

**SLM CORPORATION**  
**Supplemental Earnings Disclosure**  
**June 30, 2005**

(Dollars in millions, except earnings per share)

	Quarters ended			Six months ended	
	June 30, 2005	March 31, 2005	June 30, 2004	June 30, 2005	June 30, 2004
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>SELECTED FINANCIAL INFORMATION AND RATIOS—(GAAP Basis)</b>					
Net income . . . . .	\$ 297	\$ 223	\$ 615	\$ 520	\$ 906
Diluted earnings per common share <sup>(1)</sup> . . . . .	\$ .66	\$ .49	\$ 1.29	\$ 1.15	\$ 1.89
Return on assets . . . . .	1.55%	1.18%	3.61%	1.37%	2.77%
<b>NON-GAAP INFORMATION<sup>(2)</sup></b>					
“Core cash” net income . . . . .	\$ 279	\$ 256	\$ 237	\$ 535	\$ 468
“Core cash” diluted earnings per common share <sup>(1)</sup> . . . . .	\$ .62	\$ .57	\$ .50	\$ 1.18	\$ .98
“Core cash” return on assets . . . . .	.90%	.86%	.87%	.88%	.89%
<b>OTHER OPERATING STATISTICS</b>					
Average on-balance sheet student loans . . . . .	\$ 70,580	\$ 67,661	\$54,799	\$ 69,129	\$53,846
Average off-balance sheet student loans . . . . .	43,791	41,892	39,318	42,846	38,552
Average Managed student loans . . . . .	<u>\$114,371</u>	<u>\$109,553</u>	<u>\$94,117</u>	<u>\$111,975</u>	<u>\$92,398</u>
Ending on-balance sheet student loans, net . . . . .	\$ 72,831	\$ 69,906	\$51,577		
Ending off-balance sheet student loans, net . . . . .	43,669	41,793	43,324		
Ending Managed student loans, net . . . . .	<u>\$116,500</u>	<u>\$111,699</u>	<u>\$94,901</u>		
Ending Managed FFELP student loans, net . . . . .	\$ 47,121	\$ 47,319	\$48,157		
Ending Managed Consolidation Loans, net . . . . .	55,880	51,862	36,858		
Ending Managed Private Education Loans, net . . . . .	13,499	12,518	9,886		
Ending Managed student loans, net . . . . .	<u>\$116,500</u>	<u>\$111,699</u>	<u>\$94,901</u>		

<sup>(1)</sup> In December 2004, the Company adopted the Emerging Issues Task Force (“EITF”) Issue No. 04-8, “The Effect of Contingently Convertible Debt on Diluted Earnings per Share,” which requires the shares underlying contingently convertible debt instruments (“Co-Cos”) to be included in diluted earnings per share computations regardless of whether the market price trigger or the conversion price has been met, using the “if-converted” accounting method. Diluted earnings per common share amounts disclosed prior to December 2004 have been retroactively restated to give effect to the application of EITF No. 04-8 as it relates to the Company’s \$2 billion in Co-Cos issued in May 2003. The effect of the adoption of EITF No. 04-8 was to decrease diluted earnings per common share by the following amounts:

	Quarters ended			Six months ended	
	June 30, 2005	March 31, 2005	June 30, 2004	June 30, 2005	June 30, 2004
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Impact on GAAP diluted earnings per common share due to the implementation of EITF No. 04-8 . . . . .	\$(.02)	\$(.02)	\$(.07)	\$(.04)	\$(.11)
Impact on “core cash” diluted earnings per common share due to the implementation of EITF No. 04-8 . . . . .	\$(.02)	\$(.02)	\$(.02)	\$(.04)	\$(.05)

<sup>(2)</sup> See explanation of non-GAAP performance measures under “Reconciliation of ‘Core Cash’ Net Income to GAAP Net Income.”

**SLM CORPORATION**  
**Consolidated Balance Sheets**  
(In thousands, except per share amounts)

	<u>June 30,</u> <u>2005</u>	<u>March 31,</u> <u>2005</u>	<u>June 30,</u> <u>2004</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(unaudited)</u>
<b>Assets</b>			
Federally insured student loans (net of allowance for losses of \$5,313; \$6,849; and \$42,241, respectively) . . . . .	\$ 66,733,409	\$ 63,379,249	\$ 47,834,457
Private Education Loans (net of allowance for losses of \$228,205; \$190,880; and \$154,918, respectively) . . . . .	6,097,102	6,527,022	3,742,432
Other loans (net of allowance for losses of \$12,764; \$11,754; and \$10,516, respectively) . . . . .	962,017	1,094,712	928,209
Cash and investments . . . . .	3,637,936	3,235,034	15,242,069
Restricted cash and investments . . . . .	2,422,714	2,224,354	1,915,538
Retained Interest in off-balance sheet securitized loans . . . . .	2,631,308	2,246,329	2,330,360
Goodwill and acquired intangible assets, net . . . . .	1,003,427	1,014,986	618,930
Other assets . . . . .	3,270,831	4,075,267	3,355,426
Total assets . . . . .	<u>\$86,758,744</u>	<u>\$83,796,953</u>	<u>\$75,967,421</u>
<b>Liabilities</b>			
Short-term borrowings . . . . .	\$ 4,679,612	\$ 5,516,177	\$ 8,063,041
Long-term notes . . . . .	75,017,121	72,241,082	62,036,763
Other liabilities . . . . .	3,336,943	2,901,843	2,946,951
Total liabilities . . . . .	<u>83,033,676</u>	<u>80,659,102</u>	<u>73,046,755</u>
<b>Commitments and contingencies</b>			
Minority interest in subsidiaries . . . . .	73,330	72,869	—
<b>Stockholders' equity</b>			
Preferred stock, par value \$.20 per share, 20,000 shares authorized; Series A: 3,300; 3,300; and 3,300 shares, respectively, issued at stated value of \$50 per share; Series B: 4,000; 0; and 0 shares, respectively, issued at stated value of \$100 per share . . . . .	565,000	165,000	165,000
Common stock, par value \$.20 per share, 1,125,000 shares authorized: 486,706; 484,917; and 478,722 shares, respectively, issued . . . . .	97,341	96,984	95,745
Additional paid-in capital . . . . .	2,035,676	1,969,881	1,747,284
Accumulated other comprehensive income, net of tax . . . . .	473,121	374,574	355,955
Retained earnings . . . . .	2,862,730	2,662,316	1,683,563
Stockholders' equity before treasury stock . . . . .	6,033,868	5,268,755	4,047,547
Common stock held in treasury at cost: 66,532; 62,936; and 39,760 shares, respectively . . . . .	2,382,130	2,203,773	1,126,881
Total stockholders' equity . . . . .	<u>3,651,738</u>	<u>3,064,982</u>	<u>2,920,666</u>
Total liabilities and stockholders' equity . . . . .	<u>\$86,758,744</u>	<u>\$83,796,953</u>	<u>\$75,967,421</u>

**SLM CORPORATION**  
**Consolidated Statements of Income**  
(In thousands, except per share amounts)

	Quarters ended			Six months ended	
	June 30, 2005 (unaudited)	March 31, 2005 (unaudited)	June 30, 2004 (unaudited)	June 30, 2005 (unaudited)	June 30, 2004 (unaudited)
Interest income:					
Federally insured student loans . . . . .	\$ 792,939	\$ 699,154	\$ 492,166	\$ 1,492,093	\$ 961,133
Private Education Loans . . . . .	126,809	129,616	76,613	256,425	153,202
Other loans . . . . .	20,046	20,153	18,126	40,199	36,502
Cash and investments . . . . .	54,245	62,049	52,534	116,294	95,991
Total interest income . . . . .	994,039	910,972	639,439	1,905,011	1,246,828
Interest expense . . . . .	664,251	564,212	306,832	1,228,463	592,506
Net interest income . . . . .	329,788	346,760	332,607	676,548	654,322
Less: provisions for losses . . . . .	78,948	46,523	28,344	125,471	68,162
Net interest income after provisions for losses . . . . .	250,840	300,237	304,263	551,077	586,160
Other income:					
Gains on student loan securitizations . . . .	262,001	49,894	197,840	311,895	311,794
Servicing and securitization revenue . . . .	149,931	142,961	124,037	292,892	260,695
Gains (losses) on derivative and hedging activities, net . . . . .	(105,940)	(34,251)	386,147	(140,191)	269,404
Guarantor servicing fees . . . . .	25,686	32,540	23,249	58,226	58,220
Debt management fees and collections revenue . . . . .	124,470	120,635	70,113	245,105	150,041
Other . . . . .	55,748	62,319	68,115	118,067	127,070
Total other income . . . . .	511,896	374,098	869,501	885,994	1,177,224
Operating expenses . . . . .	287,413	262,291	206,051	549,704	414,928
Income before income taxes and minority interest in net earnings of subsidiaries . . .	475,323	412,044	967,713	887,367	1,348,456
Income taxes . . . . .	176,573	186,466	352,787	363,039	442,065
Income before minority interest in net earnings of subsidiaries . . . . .	298,750	225,578	614,926	524,328	906,391
Minority interest in net earnings of subsidiaries . . . . .	2,235	2,194	—	4,429	—
<b>Net income</b> . . . . .	296,515	223,384	614,926	519,899	906,391
Preferred stock dividends . . . . .	3,908	2,875	2,864	6,783	5,750
Net income attributable to common stock . .	\$ 292,607	\$ 220,509	\$ 612,062	\$ 513,116	\$ 900,641
<b>Basic earnings per common share</b> . . . . .	\$ .70	\$ .52	\$ 1.39	\$ 1.22	\$ 2.04
Average common shares outstanding . . . . .	419,497	420,924	439,901	420,206	441,283
<b>Diluted earnings per common share</b> . . . . .	\$ .66	\$ .49	\$ 1.29	\$ 1.15	\$ 1.89
Average common and common equivalent shares outstanding . . . . .	461,900	463,014	478,497	462,454	480,278
Dividends per common share . . . . .	\$ .22	\$ .19	\$ .19	\$ .41	\$ .36

**SLM CORPORATION**  
**Segment and Non-GAAP “Core Cash”**  
**Consolidated Statements of Income**  
(In thousands)

	<b>Quarter ended June 30, 2005</b> (unaudited)					
	<u>Lending</u>	<u>DMO</u>	<u>Corporate and Other</u>	<u>Total “Core Cash” Measures</u>	<u>Adjustments</u>	<u>Total GAAP</u>
Net interest income .....	\$516,015	\$ —	\$ —	\$516,015	\$(186,227)	\$329,788
Less: provisions for losses .....	14,225	—	—	14,225	64,723	78,948
Net interest income after provisions for losses ..	501,790	—	—	501,790	(250,950)	250,840
Fee income .....	—	82,082	25,686	107,768	—	107,768
Collections revenue .....	—	42,388	—	42,388	—	42,388
Other income .....	36,137	33	29,243	65,413	296,327	361,740
Operating expenses .....	123,803	66,185	81,414	271,402	16,011	287,413
Income tax expense (benefit) <sup>(1)</sup> .....	153,226	21,578	(9,800)	165,004	11,569	176,573
Minority interest in net earnings of subsidiaries ..	928	1,199	—	2,127	108	2,235
Net income (loss) .....	<u>\$259,970</u>	<u>\$35,541</u>	<u>\$(16,685)</u>	<u>\$278,826</u>	<u>\$ 17,689</u>	<u>\$296,515</u>

  

	<b>Quarter ended March 31, 2005</b> (unaudited)					
	<u>Lending</u>	<u>DMO</u>	<u>Corporate and Other</u>	<u>Total “Core Cash” Measures</u>	<u>Adjustments</u>	<u>Total GAAP</u>
Net interest income .....	\$493,939	\$ —	\$ —	\$493,939	\$(147,179)	\$346,760
Less: provisions for losses .....	54,922	—	—	54,922	(8,399)	46,523
Net interest income after provisions for losses ..	439,017	—	—	439,017	(138,780)	300,237
Fee income .....	—	85,242	32,540	117,782	—	117,782
Collections revenue .....	—	35,393	—	35,393	—	35,393
Other income .....	35,762	33	31,629	67,424	153,499	220,923
Operating expenses .....	116,477	63,330	69,490	249,297	12,994	262,291
Income tax expense (benefit) <sup>(1)</sup> .....	132,571	21,216	(1,969)	151,818	34,648	186,466
Minority interest in net earnings of subsidiaries ..	821	1,221	—	2,042	152	2,194
Net income (loss) .....	<u>\$224,910</u>	<u>\$34,901</u>	<u>\$(3,352)</u>	<u>\$256,459</u>	<u>\$(33,075)</u>	<u>\$223,384</u>

  

	<b>Quarter ended June 30, 2004</b> (unaudited)					
	<u>Lending</u>	<u>DMO</u>	<u>Corporate and Other</u>	<u>Total “Core Cash” Measures</u>	<u>Adjustments</u>	<u>Total GAAP</u>
Net interest income .....	\$445,282	\$ —	\$ —	\$445,282	\$(112,675)	\$332,607
Less: provisions for losses .....	40,624	—	—	40,624	(12,280)	28,344
Net interest income after provisions for losses ..	404,658	—	—	404,658	(100,395)	304,263
Fee income .....	—	70,113	23,249	93,362	—	93,362
Other income .....	48,357	—	23,895	72,252	703,887	776,139
Operating expenses .....	96,709	32,427	70,178	199,314	6,737	206,051
Income tax expense (benefit) <sup>(1)</sup> .....	128,561	13,600	(8,310)	133,851	218,936	352,787
Net income (loss) .....	<u>\$227,745</u>	<u>\$24,086</u>	<u>\$(14,724)</u>	<u>\$237,107</u>	<u>\$ 377,819</u>	<u>\$614,926</u>

<sup>(1)</sup> Income taxes are based on a percentage of net income before tax for the individual reportable segment.

**SLM CORPORATION**  
**Segment and Non-GAAP “Core Cash”**  
**Consolidated Statements of Income (Continued)**  
**(In thousands)**

	<b>Six months ended June 30, 2005</b> (unaudited)					
	<u>Lending</u>	<u>DMO</u>	<u>Corporate and Other</u>	<u>Total “Core Cash” Measures</u>	<u>Adjustments</u>	<u>Total GAAP</u>
Net interest income .....	\$ 1,009,954	\$ —	\$ —	\$ 1,009,954	\$(333,406)	\$ 676,548
Less: provisions for losses .....	<u>69,147</u>	<u>—</u>	<u>—</u>	<u>69,147</u>	<u>56,324</u>	<u>125,471</u>
Net interest income after provisions for losses .....	940,807	—	—	940,807	(389,730)	551,077
Fee income .....	—	167,324	58,226	225,550	—	225,550
Collections revenue .....	—	77,781	—	77,781	—	77,781
Other income .....	71,899	66	60,872	132,837	449,826	582,663
Operating expenses .....	240,280	129,515	150,904	520,699	29,005	549,704
Income tax expense (benefit) <sup>(1)</sup> .....	285,797	42,794	(11,769)	316,822	46,217	363,039
Minority interest in net earnings of subsidiaries .....	1,749	2,420	—	4,169	260	4,429
Net income (loss) .....	<u>\$ 484,880</u>	<u>\$ 70,442</u>	<u>\$ (20,037)</u>	<u>\$ 535,285</u>	<u>\$ (15,386)</u>	<u>\$ 519,899</u>

	<b>Six months ended June 30, 2004</b> (unaudited)					
	<u>Lending</u>	<u>DMO</u>	<u>Corporate and Other</u>	<u>Total “Core Cash” Measures</u>	<u>Adjustments</u>	<u>Total GAAP</u>
Net interest income .....	\$ 878,709	\$ —	\$ —	\$ 878,709	\$(224,387)	\$ 654,322
Less: provisions for losses .....	<u>85,592</u>	<u>—</u>	<u>—</u>	<u>85,592</u>	<u>(17,430)</u>	<u>68,162</u>
Net interest income after provisions for losses .	793,117	—	—	793,117	(206,957)	586,160
Fee income .....	—	150,041	58,220	208,261	—	208,261
Other income .....	77,256	—	54,332	131,588	837,375	968,963
Operating expenses .....	200,490	64,265	136,708	401,463	13,465	414,928
Income tax expense (benefit) <sup>(1)</sup> .....	241,184	30,872	(8,714)	263,342	178,723	442,065
Net income (loss) .....	<u>\$ 428,699</u>	<u>\$ 54,904</u>	<u>\$ (15,442)</u>	<u>\$ 468,161</u>	<u>\$ 438,230</u>	<u>\$ 906,391</u>

<sup>(1)</sup> Income taxes are based on a percentage of net income before tax for the individual reportable segment.

**SLM CORPORATION**

**Reconciliation of “Core Cash” Net Income to GAAP Net Income**

(In thousands)

	Quarters ended			Six months ended	
	June 30, 2005 (unaudited)	March 31, 2005 (unaudited)	June 30, 2004 (unaudited)	June 30, 2005 (unaudited)	June 30, 2004 (unaudited)
<b>“Core cash” net income<sup>(A)</sup></b> .....	\$278,826	\$256,459	\$ 237,107	\$535,285	\$ 468,161
“Core cash” adjustments:					
Net impact of securitization accounting	107,531	(32,372)	66,388	75,159	54,717
Net impact of derivative accounting ...	(10,989)	89,612	561,534	78,623	661,024
Net impact of Floor Income .....	(51,084)	(42,433)	(24,327)	(93,517)	(85,107)
Amortization of acquired intangibles ..	(16,092)	(13,082)	(6,840)	(29,174)	(13,681)
Total “core cash” adjustments before income taxes and minority interest in net earnings of subsidiaries .....	29,366	1,725	596,755	31,091	616,953
Net tax effect <sup>(B)</sup> .....	(11,569)	(34,648)	(218,936)	(46,217)	(178,723)
Total “core cash” adjustments before minority interest in net earnings of subsidiaries .....	17,797	(32,923)	377,819	(15,126)	438,230
Minority interest in net earnings of subsidiaries .....	(108)	(152)	—	(260)	—
Total “core cash” adjustments .....	17,689	(33,075)	377,819	(15,386)	438,230
<b>GAAP net income</b> .....	<u>\$296,515</u>	<u>\$223,384</u>	<u>\$ 614,926</u>	<u>\$519,899</u>	<u>\$ 906,391</u>
GAAP diluted earnings per common share .....	<u>\$ .66</u>	<u>\$ .49</u>	<u>\$ 1.29</u>	<u>\$ 1.15</u>	<u>\$ 1.89</u>

<sup>(A)</sup> “Core cash” diluted earnings per common share .....

	<u>\$ .62</u>	<u>\$ .57</u>	<u>\$ .50</u>	<u>\$ 1.18</u>	<u>\$ .98</u>
--	---------------	---------------	---------------	----------------	---------------

<sup>(B)</sup> Such tax effect is based upon the Company’s “core cash” effective tax rate for the year. The net tax effect results primarily from the exclusion of the permanent income tax impact of the equity forward contracts.

**Non-GAAP “Core Cash” Measures**

In accordance with the Rules and Regulations of the Securities and Exchange Commission (“SEC”), we prepare financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”). In addition to evaluating the Company’s GAAP-based financial information, management also evaluates the Company’s operating performance on both a segment and consolidated basis under certain non-GAAP performance measures that we refer to as “core cash” measures. While “core cash” measures are not a substitute for reported results under GAAP, we rely on “core cash” measures in operating our business because we believe they provide additional information regarding the operational and performance indicators that are most closely assessed by management.

Our “core cash” measures are the primary financial performance measures used by management to develop the Company’s financial plans, track results, and establish corporate performance targets and incentive compensation. While “core cash” measures are not a substitute for reported results under GAAP, the Company relies on “core cash” measures in operating its business because it permits

management to make meaningful period-to-period comparisons of the performance of the business by evaluating the Company's on- and off-balance sheet loans on a "Managed Basis" and adjusts for certain elements of GAAP accounting that management believes diverge from managed economic results and, accordingly, are less useful to management in evaluating and executing on the Company's operating performance. For example, as described in more detail below, under GAAP certain securitizations are required to be accounted for as sales of assets even though from an economic standpoint they are effectively long-term non-recourse financings. In addition, also as described in more detail below, management believes that the derivative instruments employed by the Company are effective economic hedges and, as such, are a critical element of our interest rate risk management strategy, although certain of those derivatives do not qualify for "hedge treatment" as defined by the Financial Accounting Standards Board's (the "FASB's") Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities." Accordingly, certain derivative instruments must be marked-to-market in the income statement with no consideration for the corresponding change in fair value of the hedged item. The Company's "core cash" presentation allows management to isolate these one-sided adjustments and the ineffectiveness that results from effective SFAS No. 133 hedges so as to allow management to evaluate the economics of the derivative transactions and the underlying assets. A more detailed discussion of the differences between GAAP and "core cash" measures is set forth below.

While GAAP provides a uniform, comprehensive basis of accounting, for the reasons described above, management believes that "core cash" measures are an important additional tool for providing a more complete understanding of the Company's results of operations. Nevertheless, "core cash" measures are subject to certain general and specific limitations that investors should carefully consider. For example, unlike financial accounting, there is no comprehensive, authoritative guidance for management reporting. Our "core cash" measures are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies. "Core cash" measures reflect only current period adjustments to GAAP as described below. Accordingly, unlike GAAP, the Company's "core cash" presentation does not represent a comprehensive basis of accounting. Further, the management reporting process measures the performance of the operating segments based on the management structure of the Company and is not necessarily comparable with similar information for any other financial institution. Investors, therefore, may not compare our Company's performance with that of other financial services companies based upon "core cash" measures. "Core cash" results are only meant to supplement GAAP results by providing additional information regarding the operational and performance indicators that are most closely used by management, the Company's board of directors, rating agencies and lenders to assess performance.

Other limitations arise from the specific adjustments that management makes to GAAP results to derive "core cash" results. For example, in reversing the unrealized gains and losses that result from SFAS No. 133 on derivatives that do not qualify for hedge accounting treatment as well as on derivatives that do qualify but are in part ineffective because they are not perfect hedges, we focus on the long-term economic effectiveness of those instruments relative to the underlying hedged item and isolate the effects of interest rate volatility, changing credit spreads and change in our stock prices on the fair value of such instruments during the period. Under GAAP, the effects of these factors on the fair value of the derivative instruments (but not on the underlying hedged item) tend to show more volatility in the short term. While our presentation of results on a Managed Basis provides important information regarding the performance of our Managed portfolio, a limitation on this presentation is that we are presenting the ongoing spread income on loans that have been legally been sold to a trust managed by us. While we believe that our Managed Basis presentation presents the economic substance of our Managed Loan portfolio, it understates earnings volatility from securitization gains. Our "core cash" results exclude certain Floor Income, which is real cash income, from our reported results and therefore may in certain periods understate earnings. Management's financial planning and evaluation of operating results, however, does not take into account Floor Income because of its inherent uncertainty, except when it is economically hedged through Floor Income Contracts.

A more detailed discussion of the differences between GAAP and “core cash” measures follows.

- 1) **Securitization:** Under GAAP, certain securitization transactions are accounted for as sales of assets. Under “core cash,” we present all securitization transactions as long-term non-recourse financings. The upfront “gains” on sale from securitization transactions as well as ongoing “servicing and securitization revenue” presented in accordance with GAAP are excluded from the “core cash” measures and replaced by the interest income, provision for loan losses, and interest expense as they are earned or incurred on the securitization loans. We also exclude transactions with our off-balance sheet trusts which would be considered intercompany on a Managed Basis.
- 2) **Derivative Accounting:** “Core cash” measures exclude the periodic unrealized gains and losses caused primarily by the one-sided mark-to-market derivative valuations prescribed by SFAS No. 133 on derivatives that do not qualify for “hedge accounting treatment” under GAAP and recognize the economic effect of these hedges, which generally results in any cash paid or received being recognized ratably as an expense or revenue over the hedged item’s life. We also exclude the gain or loss on equity forward contracts that are required to be accounted for in accordance with SFAS No. 133 as derivatives and are marked-to-market through earnings.
- 3) **Floor Income:** The timing and amount (if any) of Floor Income earned is uncertain and in excess of expected spreads and, therefore, we exclude such income from our “core cash” measures when it is not economically hedged. We employ derivatives, primarily Floor Income Contracts and futures, to economically hedge Floor Income. As discussed above in “Derivative Accounting,” these derivatives do not qualify as effective accounting hedges and therefore, under GAAP, are marked-to-market through the “gains (losses) on derivative and hedging activities, net” line on the income statement with no offsetting gain or loss recorded for the economically hedged items. For “core cash” measures, we reverse the fair value adjustments on the Floor Income Contracts and futures economically hedging Floor Income and include the amortization of net premiums received (net of Eurodollar futures contracts’ realized gains or losses) in income.
- 4) **Other items:** We exclude the amortization of acquired intangibles.