

**Year Ended December 31,**

	<u>2005</u>	<u>2004</u>
	(Dollars in thousands)	
Interest income	\$ 67,572	\$ 57,707
Fee income	17,957	13,461
Interest and fee income	85,529	71,168
Interest expense	20,835	16,675
Net interest and fee income	<u>\$ 64,694</u>	<u>\$ 54,493</u>
Average net investment in direct financing leases <sup>(1)</sup>	\$ 523,948	\$ 446,965
Percent of average net investment in direct financing leases:		
Interest income	12.90 %	12.91 %
Fee income	3.43	3.01
Interest and fee income	16.32	15.92
Interest expense	3.98	3.73
Net interest and fee margin	<u>12.35 %</u>	<u>12.19 %</u>

<sup>(1)</sup> Excludes allowance for credit losses and initial direct costs and fees deferred.