SLM CORPORATION EARNINGS PRESENTATION FOURTH QUARTER 2017

January 18, 2018

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Forward-Looking Statements and Disclaimer

Cautionary Note Regarding Forward-Looking Statements

The following information is current as of January 17, 2018 (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 and full year ended December 31, 2017, and subsequent reports filed with the Securities and Exchange Commission (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, 2016 (filed with the SEC on Feb. 24, 2017) and subsequent filings with the SEC; increases in financing costs; limits on liquidity; increases in costs associated with compliance with laws and regulations; failure to comply with consumer protection, banking and other laws; 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 or any subsidiary is a party; credit risk associated with the Company’s (or any subsidiary's) exposure to third parties, including counterparties to the Company’s (or any subsidiary'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; risks associated with restructuring initiatives, including failures to successfully implement cost-cutting programs and the adverse effects of such initiatives on the Company’s business; 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 (excluding current period accruals on the derivative instruments), net of tax. 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, 2017 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”.

The fourth-quarter 2017 and full-year 2017 financial results reported in this Presentation reflect the required accounting treatment for the effects of the Tax Cuts and Jobs Act of 2017 (the “Tax Act”). We also report in this Presentation certain fourth-quarter 2017 and full-year 2017 financial statement items absent the estimated effects of the Tax Act, including a reconciliation on page 8 of this Presentation of the effect of the Tax Act on the GAAP Consolidated Statements of Income. (Estimated effects may be refined in future periods as further information becomes available.) We believe this additional disclosure will be helpful to investors by illustrating and quantifying the impact of the required accounting treatment for the effects of the Tax Act. In addition, management will use the financial results absent the effect of the Tax Act as a basis for making management decisions regarding the company’s performance in respect of 2017. Our financial results absent the effect of the Tax Act are unique to our company, are not defined terms within GAAP and may not be comparable to adjustments made by, or to similarly captioned measures reported by, other companies.

Sallie Mae Overview

Sallie Mae Key Statistics for Q4 2017

- $0.10 GAAP diluted earnings per share for Q4 2017 and $0.62 for full year 2017
- $0.19 Core Earnings diluted earnings per share for Q4 2017, absent impact of Tax Act; $0.72 for full year 2017, absent impact of Tax Act
- Portfolio of $17.2 billion of high quality Private Education Loans
- 85% of Private Education Loans disbursed in Q4 2017 are cosigned
- Average Q4 Private Education Loan originations FICO of 746 [13]
- 79% of Private Education Loans outstanding have origination FICO ≥ 700 [13]

- $1.5 billion in cash
- Net interest income= $309 million for Q4 2017
- Net interest margin for Q4 2017 = 6.00%; full year 2017= 5.93%
- Private Education Loan yield for Q4 2017 = 8.61% ; full year 2017= 8.43%

A diversified approach to funding which includes:

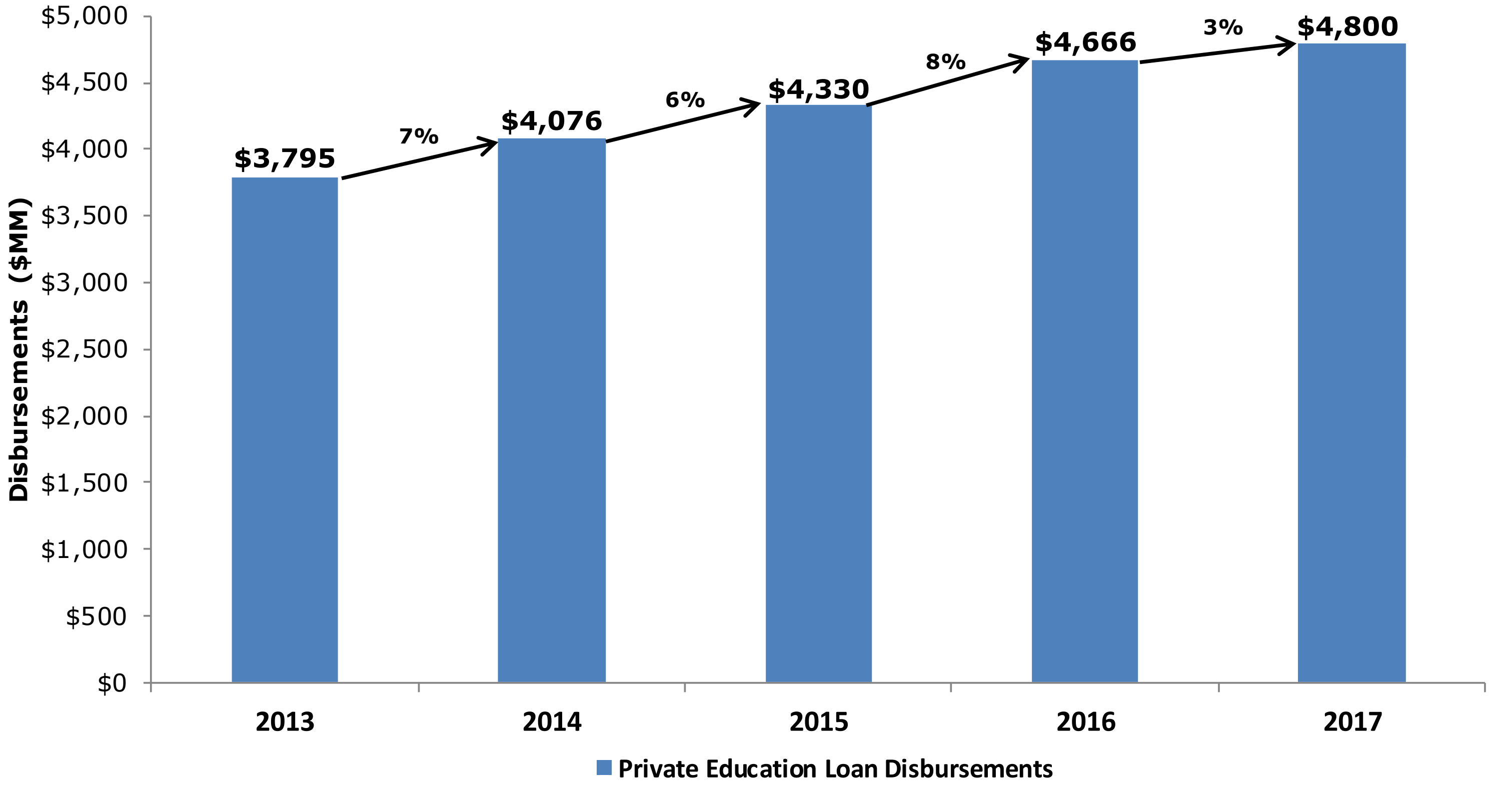
- $15.5 billion in deposits
  - $8.2 billion in brokered deposits
  - $7.3 billion in retail and other deposits
- $750 million multi-year asset-backed commercial paper funding facility
- $1.4 billion of term funding raised in ABS market in 2017

Key Financial Metrics

($Millions)	Q4 2017	Q3 2017	Q4 2016	2017	2016
Private Education Loans, Net	$ 17,245	$ 16,959	$ 14,113	$ 17,245	$ 14,113
Net Interest Income	$ 309	$ 282	$ 245	$ 1,129	$ 891
Net Interest Margin	6.00%	5.85%	5.55%	5.93%	5.68%
Private Education Yield	8.61%	8.50%	8.08%	8.43%	8.02%
Cost of Funds	1.93%	1.93%	1.40%	1.80%	1.35%
Operating Expenses[1]	$ 119	$ 116	$ 98	$ 449	$ 386
Non-GAAP Operating Efficiency Ratio- old method[2]	41.3%	40.3%	38.6%	39.9%	40.2%
Non-GAAP Operating Efficiency Ratio- new method[3]	41.2%	40.6%	37.9%	39.6%	40.1%
Bank Total Risk-Based Capital	13.3%	13.0%	13.8%	13.3%	13.8%

- The Non-GAAP Operating Efficiency Ratio under the new method would be 37.1% and 38.4% for Q4 2017 and the full year 2017, respectively, absent the impact of the Tax Act and a reduction in indemnified uncertain tax positions that, when combined, reduced other income by $32 million for Q4 2017 and $35 million for the full year 2017.

High Quality Private Education Loan Growth



Disbursement Statistics ($)	2013	2014	2015	2016	2017
% Cosigned	89%	90%	90%	89%	88%
% In School Payment	58%	57%	56%	55%	54%
Average FICO at Approval[13]	746	748	749	748	747

Private Education Loan Delinquencies[4,5,6]

($ Thousands)	December 31, 2017 Balance	%	September 30, 2017 Balance	%	December 31, 2016 Balance	%
Loans in repayment and percentage of each status:						
Loans current	11,911,128	97.6%	11,115,697	97.4%	9,509,394	97.9%
Loans delinquent 31-60 days	179,002	1.5%	175,897	1.6%	124,773	1.3%
Loans delinquent 61-90 days	78,292	0.6%	82,095	0.7%	51,423	0.5%
Loans delinquent greater than 90 days	37,611	0.3%	32,892	0.3%	24,168	0.3%
Total private education loans in repayment	12,206,033	100.0%	11,406,581	100.0%	9,709,758	100.0%
Loans delinquent 30+ days (as a % of loans in repayment)		2.4%		2.6%		2.1%
Loans in forbearance	468,402		373,655		351,962	
Loans in forbearance as a % of loans in repayment and forbearance		3.7%		3.2%		3.5%
Allowance as a % of the ending loans in repayment		2.0%		2.0%		1.9%

- Net charge-offs as a percentage of average loans in repayment, annualized, were 1.07% for Q4 2017, compared to 0.95% for Q4 2016

Earnings Metrics[7,10,11]

($Millions, except per share amounts)	Q4 2017	Q3 2017	Q4 2016	2017	2016
GAAP Net Income attributable to SLM Corp Common Stock	$ 43.9	$ 73.3	$ 64.7	$ 273.2	$ 229.1
GAAP Diluted Earnings Per Common Share	0.10	0.17	0.15	0.62	0.53
Core Earnings Adjustments to GAAP	0.4	(0.9)	2.7	5.1	2.0
Core Earnings attributable to SLM Corp Common Stock	44.3	72.4	67.4	278.3	231.1
Core Earnings Diluted Earnings Per Common Share	0.10	0.17	0.15	0.63	0.53
Core Earnings diluted earnings per share, tax adjusted[12]	0.19	0.17	0.15	0.72	0.53
Core Return on Assets ("ROA")	0.9%	1.5%	1.6%	1.5%	1.5%
Core Return on Common Equity ("ROCE")	8.5%	14.6%	15.4%	14.3%	14.1%

Reconciliation of the Effect of the Tax Act on the GAAP Consolidated Statements of Income

(Dollars in thousands, except per share amounts)	Quarter Ended December 31, 2017 As Reported	Quarter Ended December 31, 2017 Tax Act Adjustments	Quarter Ended December 31, 2017 Adjusted (Non-GAAP)	Year Ended December 31, 2017 As Reported	Year Ended December 31, 2017 Tax Act Adjustments	Year Ended December 31, 2017 Adjusted (Non-GAAP)
Net interest income	$ 309,191	$ -	$ 309,191	$ 1,129,221	-	$ 1,129,221
Less: provisions for credit losses	55,324	-	55,324	185,765	-	185,765
Net interest income after provisions for credit losses	253,867	-	253,867	943,456	-	943,456
Total non-interest income (loss)	(22,006)	23,532 [8]	1,526	(2,902)	23,532 [8]	20,630
Total non-interest expenses	118,668	-	118,668	449,089	-	449,089
Income before income tax expense	113,193	23,532	136,725	491,465	23,532	514,997
Income tax expense	66,190	(15,035) [9]	51,155	202,531	(15,035) [9]	187,496
Net income	47,003	38,567	85,570	288,934	38,567	327,501
Preferred stock dividends	3,137	-	3,137	15,714	-	15,714
Net income attributable to SLM Corporation common stock	$ 43,866	$ 38,567	$ 82,433	$ 273,220	38,567	$ 311,787
Basic earnings per common share attributable to SLM Corporation	$ 0.10	$ 0.09	$ 0.19	$ 0.63	$ 0.09	$ 0.72
Average common shares outstanding	431,980	-	431,980	431,216	-	431,216
Diluted earnings per common share attributable to SLM Corporation	$ 0.10	$ 0.09	$ 0.19	$ 0.62	$ 0.09	$ 0.71
Average common and common equivalent shares outstanding	438,932	-	438,932	438,551	-	438,551

2018 Guidance Update

- Full-year Diluted Core EPS: $0.97-$1.01
- Full-year Private Education Loan Originations: $5.0 billion
- Full-year Non-GAAP Operating Efficiency Ratio: 37% - 38%

The company plans to make investments in 2018 that will accelerate the diversification of its consumer lending platform into the personal loan and credit card businesses. In addition, the company will invest in several technology infrastructure projects, including migrating infrastructure to the cloud. These investments will total up to $30 million and are expected to add revenue and improve efficiency in future years. The impact of these investments is included in the guidance provided above.

Footnotes

1. Includes acquired intangible asset amortization expense.
2. In 2016, our non-GAAP operating efficiency ratio was calculated for the periods presented as the ratio of (a) the total non-interest expense numerator to (b) the net revenue denominator (which consisted of net interest income, before provision for credit losses, plus non-interest income).
3. In the first-quarter 2017, we began calculating and reporting our non-GAAP operating efficiency ratio as the ratio of (a) the total non-interest expense numerator to (b) the net revenue denominator (which consists of the sum of net interest income, before provision for credit losses, and non-interest income, and the net impact of derivative accounting as defined in the "'Core Earnings' to GAAP Reconciliation" table on page 11). We believe this change will improve visibility into our management of operating expenses over time and eliminate the variability in this ratio that may be related to the changes in fair value of our derivative contracts that we consider economic hedges and which do not affect how we manage operating expenses. This change conforms the treatment of our hedging activities in our operating efficiency ratio to our non-GAAP "Core Earnings" measure. The impact of this change on the non-GAAP operating efficiency ratio reported in each of our prior quarterly and annual periods is immaterial. This ratio 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 our ratio. Accordingly, our non-GAAP operating efficiency ratio may not be comparable to similar measures used by other companies.
4. 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.
5. 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.
6. The period of delinquency is based on the number of days scheduled payments are contractually past due.
7. 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 11 for a reconciliation of GAAP and "Core Earnings" .
8. Represents the reduction in a tax-related indemnification receivable due to the lower federal corporate tax rate set forth in the Tax Act.
9. Represents the net reduction in deferred tax assets and liabilities due to the lower federal corporate tax rate set forth in the Tax Act.
10. 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 (but include current period accruals on the derivative instruments), net of tax. Under GAAP, for our derivatives held to maturity, the cumulative net unrealized gain or loss over the life of the contract will equal $0.
11. "Core Earnings" tax rate is based on the effective tax rate at the Bank where the derivative instruments are held.
12. Calculated absent the impact of the Tax Act.
13. Represents the higher credit score of the cosigner or the borrower.

"Core Earnings" to GAAP Reconciliation

(Dollars in thousands, except per share amounts)	Quarters Ended Dec. 31 2017	Quarters Ended Sept 30 2017	Quarters Ended Dec. 31 2016	Year Ended Dec. 31 2017	Year Ended Dec. 31 2016
"Core Earnings" adjustments to GAAP:					
GAAP net income	$ 47,003	$ 76,371	$ 70,242	$ 288,934	$ 250,327
Preferred stock dividends	3,137	3,028	5,506	15,714	21,204
GAAP net income attributable to SLM Corporation common stock	$ 43,866	$ 73,343	$ 64,736	$ 273,220	$ 229,123
Adjustments:					
Net impact of derivative accounting[10]	706	(1,475)	4,386	8,197	3,127
Net tax effect[11]	270	(563)	1,682	3,131	1,199
Total "Core Earnings" adjustments to GAAP	436	(912)	2,704	5,066	1,928
"Core Earnings" attributable to SLM Corporation common stock	$ 44,302	$ 72,431	$ 67,440	$ 278,286	$ 231,051
GAAP diluted earnings per common share	$ 0.10	$ 0.17	$ 0.15	$ 0.62	$ 0.53
Derivative adjustments, net of tax	-	-	-	0.01	-
"Core Earnings" diluted earnings per common share	$ 0.10	$ 0.17	$ 0.15	$ 0.63	$ 0.53