third parties and receive mortgage origination and mortgage servicing fees generated by those activities.

The fund management segment consists of subsidiaries that generate fee income from the asset management, underwriting, originating and other services provided to the real estate equity investment programs Related sponsors, and the management and related services provided to us and a publicly-traded real estate investment trust.

Segment results include all direct and contractual revenues and expenses of each segment and allocations of indirect expenses based on specific methodologies. These reportable segments are strategic business units that primarily generate revenue streams that are distinctly different and are generally managed separately.