



News Release

For Immediate Release

Sallie Mae Reports First-Quarter 2025 Financial Results and Reaffirms Full-Year 2025 Guidance

NEWARK, Del., April 24, 2025 - Sallie Mae (Nasdaq: SLM), formally SLM Corporation, today released first-quarter 2025 financial results and reaffirmed full-year 2025 guidance. Complete financial results and related materials are available at www.SallieMae.com/investors. The materials will also be available on the Securities and Exchange Commission's website at www.sec.gov.

Sallie Mae will host an earnings conference call today, April 24, 2025, at 5:30 p.m. ET. Executives will be on hand to discuss various highlights of the quarter and to answer questions related to Sallie Mae's performance. A live audio webcast of the conference call and presentation slides may be accessed at www.SallieMae.com/investors and the [hosting website](#).

A replay of the webcast will be available via the company's investor website approximately two hours after the call's conclusion.

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Sallie Mae (Nasdaq: SLM) believes education and life-long learning, in all forms, help people achieve great things. As the leader in private student lending, we provide financing and know-how to support access to college and offer products and resources to help customers make new goals and experiences, beyond college, happen. Learn more at SallieMae.com. Commonly known as Sallie Mae, SLM Corporation and its subsidiaries are not sponsored by or agencies of the United States of America.

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Sallie Mae First-Quarter 2025 Financial Results

NEWARK, Del., April 24, 2025 — Sallie Mae (Nasdaq:SLM), formally SLM Corporation, today released its first-quarter 2025 financial results.

\$1.40

GAAP Diluted Earnings
Per Common Share

7%

Private Education
Loan Originations
Growth from Year-
Ago Quarter

1.0M

Shares repurchased in
Q1 2025 for **\$31M⁽¹⁾**

1.88%

Total Net Charge-Offs
as a Percentage of
Average Loans in
Repayment
(annualized)

\$155M

Non-Interest
Expenses

"We are off to a strong start in 2025, underscoring the strength of our core business and disciplined execution of our strategy. Although we remain cautious given the evolving macroeconomic environment, we're seeing stable credit performance with positive trends, which we believe should position us well to deliver results in line with our guidance for the year."

Jonathan Witter, CEO, Sallie Mae

Private Education Loan Portfolio Trends

- **\$22.9B** of average loans outstanding, net, up 7% from Q1 2024
- **\$23M** in provisions for credit losses in Q1 2025, compared with \$12M in Q1 2024
- **0.92%** loans in a hardship forbearance, a decrease from 1.00% in Q1 2024⁽²⁾
- **3.58%** delinquencies as a percentage of loans in repayment, compared with 3.41% in Q1 2024
- **1.88%** net charge-offs as a percentage of average loans in repayment (annualized), down from 2.14% in Q1 2024

Balance Sheet & Capital Allocation

\$0.13

Common stock dividend
per share paid in Q1
2025

12.9%

Total risk-based capital ratio
and CET1 capital ratio of
11.6%

\$372M

Capacity remaining under the 2024 Share Repurchase
Program as of March 31, 2025

Income Statement & Earnings Summary

\$301M

GAAP Net Income
attributable to common
stock in Q1 2025

5.27%

Net interest margin for Q1 2025,
a decrease of 22 basis points
from Q1 2024

\$188M

Gain on sale of loans in Q1
2025, an increase of \$45M
from Q1 2024

\$23M

Provision for credit losses, an
increase from Q1 2024 largely
due to increase in loan
commitments, net of expired
commitments, offset by \$116M
release of provision from loan
sale

2025 Guidance*

For the full year 2025, the Company expects:

\$3.00 - \$3.10

GAAP Diluted Earnings Per
Common Share

6% - 8%

Private Education Loan Originations
Year-over-Year Growth

2.0% - 2.2%

Total Loan Portfolio Net Charge-Offs
as a Percentage of Average Loans
in Repayment

\$655 million - \$675 million

Non-Interest Expenses

Investor Contact: Kate deLacy, 571-438-9574

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* The 2025 Guidance and related comments constitute forward-looking statements and are based on management's current expectations and beliefs. There can be no guarantee as to whether and to what extent this guidance will be achieved. The Company undertakes no obligation to revise or release any revision or update to these forward-looking statements. See our Forward-Looking Statements disclosures on pg. 4 for more information.

Quarterly Financial Highlights

	Q1 2025	Q4 2024	Q1 2024
<u>Income Statement (\$ millions)</u>			
Total interest income	\$656	\$661	\$664
Total interest expense	281	299	277
Net interest income	375	362	387
Less: provisions for credit losses	23	108	12
Total non-interest income	206	28	174
Total non-interest expenses	155	150	162
Income tax expense	99	21	97
Net income	305	112	290
Preferred stock dividends	4	4	5
Net income attributable to common stock	\$301	\$107	\$285
<u>Ending Balances (\$ millions)</u>			
Private Education Loans held for investment, net	\$21,091	\$20,902	\$19,688
FFELP Loans held for investment, net	—	—	513
Deposits	20,073	21,069	20,903
Brokered	8,689	9,476	10,289
Retail and other	11,384	11,593	10,614
<u>Key Performance Metrics (\$ in millions)</u>			
Net interest margin	5.27%	4.92%	5.49%
Yield - Total interest-earning assets	9.22%	8.98%	9.41%
Private Education Loans	10.59%	10.54%	11.01%
Cost of Funds	4.23%	4.31%	4.18%
Return on Assets ("ROA") ⁽³⁾	4.2%	1.5%	4.1%
Return on Common Equity ("ROCE") ⁽⁴⁾	60.1%	22.5%	65.6%
Private Education Loan sales	\$2,003	\$—	\$2,103
<u>Per Common Share</u>			
GAAP diluted earnings per common share	\$1.40	\$0.50	\$1.27
Average common and common equivalent shares outstanding (millions)	215	215	224

Footnotes:

(1) Shares of common stock were repurchased under Rule 10b5-1 trading plans authorized under the Company's 2024 Share Repurchase Program. As of March 31, 2025, we had \$372 million of capacity remaining under the 2024 Share Repurchase Program.

(2) We calculate the percentage of loans in hardship and other forbearances as the ratio of (a) Private Education Loans in hardship and other forbearances (excluding loans in an extended grace period and delinquent loans in disaster forbearance) numerator to (b) Private Education Loans in repayment and forbearance denominator. If the customer is in financial hardship, we work with the customer and/or cosigner and identify any available alternative arrangements designed to reduce monthly payment obligations, which may include a short-term hardship forbearance. Loans in hardship and other forbearances (excluding loans in an extended grace period and delinquent loans in disaster forbearance) were approximately \$151 million and \$145 million at March 31, 2025 and 2024, respectively.

(3) We calculate and report our Return on Assets ("ROA") as the ratio of (a) GAAP net income numerator (annualized) to (b) the GAAP total average assets denominator.

(4) We calculate and report our Return on Common Equity ("ROCE") as the ratio of (a) GAAP net income attributable to common stock numerator (annualized) to (b) the net denominator, which consists of GAAP total average equity less total average preferred stock.

CAUTIONARY NOTE AND DISCLAIMER REGARDING FORWARD-LOOKING STATEMENTS

This press release contains “forward-looking statements” and information based on management’s current expectations as of the date of this press release. 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. These include, but are not limited to: strategies; goals and assumptions of SLM Corporation and its subsidiaries, collectively or individually as the context requires (the “Company”); the Company’s expectation and ability to execute loan sales and share repurchases; the Company’s expectation and ability to pay a quarterly cash dividend on our common stock in the future, subject to the approval of our Board of Directors; the Company’s 2025 guidance; the Company’s three-year horizon outlook; the impact of acquisitions we have made or may make in the future; the Company’s projections regarding originations, net charge-offs, non-interest expenses, earnings, balance sheet position, and other metrics; any estimates related to accounting standard changes; and any estimates related to the impact of credit administration practices changes, including the results of simulations or other behavioral observations.

Forward-looking statements are subject to risks, uncertainties, assumptions, and other factors, many of which are difficult to predict and generally beyond the control of the Company, which may cause actual results to be materially different from those reflected in such forward-looking statements. There can be no assurance that future developments affecting the Company will be the same as those anticipated by management. The Company cautions readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, 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 most recently filed Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission; 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 or regulations; changes in laws, regulations, and supervisory expectations, especially in light of the goals of the new Trump administration; our ability to timely develop new products and services and the acceptance of those products and services by potential and existing customers; changes in accounting standards and the impact of related changes in significant accounting estimates, including any regarding the measurement of our allowance for credit losses and the related provision expense; 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; the effectiveness of our risk management framework and quantitative models; 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). We could also be affected by, among other things: changes in our funding costs and availability; reductions to our credit ratings; cybersecurity incidents, cyberattacks, and other failures or breaches of our operating systems or infrastructure, including those of third-party vendors; the societal, business, and legislative/regulatory impact of pandemics, other public health crises, and/or natural disasters; damage to our reputation; risks associated with restructuring initiatives, including failures to successfully implement cost-cutting programs and the adverse effects of such initiatives on our business; changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students, and their families, including changes as a result of new limits on, or reductions in, funding that certain educational institutions receive from the Federal government; 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 our customers, or any change related thereto; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments and those of our earning assets versus our funding arrangements; rates of prepayments on the loans owned by us; changes in general economic conditions, including as a result of the impact of tariffs or trade wars or other current initiatives of the Federal government, that may impact the demand for student loans and the risk of default of outstanding loans; our ability to successfully effectuate any acquisitions; and other strategic initiatives. The preparation of our 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 oral and written forward-looking statements attributed to the Company are expressly qualified in their entirety by the factors, risks, and uncertainties set forth in the foregoing cautionary statements, and are made only as of the date of this press release or, where the statement is oral, as of the date stated. We do not undertake any obligation to update or revise any forward-looking statements to conform to actual results or changes in our expectations, nor to reflect events or circumstances that occur after the date on which such statements were made. In light of these risks, uncertainties, and assumptions, you should not put undue reliance on any forward-looking statements discussed.

SLM CORPORATION
CONSOLIDATED BALANCE SHEETS (Unaudited)

	March 31, 2025	December 31, 2024
(Dollars in thousands, except share and per share amounts)		
Assets		
Cash and cash equivalents	\$ 3,695,076	\$ 4,700,366
Investments:		
Trading investments at fair value (cost of \$40,270 and \$41,715, respectively)	53,732	53,262
Available-for-sale investments at fair value (cost of \$1,747,064 and \$2,042,473, respectively)	1,656,977	1,933,226
Other investments	97,960	112,377
Total investments	1,808,669	2,098,865
Loans held for investment (net of allowance for losses of \$1,443,715 and \$1,435,920, respectively)	21,091,204	20,902,158
Restricted cash	173,485	173,894
Other interest-earning assets	3,383	4,880
Accrued interest receivable	1,553,979	1,546,590
Premises and equipment, net	117,426	119,354
Goodwill and acquired intangible assets, net	62,510	63,532
Income taxes receivable, net	338,292	425,625
Other assets	55,160	36,846
Total assets	\$ 28,899,184	\$ 30,072,110
Liabilities		
Deposits	\$ 20,073,168	\$ 21,068,568
Long-term borrowings	6,147,473	6,440,345
Other liabilities	277,687	403,277
Total liabilities	26,498,328	27,912,190
Commitments and contingencies		
Equity		
Preferred stock, par value \$0.20 per share, 20 million shares authorized:		
Series B: 2.5 million and 2.5 million shares issued, respectively, at stated value of \$100 per share	251,070	251,070
Common stock, par value \$0.20 per share, 1.125 billion shares authorized: 442.8 million and 440.6 million shares issued, respectively	88,566	88,121
Additional paid-in capital	1,209,017	1,193,753
Accumulated other comprehensive loss (net of tax benefit of (\$18,080) and (\$21,209), respectively)	(55,631)	(65,861)
Retained earnings	4,386,169	4,114,446
Total SLM Corporation stockholders' equity before treasury stock	5,879,191	5,581,529
Less: Common stock held in treasury at cost: 232.1 million and 230.2 million shares, respectively	(3,478,335)	(3,421,609)
Total equity	2,400,856	2,159,920
Total liabilities and equity	\$ 28,899,184	\$ 30,072,110

SLM CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(Dollars in thousands, except share and per share amounts)	Three Months Ended March 31,	
	2025	2024
Interest income:		
Loans	\$ 598,767	\$ 596,607
Investments	14,746	14,507
Cash and cash equivalents	42,577	52,444
Total interest income	656,090	663,558
Interest expense:		
Deposits	204,139	220,445
Interest expense on short-term borrowings	3,401	3,562
Interest expense on long-term borrowings	73,580	52,535
Total interest expense	281,120	276,542
Net interest income	374,970	387,016
Less: provisions for credit losses	23,286	12,041
Net interest income after provisions for credit losses	351,684	374,975
Non-interest income:		
Gains on sales of loans, net	187,735	143,039
Gains (losses) on securities, net	(10,378)	2,118
Other income	28,687	29,001
Total non-interest income	206,044	174,158
Non-interest expenses:		
Operating expenses:		
Compensation and benefits	90,830	96,476
FDIC assessment fees	12,403	13,312
Other operating expenses	50,355	50,645
Total operating expenses	153,588	160,433
Acquired intangible assets amortization expense	1,021	1,215
Total non-interest expenses	154,609	161,648
Income before income tax expense	403,119	387,485
Income tax expense	98,579	97,554
Net income	304,540	289,931
Preferred stock dividends	3,956	4,653
Net income attributable to SLM Corporation common stock	\$ 300,584	\$ 285,278
Basic earnings per common share	\$ 1.43	\$ 1.29
Average common shares outstanding	210,682	220,416
Diluted earnings per common share	\$ 1.40	\$ 1.27
Average common and common equivalent shares outstanding	214,986	223,845
Declared dividends per common share	\$ 0.13	\$ 0.11