Cautionary Note Regarding Forward-Looking Statements

The following information is current as of April 20, 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 March 31, 2016, the Form 10-Q for the quarter ended March 31, 2016 (filed with the Securities and Exchange Commission (“SEC”) on April 20, 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 March 31, 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”.

Disclaimer. A significant portion of the historical data relating to historical Smart Option Student Loan performance used to prepare certain of these materials was provided to the Company by Navient Corporation (“Navient”) pursuant to a Data Sharing Agreement executed in connection with the Spin-Off (as hereinafter defined). Under the Data Sharing Agreement, Navient makes no representations or warranties to the Company concerning the accuracy and completeness of information that they provided. The Company and Sallie Mae Bank have not independently verified, and are not able to verify, the accuracy or completeness of the data provided under the agreement or of Navient’s representations and warranties. Although we have no reason to believe that the data received from Navient and used to prepare the tabular and graphic presentations in this document as a whole is materially inaccurate or incomplete, and have assumed that the data provided by Navient under the Data Sharing Agreement as a whole to be materially accurate and complete, neither the Company nor any person on its behalf has independently verified the accuracy and completeness of such data.
Sallie Mae Summary

- Leading private education loan franchise
- Conservative credit and funding
- Expanding consumer finance product suite

- National sales and marketing
- Largest salesforce in the industry
- Specialized underwriting capability
- Capital markets expertise

Strategic Overview

Key Businesses

Competitive Advantage

Balance Sheet

Private Education Loan - Originator and Servicer
Deposits -
Upromise Rewards -
Credit Card -

($B as of 3/31/16)
Assets 15.3 -
FFELP Loans 1.1 -
Private Loans 12.0 -
Deposits 11.5 -
Preferred Equity 0.6 -
Common Equity 1.6 -
Sallie Mae Overview

Sallie Mae Key Statistics for Q1 2016

− $0.14 diluted earnings per share
− 90% of Private Education Loans are cosigned
− Average Private Education Loan Originations FICO of 748
− 79% of Private Education Loans outstanding have a FICO ≥ 700 at origination
− 32% of Private Education Loans are in full principal and interest repayment
− Net interest income $210 million
− Net interest margin= 5.77%
− Private Education Loan yield= 8.03%

A diversified approach to funding which includes:

− $11.5 billion in deposits
  − $6.8 billion brokered deposits
  − $4.7 billion in retail and other deposits
− $750 million secured commercial paper funding facility
− $623 million of term funding raised in ABS market in July 2015
Favorable Student Loan Market Trends

Academic Year Enrollment at Four-Year Degree Granting Institutions\(^{(2)}\)

\[\begin{array}{c|c|c|c|c|c|c}
\hline
\text{Enrollment} & 12.9 & 13.3 & 13.4 & 13.5 & 13.4 & 13.5 \\
\end{array}\]

Annual Cost of Education\(^{(3)}\)

\[\begin{array}{c|c|c|c|c|c|c|c|c}
\hline
\text{Cost} & $14 & $14 & $15 & $16 & $17 & $18 & $18 & $19 & $20 \\
\end{array}\]

Estimated Total Cost of Education – 2014 / 2015 AY\(^{(4)}\)

\[\begin{array}{c|c|c|c|c|c|c|c|c|c|c|c}
\text{Cost} & \text{Federal Loans} & \text{Grants} & \text{Family Contributions} & \text{Ed. Tax Benefit / Work Study} & \text{Private Education Loans} \\
\hline
\text{2005-2006} & $97 & $124 & $163 & $19 & $9 \\
\text{2015-2016} & $176 & $53 & $80 & $48 & $17 \\
\end{array}\]

Cost of College (Based on a Four-Year Term)\(^{(5)}\)

\[\begin{array}{c|c|c|c|c}
\text{Year} & \text{Full-Time Private School} & \text{Full-Time Public School} & \text{Cost of Attendance Gap} & \text{Stafford Loan Limit} \\
\hline
\text{2005-2006} & $116 & $99 & $17 & $48 & $31 \\
\text{2015-2016} & $176 & $149 & $27 & $53 & $27 \\
\end{array}\]
Key Statistics

- The unemployment rate for individuals 25 to 34 years-old with four-year college degrees was 2.9%, compared to 8.2% for high school graduates\(^6\)
- 64% of students graduate with student loans in AY 2014-2015\(^5\)
- 67% of student loan borrowers have debt balances less than $25,000 and 4% have balances above $100,000 (average borrowings of $26,700) \(^5\)
Smart Option Overview

Product Features

- Offers three repayment options while in school, which include 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
Analytical Approach to Credit

- **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
  - 2+ trades for cosigners and 4+ trades for non-cosigner

- **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

- **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

- **Asset expertise and rigorous underwriting driven by large volume of historical data**
  - 160 employees
  - ~1.3mm annual applications
  - ~40% approval rate
High Quality Private Education Loan Growth

Disbursement Statistics ($)

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<tbody>
<tr>
<td>% Cosigned</td>
<td>90%</td>
<td>89%</td>
<td>90%</td>
<td>90%</td>
<td>91%</td>
</tr>
<tr>
<td>% In School Payment</td>
<td>61%</td>
<td>58%</td>
<td>57%</td>
<td>56%</td>
<td>57%</td>
</tr>
<tr>
<td>Average Originated FICO</td>
<td>748</td>
<td>746</td>
<td>748</td>
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</tbody>
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High Quality Private Education Portfolio

Customer FICO at Origination

- <700: 21%
- 700 - 740: 26%
- 740 - 780: 23%
- 780+: 30%

Weighted Average FICO: 746

Smart Option Payment Type

- Deferred: 47%
- Fixed Pay: 31%
- Interest Only: 22%

Smart Option Loans: $11.6bn

Portfolio by Originations Vintage

- 2016: 5%
- 2015: 35%
- 2014: 27%
- 2013: 17%
- 2012: 10%
- Pre 2012: 6%

Weighted Average Age of Loan: ~1.7 years

Portfolio Interest Rate Type

- Fixed: 19%
- Variable: 81%

As of 3/31/16
Cumulative Defaults by P&I Repayment Vintage^{(8),(11),(12)}

Smart Option Cumulative Gross Defaults by P&I Repayment Vintage and Years in P&I Repayment

As of 3/31/16
Conservative Funding Approach

Low cost deposit base with no branch overhead
— 80% of retail deposits are savings accounts
— Brokered deposits used as alternative funding source

Term funding / securitizations will augment deposit funding for future growth
— 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
— Multi-year $750mm conduit provided by consortium of banks

Substantial liquidity portfolio
— $938mm of on-balance sheet cash as of 3/31/16
Sallie Mae Bank

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