SLM CORPORATION EARNINGS PRESENTATION THIRD QUARTER 2016

October 20, 2016

Let's Make College Happen℠

Forward-Looking Statements and Disclaimer

Cautionary Note Regarding Forward-Looking Statements

The following information is current as of October 19, 2016 (unless otherwise noted) and should be read in connection with the press release of SLM Corporation (the “Company”) announcing its financial results for the quarter ended September 30, 2016, and the Form 10-Q for the quarter ended September 30, 2016 (filed with the Securities and Exchange Commission (“SEC”) on October 19, 2016) and subsequent reports filed with the SEC.

This Presentation contains “forward-looking” statements and information based on management’s current expectations as of the date of this Presentation. Statements that are not historical facts, including statements about the Company’s beliefs, opinions or expectations and statements that assume or are dependent upon future events, are forward-looking statements. Forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from those reflected in such forward-looking statements. These factors include, among others, the risks and uncertainties set forth in Item 1A “Risk Factors” and elsewhere in the Company’s Annual Report on Form 10-K for the year ended Dec. 31, 2015 (filed with the SEC on Feb. 26, 2016) and subsequent filings with the SEC; increases in financing costs; limits on liquidity; increases in costs associated with compliance with laws and regulations; changes in accounting standards and the impact of related changes in significant accounting estimates; any adverse outcomes in any significant litigation to which the Company is a party; credit risk associated with the Company’s exposure to third parties, including counterparties to the Company’s derivative transactions; and changes in the terms of education loans and the educational credit marketplace (including changes resulting from new laws and the implementation of existing laws). The Company could also be affected by, among other things: changes in its funding costs and availability; reductions to its credit ratings; failures or breaches of its operating systems or infrastructure, including those of third-party vendors; damage to its reputation; failures to successfully implement cost-cutting and restructuring initiatives and adverse effects of such initiatives on the Company’s business; risks associated with restructuring initiatives; changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; changes in law and regulations with respect to the student lending business and financial institutions generally; changes in banking rules and regulations, including increased capital requirements; increased competition from banks and other consumer lenders; the creditworthiness of customers; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments and those of earning assets versus funding arrangements; rates of prepayments on the loans made by the Company and its subsidiaries; changes in general economic conditions and the Company’s ability to successfully effectuate any acquisitions; and other strategic initiatives. The preparation of the Company’s consolidated financial statements also requires management to make certain estimates and assumptions, including estimates and assumptions about future events. These estimates or assumptions may prove to be incorrect. All forward-looking statements contained in this Presentation are qualified by these cautionary statements and are made only as of the date of this Presentation. The Company does not undertake any obligation to update or revise these forward-looking statements to conform such statements to actual results or changes in its expectations.

The Company reports financial results on a GAAP basis and also provides certain “Core Earnings” performance measures. The difference between the Company’s “Core Earnings” and GAAP results for the periods presented were the unrealized, mark-to-market gains/losses on derivative contracts. These are recognized in GAAP, but not in “Core Earnings” results. The Company provides “Core Earnings” measures because this is what management uses when making management decisions regarding the Company’s performance and the allocation of corporate resources. The Company’s “Core Earnings” are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies.

For additional information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – GAAP Consolidated Earnings Summary-’Core Earnings’” in the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 for a further discussion and the “’Core Earnings’ to GAAP Reconciliation” table in this Presentation for a complete reconciliation between GAAP net income and “Core Earnings”.

Sallie Mae Overview

Sallie Mae Key Statistics for Q3 2016

- $0.12 diluted earnings per share
- Portfolio of $13.7 billion of high quality Private Education Loans
- 90% of Private Education Loans disbursed in Q3 are cosigned
- Average Q3 Private Education Loan originations FICO of 749
- 79% of Private Education Loans outstanding have origination FICO ≥ 700
- $1.5 billion in cash
- Net interest income= $223 million
- Net interest margin= 5.58%
- Private Education Loan yield= 8.00%

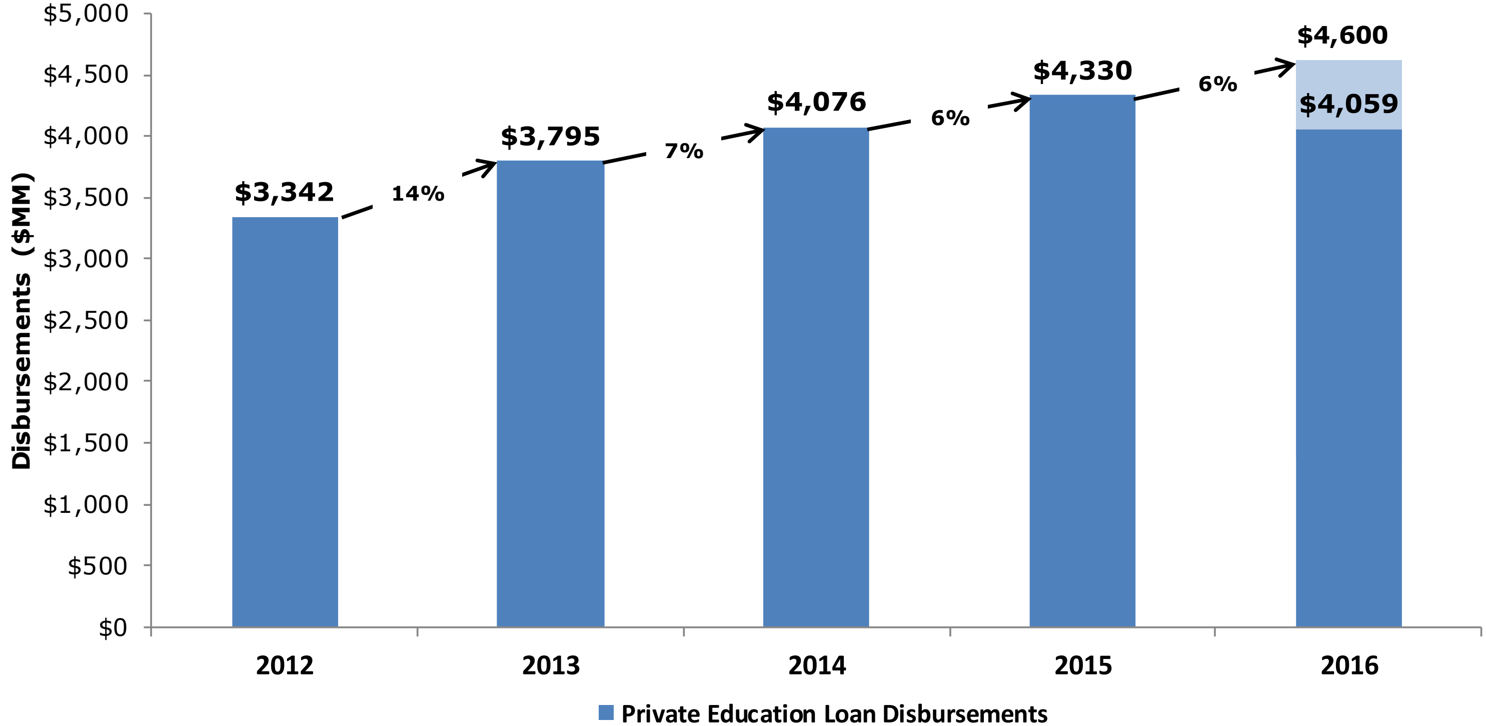
A diversified approach to funding which includes:

- $12.9 billion in deposits
  - $7.8 billion brokered deposits
  - $5.1 billion in retail and other deposits
- $750 million multi-year asset-backed commercial paper funding facility
- $607 million of term funding raised in ABS market in July 2016

Key Financial Metrics

($Millions)	Q3 2016	Q2 2016	Q3 2015
Private Education Loans, Net	$ 13,726	$ 12,183	$ 10,767
Net Interest Income	$ 223	$ 213	$ 175
Net Interest Margin	5.58%	5.84%	5.36%
Private Education Yield	8.00%	7.98%	7.87%
Cost of Funds	1.40%	1.34%	1.20%
Operating Expenses[1]	$ 100	$ 95	$ 93
Restructuring Expenses	-	-	$ 1
Non-GAAP Operating Efficiency Ratio[2]	41%	42%	50%
Bank Total Risk-Based Capital	13.4%	14.5%	14.1%

High Quality Private Education Loan Growth



Disbursement Statistics	Q3 2016	Q3 2015
Disbursements($MM)	$1,831	$1,709
% Cosigned	90%	91%
% In School Payment	56%	57%
Average FICO at Approval	749	749
YoY Disbursement Growth Rate	7%	

Private Education Loan Delinquencies[3,4]

($ Thousands)	September 30, 2016		June 30, 2016		September 30, 2015	
	Balance	%	Balance	%	Balance	%
Loans in repayment and percentage of each status:						
Loans current	8,724,365	98.0%	7,860,994	97.9%	6,529,855	98.1%
Loans delinquent 31-60 days	108,591	1.2%	87,990	1.1%	79,794	1.2%
Loans delinquent 61-90 days	51,029	0.6%	56,377	0.7%	34,743	0.5%
Loans delinquent greater than 90 days	21,827	0.2%	23,673	0.3%	12,836	0.2%
Total private education loans in repayment	8,905,812	100.0%	8,029,034	100.0%	6,657,228	100.0%
Loans delinquent 30+ days (as a % of loans in repayment)		2.0%		2.1%		1.9%
Loans in forbearance	279,509		241,433		211,641	
Loans in forbearance as % of loans in repayment and forbearance		3.0%		2.9%		3.1%
Allowance as a % of the ending loans in repayment		1.8%		1.8%		1.5%

- Net charge-offs as a percentage of average loans in repayment (annualized) were 0.91% for 3Q 2016

Earnings Metrics[5,6,7]

($Millions, except per share amounts)	Q3 2016	Q2 2016	Q3 2015
GAAP Net Income	$ 57	$ 57	$ 46
GAAP Diluted Earnings Per Common Share	0.12	0.12	0.09
"Core Earnings" Adjustments to GAAP	(1)	(1)	1
"Core Earnings"	56	56	47
"Core Earnings" Diluted Earnings Per Common Share	0.12	0.12	0.10
Core Return on Assets ("ROA")	1.3%	1.5%	1.3%
Core Return on Common Equity ("ROCE")	12.2%	12.7%	11.7%

2016 Guidance Update

- Full-year Diluted Core EPS: $0.52
- Full-year Private Education Loan Originations: $4.6 billion
- Full-year Non-GAAP Operating Efficiency Ratio Improvement: Exceeds 10%

Footnotes

[1] Includes acquired intangible asset amortization expense.

[2] A GAAP-based operating efficiency ratio would compare total non-interest expenses to net revenue (which consists of net interest income, before provisions for credit losses, plus non-interest income). Our operating efficiency ratio is a non-GAAP measure because we adjust (a) the non-interest expense numerator by deducting restructuring and other reorganization expenses, and (b) the net revenue denominator by deducting gains on sales of loans, net. We believe doing so provides useful information to investors because it is a measure used by our management team to monitor our effectiveness in managing operating expenses. Other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate our ratio. Accordingly, our non-GAAP operating efficiency ratio may not be comparable to similar measures used by other companies.

[3] For this slide, “Loans in Repayment” include loans making interest only or fixed payments, as well as loans that have entered full principal and interest repayment status after any applicable grace period.

[4] Loans in forbearance include loans for customers who have requested extension of grace period generally during employment transition or who have temporarily ceased making full payments due to hardship or other factors, consistent with established loan program servicing policies and procedures.

[5] The difference between “Core Earnings” and GAAP net income is driven by mark-to-market unrealized gains and losses on derivative contracts recognized in GAAP, but not in “Core Earnings” results. See page 10 for a reconciliation of GAAP and “Core Earnings” .

[6] Derivative Accounting: “Core Earnings” exclude periodic unrealized gains and losses caused by the mark-to-market valuations on derivatives that do not qualify for hedge accounting treatment under GAAP, as well as the periodic unrealized gains and losses that are a result of ineffectiveness recognized related to effective hedges under GAAP. Under GAAP, for our derivatives held to maturity, the cumulative net unrealized gain or loss over the life of the contract will equal $0.

[7] “Core Earnings” tax rate is based on the effective tax rate at the Bank where the derivative instruments are held.

"Core Earnings" to GAAP Reconciliation

(Dollars in thousands, except per share amounts)	Quarters Ended Sept. 30, 2016	June 30, 2016	Sept. 30, 2015
"Core Earnings" adjustments to GAAP:			
GAAP net income	$ 56,965	$ 57,205	$ 45,724
Preferred stock dividends	5,316	5,243	4,913
GAAP net income attributable to SLM Corporation common stock	$ 51,649	$ 51,962	$ 40,811
Adjustments:			
Net impact of derivative accounting[6]	(831)	(1,470)	1,400
Net tax effect[7]	(320)	(562)	529
Total "Core Earnings" adjustments to GAAP	(511)	(908)	871
"Core Earnings" attributable to SLM Corporation common stock	$ 51,138	$ 51,054	$ 41,682
GAAP diluted earnings per common share	$ 0.12	$ 0.12	$ 0.09
Derivative adjustments, net of tax	-	-	0.01
"Core Earnings" diluted earnings per common share	$ 0.12	$ 0.12	$ 0.10