Q4 and Full Year 2019 Highlights

Performance Overview

	Q4 2019	FY 2019	YoY Change
GAAP Diluted EPS	$0.32	$1.30	+21.5%
Non-GAAP "Core Earnings" Diluted EPS[1]	$0.33	$1.27	+18.7%
Private Education Loan Originations	$717M	$5.6B	+5.8%
Non-GAAP Operating Efficiency Ratio[2]	33.6%	34.7%	-630bp
		As of Dec. 31, 2019	
Total Education Loan Assets		$23.7B	+12.0%
Common Equity Tier 1 Risk-Based Capital Ratio		12.2%	+10bp

Sallie Mae Vision

- As the premier brand for college and continuous education, we're in the business of building prosperous futures by providing access, planning outcomes, and helping students and families responsibly fund their future

Taking Action to Position SLM for Long-Term Success and Value Creation

Continue to Focus on High-Quality Private Education Loan Originations

- Expect to grow originations 6% in 2020
- Discontinued originations of Personal Loans as of December 15, 2019

Loan Sales

- Expect to sell ~$3B in loans in 2020, dependent upon market conditions
- Expect to remain well capitalized during the phase-in of regulatory capital following the implementation of CECL
- Loan sales allow SLM to return excess capital to shareholders through share repurchases

Capital Return

- Expect to continue to pay common and preferred stock dividends
- New authorization to repurchase up to $600M in common stock in 2020

2020 Guidance Metrics Assist Shareholders in Evaluating SLM's Progress[3]

$1.85 – $1.91
DILUTED "CORE EARNINGS" PER SHARE[1, 4, 5]

$285M – $305M
PROVISIONS FOR CREDIT LOSSES

$275M – $285M
NET CHARGE-OFFS

6%
YEAR-OVER-YEAR PRIVATE EDUCATION LOAN ORIGINATIONS GROWTH

$570M – $580M
NON-INTEREST EXPENSES

~$3B
LOAN SALES
TO FUND UP TO $600M OF SHARE REPURCHASES

"Our 2020 outlook reflects continued momentum across our business and strong operational execution. In addition, our new share repurchase program underscores the Board and management's confidence in the continued strength of the company. With an anticipated $3 billion in loan sales during the year, we will have ample capital to return capital to shareholders and invest in our business to drive growth."

Raymond J. Quinlan, Chairman and CEO

Footnotes

1 Sallie Mae provides "Core Earnings" because it is one of several measures management uses to evaluate management performance and allocate corporate resources. The difference between "Core Earnings" and GAAP net income is driven by mark-to-fair value unrealized gains and losses on derivative contracts recognized in GAAP, but not in "Core Earnings" results. See the "Core Earnings" to GAAP Reconciliation on page 9 of the Company's earnings press release dated January 22, 2020 for a full reconciliation of GAAP and "Core Earnings." "Core Earnings" exclude periodic unrealized gains and losses caused by the mark-to-fair value valuations on derivatives that do not qualify for hedge accounting treatment under GAAP, but include current period accruals on the derivative instruments. For periods prior to July 1, 2018, "Core Earnings" also exclude the periodic unrealized gains and losses that are a result of ineffectiveness recognized related to effective hedges under GAAP, 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. Management believes the company's derivatives are effective economic hedges, and, as such, they are a critical element of the company's interest rate risk management strategy. Our "Core Earnings" are not defined terms within GAAP and may not be comparable to similarly titled measures reported by other companies.

2 We calculate and report 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, excluding any gains and losses on sales of loans and securities, net and the net impact of derivative accounting as defined in the "'Core Earnings' to GAAP Reconciliation" table on page 9 of the Company's press release dated January 22, 2020). 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.

3 Includes the impact on the provisions for credit losses related to Financial Accounting Standards Board's Accounting Standards Update No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurements of Credit Losses on Financial Instruments" ("CECL").

4 See footnote 1 for a description of non-GAAP "Core Earnings." GAAP net income attributable to SLM Corporation common stock is the most directly comparable GAAP financial measure. However, this GAAP measure is not accessible on a forward-looking basis because the company is unable to estimate the net impact of derivative accounting and the associated net tax expense (benefit) for future periods.

5 Assumes $3 billion of loan sales fund up to $600 million of common stock repurchases.

Cautionary Note Regarding Forward-Looking Statements

The information in this communication is current as of January 22, 2020 (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, 2019, filed with the Securities and Exchange Commission ("SEC") on January 22, 2020, and subsequent reports filed with the SEC. This communication contains "forward-looking" statements and information based on management's current expectations as of the date of this communication. 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. This includes, but is not limited to: the Company's expectation and ability to pay a quarterly cash dividend on its common stock in the future, subject to the determination by the Company's Board of Directors, and based on an evaluation of the Company's earnings, financial condition and requirements, business conditions, capital allocation determinations, and other factors, risks and uncertainties; the Company's 2020 guidance; the Company's three-year horizon outlook; the Company's expectation and ability to execute loan sales and share repurchases; the Company's projections for originations and earnings growth and balance sheet position; and any estimates related to accounting standard changes. 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, 2018 (filed with the SEC on Feb. 28, 2019) 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, including any regarding the measurement of the Company's allowance for loan losses and the related provision expense; 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; cybersecurity incidents, cyberattacks, and other 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 owned 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 communication are qualified by these cautionary statements and are made only as of the date of this communication. 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.