

## NOTE 2 — EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted EPS is computed based on the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding stock options and stock awards.

The components of basic and diluted EPS were as follows:

(In millions, except earnings per share)

Year Ended June 30,	2018	2017	2016
Net income available for common shareholders (A)			\$ 20,539
	<b>\$ 16,571</b>	\$ 25,489	
Weighted average outstanding shares of common stock (B)	<b>7,700</b>	7,746	7,925
Dilutive effect of stock-based awards	<b>94</b>	86	88
Common stock and common stock equivalents (C)	<b>7,794</b>	<b>7,832</b>	<b>8,013</b>
<b>Earnings Per Share</b>			
Basic (A/B)	<b>\$ 2.15</b>	\$ 3.29	\$ 2.59
Diluted (A/C)	<b>\$ 2.13</b>	\$ 3.25	\$ 2.56

Anti-dilutive stock-based awards excluded from the calculations of diluted EPS were immaterial during the periods presented.

## NOTE 3 — OTHER INCOME (EXPENSE), NET

The components of other income (expense), net were as follows:

(In millions)

Year Ended June 30,	2018	2017	2016
Dividends and interest income	<b>\$ 2,214</b>	\$ 1,387	\$ 903
Interest expense	<b>(2,733)</b>	(2,222)	(1,243)
Net recognized gains on investments	<b>2,399</b>	2,583	668
Net losses on derivatives	<b>(187)</b>	(510)	(443)
Net losses on foreign currency remeasurements	<b>(218)</b>	(111)	(129)
Other, net	<b>(59)</b>	(251)	(195)
Total	<b>\$ 1,416</b>	<b>\$ 876</b>	<b>\$ (439)</b>

Following are details of net recognized gains (losses) on investments during the periods reported:

(In millions)

Year Ended June 30,	2018	2017	2016
Other-than-temporary impairments of investments	<b>\$ (47)</b>	\$ (55)	\$ (322)
Realized gains from sales of available-for-sale securities	<b>3,478</b>	3,064	1,376
Realized losses from sales of available-for-sale securities	<b>(1,032)</b>	(426)	(386)
Total	<b>\$ 2,399</b>	<b>\$ 2,583</b>	<b>\$ 668</b>