SALLIE MAE

Goldman Sachs US Financial Services Conference

DECEMBER 9, 2014

SallieMae

Cautionary Note Regarding Forward-Looking Statements

The following information is current as of October 22, 2014 (unless otherwise noted) and should be read in connection with SLM Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 (the "2014 Form 10-Q"), and the audited carve out financial statements filed on Form 8-K on May 6, 2014, and subsequent reports filed with the Securities and Exchange Commission (the "SEC"). Definitions for capitalized terms in this presentation not defined herein can be found in the 2013 Form 10-K (filed with the SEC on February 19, 2014).

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 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, 2013 (filed with the SEC on Feb. 19, 2014) and the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, and in the company's Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2014; 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 student 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; failures of its operating systems or infrastructure, including those of third-party vendors; failure to implement the recently executed separation of the Company into two separate publicly traded companies, including failure to transition its origination and servicing operations as planned, increased costs in connection with being a stand-alone company, and failure to achieve the expected benefits of the separation; damage to its reputation; 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 its customers; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments and those of its earning assets vs. its funding arrangements; and changes in general economic conditions. 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 release are qualified by these cautionary statements and are made only as of the date of this release. The Company does not undertake any obligation to update or revise these forward-looking statements to conform the statement to actual results or changes in its expectations.

In connection with the Navient spin-off, the Company conformed its policy with that of Sallie Mae Bank to charge off loans after 120 days of delinquency. The Company also changed its loss confirmation period from two years to one year to reflect both the shorter charge-off policy and its related servicing practices. Prior to the spin-off, Sallie Mae Bank sold all loans past 90 days delinquent to an affiliate of what is now Navient Corporation. Post-spin-off, sales of delinquent loans to Navient Corporation have been significantly curtailed. Consequently, many of the pre-spin-off, historical credit indicators and period over-period trends are not comparable and may not be indicative of future performance.

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 "Key Financial Measures-Core Earnings" in the Company's Form 10-Q for the quarter ended September 30, 2014 for a further discussion and a complete reconciliation between GAAP net income and core earnings.

SallieMae

The Sallie Mae Brand

SallieMae

Dream. Invest. Succeed.

- #1 saving, planning and paying for education company with 40-years of leadership in the education lending market
- Top ranked brand: 6 out of 10 consumers of education finance recognize the Sallie Mae brand
- Industry leading market share in private education lending; 52% market share
- Over 2,400 actively managed university relationships across the U.S.
- Complementary consumer product offerings
- Over one million long-term engaged customers across the Sallie Mae brands

SallieMae

2014 Year to Date Highlights

- Completed legal separation from Navient on April 30, 2014
- Generated "Core Earnings" through Q3 of $176 million
- High quality loan originations on track to reach $4 billion in 2014
- Loan performance continues to be in line with expectations as the portfolio seasons
- Completed loan sales in excess of $1.6 billion at favorable rates
- Received commitments for $750 million secured funding facility
- Won the 529 program from the Utah Educational Savings Plan ~$700 million in deposits
- Regulatory Cease and Desist orders in place since 2008 were lifted

Sallie Mae Summary

Strategic Focus

Consumer banking including leading private education loan franchise

Key Businesses

- Largest Private Education Loan Originator
- Private Education Loan Servicing
- Deposits
- Upromise Rewards
- Insurance Services
- Credit Card

Key Financial Statistics

As of 9/30/2014 (billions)

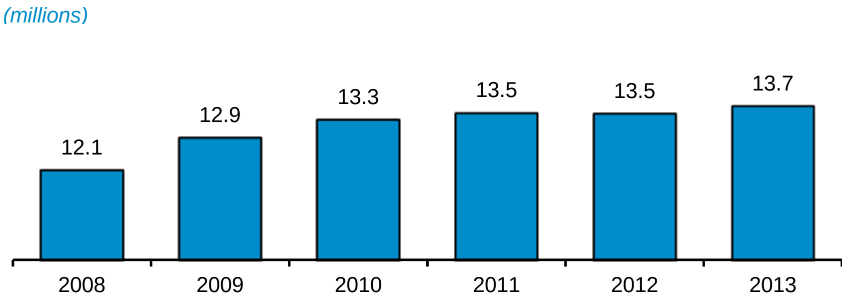
Assets	$11.7
FFELP Loans	$1.3
Private Loans	$7.8
Deposits	$9.2
Secured Debt	$ –
Preferred Equity	$0.6
Tangible Common Equity	$1.2

Sallie Mae Investment Highlights

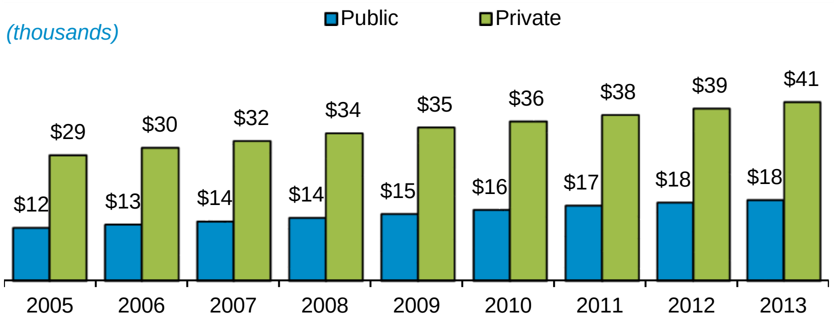
1	**Experienced management team with deep industry knowledge**	▶ Average of 30+ years of banking and financial services experience
2	**Leading brand in the education lending market**	▶ 40+ years serving the education lending market ▶ 52% private education lending market share
3	**Simple low cost delivery system**	▶ Multi-channel delivery system (on-campus, direct) ▶ 40% customer serialization rate and improving
4	**Attractive customer base**	▶ Higher employment rates for college graduates ▶ 90% of portfolio has cosigners; 749 average FICO
5	**Disciplined approach to credit**	▶ Robust proprietary scorecard ▶ Strong Smart Option performance; 0.4% Q3 charge-offs
6	**Strong capital position and funding capabilities**	▶ 16.5% Total Risk Based Capital Ratio; all capital ratios significantly in excess of well capitalized ▶ Retail direct deposits; future securitizations
7	**Targeting high growth and high return business**	▶ Long-term earnings growth target of 20%+ ▶ Long-term ROE target of 15%+

Favorable Student Loan Market Trends

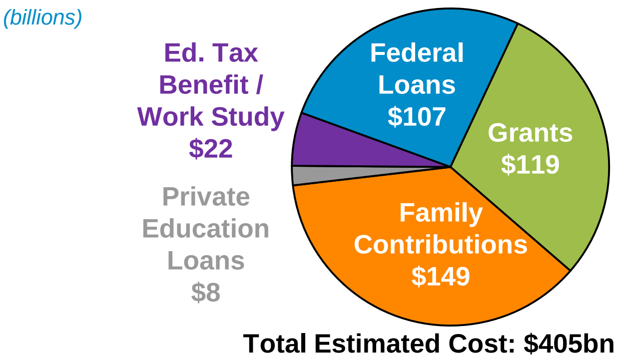
Enrollment at Four-Year Degree Granting Institutions[1]



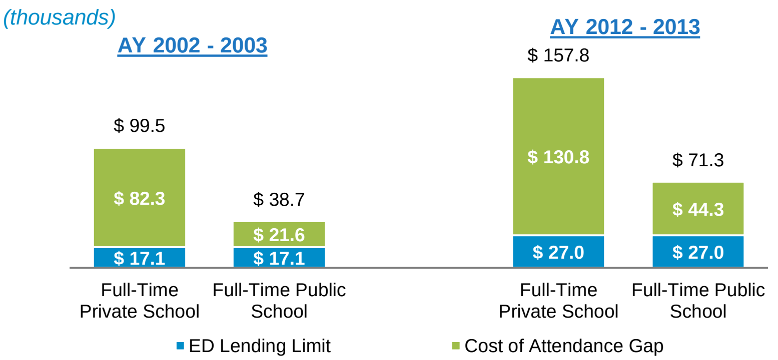
Annual Cost of Education[2]



Estimated Total Cost of Education – 2014 / 2015 AY[3]

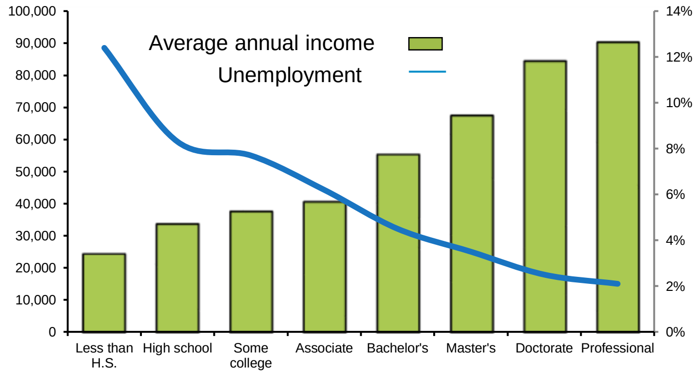


Cost of College (Based on a Four-Year Term)[4]

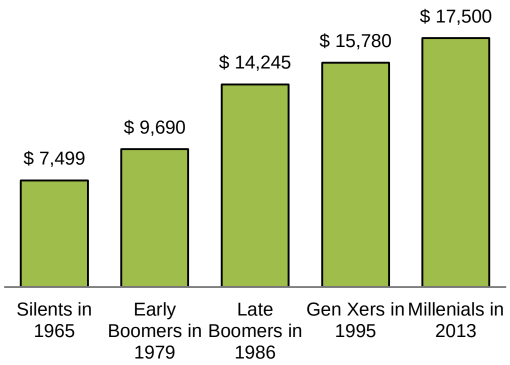


Higher Education Value Proposition

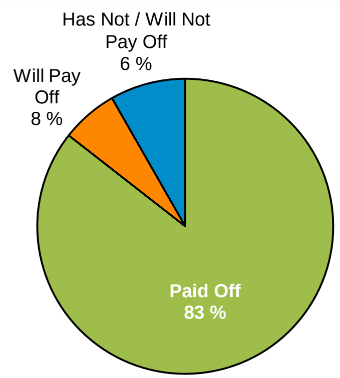
Relationship Between Higher Education, Income and Employment[5]



Widening Earnings Gap of Young Adults by Educational Attainment[6]



Most Graduates Say College Has Paid Off[6]



Key Statistics[7]

- 18 to 24 year olds with a college degree have a 50% lower unemployment rate than those without a degree
- ~60% of students graduate with student loans
- 70% of student loan borrowers have debt balances less than $25,000 and 4% have balances above $100,000 (average borrowings of $26,500)

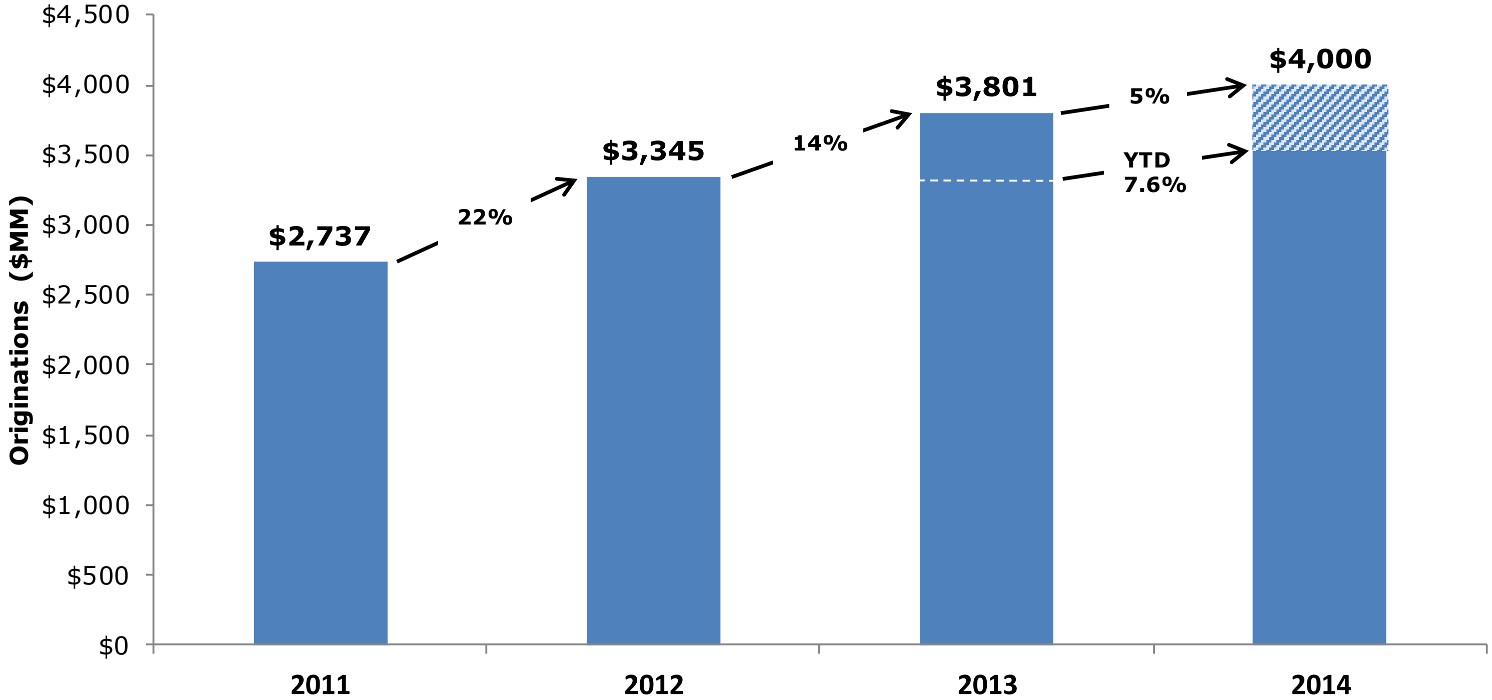
SallieMae

Smart Option Overview

- **Product Features**
  - Offers three repayment options while in school which includes Interest Only, $25 Fixed Payment and Deferred Repayment
  - Variable and Fixed Interest Rate Options
  - All loans are certified by the school's financial aid office to ensure all proceeds are for educational expenses

- **Distribution Channels**
  - Nationally recognized brand
  - Largest national sales force in industry actively manages over 2,400 college relationships
  - Represented on vast majority of college directed preferred lender lists
  - Significant marketing experience to prospective customers through paid search, affiliates, display, direct mail and email
  - Leverage low cost customer channels to contribute to significant serialization in following years
  - Marketing and distribution through partnerships with banks, credit unions, resellers and membership organizations

High Quality Private Student Loan Originations Growth



Originations Statistics ($)	Q3 2014	Q3 2013	YTD 2014	YTD 2013
% Cosigned	92%	92%	90%	89%
% In School Payment	53%	54%	57%	54%
Average Originated FICO	750	745	749	745
YoY Originations Growth Rate	8.0%		7.6%	

Analytical Approach to Credit

Student

Submit Application

Disbursement

Initial Screen

- $1,000 minimum loan
- Minimum FICO of 640
- No existing SLM 30+ day past dues
- No student loans 90+ day past dues
- No recent bankruptcy
- 3+ trades for cosigners and 4+ trades for non-cosigner

- Asset expertise and rigorous underwriting driven by large volume of historical data
- 160 employees
- ~1.3mm annual applications
- ~35% approval rate

Manual Review

- ~8% of applications
- Pass risk scores, but require further review due to credit concerns
  - Thorough review of bankruptcies, collection accounts, etc.
  - Higher levels of existing student debt
  - High credit utilization

Review Process

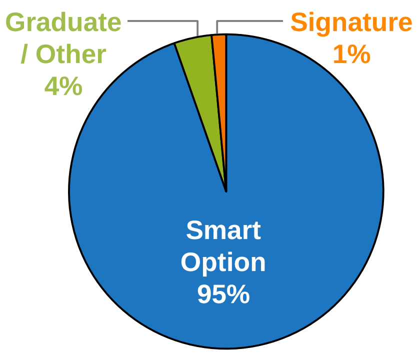
Review Process

Custom Scorecard

- Multi-scenario approach that predicts percentage of borrowers likely to reach 90+ days past due
- Built in coordination with Experian Decision Analytics
- Applies 15 – 18 application and credit bureau attributes

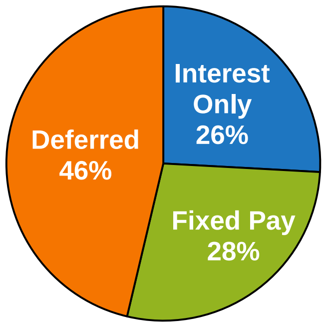
High Quality Private Education Portfolio

Portfolio by Product



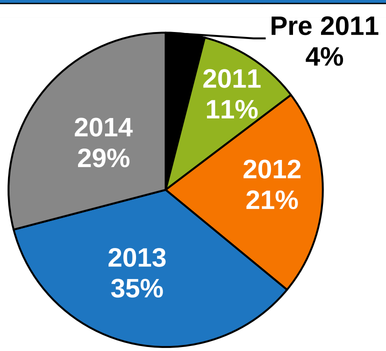
Private Education Loans: $7.8bn

Smart Option Payment Type



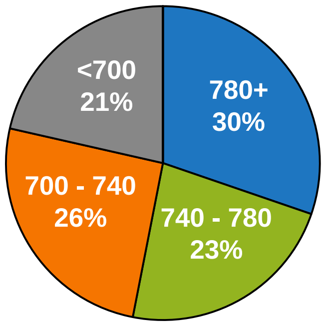
Smart Option Loans: $7.4bn

Portfolio by Vintage



Weighted Average Age of Loan: ~1.4 years

Customer FICO at Origination



Weighted Average FICO: 749

As of September 30, 2014

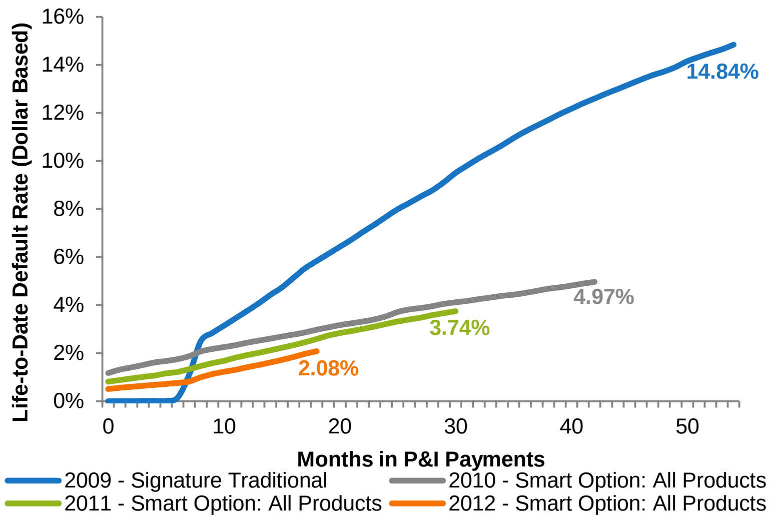
Smart Option Credit Outperforming

- Smart Option products outperform prior private education loan products due to more stringent underwriting standards and tailored product options
- Performance of newer vintage loans driven by focused marketing on high quality borrowers, better data and product management and an improving macroeconomic environment

Smart Option Performance Trends[8]

	2011	2012	2013
Smart Option Loans	$4,769	$7,501	$10,514
Smart Option Loans in Repayment	4,195	5,774	7,728
% Charge-Offs[9]	0.3%	0.5%	0.6%
% Delinquencies[9]	2.8%	2.9%	3.0%
% 90+ Day Delinquencies[9]	0.8%	1.0%	1.1%
% in Forbearance[9]	0.3%	2.1%	2.5%
% with Co-Signer[9]	94%	93%	92%
Average FICO at Origination[9]	746	746	746

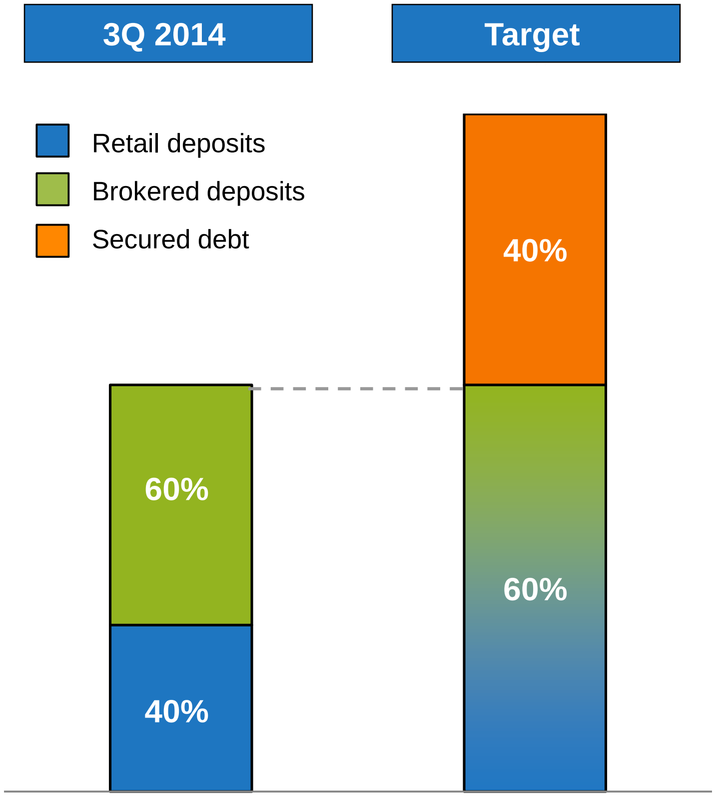
Smart Option Outperforms Legacy Signature[10]



Note: Information provided above is for all Smart Option loans originated by Sallie Mae Bank. These loans are currently owned by Sallie Mae, Navient and other third parties.

Conservative Funding Approach

- **Low cost deposit base with no branch overhead**
  - — 90% of retail deposits are savings accounts
  - — Brokered deposits used as alternative funding source
- **Term funding / securitizations will augment deposit funding for future growth**
  - — Retaining experienced capital markets team
  - — Capacity to securitize $2 – $3bn of private education loans
- **Multi-year revolving conduit facility**
  - — Provides seasonal loan funding and backup liquidity
  - — $750mm conduit with 2-year term provided by consortium of banks
- **Whole loan sales used to manage balance sheet growth**
  - — Targeting $1 – $2bn of loan sales annually
- **Substantial liquidity portfolio**
  - — $2 bn of on-balance sheet cash provides seasonal loan funding and liquidity



Third Quarter Financial Review

		Q3 2014	Q3 2013	Variance
Balance Sheet	PSL	$ 7,839	$ 6,216	$ 1,624
	PSL Reserve	(60)	(54)	(6)
	FFELP	1,322	1,220	102
	FFELP Reserve / Other	(6)	(5)	(0)
	Total Loans	**9,095**	**7,376**	**1,719**
	Cash	1,570	1,148	423
	Other Assets	1,050	1,120	(70)
	Total Assets	**11,715**	**9,644**	**2,071**
	Brokered Deposits	5,290	4,732	558
	Retail Deposits	3,111	2,872	239
	Other Liabilities	1,496	867	629
	Equity	1,818	1,173	645
	Total Liabilities & Equity	**$ 11,715**	**$ 9,644**	**$ 2,071**
	PSL Reserve % of Balance	0.77%	0.87%	(0.11)%
Income Statement	Interest Income	$ 168	$ 138	$ 30
	Interest Expense	$ (24)	$ (21)	$ (3)
	Net Interest Income before Provision	$ 144	$ 117	$ 27
	Provision	$ (15)	$ (21)	$ 6
	NIM After Provision	**$ 129**	**$ 96**	**$ 33**
	Gain On Sale	$ 85	$ 43	$ 42
	Fee Income	$ 6	$ 10	$ (4)
	Gain/(Loss) on Hedging Activities	$ 5	$ 0	$ 5
	Opex	$ (87)	$ (70)	$ (17)
	GAAP Pre-Tax Income	**$ 138**	**$ 79**	**$ 59**
	GAAP Net Income	**$ 83**	**$ 49**	**$ 34**
	Core Earnings Adjustments	$ (4)	$ 0	$ (4)
	Core Earnings Net income	**$ 79**	**$ 49**	**$ 29**
	Preferred Dividends	$ (5)	$ -	$ (5)
	GAAP Earnings Available	**$ 78**	**$ 49**	**$ 29**
	Core Earnings Available	**$ 74**	**$ 49**	**$ 24**
Metrics	ROA (Core)	2.71%	2.09%	0.62%
	ROCE (Core)	24.13%	16.31%	7.81%
	Total Risk Based Capital Ratio (Bank Only)	16.5%	16.3%	0.2%
	CSEs	432	445	(13)
	Core EPS	$0.17	$0.11	$0.06

SLM Corporation Form 10-Q period ending September 30, 2014

- Private Education Loan balance increased 26% from the prior year
- Highly liquid balance sheet
- Strong Capital Base. Risk Based Capital ratio = 16.5% at the bank
- Loan loss allowance = 0.77 % of portfolio
- Net interest income increased 23%
- Net interest margin of 5.25%
- “Core Earnings” = $0.17 per share

SallieMae

2014 Guidance

	Target
2014 Originations	$4 Billion
Operating Expenses	$280 Million
Additional Restructuring Expense	$32 Million
Loan Sales in Q4 of 2014	$0
Provision for Loan Losses In Q4 of 2014	$35 Million
“Core Earnings” diluted EPS	$0.42-$0.43

Sallie Mae Bank

- Market share leader in private student loan industry
- High quality assets and conservatively funded balance sheet
- Predictable balance sheet growth for the next several years
- Strong capital position and funding capabilities
- A financial services company with high growth trajectory and excellent return on equity

APPENDIX

“Core Earnings” to GAAP Reconciliation

(Dollars in thousands)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Hedge ineffectiveness gains (losses)	$ 6,571	$ (49)	$ (1,684)	$ (118)
Interest reclassification	(1,170)	346	(3,137)	973
Gains (losses) on derivatives and hedging activities, net	$ 5,401	$ 297	$ (4,821)	$ 855

(Dollars in thousands, except per share amounts)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
“Core Earnings” adjustments to GAAP:				
GAAP net income attributable to SLM Corporation	$ 82,926	$ 49,390	$ 174,502	$ 198,743
Preferred stock dividends	4,850	-	8,078	-
GAAP net income attributable to SLM Corporation common stock	$ 78,076	$ 49,390	$ 166,424	$ 198,743
GAAP net income attributable to SLM Corporation	$ 82,926	$ 49,390	$ 174,502	$ 198,743
Adjustments:				
Net impact of derivative accounting[1]	(6,571)	49	1,684	118
Net tax effect[2]	2,623	(19)	(672)	(45)
Total “Core Earnings” adjustments to GAAP	(3,948)	30	1,012	73
“Core Earnings”	$ 78,978	$ 49,420	$ 175,514	$ 198,816
GAAP diluted earnings per common share	$ 0.18	$ 0.11	$ 0.38	$ 0.44
Derivative adjustments, net of tax	(0.01)	-	0.01	-
“Core Earnings” diluted earnings per common share	$ 0.17	$ 0.11	$ 0.39	$ 0.44

(1) 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 w ell 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 w ill equal $0.

(2) “Core Earnings” tax rate is based on the effective tax rate at the Bank w here the derivative instruments are held.

Footnotes

[1] Source: U.S. Department of Education, National Center for Education Statistics, Projections of Education Statistics to 2022

[2] Source: *Trends in College Pricing.*© 2013 The College Board,. **www.collegeboard.org**,
Note: Academic years, average published tuition, fees, room and board charges at four-year institutions; enrollment-weighted

[3] "Total post-secondary education spend" is estimated by Sallie Mae by determining the full-time equivalents for both graduates and undergraduates and multiplying by estimated total per person cost of attendance for each school type. In doing so, we utilize information from the US Department of Education, College Board, MeasureOne, National Student Clearinghouse and Company Analysis. Other sources for these data points also exist publicly and may vary from our computed estimates.

[4] Source: *Trends in College Pricing.*© 2013 The College Board,. **www.collegeboard.org**, U.S. Department of Education 2013

[5] Source: U.S. Bureau of Labor Statistics, Current Population Survey

[6] Source: PEW Research Center

[7] Source: College Board, "Trends in Student Aid, 2013", FRBNY Consumer Credit Panel. Equifax (www.newyorkfed.org/regional/Brown_presentation_GWU_2013Q2.pdf)

[8] The performance trends and defaults rates below include Sallie Mae and Navient owned Smart Option loans, and are based in part on loan data obtained from Navient pursuant to the Data Sharing Agreement between Navient and Sallie Mae. As Navient and Sallie Mae use different charge-off and delinquency policies, future performance may not be comparable.

[9] Percentage of loans in repayment.

[10] Signature loans represent traditional Signature loans in full P&I repayment that were originated during the 2006-2008 origination years; Smart Option loans represent Smart Option loans in full P&I repayment that were originated during the 2009-2012 origination years. Life-to-Date Default Rate comparison is based in part on loan data obtained from Navient pursuant to the Data Sharing Agreement between Navient and Sallie Mae.